# How COVID 19 has Impacted Business

## Introduction

Covid-19 is a human tragedy that has affected hundreds of thousands of people. Moreover, it has hugely and continues to impact the global economy significantly. Businesses in developed and developing countries continue to be negatively affected by the coronavirus pandemic. Some of the measures implemented by governments to contain the spread of covid-19, such as lockdowns and other health measures, significantly disrupted many businesses’ supply chains, which are now struggling to recover from the losses incurred (El-Chaarani, 2021). Thesis: The Covid-19 pandemic restructured the social and economic life characterized by supply chain disruptions, an altered workforce, changes in business models, and metamorphosis of demand.

Businesses have been at the forefront of implementing new strategies and cost control initiatives for their expenses to survive, and at the height of the pandemic in 2020, government restrictions like interdictions to operate for businesses involved with many physical interactions affected the hospitality, travel, service providers, culture and entertainment industries enormously (Pinzaru et al., 2020). The lack of available physical workforce affected demand, and dropped revenues affected businesses. In the wake of the pandemic, the service sector industries experienced uncertainty. In contrast, other industries sought to reorient themselves to measures geared towards increasing their resilience, such as rationalizing manufacturing and SKUs, redeployment of talents, remote working, shifting operations, and remote working. Thus, this paper will shed some light on the impacts of covid-19 on businesses and provide illustrations of strategies some companies have undertaken to survive the economic implications of the pandemic.

## Impact of Profitability on Business

The covid-19 pandemic almost impacted everything around the world. Its outbreak in 2019 transformed the existing economic disturbances into an economic disaster (Pinzaru et al., 2020). The coronavirus is a deadly infectious disease that spreads rapidly from person to person by indirect or direct contact. Most governments worldwide resorted to instituting lockdowns to curtail the further spread of the virus as people come into contact with each other. A consequence of such covid-19 prevention measures was a drop in revenues putting many businesses at risk of losses.

Furthermore, small and medium-sized businesses (SMEs) represent the future of the global economy. Still, these businesses were incredibly negatively impacted by the Covid-19 breakout (Gregurec et al., 2021). Thus, the ability of SMEs to manage and overcome the crisis shapes the economy’s direction.

The lockdowns due to government restrictions on imports and exports caused stress on the supply chains, which affected the overall Business worldwide. The lockdowns somehow directly or indirectly affