IMPACT OF COVID-19 ON SME'S OF PAKISTAN

Rabia Naz Ali

Enrolment No: 01-246191-010

Supervisor: Dr. Abdul Baseer Qazi

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APPROVAL SHEET

Thesis Completion Certificate

Scholar's Name:	Rabia Naz Ali	Registration No:	62403
Programme of Study:	MS-ENGINEERING MANAGEMENT		
Thesis Title:	Impact of COVID-19 on SME's of Pakistan.		

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Name of the Research Student: RABIA NAZ ALI

ABSTRACT

COVID-19 has seriously affected the world's economy and is influencing businesses in ways we cannot comprehend right now. Different companies faced different challenges and recorded unexpected profits and losses. Businesses faced challenges, including supply chain disruptions, uncertain demand, cancellation of exports, supply shortages, restricted business hours, and transport disruptions. However, at the same time, businesses had to adapt to remote working, social distancing, collaboration through online mediums, rethink their go-to-market strategy, embrace eCommerce, and pivot business models to stay afloat during the crisis.

The dominant assumption is that the SMEs (B2B and B2C) are in deep water due to lockdowns, as they were implemented as a counter-strategy to prevent the spread of COVID-19. Data was collected from 195 business owners/managers representing SMEs via a close-ended survey questionnaire. The collected data was analysed through various statistical techniques including Hayes Process to test the hypothesis using SPSS software. The findings indicate that strategic flexibility, business operations, and business sustainability significantly correlate to SME's performance with COVID-19 as a moderator variable. Contrary to the popular belief, based on the research results, the SMEs performance in Pakistan improved during COVID-19. Furthermore, risk management strategies have been proposed based on the study results.

Keywords: Strategic Flexibility, Business operations, COVID-19, SME Performance, Risk Management, Business sustainability

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CHAPTER 1

INTRODUCTION

1.1 Introduction of the Study

In December 2019, the world was introduced with the respiratory disease known as coronavirus, also named Covid-19. The first case of covid-19 caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) was reported in Wuhan, Hubei province, China. This virus started as a kind of pneumonia linked with the Huanan Seafood Wholesale Market [1]. COVID-19 disease in 2019 has seriously affected the country and the world economy. Due to this, businesses face a diversity of challenges, including supply chain disruptions, declining demand, export cancellations, shortages of raw materials, and transport disruptions. COVID-19 has adverse effects on the performance of medium and small-sized enterprises (small and medium-sized enterprises) because, compared to large businesses, medium and small-sized enterprises generally have little reserved capital. Besides, these companies are highly dependent on their day-to-day operations and little market share. As a result, various medium and small-sized enterprises are in crisis; some can barely stay afloat; others will soon be out of business Small and medium-sized enterprises support many economies around the world and provide salary and employment opportunities for several people around the world [2].

COVID-19 started to infect people by spreading from one human to another. Since then, the virus has spread worldwide and affected so many people by taking their lives. Like China, the other countries, including Pakistan, started reporting their cases of COVID-19 due to physical transmission of the coronavirus through the carrier. On the 11th of March, the coronavirus was declared by World Health Organization (WHO) as a pandemic. During the succeeding weeks, the media reported about the virus spreading drastically [1]. As a result, governments all over the world started to implement strict lockdowns in their countries. To date, the world has paid a high toll in terms of human lives during this pandemic and facing economic depression, increased poverty and multitude of challenges[3]

The accelerated transmission of the virus led to the deaths of 2.6 Million people around the world. Until now, there have been 120 Million confirmed cases of coronavirus (WHO Coronavirus Disease [4]. In Pakistan, according to WHO Dashboard, the number of confirmed cases is 610,701 till the 15th of March 2021, with 13,595 deaths.

SME's (Small and Medium Enterprises) are considered the modern economy's lifeblood in many countries. SME's producing high-quality output and remain competitive now act as a backbone to the country's economy [5]. SMEs are defined by a wide variety of definitions and criteria, as [6] defined an SME as a firm having less than 100 employees. The other definition, according to European Commission, SME's are firms with 250 or fewer employees [7]. SME's are a major source of new jobs and employment creation and contribute to the growth in gross domestic products and export earnings, new market development, new products and services, and benefit in education and creation of entrepreneurs [8]. Worldwide, these SMEs represent a great picture of all firms as 95% of the businesses are SME's [9], and in the private sector, these SMEs contribute more than 60% of employment opportunities.

Similar is the case with Pakistan as SMEs contribute approximately 40% to the GDP of Pakistan [10]. Considering the importance of SMEs, the Government of Pakistan established the Small and Medium Enterprise Authority to develop and SME Bank to finance this sector[6]. Pakistan's medium and small-sized enterprises are crucial to the budget, accounting for over 90% of GDP and over 40% of export earnings out of an estimated 3.2 million companies. These companies are situated in Pakistan's urban and rural areas and make up most agricultural, retail, manufacturing, wholesale, trading, and facility industries. Due to the COVID-19 blockade and outbreak, Pakistani companies are facing an unforeseen impact on their companies. According to the latest report from the "*United Nations Conference on Trade and Development (UNCTAD),*" along with Italy, India, the US, and many other countries as well, Pakistan is the toughest hit by the COVID-19 epidemic [11].It is, therefore, necessary to study the effect of the COVID-19 outbreak on medium and small-sized enterprises operational in Pakistan. Also, labor shortages, declining production, shortages of raw resources, and transport limitations influence these companies [2].This research focuses mainly on small and medium-sized enterprises helping them anticipate risks and mitigation strategies during their decision-making process and business planning [11]

The key to technological success is that medium and small-sized enterprises explore opportunities and possibilities due to their small size and flexibility. Many are expanding their businesses according to market needs and changing global trends. Entrepreneurship is a journey

based on vision, strategy, resilience, and perseverance in this journey leads to achievement Entrepreneurship in Pakistan has grown in recent years, especially among young people [12]. Entrepreneurship is seen as the ability, knowledge, and ability to realize each person's ability or group to implement new ideas. They also need resources, technology, and human skills to carry out their tasks in the event of human problems. Therefore, it includes new ideas and their implementation as start-ups. The start-up of the company grew rapidly to fill a special gap in the market. The Technology Research Centre provides advice and support to start-ups to achieve their financial goals. An efficient mentoring system and the incubation Centre's efficient operations can overcome the problems and problems faced by start-ups. As more and more angels and venture capitalists step up and invest in innovative business ideas, financial problems can be solved [13].

In Pakistan, young graduates are full of energy and innovative ideas that can fill gaps and create meaningful things for society. They work for their start-ups, and their initial goal is to find solutions to public problems. Start-ups in Pakistan have gained international recognition for their innovative solutions. As a result, these new companies have won numerous awards around the world. Pakistan's COVID-19 start-up system has grown rapidly, with start-ups in 2019 raising more than $ 32 million in funding, compared to $ 24.5 million in 2018. The downside of entrepreneurship is that new businesses face many challenges in this process, such as initial investment, finding the right talent, financial management, legal issues, and other similar challenges. Due to the COVID-19 epidemic, businesses worldwide (especially those in developing countries) are in deep trouble, and anti-urban policies have led to serious economic disasters in some countries. Today, as most companies need 75% physical contact with their customers, most companies, including businesses and corporations, do not understand the virus's effects [14]. But this pandemic forced the companies to think through their strategies and operations. As a result, SMEs had to adapt to the new normal of remote working concepts.

According to Eurostat, in 2018, SMEs accounted for 70% of Nigeria's total workforce. The report also notes that almost all public employees work in medium and small-sized enterprises [15]. Therefore, the performance of small and medium-sized enterprises is crucial for their operations, which can indirectly help maintain the country's workforce. One way to improve a company's performance is to be strategically flexible. Small and medium-sized enterprises have contributed to job creation, growth, and export earnings. Therefore, strong strategies are required to improve medium and small-sized enterprises' performance, especially in the

external business atmosphere, which is considered by speedy changes in the market, technology, and competition [15].

In the first wave of the COVID-19, the lock and smart lock delivered a huge shock to SMEs worldwide. Due to the viral chain reaction, the effects of the COVID-19, as 75% of transactions, contracts, and shock, most organizations and sales require face-to-face meetings with customers. Medium and small-sized enterprises have been forced to close, but they have adapted to market demand. It is necessary to understand and analyze how the recession has affected these medium and small-sized enterprises in Pakistan [12]. During the first wave of Covid-19, the subsequent and smart lockdowns were a big blow for businesses and startups globally. Due to the ripple effect of the virus, most of the organizations were shaken due to the corona virus's effects because 75% of deals, contracts, and sales require in-person meetings with the client [16]. SMEs were forced to pause their operations, and businesses had to pivot to meet the market needs. At these unprecedented times, it is imperative to understand and analyze that how this downturn has affected these SMEs in Pakistan. A permanent reduction in startup rate, growth, and job creation and innovation have been seen during this period [16]. During this time, people saw the speed of growth and opportunity for innovative solutions. The purpose of this study is to examine how medium and small-sized enterprises can survive this difficult time and the effect of COVID-19 on Pakistan's revenue and technology-driven businesses. Besides, this investigative study helps to understand whether these companies could continue operations without compromising pandemic SOPs. It covers all aspects of technology-based SMEs, as they are progressive, innovative and took COVID-19 as an challenge [15].

1.2 Purpose of the Study

The purpose of this study is to investigate the impact of COVID-19 on SMEs' performance in Pakistan. It also inquires the moderating role of COVID-19 between SMEs performance and strategic flexibility, business sustainability, and business operations. As the recession due to COVID-19 was unprecedented, the companies had to execute new strategies and innovative solutions to survive the crisis. As governments seek to reduce the adverse effect of the pandemic on their people; SMEs can play an important part in supporting the economy by staying steadfast in their performance.

1.3 Research Questions

1. How did SMEs adjust to the economic disruptions resulting from COVID-19?
2. For how long the business expected to sustain in terms of cashflows during COVID-19?
3. What are the barriers in business operations faced by SME's during COVID-19?

1.4 Research Objectives

1. To determine the effect of unforeseen challenges of economic disruption on SME's and measures taken to overcome them.
2. To determine the operating cash flow that can help any SME to sustain in unprecedented times.
3. To understand the bottlenecks that hindered the operations of the businesses during COVID-19

1.5 Problem Statement

To avoid the spread of COVID-19, the government of Pakistan has taken many steps. They imposed temporary smart lockdowns throughout the country, restricted business operations, social isolation, closure of markets, cinemas, and marriage halls. Moreover, the travel ban was introduced because limited human contact and social isolation were considered the go-to approaches to stop the coronavirus spread. Fortunately, the mortality rate due to COVID-19 is low in Pakistan. Due to this very reason, lockdown was lifted and companies were permitted to resume their operations. This research is associated with analyzing SMEs' performance amidst lockdown, for there were multiple factors involved from the business end and the employer's end. Recent studies do not address the effect of COVID-19 on SMEs of Pakistan and the strategies implemented by them to stay afloat during this pandemic. However, in this study, extensive research has been done on the effect and consequences bore by SMEs of Pakistan due to the COVID-19 pandemic. Also, this study considers and analyses three variables as the determinant of SME's performance in Pakistan, considering COVID-19 as the moderator variable. The three variables include *strategic flexibility, business operations, and sustainability*. This study aims to understand whether these independent variables' impact is significant to SMEs' performance during COVID-19. The virus brought an environment of uncertainty with it as well. SMEs have to keep up with the consumer demand changes as there is a difference in supply and demand. Digital platforms played a pivotal role during COVID-

19. Multiple industries had to adapt to the latest technological reforms and adopt them for smooth team communication.

Moreover, the technology-backed SMEs viewed the lockdowns as the means to grow and leveraged the digital platforms to capture market share. Medium and small-sized enterprises have taken strict actions to ensure their businesses' sustainability in terms of employment rates, cash flows, business operations, and risk management. The study also fills the gaps related to SMEs' strategies, as very little work has been done so far in this field.

1.6 Significance of the Study

COVID-19 is no less than a bomb on the world's economy. It has paralyzed businesses worldwide, with long-lasting effects on companies' performance, their strengths, and their strategies. For brick-and-mortar companies, it acted as a litmus test, enabled them to think through their strategies, highlighted their weaknesses, whereas, on the other hand, it accelerated the digital economy of the world.

This study is highly significant for the decision-makers who are currently running the SMEs in Pakistan or involved with Pakistan's business and commerce industry. It will give them an understanding of the impact of COVID-19 on the SMEs in Pakistan, how different departments were affected and how businesses could sustain amidst chaos and uncertainty. This study is also beneficial for the policymakers (state, federal and local) as it will enable them to understand the barriers faced by the SMEs for growth and survival during COVID-19.

From a broader perspective, Pakistan is one of those countries that implemented a smart lockdown to counter the spread of COVID-19. This smart approach gave businesses foundational support to stay operational and serve the customers while multiple countries were implementing strict lockdown to curb the spread of disease. Therefore, this research can help other policymakers worldwide to understand SMEs' performance in Pakistan and what strategies and relief programs they can introduce to support and encourage medium and small-sized enterprises to cope with recessions that COVID-19 brought upon us.

CHAPTER 2

LITERATURE REVIEW

2.1 History of COVID-19

Coronavirus disease 2019 (COVID-19)" is an infectious virus produced by simple respirational disease, i.e. "Coronavirus 2 (SARS-CoV-2)". The first outbreak occurred in China, Wuhan, in December 2019. Since then, it has been spreading worldwide. The COVID-19 virus spreads when an infected person comes into close interaction with other people. When a corona infected person coughs, breathes, sings or talks, sneezes, the virus spread through the person's mouth and nose. There is little solid evidence of the infection's exact route, but infections occur when people are close enough to each other. Infected people can spread the virus to others within two days of their symptoms [17]. In moderate cases, people can become infected up to 10 days after symptoms and severe cases up to 20 days. The cause of coronavirus illness (COVID-19) has seriously affected the world economy. Different companies face different problems and incur losses [17]. Companies faced many challenges, such as supply chain disruptions, declining demand, export orders, shortages of raw materials, or transport disturbances. However, multinational companies will have an important impact on their companies due to the COVID-19 outbreak. We believe the main sufferers of the COVID-19 epidemic are micro, small, and medium-sized enterprises (SMEs); compared to huge companies, SMEs generally do not have enough resources, especially financials, and are not ready for recess periods [15].

These companies are highly dependent on their day-to-day operations and customers. SMEs support many of the world's economies and provide employment and income opportunities for various people from place to place in the world. Similarly, Pakistan's SME is crucial to the Pakistani economy, accounting for over 90% of the estimated 3.2 million companies, contributing 40% to GDP and over 40% to export earnings [17]. These corporations are located in urban and rural areas of Pakistan, make up a large part of the agricultural, retail, manufacturing, wholesale, service, and trading industries. Due to the closure and outbreak of COVID-19, Pakistani companies may have a solid negative impact on their companies.

2.2 Introduction to SMEs

2.2.1 SMEs in Pakistan

SMEs play an important role in the country's industrial, economic and social development [18]. Most developed countries recognize the SME sector's importance in helping this economy. SMEs have a unique part to play in creating employment and income opportunities. This has helped maintain the country's standard of living by increasing its income [6]. SMEs have made significant contributions to competitiveness and economic development. Pakistan's SMEs have a key character to promote economic development, technological innovation, the acquisition of large-scale industry, and economic renewal and social development [19]. SMEs are the key source of poverty reduction and monetary expansion. It can support employment and social development. Like many developing countries, Pakistan's economy is heavily supported by small and medium-sized industries.

In Pakistan, SMEs account for over 90% of all private enterprises and employ almost 78% of the non-agricultural workforce. Also, this industry accounts for 25% of industrial exports and 35% of value-added goods. Nearly 53% of SMEs come from the retail, wholesale, restaurant, and hotel sectors. It is estimated that 20% of SMEs' activities come from industrial enterprises and services from 22% [20]. The Government of Pakistan has acknowledged that SMEs have contributed to economic diversification, job creation, income creation, and poverty reduction and have invested heavily in energy and resources to promote SMEs. For example, in October 1998, the government set up an SME (SMEDA) to develop this sector. The government has also set up SMEs and micro-enterprises to finance this sector [21].

Besides, most state-owned commercial banks have tailored services to SMEs in line with government rule directives. These gaps include an emphasis on low value-added products, an absence of active business intelligence structures, an energy crisis, an absence of strategy, low economic literacy, an absence of human resources, and massive bank loans. Nothing better describes the reality of Pakistan's business environment than the nature of Pakistan's SMEs. It is, therefore, significant to clearly, identify the different types of SMEs and, by some definition, to take into account all types of enterprises (including municipal small or cooperative enterprises). The threshold for medium and small-sized enterprises has been discussed and debated in the past [20].

In many states worldwide, it is difficult to define suitable criteria for SMEs to overcome obstacles that hinder SMEs' growth. Economists, practitioners, and researchers have confirmed

that they have found that SMEs can contribute to growth, jobs, poverty reduction, and foreign exchange earnings [22]. Since the creation of SMEs, the Pakistani government has ignored their importance and called on them not to cope with the crisis. However, SMEs in Pakistan have great latent to take advantage of this. Therefore, the promotion of the new definition of SMEs requires real support from the government, and public officials, which are expected to generate huge productivity and stimulate growth and development. Practitioners and researchers recognize that it has many benefits [22].

Therefore, it is very important to adjust the number of employees, the value of all assets, sales, and paid-up capital because SMEs in Pakistan is growing and act as a catalyst to speed up innovation and economic growth. They are promoting innovation, research, and development. It also finances equity for SMEs and eventually becomes the engine of its economic growth, thus improving access to capital. Addressing the most serious challenge will boost Pakistan's economic growth and development.

2.2.2 Worldwide SMEs

The World Bank's Business Survey reaffirmed the World Bank's commitment to SMEs' growth, a key element of its growth, employment, and poverty reduction policies. In 2004, the WB accepted about $ 2.8 billion to funding micro SMEs [23]. People are progressively aware of SMEs' role in the search for international and regional economic recovery. However, there is little systematic research in this area that shares insights on SMEs' various support policies, mainly due to an absence of data.

Researchers suggest that social and political considerations rather than economic ones drive promoting entrepreneurship based on size [24]. The International Association of SMEs (ISSME) is a non-profit association. Since its inception in 2010, it has been committed to promoting SMEs' development worldwide. The establishment of the ISSME Foundation is celebrated every year on 29 July. The starting point for the ISSME is very modest, emphasizing creating truly international institutions to benefit SMEs [23].

Over the last three decades, the important contribution of SMEs to the economy has been recognized worldwide. It has attracted all stakeholders' attention, including policymakers, international organizations, and the United Nations [24]. Recognizing the prominent role of "SMEs, the World Bank, WIPO and other international organizations," as well as the United Nations, have set up a special SME department to increase support for this division. Recently, many governments have proposed creating independent ministries for SMEs a set up various

support and support agencies for SMEs to help these key sectors work better and contribute more to their economies. Among the world's multinationals, their number is the most inspiring factor, which of course, motivates experts, policymakers, and think tanks [25].

Although the world has observed so much potential in SMEs, hardly any international organization works for this vibrant industry and is represented worldwide. Simultaneously, several enterprises have taken in each country to promote SMEs' development [26]. Unemployment and poverty are similar that harms economic prosperity and social harmony [18]. ISSME is seriously and consciously committed to solving these two problems that will variety our world a well home to living in. The answer to both problems is SMEs. To attain this objective, all SME stakeholders worldwide must improve SMEs' interests. Thus, ISSM was born out of the need to provide an efficient and innovative international platform. The purpose of setting up the ISSME forum is to improve SMEs' position and create a customized platform specifically for SMEs, their support organizations, stakeholders, and other investors [26].

2.3 Impact of COVID-19 on SMEs

2.3.1 Situation of COVID-19 worldwide and in Pakistan

According to the latest report by the United Nations Conference on Trade and Development (UNCTAD), Pakistan is badly hit by the COVID-19 pandemic. Therefore, the COVID-19 outbreak on SMEs functioning in Pakistan needs to be confirmed. The current pandemic crisis is significantly disrupting these companies' activities, as SMEs are heavily dependent on the financial economy affected by the pandemic. Besides, companies are significantly affected by labor shortages, slower production, shortages of raw materials, and transport restrictions. This, in turn, has an important impact on budgeting as well. Therefore, strong political action is needed to counterbalance the recent pandemic's negative effects. No studies have been conducted to investigate the pandemic's effect on SMEs operating in Pakistan. Therefore, this study explores the impact of the COVID19 pandemic on SMEs in Pakistan. Our study aims to help practitioners recognize and policymakers the policies desirable to address the current pandemic's influence on SMEs [27].

This study focuses on the need to consider the great dangers to SMEs arising from the uncertainty of the external atmosphere and to help them anticipate risks early to make decisions and take sustainability measures. At the end of 2019 December, pneumonia of strange etiology was reported, which later turned out to be a new type of coronavirus disease (COVID-19) that

spread very speedily [28]. The World Health Organization (WHO) quickly acknowledged the seriousness of the declared and situation a "public health crisis of global concern" on January 30, 2020. In a short time, bags of exponential growth were reported worldwide. Consequently, the World Health Organization declared COVID-19 a pandemic on March 11, 2020. Within six months, the number of fatal and confirmed cases is growing quickly worldwide. As of July 19, 2020, the WHO had stated 14,043,176 confirmed cases in 216 countries and 597,583 deaths.

The first case of COVID-19 in Pakistan was recorded on February 26, 2020. On March 15, 2020, the number of confirmed cases began to rise rapidly as pilgrims from Iran crossed the Tafdan border and reached Pakistan. Later, the number of confirmed cases increased from 53 to 1,078 between 15 and 25 March 2020. As of July 20, 2020, Pakistan has reported 265,083 confirmed cases, of which 5,599 have died to date. Current data show that Sindh Province alone reported 42.63% (113,007) of confirmed cases, followed by Punjab Province 34.02% (90,191). Figure 1 shows the confirmed cases in Pakistan's provinces [29].

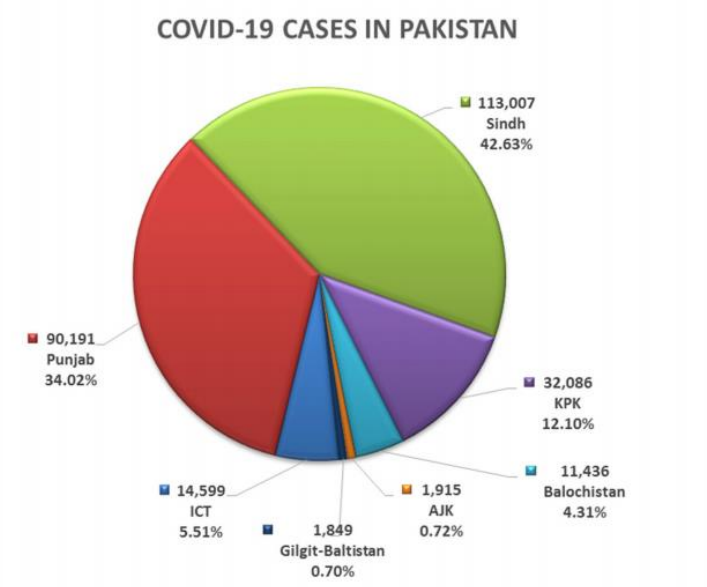

Figure 1: Province wise confirmed cases of COVID-19 in Pakistan

2.3.2 Impact of COVID-19 on Pakistan’s economy and SMEs

The disease's social and economic impact is being recorded in cities around the world in the form of labor restrictions, airline suspensions, travel bans, and, most recently, the economic recession. From February 19, 2020, to March 24, 2020, the COVID-19 disaster hit the world, and the number of cases exponentially grew every day. The COVID-19 outbreak is projected to have a major impact on global GDP growth. Due to the global COVID-19 pandemic, GDP

could affect 2.3-4.8%. The current pandemic is projected to reduce direct investment by 5-15%. According to a UNCTAD report, the world needs up to $ 2.5 trillion in aid packages to deal with this devastation. Therefore, according to these figures, the current global crisis may be more severe than the 2008 crisis. Also, according to the "International Labour Organization (ILO)," nearly 25 million people remain unemployed worldwide (job losses rise to $ 3.4 trillion) [11].

The latest ILO report shows that (in whole or part) preventive measures affect 81% of the world's workforce (around 2.7 billion workers). It is estimated that the US will lose 3 million occupations by mid-summer 2020, and developments in Europe and the world are similar. Per the "International Labour Organization," the effect of COVID-19 on the economic output of the accommodation and catering services, realty, retail trade, and wholesale, and automotive reparation industries is "large," but public services, public administration and defense, professional society health and low education. COVID-19 will have a deeper impact on developing countries, making it harder to implement effective reactive measures due to the lack of working capital and the need to earn bread and butter for survival [10]. The foremost vulnerable countries have poor health infrastructure, relying heavily on trade and tourism, high debt, and unstable capital flows. Managing the COVID-19 outbreak will revive the economy, but there is still a risk of monetary pressure beyond 2020.

Though the pandemic's economic effect continues and is increasingly random, it is clear that it will deteriorate further instead of improving in developing countries. According to the "United Nations Development Program (UNDP)" report, developing countries could lose over $220 billion in revenue. Additionally, the planet Bank predicts in its latest report that South Asia may experience its poorest economic performance in 40 years, which 1/2 the countries will experience a pointy contraction. Pakistan's revenue is reported to lose a major chunk due to the COVID-19 restrictions, and exports have fallen by 50%. Economists have warned that Pakistan's economy can collapse due to external debts, lack of funding, and slow economic activity [19].

Due to the COVID-19 pandemic, Pakistan expects real GDP growth to contract by 1.3% in 20 years due to the sharp decline in global and national economic activity in the last months of the financial year. The most important impact and the immediate obstacle is the suspension of business activities. The closure of Sindh Province was announced on March 23, 2020. Karachi, the capital of Sindh Province, is the largest industrial region globally and accounts for about

30% of total exports. Due to the closure, less than 50 percent of Karachi's 2,700 industrial plants were open on the first working day [30]. Researchers also claim about 5 million individuals in Pakistan live below the poverty line. However, many low-unskilled or unskilled people (primary - labor, recyclable waste, domestic workers) working in various services, industries, and agriculture rely heavily on daily wages for survival.

Karachi alone employs about 4 million people a day, and an estimated 4 million people work in Punjab. These daily bets were hit the hardest. They are followed by a group of micro-enterprises (also called stand-alone businesses), such as small traders, family businesses, and street traders, who depend heavily on their micro-enterprises. Family members in various industries usually run these companies, from agriculture to education. Also, these micro-enterprises are measured as part of the casual economy, and most of their activities are not documented. Therefore, the exact number of these companies is not known. According to recent statistics, micro-enterprises or self-employed accounted for 35.7% of the country's total work (2017-18). Also, 55.6% of these companies (2017–2018) are disadvantaged. More than 87% of them work in agriculture, three quarters in retail and wholesale trade, and 50% in restaurants. Third, real estate and employment and just over two-fifths of transport and telecommunications employment opportunities are vulnerable [2].

SMEs follow the threat to micro-enterprises. Various SMEs also face major challenges. For example, the lockdowns mainly affected the textile and clothing industry. Beverages, food, tobacco, and sub-sectors account for 54% of Pakistan's exports. The declining export demand in these sectors disproportionately affects Pakistan [13].

Similarly, the agricultural area is no exception. For example, wheat collecting begins in Sindh and southern Punjab from late March to mid-June. Due to a lack of transport and labor, the industry also faces some challenges. Similarly, the transport industry has sent many drivers from the region, including buses, taxis, and rickshaws. Business closures and disturbances to the domestic supply chain have impacted retail and wholesale services, transport, warehousing, and telecommunications.

More importantly, during Ramadan, there have been many areas like clothing, cars, food, shoe repair, and electronics. These SMEs are predicted to face liquidity problems and be hit by this crisis. Moreover, companies still face increased costs for the acquisition of masks, gloves, and disinfectants to regulate their workers' safety and health. Additionally, in COVID-19, Pakistan's currency has depreciated, which is another danger to a business. Per the newest

United Nations agency report, Pakistan's rate continued relatively stable from June 20 to February, falling 7.3 percent in March. In step with the "Pakistan Labour Market Survey (2017-2018)", the country's percentage is 5.8%. Because of the ongoing crisis and constraints, unemployment is predicted to be 8.1% within the 2020-2021 financial years. The above discussion shows that Pakistan is suffering an excessive amount. The impact of the COVID-19 on the global economy and Pakistan will leave a profound imprint. Therefore, it is important to assess the impact of the COVID-19 pandemic on SMEs within the light of experience to help practitioners and policymakers simplify their policies to help these companies survive this crisis [11].

2.4 Definition and Explanation of IVs and DV

2.4.1. Strategic Flexibility

Strategic flexibility is the organisation's ability to recognise major changes in the outside environment, to invest resources quickly in new actions to respond to those changes, and to take rapid action when existing resources need to be suspended or cancelled [31]. Strategic flexibility can be an important asset for a company, as it can respond effectively to change. Strategic flexibility is the capability of an organization to respond to main changes in the external environment by devoting the necessary resources. More importantly, the businesses must be able to recognise signs of change so that it can return to normal when changes in the external environment return [14]. Depending on the nature of the changes and their effect on the organization, the organization can use strategic flexibility as a proactive and protective measure. For example, when a new entrant enters the marketplace with a new product, it is a major alteration in the external environment of the current structure. The strategic flexibility can be measured through different factors. The main factors involving in the current study are as below:

- **Financial Flexibility:** Financial flexibility is the capability to react and adapt to external and internal financial circumstances. Financial capacity is difficult to determine by financial ratio or metric. This can be seen as a combination of reasonable indebtedness and balance sheet strength, adequate repayment capacity, adequate cost management and an operating profit margin. But perhaps the most important factor in financial flexibility is working capital. [32]

- **Production Flexibility:** Product flexibility can be distinct as the response (or adaptability) to future product design changes (including derivatives and new products of existing products). [25]
- **Competitive Flexibility:** Researchers describe flexibility as a competitive response to environmental uncertainty due to its ability to adapt. Researchers define flexibility as the capacity of a system to adjust quickly to changes in related factors (such as products, processes, loads, and machine failures). [33]

2.4.2. Business Operations

Business operations refers to the day-to-day operations of a company in order to raise the value of the company and earn a profit. Activities can be optimized to generate sufficient revenue, and revenue (also known as “sales or revenue”), which is used to cover all the expenses of business. Employees perform certain activities (such as accounting, marketing, manufacturing, etc.) to achieve the company's goals [34]. As a company expands, managers should plan to adapt to these changes to prevent the system from crashing. For example, as a small business grows, it must be prepared to face new challenges such as legal issues, marketing issues, and opportunities. Everything that is done in a company is referred to as business operations and these activities are used to maintain operations and profitability of an organization. A business plan usually includes a section dedicated to operations so that company founders understand the systems, tools, people, and processes needed to run the organization [35].

2.4.3. Sustainability

According to the past studies, the sustainability is a concept that define the success and failure of an organization. Sustainability mainly focus on the large amount of competition that is competent in simplification on the relation between strategic flexibility and SMEs’ performance [14]. The sustainability can be measured through various factor. But a company is considered as sustainable only if they have high or increased ROI and satisfy their customers.

- **Return on Investment:** Return on investment (ROI) or profitability is the ratio of the net return on investment. ROI means that return on investment has an advantage over costs. The return on investment is used as an indicator of performance to assess the profit or to compare the return on several different investments [36].
- **Customer Satisfaction:** Customer satisfaction is a term often used in marketing. It measures how the company's products and services meet or exceed customer expectations. Customer satisfaction is defined as "the number of customers or the

percentage of all customers who have more experience with the company, its products or services (estimates) than the specified satisfaction goal." Customers have an important and vital role to play in maintaining the importance of the product and service and ensuring customer and customer satisfaction in the best interests of the company.

- **Recruitment**: Recruitment refers to the entire process of identifying, attracting, selecting, selecting, and interviewing qualified candidates within an organization. Recruitment can also be used to select people for unpaid jobs.[24]

2.4.4. COVID-19

Pandemic COVID-19, also referred to as the coronavirus pandemic, is that the 2019 coronavirus disease (COVID-19) caused by the coronavirus (SARS-CoV-2) pandemic of the severe acute respiratory syndrome. It absolutely was first discovered in Wuhan, China, in December 2019. The planet Health Organization declared the pandemic a worldwide public health crisis in January 2020, and also the pandemic broke get in March 2020. By 7 February 2021, there have been quite 105 million confirmed cases, of which over 2.31 million were thanks to COVID-19. The symptoms of COVID-19 vary widely, nothing from severe too severe. When people are near one another, the virus spreads mainly through the air. When an infected person breathes, coughs, sneezes, or talks, he or she enters another person through the mouth, nose, or eyes. It also can spread to contaminated surfaces. People can become infected for up to 2 weeks and might spread the virus whether or not they need no symptoms [34]. Recommended preventive measures include keeping faraway from the Community, wearing masks publicly places, ventilation and air filtration, washing hands, covering the mouth with sneezing or coughing, disinfecting the surface, and monitoring and self-monitoring of affected individuals or symptoms. Several vaccines are being developed and distributed. Current therapy focuses on relieving the symptoms related to the event of antiviral drugs. Authorities round the world are responding with travel restrictions, closures, workplace risk management and facility closures. Many websites also work to boost the flexibility of infected people to seek out and track information. The response to the present pandemic has triggered global social and economic unrest, including the worst global recession since the good Depression. This results in delays or cancellations, panic, agricultural and food shortages, and widespread supply shortages because of widespread emissions of pollutants and greenhouse gases. Many educational institutions are partially or completely closed. Deformation is common in social media and media. There has been xenophobia and

discrimination against the Chinese and also the Chinese or from areas with high infection rates [37].

2.4.5. SMEs performance

SMEs performance can be quantified in "efficiency, financial performance, production level, customer volume, market share, profitability, productivity, revenue, costs and liquidity, etc." In addition, the qualitative perspective includes "goal achievement, management style, employee behaviour, customer satisfaction, product and process innovation, organizational and marketing innovation, and so on." [38] The researchers identified a series of 14 pointers to describe the presentation of SMEs: "Reputation, productivity, employee satisfaction, profit, sales, on-time delivery, adequate working capital, production efficiency, product quality and achievement targets, customer quantity, easy to monitor, reduce product costs and diversify products." In addition to examining performance characteristics, it is important to reference research that focuses on the factors that affect the performance of SMEs. To survive and thrive in a potential environment, companies must make efficient use of and combine physical, human, and organizational assets. As a result, they gain a long-term competitive advantage and achieve outstanding results. However, due to limited resources, SMEs essential to identify and use other methods to improve their competitiveness and performance.

2.5 Review of Past Studies

Due to the pandemic, major economic activities will be suspended or curtailed. The coronavirus disease (COVID-19) affected the worldwide economy, and similar is Pakistan's case. According to the study, Pakistan is facing an analogous situation with locks' introduction to stop the spread of COVID-19 and hamper economic activity. Moreover, this study aimed to assess the impact of COVID-19 on Pakistan's services sector and review the various published reports. Within the service sector, industries like tourism, hospitality, and transport were more affected than other sectors. Due to shortage of cash, various SMEs did not live long, and they collapsed due to pandemic. This study recommends entrepreneurship-based programs for successful job creation, including advances in information technology and e-commerce [22].

It has been seen that industries such as transport, tourism, and hospitality are industries that have a significant impact due to pandemic. The obstacle that followed and introduced traditional procedures had a significant impact on the hotel industry, as there was almost no economic activity. Similarly, the suspension of international flights and national restrictions have affected the tourism industry's revenues and the industry's performance. At the beginning

of the lockdown, the transport department also suffered serious damage in the district due to traffic suspension [22].

France has implemented a "partial unemployment" policy to reduce the number of redundancies granted by companies to companies and workers [39]. The United States has set up a wage protection program (PPP) to provide advances to small productions so they can keep workers' wages [3]. In the study, it has been discussed that the Government of Pakistan can also develop such methods for industries that have a major impact in minimizing redundancies during a crisis. The government needs to take firm action to address the post-virus state, as a recovery in sectors including tourism will take longer. The government has published a response plan for SMEs, which is acknowledged, but the process must be transparent and accessible to avoid business dissatisfaction [10]. The hospitality industry's burden can be alleviated by postponing the payment of utility bills and tax cuts. This crisis's impact on young people must be reduced by supporting young people's educational and employment opportunities.

Previous studies indicate that creating jobs is the main challenge for governments, which need to breathe new life into the business. Besides, governments should focus on self-employed projects that can effectively create jobs and tackle the unemployment crisis. E-commerce and IT industries can breathe new life into the business and create jobs, and governments need to develop similar approaches [22].

COVID-19 has severely precious for the world economy and Pakistan. The main sufferers of the COVID-19 pandemic are SMEs (MSMEs). The article measured the impact of the COVID-19 pandemic on companies and offered policy advice to help MSME survive the crisis and reduce business losses. An approach thorough a review of policy literature, research, and related on-the-spot reports was adopted. Also, data was composed of 184 large Pakistani companies to improve the evidence experience through web-based questionnaire management, and the researcher analyses the data with descriptive statistics [10]. The results showed that most of the companies involved were strongly affected and had financial problems, supply chain disruptions, lower demand, reduced sales, and profits. More than 83% of companies are not prepared or intend to address this situation. More than 2/3 of the contributing companies said they would not survive if the closure lasts longer than two months. The results of this research were in line with previous researches. Based on the study's consequences, several policy proposals have been made to reduce the pandemic's adverse effects on MSME. While

policy approvals are not enough to help SMEs survive the current disaster, these measures will help overcome the difficulties [10].

To achieve the company's success in handling risk to ensure stable performance, the researcher thinks that there is a need to adopt the risk management cycle [40]. For the maximum budget utilization efficiency, the scope depends on the strategies to minimize the risk factor, which can be done through the proposed framework. The proposed framework acted as a blueprint for risk management structure. The results indicate that companies can adapt and modify it according to their personalized needs [40]

The researcher examined the issue in this study, which is based on individual data from 456 SMEs concerning the crisis's spread. The results of this study showed how SMEs could take immediate action by postponing investment, reducing labour costs, reducing costs, and negotiating contracts and terms [9]. Besides, the data underline SMEs' reluctance in crisis to take steps to increase their debt ratio. The survey results raise new questions about ongoing crises, post-crisis enterprises, business failures, and the characteristics of entrepreneurs or business groups.

This study aims to assess the effect of the COVID-19 crisis on business approaches towards selected business threats in SMEs. In the Czech Republic and Slovakia business environment, 1502 SMEs participated in the survey, and before the COVID-19 crisis, 822 SMEs responded to business risk, and 680 SMEs participated in the survey. Before and after the COVID-19 crisis, Czech SMEs identified market, financial and personal risks as the three most important business risks [41]. Statistics confirm the most obvious difference in financial and personal risk perceptions based on SMEs' attitudes in providing a response time. 35.7% of SMEs in the Czech Republic and 35.3% of SMEs in Slovakia consider the financial risk one of the furthermost important business threats before the COVID-19 crisis. At the time of the crisis, 53.6% of SMEs were in the Czech Republic and 59.7% in Slovakia. Before the crisis, up to 67.8% of SMEs in the Czech Republic and 62.8% in Slovakia measured employee hazard to be one the most important business threats. During the crisis, the Czech Republic was only 27.2%, and Slovakia 29.4% [41]

Researchers emphasized the part of digital technology (DT) in improving SMEs' productivity and performance (SMEs). However, there is little indication of the consequences of using DT to deal with risky events, for instance, COVID-19. To close this gap, (i) possible investigation

pathways are outlined, and (ii) the consequences of controlling the use of DT in SMEs are considered in order to address the effect of COVID-19 and ensure business continuity [42].

Recently, people have turned to entrepreneurship and are using it as a tool to deal with a growing economy and failures in a growing economy, especially during a pandemic. This study aims to understand the influence of entrepreneurship on the performance of food processing companies in Ghana by assessing the impact of innovation and the dissemination of intellectual property rights [38]. A survey was used to gather data from 702 owners/managers during food processing. The researcher used "partial least squares structural" (PLS-SEM) equation models to analyze data and test hypotheses using Smart PLS software. Research shows that business management, innovation, and intellectual property positively and significantly impact business success. The results also show that the facilitator's role in creating innovation and intellectual property rights is full and partial. Based on the study's consequences, useful rule implications are also future and discussed [38].

In this study, it has been observed that the pandemic has had a significant impact on international trade, with the world adopting various measures to control the free cross-border movement of goods and services. As a result, world exports fell by 13.03% in the first two quarters of 2020 compared to the same period last year. Between March and April 2020, exports from China, Europe, and the United States decreased by 21%, 8%, and 7%, respectively [21]. Data from the commodity sector in China, the European Union, and the United States show that leather and leather products, footwear, vehicles, and clothing are the industries most affected, and exports have fallen by at least 20% since the COVID-19 pandemic [34]. These countries are the main exporters on the world market and the main players in the international supply chain, importing raw materials and components. Together, these three main business levels account for 63% of total supply cable imports and 64% of supply hawser exports [21]. In all three economies, the disruption affects many countries, which are heavily dependent on imported inputs and other materials.

For example, the decline in supply from Chinese-based companies has had a major impact on production capacity and exports in China's dependent countries. Impacts are most pronounced in machinery, cars, materials, telecommunications equipment, metals, and related products [34]. During the pandemic, countries worldwide adopted trade measures to ensure a steady supply of basic products to their countries. In this context, 94 countries have adopted export

restrictions, and 104 countries have adopted import freedom programs to survive the COVID-19 pandemic [39]. Countries have imposed export restrictions.

Similarly, some countries have imposed temporary restrictions on imports. Most of them are designed to facilitate access to medical products or food. Many developed and developing countries have eliminated or reduced tariffs on medical products to meet growing demand [43].

Nevertheless, at the same time, major medical device manufacturers, including Germany, the United States, Switzerland, China, and Ireland, have restricted export controls on key medical products, leading to an international shortage of these products [3].

A past study suggested that Financial and fiscal incentives need to be adopted to decrease the Pakistani economy's negative impact. On the financial side, the Pakistani government has announced a stimulus package worth 1.24 trillion Pakistani rupees, but Pakistan's central bank is providing liquidity assistance to households and businesses to help them survive the recent temporary economic turmoil [44]. In the current context, it is necessary to maintain trade flows in basic products (especially basic food and medical products) to diminish the negative impact on the labour force and poverty. To this end, support must be given to SMEs, in particular by reducing tariffs, harmonizing customs procedures, abolishing temporary import licenses, simplifying transport services, facilitating access to quality standards and certificates, financing exports, reducing markets through information provision, and reducing transport supply [22]. Also, e-commerce can be strengthened to do business even in remote areas.

Pakistan was considered one of the worst affected countries due to COVID-19, and the current economic crisis has been exacerbated by the economic damage caused by the pandemic. This article explains how the community health situation is precious for Pakistan because it is considered one of the most important industries. According to the study, although the government has taken some mitigation measures, these measures were not sufficient to offset the effects of the pandemic [45]. This article discussed the consequences of Pakistan's economic collapse on the country's dominant mixed political system. In recent years, the Pakistani armed have considered cheap as an important part of the national refuge. Besides, senior officials believe that the current problems are not organizational but administrative. According to reports, the Pakistani army's choice is the de facto SBP governor and finance minister. With an army leader appointed to the new National Development Council, the army

can join in economic decision-making. As the recession deepens, the military's focus on national security will increase, making it more proactive in managing the cheap. Thus, the political scheme's military supremacy will only rise in the future [38].

COVID-19 has destroyed lives and livelihoods and continues to do so in many communities worldwide. Although the pandemic's full implications are far from certain, it is already clear that its economic consequences are dire. Given some grim economic signals, we would have expected more drastic reductions in spending. However, a sizable number are maintaining or even increasing it, at least for now. That is especially true for large B2B companies, 53 percent of which expect to increase spending over the next two weeks (April 8–21, 2020) [46]. In 85 percent of the cases, the rate of change in spending—either up or down—was no more than 25 percent of total spending. The importance of digital channels for B2B companies has grown significantly in the past few years and has radically increased since the COVID-19 crisis began. Sales leaders, on average, rate digital channels approximately twice as important now as they were before. This shift in the importance of digital interactions is reflected in customer behaviours. The sudden and massive shift to remote working prompted by the COVID-19 pandemic and the "consumerization" of B2B buying already underway have profound implications for how companies sell to and buy from one another [46]

In the second half of 2019, and before the COVID-19 crisis broke out, it became increasingly clear that the global economy was on the verge of stagnation, that growth had slowed in all regions, and some economies had contracted in the last quarter. Despite the limited scope for policy implementation, there is a widespread perception that, under the leadership of major emerging economies, the situation will gradually improve in 2020, and potential global growth will resume in 2022 [47]. Although economic growth in developed countries remains weak, China's stable growth rate of almost 6% helps ease trade tensions and accelerate the growth of major commodity exporters, carrying 2.7% globally in 2020 [48].

Another article under literature review aims to understand the international SMEs' reporting model for sustainable development. SMEs around the world published around 190 sustainability reports. This article uses a hybrid approach, including a quantitative content study to understand reporting models. Also, review-based surveys and qualitative conferences are used to understand the reasons for reporting and not reporting. This article concludes that there is a lack of understanding the sustainability reports. There are also problems with implementation, lack of skills and training, government support, lack of regulation, and

sustainable organization. Also, in Pakistan's context, stakeholder demand and pressure for sustainable development reports have disappeared [19]. This study's conclusion indicates the commitment of international stakeholders to the Sustainability Report is increasing. However, in Pakistan, SMEs do not publish a sustainability report according to the GRI guidelines. This study uses a mixed approach (i.e., survey and interview) to identify the factors/barriers affecting the sustainability report. The researchers concluded that there was no information on sustainability reports. There are also problems with implementation, lack of skills and training, lack of rules, sustainable infrastructure, and government support [19].

The creation of a new company, the company's current growth, and its exit from the market, as well as the existence of venture capital, reflects the entrepreneurial spirit [49]. Governments worldwide have adopted measures to combat and social isolation in the fight, which has significantly weakened business. This article has gathered preliminary data that it is likely to cause unexpected damage to the business, innovation, and growth. This requires short-term economic and trade support schemes to focus on long-term measures grounded on the smallest five principles. These five principles (5D) cover decentralization, democratization, demand, dissemination, and demography [49].

Medium and small-sized enterprise managers in developing countries need elementary training and introductory training to improve estate sustainability. These results are similar to previous studies. Besides, current researchers point out that there is a need to change SME managers' mindsets that a sustainability report benefits the company. Also, it can be argued that these reports are often submitted to meet the requirements of government regulations or to address social pressures to demonstrate the unsustainability of SME reporting in Pakistan. Therefore, it is suggested that the Government of Pakistan can legally force SMEs to leave sustainability reports concluded regulations, in particular, to clarify issues of environmental justice, such as equal opportunities, child labor, and social security to reduce poverty [19].

The world is facing the challenge of COVID-19, affecting a growing economy, including the healthcare sector. COVID-19 affected the health and increased poverty. To prevent civil war, the government developed a "standard procedure" for SMEs to prevent chronic diseases. These studies aim to investigate the impact of COVID-19 on the health or well-being of SMEs and raise awareness on social media. This pandemic has affected Pakistan's SMEs and GDP at the first stage, which began on 24 January 2020, and it was very harmful as it reduced their health and economy. All countries face difficult times of pandemic, especially in the economy, and

government financial support for SMEs aims to improve their performance and health awareness. Social media has an important role in providing additional information on the coronavirus status and in educating governments on health policy, trade, prevention, and status [42]. The article aimed to discuss the importance of technology and social media during a pandemic. Due to COVID-19, all developing countries have problems in different sectors, especially in the health sector and SMEs. In this study of COVID-19, it has been seen that the part of social media and the Government of Pakistan is beneficial for SMEs. The Government of Pakistan has provided a large amount of support for SMEs' sustainability and development [50]. Today, SMEs in rural areas mainly use social media to disseminate information. If funding for SMEs is not increased, SMEs' contribution will reduce Pakistan's GDP, which could cause significant damage to SMEs. In a crisis like COVID-19, all developing countries should deal with business and spend more on business development. Business advertising campaigns should be organized to keep their businesses healthy. Social media helps to overcome business and health problems. During the office, try to enforce state-owned commercial real estate funds and be careful "at home" during closing [51].

According to another study conducted in this regard, due to the COVID-19 pandemic, urban prisons and social distance have led the competition in internal and external markets. To prevent the uncontrolled feast of COVID 19, some countries worldwide have issued lockdowns. There is no doubt that the closure has slowed the spread of the COVID-19. However, SMEs face traditional challenges such as management skills, lack of accounting, finance, poor cash flow, and many other problems that delay their success. However, it has other effects, including a recession and lower production for only a few, and most SMEs maintained their operations [16].

The coronavirus is a study of the financial effects of the COVID-19(commonly known as COVID-19). Since its beginning in China, it has demanded thousands of lives due to a viral infection, isolating millions of infected areas. It has also caused global chaos in places that have caused great suffering to humanity. This is hampering the growth and functioning of COVID-19 risk-based international retail chains, manufacturing units, travel, raw materials, and consumer markets. There is the same pattern worldwide, with varying degrees of lockdowns and traffic bans, which are ruining markets and jobs. This affects revenue generation and imposes high costs on countries in responding to a public health pandemic. Therefore, its monetary impact on minor developing countries is worrying and volatile. An economy like Pakistan has high debts, negative economic growth, and a lack of resources to combat it [3].

This study analyses the factors influencing the success of Portuguese start-ups. It aims to develop a predictable success model and failure for the Portuguese business ecosystem. Our experiential research addresses four categories that affect performance: founder characteristics, individual characteristics, resources, and external factors. The sample consists of 50 start-ups established in Portugal between 2003 and 2015 [52]. The explanatory variables used were management experience, industry experience, marketing skills, age, education, parents with a company (characteristics of incorporation), capital (capital), financial accounting and management, planning, consulting, human resources, affiliate scheduling, products or services (new business characteristics) and the economic calendar (external factors). Experienced results showed that only the founders' and external factors' characteristics significantly affect Portuguese start-ups' success. The founders of a Portuguese start-up are under the age of 25 and are likely to succeed with a high school or lower education. Unlike previous literature, however, there is a negative relationship between market knowledge and business success. In general, predicting success and failure provides an accurate forecast of around 82% of the success or failure of a particular Portuguese start-up [52].

While people recognize the important role of SMEs in influencing growth, SMEs' results around the world, such as in Nigeria, are unexpected. Therefore, this study aims to examine the impact of strategic flexibility by examining the impact of the Sustainable Development Plan on Nigerian SMEs' performance in terms of enterprise policy. A questionnaire was used to test the study hypothesis; 486 valid questionnaires were obtained from the study and evaluated using the Smart PLS algorithm and boot function [14]. The search results are generated using the Smart PLS algorithm and function. The search structure showed a satisfactory approach and differentiation according to the results.

Similarly, the general model has a strong analytical correlation. The study confirmed the strong positive impact of strategic flexibility on SMEs' performance. The study also confirmed the modest structural impact of sustainability plans. The survey was designed to be effective and comprehensive. Therefore, it is recommended that future studies contradict or confirm this research's results in another context. Investigation findings can be useful for policymakers and researchers. This is particularly useful for understanding strategic flexibility, its impact on SME performance, and adapting to corporate sustainability and strategy. This study responds to identified needs, especially in the situation of emerging economies, for instance, Nigeria, using strategic flexibility and its impact on SME performance from a strong viewpoint [14].

The COVID-19 infection threatens life and livelihoods and poses immediate challenges to organizations serving different societies. The attention on the impact on local microcredit institutions in Pakistan is paid. Pakistan is a mature microfinance sector that serves many families. These organizations provide services to vulnerable groups in traditional profitable banks, help clients finance micro-enterprises, maintain and save liquidity. The research results come from a "quick response" collected through a telephone survey of about 1,000 small businesses, a review of about 200 microbial agents, and dialogs with senior representatives of regulatory and microfinance agencies. It has been found that weekly household and sales income fell by an average of 90% due to lockdown. At the beginning of April, finding food is the main priority for families. Therefore, the current sample of 70% of large financial lenders said that they would not repay their loans. The creditor predicts that in April 2020, the repayment rate will be only 34%. Based on the results, it is concluded that COVID-19 is a micro-capital crisis in low-income communities. It is also an opportunity to anticipate the future of microcredit [53].

Today, organizations need to be vigilant and respond to unexpected events, for instance, external crises, which increase employee insecurity and threaten the organization's direct performance and survival. However, with the current COVID-19 pandemic, establishments have unexpectedly faced unparalleled challenges in finding new solutions to the tasks that have arisen in many of their areas of activity. This article addresses some of these tasks and focuses on the inferences of COVID-19 for human resource management (HRM), where officialdoms can help employees adapt and cope with the new work environment. Some future research opportunities recommended a comprehensive research plan to address the challenges discussed [48].

In another study, the researcher looked at how the COVID-19 pandemic provokes SMEs (SMEs) in the developed industry to make policy tenders. The unexpected pandemic caused an economic shock and examined how it could affect different sorts of SMEs. In the short term, most SMEs face organizational challenges and require disruption, although the level of difficulty varies from one enterprise to another. It is believed that they will face different challenges and opportunities in the long run, depending on SMEs' type. Policy intervention should also be sensitive to different types of SMEs, relatively than using a one-size-fits-all method. The strategy must initially focus on European SMEs' survival near a more structured and long-term tactic based on promoting their growth and renewal through globalization, innovation, and networking [54].

In addition to the effect on public health, COVID-19 has also had a main impact on the economy. To find out how COVID-19 affects small trades and the potential effect of a current incentive bill, the research examined more than 5,800 small businesses. The outcomes revealed several key issues. Firstly, there has already been a huge redundancy and closure. It is observed that 43% of companies were briefly closed, compared to January and the average number of employees decreased by 40%. Secondly, according to the prior literature, it has found that many small businesses are financially vulnerable. For example, a median trader spends more than $ 10,000 a month and has less than a month's cash. Thirdly, companies have differing views on how long COVID infringements are likely to last. Fourthly, most companies intend to seek money through the CARES Act. However, there are various problems in getting help, such as bureaucracy and difficulties in developing skills [43].

Another research was studied which discusses the validation of a reliable model (ORM) in the growth phase of a crisis caused by critical planning conditions caused by a COVID-19 pandemic. ORM consists of three dependencies (information technology, human resources, and management) that mediate the reliability of Type 1 and Type 2 activities to affect the organization's credibility. An organization's credibility is a precondition for the sustainable development of modern organizations [55]. The typical has been established and approved for different functioning conditions. However, the black swan disaster creates the conditions necessary so that so-called patterns and models need to be examined as part of the structure of the emergency theory. Therefore, the purpose of this article is to examine the ORM and to explain the arrangements that shape an organization's credibility in situations to present theory (validation of organizational reliability patterns between institutions in crisis) and implementation. ORM conducted an empirical study based on a sample of 115 Italian workers working in the difficult situations of the COVID-19 pandemic. To test the hypothesis, they performed a path analysis using SPSS AMOS [55]. The consequences established that in the very critical situations that led to the increased institutional crisis, the current ideology, including the ORM, had to be defined. The results show that in a crisis that has been affected by the organization's main key factors, the role of human resource reliability in ORM has changed significantly, and there is a significant difference in its impact on the reliability of the organization. They also reaffirmed that IT and human resources departments rely on managers to change the way they work before IT reliability can interactively affect the entire organization's credibility. Therefore, to ensure sustainability during crisis escalation, arrangements need to be redefined to ensure sound planning [55].

A study was conducted to addresses the current scientific and practical issue, i.e., the organization's ability to reply to the COVID-19 pandemic. The aim is to identify the organization's basic behavior, which provides for its resilience following an analysis of its responses to the risks associated with COVID-19 trade restrictions. The theoretical part is about managing the person responsible for the organization and the survival of the association in uncertain circumstances—current research results for SMEs in Klaipeda [56]. The theoretical part includes choosing research methods for solving scientific problems, analysis, systematization, synthesis, generalization, and comparison of sources in the literature. Due to the uniqueness of the region, most of the surveyed companies (71.3%) come from the service sector, while the other surveyed companies belong to manufacturing (15%) and trade (13.7%). Surveys show that most of the organizations surveyed have government support. The evaluation of the survey data and the summary of the organization's response measures and efforts in uncertainty have concluded that SMEs' response to uncertainty is mainly focused on risk prevention and risk aversion. However, the organization responds to unprepared and uncontrollable challenges [56].

2.6 Theoretical Framework and Hypotheses

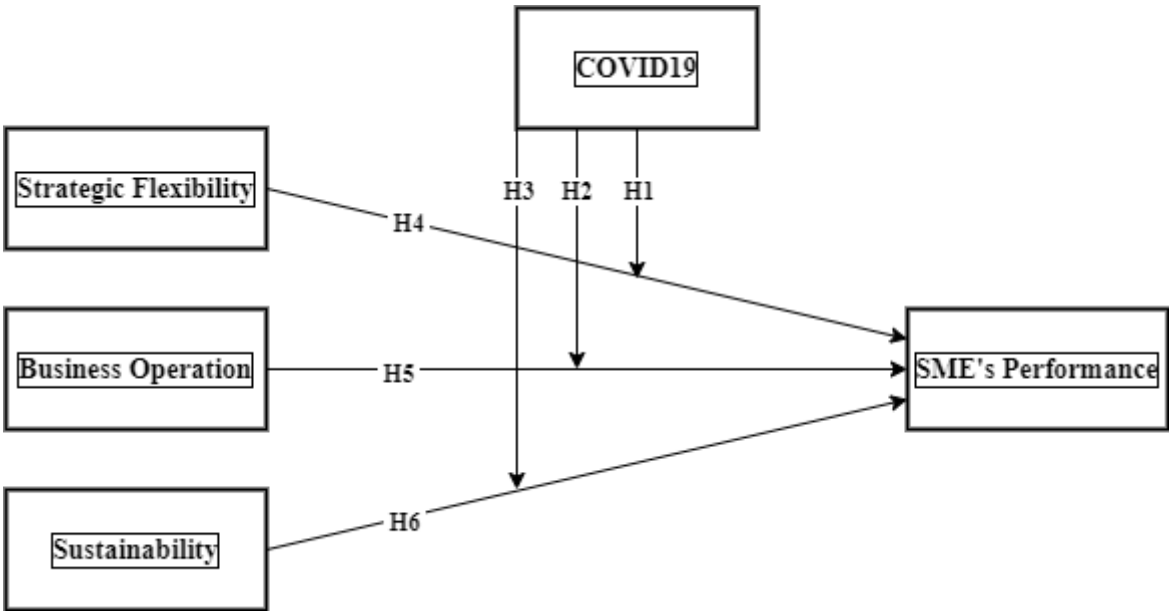

Figure 2: Theoretical Framework

Turbulent environment is one in which and unpredictable change occurs in market along with some technical changes. The two main categories of turbulent environment involve

technological turbulence and market turbulence. COVID-19, in this case, act as turbulence environment factor which had a great impact on market. The above framework is adopted from [31] in which market turbulence and technology turbulence acted as moderator and had their impact on strategic flexibility and performance of the businesses. The above framework represents that the strategic flexibility, business operation and sustainability of business have a direct link with SME's performance. Moreover, the variables Sustainability and Business Operations were taken from the [14] in which they examined their relation with SME's performance through several tests. From above framework it is indicated that the COVID-19 is acting as a moderator which has impact on the relations between Strategic Flexibility and SME's performance, Business Operation and SME's Performance and Sustainability and SME's performance. The hypotheses for the above framework are as follows:

2.7 Hypotheses

H1: Strategic flexibility has a positive relation with SME's performance during COVID-19

H2: Business operations during COVID-19 have a negative relation with SME's performance.

H3: Sustainability of businesses has a positive relation with SME's performance during COVID-19.

H4: Strategic Flexibility has positive relation with SME's performance

H5: Business operations have positive relation with SME's performance

H6: Sustainability of businesses has a positive relation with SME's performance

CHAPTER 3

METHODOLOGY

3.1 Research Philosophy

There are four main types of investigation philosophies: "*positivism, interpretivism, realism, and pragmatism*" [56]. In the positivism philosophy of research, the researcher is an objective expert, based on which the researcher distinguishes personal values and works independently. Similar to philosophy, positivism requires only "factual information" that is obtained through observation (hours) (including measurement) to be reliable. In experimental research, the role of investigators is limited to the objective collection and interpretation of statistics. For this sort of study, the outcomes of the studies are generally measurable and visible. Positivity depends on measurable explanations leading to statistical analysis. Furthermore, positivism suggests that scientists should focus on proofs, but phenomenology attention to humanity's benefits and meaning [56].

Interpretation, also called interpretivism philosophy, involves researchers who explain aspects of research so that the interpretation integrates a person's interest in the research. Thus, "interpretive scholars believe that reality (given or socially based) can only be achieved through social structures such as language, consciousness, common meaning, and attitudes." The expansion of the philosophy of interpretation is grounded on an analysis of the social sciences [56]. Therefore, this philosophy highlights qualitative rather than quantitative analysis. Moreover, interpretive studies typically focus on using several approaches to reflect diverse aspects of the difficulty.

The ideology of the study of realism relies on the concept of separating reality from human thought. Realism is often divided into two categories: direct and significant. The simple reality is described as "what you see is what you receive." In other words, direct realism describes the planet through the human senses. On the opposite hand, the critical reality believes that folks certainly experience pictures and emotions in the real world. Per critical realism, pictures and emotions within the planet may be misleading and sometimes don't represent the real world.

Practicality research philosophy accepts concepts that only support action. Pragmatists "recognize that there are many different ways to interpret the world and conduct research. There is no single perspective that can provide all the images, and there may be different realities". According to realistic investigation philosophy, the investigation question is the most important decisive study philosophy. Dependent on the nature of the exploration question, realism can associate positive, interpretive attitudes within the same research.

For this study, the positivism philosophy of investigation has been used because quantitative data has been used to test hypotheses and generate results.

3.2 Research Design

There are two main types of research design, which include "*deductive and inductive reasoning*." [57]. Deductive reasoning is a kind of argument: in this case, as long as there is no error in the reasoning, the value of the input proposal (negligence) can guarantee the validity of the logical output (conclusion) of the claim. The premise may be a statement that logic believes or a theory that logic studies [57]. Deductive reasoning contrasts with inductive reasoning. Inductive reasoning is a kind of precedent that can ensure the result's accuracy, but it is not accurate. Deductive reasoning, including deductive logic, is the process of discussing one or more statements (assumptions) in order to reach a logical conclusion. If all assumptions are correct, the definitions are clear, and the deduction rules are followed, the result is correct. However, arguments that are leading arguments should be strong enough that the result cannot be wrong if the default value is true. Therefore, unlike the subtraction argument, the success or strength of the implementation argument is a matter of degrees [57].

For this study, a deductive design of research has been used because the hypotheses were developed initially and already existing studies are used to design framework. Later, the data was collected based on those hypotheses. The relationship between three independent variables (Strategic Flexibility, Sustainability and Business Operations), one dependent variable (SME's Performance) and one moderating variable is determined to form basis of analysis for the impact of Covid-19 are used to construct hypothesis. Information is then collected and data is analysed.

3.3 Research Methods

There are three main types of research methods: "*qualitative, quantitative, and mix-method research*." Qualitative research involves collecting and investigating non-digital data (e.g., video, audio, or text) to understand concepts, involvements, or opinions. It can be used to collect full ideas or create new research ideas. Qualitative research is widely used in the social sciences and humanities. Qualitative research is based on direct observations, interviews, questionnaires, and focus groups obtained from researchers based on data, participatory observations, the natural environment, documents, and recordings of objects made. Qualitative investigators study people to understand their social realism [58].

The quantitative investigation is the procedure of analyzing and collecting data through close ended questionnaire. It can discover patterns and production forecasts, causal tests, and generalized results for larger populations. The quantitative investigation is a research policy that focuses on the analysis and collection of quantifiable data. The quantitative investigation aims to apply and develop mathematical theories, models, and assumptions linked to phenomena [58].

A mixed investigation method involves leading research that contains analyzing, collecting, and integrating quantitative (e.g., studies, experiments) and qualitative (e.g., interviews, focus groups) research methods because the integration requires a better understanding of each research question.

For this study, the quantitative method of research has been used because all the data has been collected with the help of a close-ended survey questionnaire. Moreover, this research is explanatory; it lays the ground for examining the impact of Covid-19 on SME's majorly under technology management.

3.4 Data Collection Methods

There are two main kinds of data collection approaches, which include "*secondary and primary method of data collection*." Secondary data means that the data has been composed by someone other than the primary user. Common secondary data sources are the census, facts collected by government agencies, institutional registers, and statistics originally composed for other research purposes [59].

Primary statistics are figures that researchers gather directly from prime sources through surveys, experiments, interviews. The cause of the raw figures is usually adapted and selected to meet specific investigation needs. Likewise, before choosing a data collection source, one should identify things like the study's determination and target group [59].

In this study, the primary data collection method has been used because all the responses have been collected directly from the business Owners/CEOs through a close-ended survey questionnaire.

3.5 Research Instrument

This study's research instrument is a close-ended/survey poll, which was used for the collection of data. Research instruments consist of tools which are used to generate data. In this study, research instrument is questionnaire adapted from previously existing studies on SME's performance and Covid-19. Relevant articles have been used as a source of questionnaire. The questionnaire used in this study includes total 38 questions which are related to 5 variables mentioned. Mainly responses are recorded against Five Point Likert Scale in which responses vary from Strongly Disagree to Strongly Agree. Frequency distribution includes Company related information based on several items like Company, Revenue, Education, and Effected business. Ten questions of SME's Performance were adapted from [38]. Ten questions for Strategic flexibility were adapted from [31], [14] and [41]. Six questions for Sustainability were adapted from [14]. Six questions for Business Operations were adapted from [60].

3.6 Sampling and Sample Size

Sampling is a procedure used in statistical examination in which a programmed number of explanations for a large number of populations are predetermined. The sampling method for a larger population hinges on the type of investigation but may involve modest sampling or methodical sampling. Investigation samples carry out specific studies that allow researchers to conduct studies on large populations without reaching all populations. There are two main approaches of sample: "probability sampling and non-probability sampling."[61]

In the probability sample, respondents are casually selected to participate in surveys or other investigation designs. For example, to be a likelihood sample, each member of the population must have as many opportunities to participate in the study as the researcher needs to know

about the probability of selection [61]. The probability sample is the most common sample for opinion polls, surveys, and other quantitative data collection, and the results apply to a larger population. This is when the total population of a country is very large, or the total population of a city is small (for example, young women living in a particular city).

However, a non-probability sample refers to an example created by a non-random progression. This kind of sample includes surveys for knowingly sample from specific lists. Non-probability models are usually used in the research phase of investigation projects and on qualitative studies and quantitative study. The main type of non-probability sample involves purposive sampling technique which involve the population that is logically represent the population [62].

For this study, purposive sampling techniques have been used. All the data were collected by the SME's that specifically have technology as an integral part of their business model. It includes technology firms, ICT related companies, engineering firms etc. The CEO/Managers of companies are involved in this research.

The data has been collected between January and March 2021, before the third wave of COVID-19. Around 1600 companies were reached out for the survey. Complete answers were received from the owners/managers of 195 companies (N=195).

3.7 Targeted Population

The target population is the progressive SMEs that have technology as an integral part of their business model. They are registered with Rawalpindi Chamber of Commerce (RCCI), Islamabad Chamber of Commerce ICCI, Karachi Chamber of Commerce, and Lahore Chamber of Commerce. Some of these companies have been registered with SMEDA and P@SHA. Respondents represented both B2B (82 percent) and B2C (18 percent) industries.

3.8 Data Analysis

For analysing the data, statistical techniques are used for the quantitative data. SPSS software is used for analysing the quantitative data in which different test like Reliability, Descriptive, Correlation and Regression analysis are used. Moreover, the Hayes Process is also used to for moderato. These test shows the relationships between and validity of items for the current research.

3.9 Inclusion and Exclusion Criteria

To maintain the integrity of the research, only real and relevant responses of respondents have been used in the study and excluded all the irrelevant responses from the study. Moreover, in the literature review section, only recent past studies have been included and excluded all the old studies from the literature section. Also, the whole reference has been included along with certifications throughout the study.

3.10 Ethical Considerations

To maintain the study's reliability and validity, only relevant and real data has been used in this study. The privacy and confidentiality of collected data are ensured. Moreover, none of the respondents' information or responses would be leaked from our side. Also, it was ensured that no respondents would face any pressure at the time of data collection. They can give any answer they want and leave the questionnaire whenever they want.

CHAPTER 4

RESULTS AND FINDINGS

4.1 Results

4.1.1 Introduction

In this chapter, the collected data is analysed through different statistical techniques that include reliability tests, descriptive statistics, correlation, regression analysis, and Structural Equation Modelling. The output of these results is generated through the software of SPSS and AMOS. Moreover, graphical representation and pie-charts are also used to show results. In this chapter, SUS is referred to the variable Sustainability, SF is referred to as Strategic Flexibility, BO is referred to as Business Operations, and SME is referred to as Small and Medium Enterprise Performance. Each of the results is explained below:

4.1.2 Demographic Analysis

Some of the demographic questions were asked from the respondents during the process of data collection. The main purpose of collecting this information is to ensure authenticity of the respondents that they belong to the same group of people as required. These questions were related to company and the respondents as well. The demographic analysis of the respondents is given below:

Company	
Small business (up to 49 employees)	35%
Medium-sized enterprise (from 50 to 100 employees)	65%
Education	
Masters	50.0%
Bachelors	36.0%
University Without graduation	8.0%
PHD	5.0%
Others	1.0%
Business Affected due to COVID-19	

Yes	61.0%
No	24.0%
Maybe	15.0%
Revenue in 2019	
Less than 1 million	31.0%%
1-5 Million PKR	19.0%
5.1-10 Million PKR	17.0%
10.1-50 Million PKR	9.0%
Greater than 50 Million PKR	24.0%

Table 1: Frequency Distribution

Through the above table, it is identified that the around 65% of the respondents have Small Businesses having workforce around 49, while 35% of the respondents have Medium-Sized Enterprise range from 50 to 100 respondents. This shows that majority of the respondents operate small-sized enterprises. Based on the results of level of education, it is assessed that around 36% of the respondents have Bachelor's degree while 50% of the respondents have Master's degree. Moreover, around 8% of the respondents are the university students without graduation and 5% of the respondents are at PhD level. To ensure that the respondent's business is either effected during Covid-19 or not it is assessed that 61% of the respondents believe that their business is impacted due to Covid-19 and around 24% of the respondents believe that their business is not affected due to Covid-19. But 15% of the respondents are not sure about the impact of Covid-19 on their businesses. By observing the Revenue of the companies, it is found out that around 31% of the respondents mentioned that the total revenue of company for 2019 was less than 1 million and around 19% of the respondents believed that the total revenue of SMEs was from 1 to 5 million. Around 24% of the respondents mentioned that the total revenue was more than 50 million, while 17% of the respondents believed that the total revenue was from 5.1 to 10 million. This shows that the total revenue changes based on the size of companies.

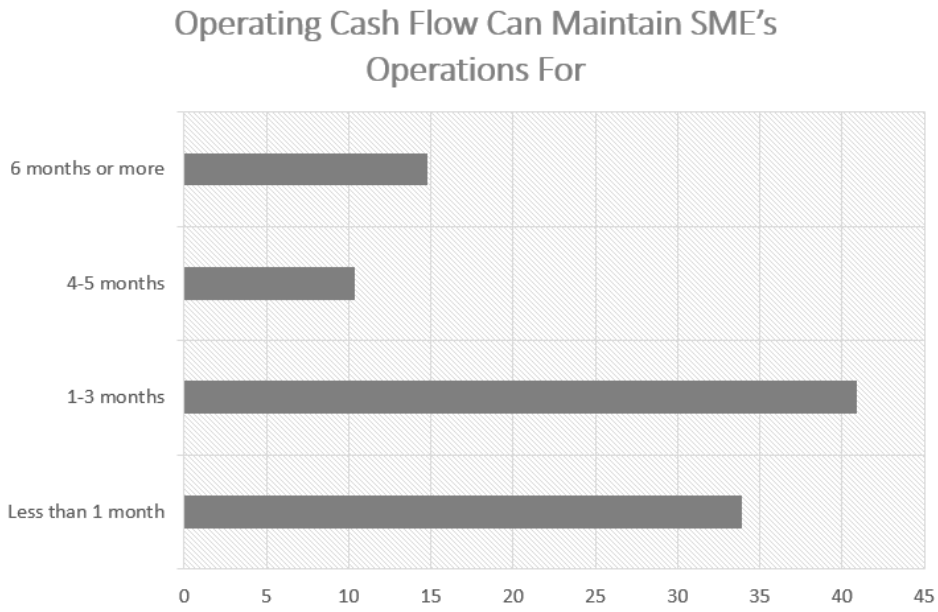

Figure 3: Operating Cash Flow That Can Maintain SME's Operations

Based on the study, 14.8 percent of the companies can sustain their operations for more than 6 months with operating cash flow. Whereas, 33.9 percent of the companies will sustain less than 1 months with their current operating cash flows. 10.4 % of the companies can maintain their operations for 4 to 5 months during COVID-19. And 40.9 percent of the companies can maintain their business for 1 to 3 months.

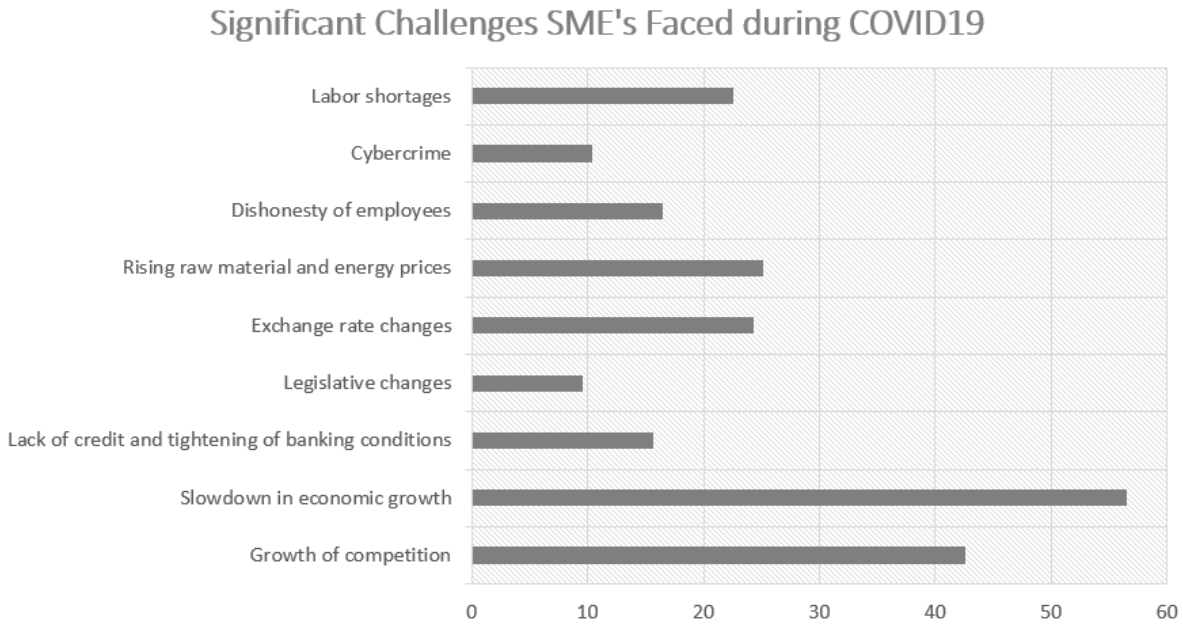

Figure 4: Significant Challenges SME's Faced During COVID19

According to the data collected from SMEs, it is assessed that there are many challenges faced by companies because of COVID-19 and based on the results, it is assessed that around 42.6% of the respondents believe that their companies are facing the risks from the growth of their competitors. Moreover, around 56.5% of the respondents believe that their company is facing challenging dynamics due to the slow growth of the economy. 24.3% of the respondents believe that due to the fluctuations in the US dollar and Pound Sterling exchange rate, the companies are facing risks.

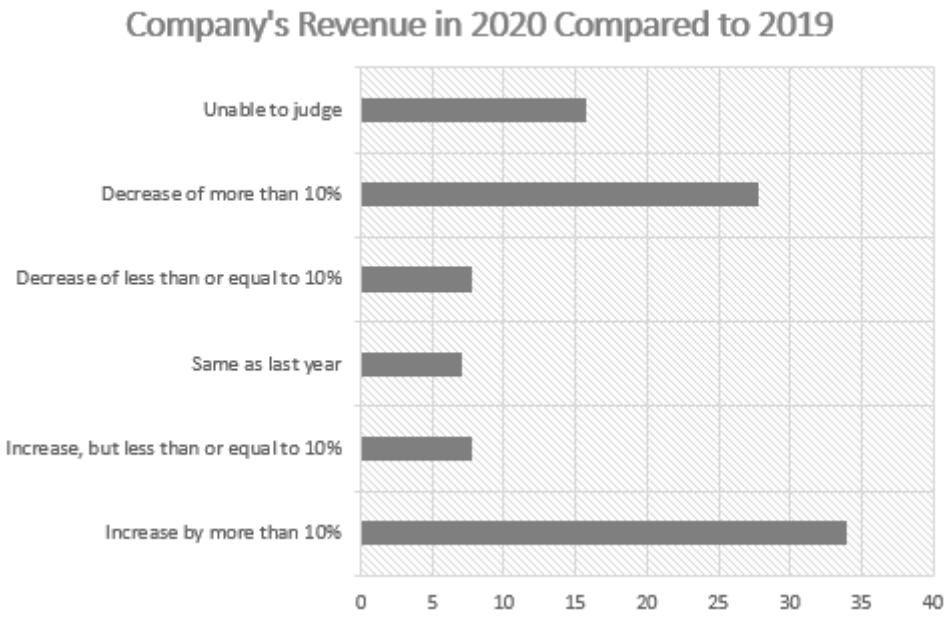

Figure 5: Company's Revenue in 2020 as Compared to 2019

Approximately 33.9% of the respondents think that the total revenue of their companies is increased by 10% and 7.8% of the respondents say that the revenue has been increased, but less than or equal to 10%. Moreover, 7% of the participants believe that the total revenue of their companies is similar in 2020 as compared to 2019. Around 8% of the respondents believe that the total revenue is declined to less than or equal to 10% and 27.8% of the respondents believe that the total revenue of the companies is dropped to 10%. Approximately, 15.7% of the respondents think that they are not able to judge the change in total revenue of their companies in 2020 as compared to 2019.

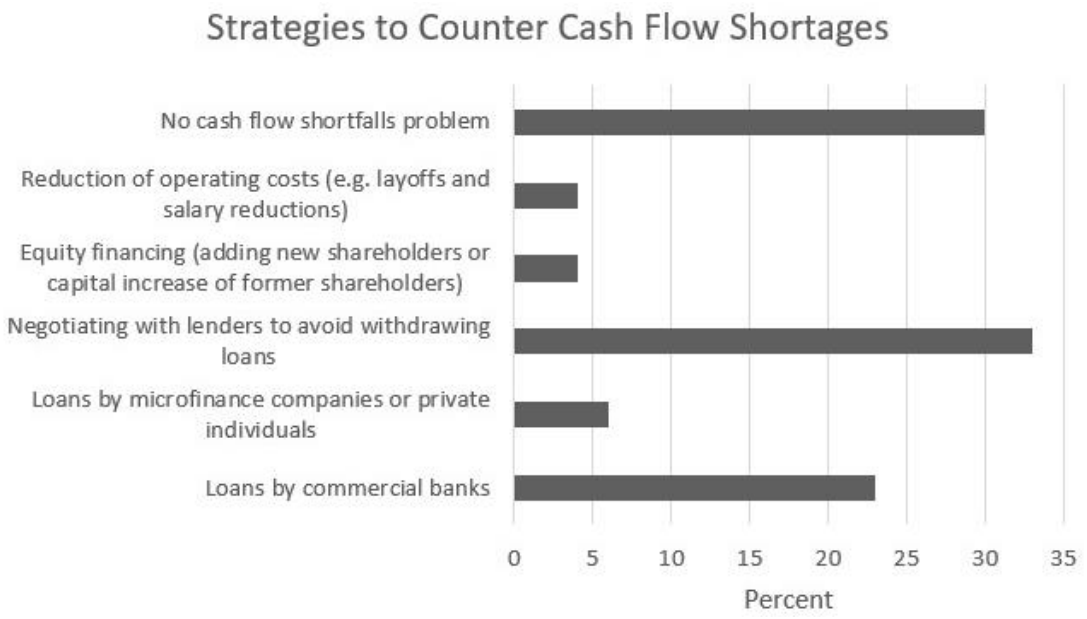

Figure 6: Strategies to Counter Cash Flow Shortage

Based on the above results, it is assessed that there are some main means to deal with the shortage of cash flows during Covid19. Around 23% of the respondents believe that their companies manage a shortage of cash flows in Covid-19 through loans taken by commercial banks. 6% of respondents believe that the cash flow is managed through the loans taken from micro-finance companies and private individuals. A major chunk of respondents around 33% believe that the cash flow of their businesses can be balanced by negotiating with lenders to avoid the withdrawal of loans. Moreover, around 4% of the respondents believe that the cash flow of their companies is managed through equity financing and approximately 4% of the respondents believe that cash flow is managed through a reduction in operating cost.

4.1.3 Reliability Test

This study has used the test of reliability to examine the inter-consistency of each item. The reliability test is carried out to assess the accuracy of each item with the help of a test of Cronbach's Alpha. Based on the study of [63] it is identified that if the value of Cronbach's α is greater than 0.7, it means that the items are reliable. The results of Cronbach's Alpha are shown in the table below:

Variable	**Number of items**	**Cronbach's Alpha value**
Strategic Flexibility	10	0.87
Business Operations	6	0.71
Sustainability	6	0.82

COVID-19	6	0.86
SMEs performance	10	0.88

Table 2: Reliability Test

From the above table, it is identified that all the items of each of the variables are highly reliable. The items of the variable of SF are highly reliable as the value of Cronbach's alpha is 0.87 and it is greater than 0.7. Moreover, the variable of SUS has Cronbach's alpha value of 0.82 and the variable of BO has a value of 0.71. Furthermore, the variable of COVID-19 has a value of 0.86 and the variable of SME has a value of 0.88. These all the values are more than the benchmark values that is 0.7 and that shows the items are reliable.

4.1.4 Descriptive Statistics

In this study, descriptive statistics (DS) is carried out that provide a summary of the measures and samples of the study. The DS aims to clarify the behaviour of sample data. This research tends to comprise and measure various variables and, in this regard, the DS test is important as it categorized a huge amount of data into a minimal quantity. The main elements of DS are mean, Skewness, kurtosis, and standard deviation (SD) [64]. The mean value shows the average value of the dataset provided by the participants. The SD value shows the distance of the mean between the values and indicates that how closely the actual values of the dataset are closer to mean values. In this test, the values of Skewness and kurtosis are also calculated, and that the normality of the dataset [65]. The normal distribution graph indicates whether the dataset is normally distributed or not. The results of DS are shown through the below table:

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
COVID19	195	1.00	5.00	3.4778	.93216	-.521	.174	.086	.346
SF	195	1.00	5.00	3.5979	.85681	-.489	.174	.009	.346
SUS	195	1.00	5.00	3.7171	.78768	-.421	.174	.058	.346
BO	195	1.00	5.00	3.5120	.71566	-.525	.174	1.322	.346
SME	195	1.10	5.00	3.3862	.86051	-.420	.174	-.011	.346
Valid N (listwise)	195								

Table 3: Descriptive Statistics

The values of the above table of descriptive statistics show that the mean values for all the variables included in this study ranged from 3.3 to 3.7 and that shows that most of the respondents have agreed to the statements. Moreover, the values of SD for all the variables are less than 1 as the values range from 0.7 to 0.9 and that shows that there is not much fluctuation

in the dataset and the actual values of the data are closer to mean values. To ensure that the dataset is normally distributed or not, the values of Skewness and kurtosis are checked and as the values of these two indicators lie between -0.5 to 0.5 for all the variables, it shows that the dataset is approximately normally distributed. The kurtosis values of the variables are touching around 0, except for the variable of BO. As a result, the assumption of regression analysis is fulfilled as the dataset is normal.

4.1.5 Correlation Test

The correlation test is carried out in this study that explains the strength of the relationship between the variables. Based on the study of [66], if the correlation values are closer to 1, it shows that there is a high degree of relationship and if the values of correlation are closer to 0, it shows the weaker degree of correlation. Moreover, if the correlation value is positive, it shows that the association between the constructs is positive and if the value has a negative sign, it shows a negative association. Moreover, if the value is 0.3 or less, it means that the association is weak and if the value is from 0.4 to 0.6, it indicates the moderate degree of relationship, and if the value is higher than 0.7, it shows that the association is strong. The test of correlation test is depicted below:

Correlations

		COVID19	SF	SUS	BO	SME
COVID19	Pearson Correlation	1	.555**	.649**	.522**	.945**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	195	195	195	195	195
SF	Pearson Correlation	.555**	1	.651**	.399**	.428**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	195	195	195	195	195
SUS	Pearson Correlation	.649**	.651**	1	.556**	.597**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	195	195	195	195	195
BO	Pearson Correlation	.522**	.399**	.556**	1	.531**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	195	195	195	195	195
SME	Pearson Correlation	.945**	.428**	.597**	.531**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	195	195	195	195	195

**. Correlation is significant at the 0.01 level (2-tailed).

Table 4: Correlation Analysis

Based on the results of the above table of correlation, the relationship of COVID19 with SF and with SUS and with BO is at a moderate level because the values are 0.5, 0.6, and 0.5 respectively. As these values lie between the ranges of 0.4 – 0.6, as a result, it is identified that the relationship is at a moderate level. Moreover, the relationship between COVID19 and SME is at a high level as the value is 0.9. The relationship between SF with SUS, BO, and SME is at a moderate level because the values of the relationship of these variables range from 0.4 to 0.6. The relationship between SUS with BO and SME is at a moderate level as the values of correlation are 0.5 for both. Similarly, the relationship between BO and SME is at a moderate level as the value of correlation is 0.5. It is further assessed that the relationship between the variables is positive as all the correlation values are positive.

4.1.5 Regression Analysis

To test the moderating effect of COVID19 and hypothesis, the techniques of Multiple Regression analysis along with Linear Regression Analysis are used in this research. The rationale for using this technique is that there are three IVs and one DV and also one moderating variable. If there are more than one IV and one DV, the technique of Multiple Regression is used to handle moderating variable. This technique is used to assess the impact of IVs on DV affected by moderator. Moreover, to check the impact of moderating variable on IV, the simple linear regression (SLR) is also used [67]. In this study, SF, BO, and SUS are taken as IVs, COVID19 is taken as MV and the SME is taken as DV. The outcome of IVs on MV is shown in below table:

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	BO, SF, SUS[b]	.	Enter
2	COVID19, BO, SF, SUS[b]	.	Enter

a. Dependent Variable: SME

b. All requested variables entered.

Model Summary[c]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.645[a]	.416	.406	.66299	.416	45.272	3	191	.000
2	.954[b]	.910	.908	.26087	.494	80.767	1	190	.000

a. Predictors: (Constant), BO, SF, SUS

b. Predictors: (Constant), BO, SF, SUS, COVID19

c. Dependent Variable: SME

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	59.698	3	19.899	45.272	<.001[b]
	Residual	83.954	191	.440		
	Total	143.653	194			
2	Regression	130.722	4	32.681	480.210	<.001[c]
	Residual	12.930	190	.068		
	Total	143.653	194			

a. Dependent Variable: SME

b. Predictors: (Constant), BO, SF, SUS

c. Predictors: (Constant), BO, SF, SUS, COVID19

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	.352	.272		1.294	.197					
	SF	.049	.073	.049	.671	.503	.428	.048	.037	.574	1.741
	SUS	.444	.088	.407	5.052	.000	.597	.343	.279	.472	2.117
	BO	.344	.080	.286	4.286	.000	.531	.296	.237	.689	1.452
2	(Constant)	.421	.107		3.942	.000					
	SF	.163	.030	.162	5.504	.000	.428	.371	.120	.546	1.831
	SUS	.031	.037	.028	.844	.400	.597	.061	.018	.416	2.406
	BO	.082	.033	.068	2.507	.013	.531	.179	.055	.646	1.548
	COVID19	.905	.028	.981	32.305	.000	.945	.920	.703	.514	1.945

a. Dependent Variable: SME

Table 5: Multiple Regression Analysis

Based on the above tables, it is identified that the R-value is 0.64 for model 1 which shows that the relationship between IVS and DV is at a moderate level. In Model 2 it is identified that the R-value is 0.954 which shows the relationship between IVs and DV along with Moderator. Model 1, R Square Change is equal to .494 and F change is 80.767 with 1 and 190 degree of freedom and P equals to .000 that is less than .005 which is statistically significant. The value of Adjusted R-square is 0.910 which shows that 91% of the change is caused in SME's performance along with SF, SUS, and BO with respect to Covid-19 So, these values are suggesting that by adding the moderator, a statistically significant interaction was observed. It has increased the percentage of variance accounted for the dependent variable substantially vary with 49% with Sus, BO and SF.

With SUS, BO and SF including and excluding the COVID19 from Model 1 the R square is equal to .416 suggesting that 41.6 percent of the variance in SME performance is accounted

for and that is statistically significant with F of 45.27 and 3 and 191 one degree of freedom where P is less than .000.

Adding the moderator, the interaction increases the percentage of variance accounted for by .494 and that's why it is seen that variance goes from 41.6 % to 90.8%. and this R square is statistically significant as well. 480.2 F value with 4 and 190 degree of freedom P less than from .000

As far as a table of Anova is concerned, the f-value is more than 4 and the p-value is 0.001 that is less than 0.05 and which indicates that the overall models are significant.

Moreover, it is also checked that whether each of the IVs i.e. strategic flexibility, sustainability, and business operations have positive relationship with SMEs performance or not. In order to assess this the regression analysis is used and the results are shown below:

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.428[a]	.183	.179	.77982

a. Predictors: (Constant), SF

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	26.285	1	26.285	43.224	.000[b]
	Residual	117.367	193	.608		
	Total	143.653	194			

a. Dependent Variable: SME

b. Predictors: (Constant), SF

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.840	.242		7.616	.000
	SF	.430	.065	.428	6.574	.000

a. Dependent Variable: SME

Table 6: Regression Analysis

Based on the above results, it is identified that the SF has a positive relation with SMEs performance because the p-value of SF is 0.00 that is less than 0.05 and is statistically

significant. The overall model is also significant as the p-value of f-test is 0.00 i.e. less than 0.05. Moreover, the R-value is 0.42 that shows that the relationship is at moderate level between SF and SME.

The relation between sustainability and SME is also assessed and the results are shown below:

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.597[a]	.357	.353	.69196

a. Predictors: (Constant), SUS

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	51.243	1	51.243	107.024	.000[b]
	Residual	92.409	193	.479		
	Total	143.653	194			

a. Dependent Variable: SME

b. Predictors: (Constant), SUS

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.961	.240		4.010	.000
	SUS	.652	.063	.597	10.345	.000

a. Dependent Variable: SME

Table 7: Regression Analysis

Based on the results, it is assessed that the relationship of SUS with SME is positively significant as the p-value is 0.00 that is less than 0.05. Moreover, it is assessed that the overall model is significant because the p-value is less than 0.05. Moreover, the relationship is also at moderate level because the R-value is 0.59 and that range from 0.4 to 0.6.

The relationship of business operations with SME is also checked and the results are shown below:

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.531[a]	.282	.278	.73094

a. Predictors: (Constant), BO

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	40.538	1	40.538	75.875	.000[b]
	Residual	103.115	193	.534		
	Total	143.653	194			

a. Dependent Variable: SME

b. Predictors: (Constant), BO

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.143	.263		4.349	.000
	BO	.639	.073	.531	8.711	.000

a. Dependent Variable: SME

Table 8: Regression Analysis

Based on the results, it is assessed that the R-value is 0.53 that is at moderate level because the value lies from 0.4 to 0.6. Moreover, it is also assessed that the p-value of f-test is significant as the p-value of f-test is 0.00 and that shows that overall model is significant. The BO has positive impact on SME as the sig-value is 0.00 that is less than 5% significance level.

4.1.6 Hayes Process

Model Summary

R	R-sq	F	df1	df2	p
.6417	.4189	42.1719	4.0000	154.0000	.0000

Model

	Coeff	se	t	p
Constant	.6127	.5173	2.1725	.0015

COVID19	.7018	.1426	4.6681	.0000
SE	.3042	.1697	2.7287	.0018
Int_1	.0487	.0217	2.0773	.0030

Interactions: int_1 = SF x COVID19

Outcome Variable: SME

Table 9: Hayes Process Model 1

The results of strategic flexibility (SF) show significant relationship with SME's performance (SME) (Coeff. 0.3042, $p<0.05$). Whereas, COVID19 (COVID19) and SME's performance (SME) has significant relationship (Coeff. 0.7018, $p<0.05$) and Interaction term (SF x COVID19) is significant (Coeff. 0.0487, $p<0.05$). On the basis of these values, we can say that COVID19 is playing a significant moderating role in this model because not only SF is significant with SME, but when we tested COVID19 as an interaction term by multiplying with SF, then it is also significant. So, we can conclude that our finding does support moderation of COVID19 between strategic flexibility and SME's performance.

Model Summary

R	R-sq	F	df1	df2	p
.6274	.4184	42.1179	4.0000	154.0000	.0000

Model

	Coeff	se	t	p
Constant	1.2780	1.1716	2.0908	.0027
COVID19	1.0765	.2975	3.6190	.0004
BO	.9344	.3735	2.5019	.0034
Int_1	.1665	.0924	2.8029	.0033

Interactions: int_1 = BO x COVID19

Outcome Variable: SME

Table 10: Hayes Process Model 1

The results of business operations (BO) show significant relationship with SME's performance (SME) (Coeff. 0.9344, $p<0.05$). Whereas, COVID19 (COVID19) and SME's performance (SME) has significant relationship (Coeff. 1.0765, $p<0.05$) and Interaction term (BO x SME) is significant (Coeff. 0.1665, $p<0.05$). On the basis of these values, we can say that COVID19

is playing a role of significant moderating variable in this model because not only BO is significant with SME, but when we tested COVID19 as an interaction term by multiplying with BO, then it is also significant. So, we can conclude that our finding does support moderation of COVID19 between business operations and SME's performance.

Model Summary

R	R-sq	F	df1	df2	p
.6284	.4479	42.1768	4.0000	154.0000	.0000

Model

	Coeff	se	t	p
Constant	.5729	1.0018	2.4701	.0012
COVID19	1.0172	.2384	3.7217	.0007
SE	.6180	.2819	2.0146	.0013
Int_1	.1261	.0649	2.1609	.0011

Interactions: int_1 = SUS x COVID19

Outcome Variable: SME

Table 11: Hayes Process Model 3

The results of sustainability (SUS) show significant relationship with SME's performance (SME) (Coeff. .6180, $p<0.05$). Whereas, COVID19 (COVID19) and SME's performance (SME) has significant relationship (Coeff. 1.0172, $p<0.05$) and Interaction term (SUS x COVID19) is significant (Coeff. 0.1261, $p<0.05$). On the basis of these values, we can say that COVID19 is playing a role of significant moderating variable in this model because not only SUS is significant with SME, but when we test COVID19 as an interaction term by multiplying with SUS, then it is also significant. So, we can conclude that our finding does support moderation of COVID19 between sustainability and SME's performance.

4.2 Hypotheses

Hypothesis 1: The first hypothesis "Strategic flexibility has a positive relation with SME's performance during Covid-19" is accepted. This hypothesis is retained on the basis of correlation, regression analysis and Hayes process. As the results indicate that Pearson's correlation value is significant at .428 magnitude so the strategic flexibility has a positive relation with SME's Performance. Moreover, in Regression analysis, the p-value that is 0.00

which is less than 0.05, shows that the relationship is significant. In addition, the relation is positive and this is identified from the beta value is 0.49 which is positive.

Hypothesis 2: The second hypothesis "Business Operations during Covid-19 have a negative relation with SME's performance" is rejected. The hypothesis is analysed on the basis of correlation and regression analysis and Hayes process. This hypothesis is rejected because from the results, it is identified that the relationship between BO on SME because of moderator is significantly positive as the p-value is 0.00 that is significant and the beta value is 0.63 that is positive. This shows that the relation is positive.

Hypothesis 3: The third hypothesis "The sustainability of businesses has a positive relation with SME's performance during COVID-19". This hypothesis is retained on the basis of Regression and Correlation analysis and Hayes process. The results show that the relation is statistically significant because the p-value is 0.000 that is less than 0.05 which indicate that the relation is significant between these variables. Furthermore, the beta value is 0.65 is positive which clearly shows that if businesses sustained during COVID-19 then the performance will increase. Also, it is analysed through correlation analysis that these two variables are highly significant with the magnitude of .597.

Hypothesis 4: The fourth hypothesis "Strategic Flexibility has positive relation with SME's Performance" is accepted. The reason to accept is analysed through linear regression analysis. Results indicate Strategic Flexibility is positively related with SME's performance as the sig value is significant 0.00 that is less than 0.05 and also the beta value is 0.42 that is positive which means that this hypothesis is retained.

Hypothesis 5: The fifth hypothesis "Business Operations has positive relation with SME's Performance" is accepted. The reason to accept is analysed through linear regression analysis. Results indicate Business Operation is positively related with SME's performance as the sig value is significant 0.000 that is less than 0.05 and also the beta value is 0.53 that is positive which means that this hypothesis is retained.

Hypothesis 6: The sixth hypothesis "Business Sustainability has positive relation with SME's Performance" is accepted. The reason to accept is analysed through linear regression analysis. Results indicate Business Sustainability is positively related with SME's performance as the sig value is significant 0.000 that is less than 0.05 and also the beta value is 0.597 that is positive which means that this hypothesis is retained.

4.2.1 Hypotheses Assessment Summary

Hypothesis	Retain/Reject
Strategic Flexibility has a positive relation with SME's performance during COVID-19	Retain
Business Operations during COVID-19 have a negative impact on SME's performance.	Reject
Sustainability of businesses has a positive relation with SME's performance during COVID-19	Retain
Strategic Flexibility has positive relation with SME's Performance	Retain
Business Operations has positive relation with SME's Performance	Retain
Business Sustainability has positive relation with SME's Performance	Retain

Table 12: Hypothesis Assessment Summary

4.3 Discussion

This study aims to analyze the impact of COVID-19 on SME's performance by determining Strategic Flexibility (SF), Sustainability (SUS), and Business Operations (BO) and considering COVID-19 as moderating variable. In this study, Strategic Flexibility, Sustainability, and Business Operations are regarded as independent variables while SME performance is considered as the dependent variable. Moreover, the SMEs that come under digital management are chosen for assessing the relationship between the variables. To collect the responses from the participants, which primarily involve the people from Managerial Posts and CEOs of the companies, an adopted questionnaire is used from different research studies. However, a scale was set that ranges at 5% of significance level to test the rejection and acceptance of the hypothesis of the study. Based on this significance level, hypothesis 1, hypothesis 3, hypothesis 4, hypothesis 5, and hypothesis 6 are retained and hypothesis 2 is rejected. These hypotheses are retained and rejected based on their p-values and beta values which are analyzed in Regression analysis, significance from Correlation. To check the moderating effect of COVID-19, a technique called Hayes Process is used along with multiple regression analysis. These tests were performed through SPSS software. The linear regression

analysis is also performed to check the relation between independent variables and the dependent variable. Previously, a technique called SEM (Structural Equation Modelling) was also performed because it is considered as one of the best techniques to check the mediating effect. After the implementation of SEM using AMOS software, it was observed that the COVID-19 is not acting as a mediator in the relation, so it is analysed that COVID-19 is acting as moderator for this study. Moreover, the relationship is also tested between the variables, and through the empirical evidence, it has been identified that the COVID-19 is at a higher level and affected SME Performance with SF, SUS, and BO. However, it is important to consider that all of these relationships are positive and are significant at 99% confidence interval.

Based on the above results, it is observed that the SF, SUS, and BO have a high effect on SME's performance during COVID-19. The evidence from the previous study also indicates that the relationship between strategic flexibility and business performance [31]. So, in this study, it is observed that SF has a positive relation with SME's Performance. The strategic flexibility is effective in the context of environmental uncertainties and dynamism particularly due to COVID-19. It is also proved from the study [31] that environmental turbulence had a great effect on strategic flexibility due to which a company's performance can be good or bad. Moreover, the impact of COVID-19 on Business Sustainability and SME performance is positive as 35% of respondents observed an increase in revenue by 10%. So, these companies considered COVID-19 as an opportunity to improve their revenues. Also, it indicates that customers are satisfied with the services and products of businesses during this pandemic which also played a major role in the sustainability of SME. From previous researches, it is observed that business sustainability improves or reduces the company's performance[14]. The results for the Business Operations have a negative impact during COVID-19 and this is supported from the findings of [68] in which it is identified that during COVID-19, the businesses are trying to manage risk and digitize their operations. The impact of COVID-19 on SMEs seems to be at high level and these results are supported by the findings of [10] in which it is identified that however most of the SMEs have been affected due to pandemic and they faced issues related to supply chain, finance, uncertainty in sales and profits, and supply chain disruptions. Moreover, around 83% of the companies were neither prepared and nor have plans to handle a pandemic recession. The impact is positive because this pandemic is eye-opening for SMEs and they can make strategies and policies to address it effectively. Moreover, SMEs can effectively navigate pandemic via risk management process that is depicted in the following figure

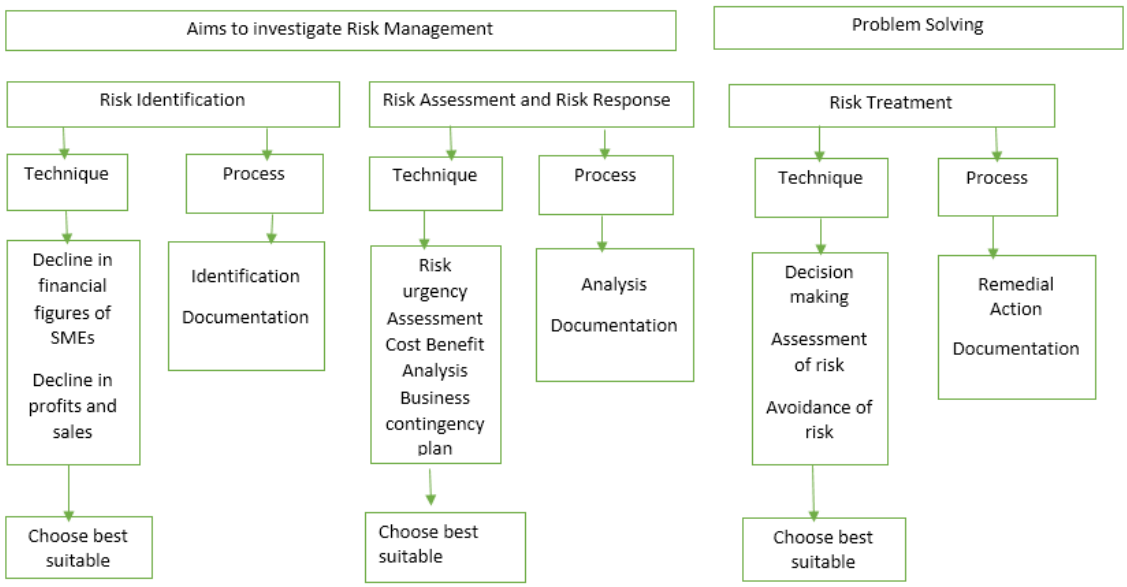

Figure 7: Risk Management Framework as proposed by author of this research

With reference to "figure 7", the proposed framework is for risk management of SMEs during uncertain environments. The proposed framework aims to investigate impending risk by focusing on the risk management process (risk identification, risk assessment, and response) and problem-solving of the identified and assessed risks (risk treatment) [40]. In order to achieve the company's success in terms of handling risk to ensure stable performance, there is a need to adopt the risk management cycle as well. For utilization of the maximum budget efficiently, the scope depends upon the strategies to minimize the risk factor and this can be done through the proposed framework. This can act as a blueprint for the companies to formulate a risk management structure. Companies can adapt and modify it according to their personalised needs.

CHAPTER 5

CONCLUSION

5.1 Conclusion

The global dynamics have changed in micro and macro perspective due to COVID-19. The changes in consumer behaviour, shopping habits, impulsive travelling, digital sales, manufacturing operations, remote working, focus on digital transformations, medical advancements, retail industry are tip of the ice berg that we have been able to observe significantly. There are multitude of implications due to Black Swan Event in terms of country's economy, trade, GDP and growth projections that we are unable to understand or project due to the lack of qualified data about the COVID-19's impact.

This study concludes that due to 2019 coronavirus (COVID-19) different companies faced different problems, took it as a challenge and come up with a strategy to counter the effects. Businesses faced diverse challenges like 35% of the companies from the examined sample faced growth of competition during this pandemic. The desire and need to stay in business acted as a motivation for the business owners to introduce new services, products and explore the paths they wouldn't have explored otherwise. Other observed issues in the examined sample mainly include slow economy, exchange rate changes, cybercrime, dishonesty of employees, labour shortage, lack of credit and tightening of banking conditions and increase in the prices of raw materials. According to researchers, the main victims of the COVID-19 pandemic are SMEs, as SMEs generally lack of capital, especially capital needed by management for smooth operations, as compared to large companies which have sufficient reserves [69]. This study concludes that SMEs that use digital mediums, IT solutions and digital marketing were able to sustain their business operations and grow amidst COVID-19 as they are relying more on the technology-based solutions. According to McKinsey and Company, more than 90% of B2B companies have sustained as they transitioned to a virtual sales model during COVID-19 [46]. A lot of digital transformations happened within the companies during COVID-19 Technology based B2B & B2C SMEs considered COVID-19 as an opportunity to grow their profits, increase their market share and expanded their services in international markets. Due to low mortality rate in Pakistan as compared to other countries, and lack of cooperation from the population in following the SOPs, the business operations were halted for a very short period. Secondly, the smart lockdowns were implemented in specific areas only.

As a result, the uncertainty in the external environment for a short time helped SMEs to mitigate risks timely and anticipate counter measures. From the findings of this study, it is identified that COVID-19 has impacted the performance of SMEs as majority of the respondents agreed to it. It is also assessed that some companies are not able to maintain its operations due to cash flows shortages for more than 3 months but majority of the companies can maintain their operations. Most of the SMEs of Pakistan made strategies in such a way that they do not lose their market share and sales, so even in case of low revenues they can retain their employees. The SMEs adopted online commerce, and moved from brick-and-mortar strategy to ensure that their business stays operational even if another wave of COVID-19 emerges. As far as the business sustainability is concerned, some businesses are affected due to COVID-19 because of downsizing due to financial constraints, lower revenues, and loss of customers. But majority of the companies were able to sustain even after being affected by COVID-19 by improving the business processes to ensure customer satisfaction in challenging times. It is also identified that for production-based SMEs, they faced temporary problems due to lockdown as they were unable to export and import raw materials from other countries due to trade restrictions. Due to this, their financial performance declined during COVID-19. However, they still managed to stay afloat by adopting new strategies as soon as the trade restrictions were removed i.e expanding their businesses into new regional and international markets, expanding the variety of products available for the sales, by adopting new technologies and innovative ways to produce better, faster and cheap products, which is a good sign for the country's economy. It is the management's responsibility to monitor internal and external threats to the business model, anticipate implications and take necessary actions to improve the overall business performance [70]. So, the main reasons of SME survival and improved performance may depend on the certain reasons which include short time period for lockdown in country. The other reason may involve the effect of COVID-19 on over all country. As the number of deaths are still very low as compared to the other countries, it is considered as a positive reason for the survival of SME's.

5.2 Future Recommendations

This study has been comprehensive and took a broader approach looking at the SME of Pakistan. It has addressed all the key variables that have an impact on the performance of SME. Moreover, the role of COVID-19 has been checked in this study and that explains the role of COVID-19 on the framework. As this research is restricted to the SME's that uses technology as an integral part of their business model. Therefore, there are still few things that

can be addressed in future studies. This study has used quantitative method and used numerical data that does not provide insights of SMEs performance, financial projections, and the implemented strategies. So, a mixed-method study could be conducted that gives insights about performance of SMEs and tried-and-tested strategies to stay profitable in times of pandemic and recession. Moreover, in future studies, the performance of SMEs can be analysed via sector wise, that can be further categorised into B2B and B2C businesses.

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QUESTIONNAIRE

Demography						
	Your company is	Small business (up to 49 employees) Medium-sized enterprise (from 50 to 100 employees)				
	Your company name is					
	How long have you been in business?					
	Age					
	Education					
COVID 19						
	Was your business affected due to Covid-19					
	How long your company's current cash flow maintained the company's operation during Covid-19?					
	What is the main means you are considering to deal with the cash flow shortage due to Covid-19? (You can select up to 3 options)					
	What was your company's total revenue in 2020 compared to 2019					
	What was your company's total revenue for 2019?					
	What were the most significant risks from					

	your company's perspective due to Covid-19?					
Strategic Flexibility						
		1. Strongly Disagree	2. Disagree	3. Neutral	4. Agree	5. Strongly Agree
	I can manage financial risk in my (our) company appropriately.					
	During Covid-19, my company responded to changes in aggregate consumer demand.					
	During Covid-19, my company expanded the variety of products available for sale.					
	Selling products and services on the market is challenging. However, our company has achieved sales goals.					
	During Covid-19, my company expanded into new regional or international markets.					
	During Covid-19, our company used innovative ways to gain new markets and retain existing customers					

	My company adopted new technologies to produce better, faster and cheaper products					
	My company adopted new technologies to meet the need of remote work during Covid-19.					
	Strategic management is implemented in the daily life of our company and implemented through action plans and programs					
	Our company regularly monitors, evaluates and manages strategic risks					
Sustainability						
	My organization is financially stable.					
	During Covid-19, my organization’s return on capital employed is high					
	Even with Covid-19, my company's Return on sale (ROS) is increasing.					
	My organization considers attending the customer on time in order to pursue success.					
	During Covid-19, we paid all our workers their entitlements.					

	My organization improved the business processes that have the greatest impact on customer satisfaction. *					
Business Operations						
	The level of demand for my product/services increased during Covid-19					
	Uncertainty of demand for my product/services increased due to Covid-19					
	Access to external funding through the usual financial channels increased during Covid-19.					
	Availability of supplies from your usual suppliers decreased during Covid-19.					
	Looking ahead to the next 6 months, do you expect that your sales will increase compared to the same period last year?					
	Looking ahead to next 6 months, do you expect that company's current					

	cash flow will maintain the company's operation?					
SME's Performance						
	Our firm has experienced an increase in the number of employees within the past year.					
	Our firm has room for more full-time employees in the coming months.					
	We have had to lay-off employees within the past year.					
	Our firm has experienced a stable increase in sales within the past year.					
	Our firm has experienced growth in turnover over the past year.					
	Over the last year, comparative to major competitors, our firm's overall sales revenue has been increasing					
	Our firm has experienced growth in profit over the past year. *					
	Despite the external business factors on our business, our firm was able to make profits.					

	Our firm has experienced growth in market share over the past year.					
	Our firm acquired more customers as compared to our competitors					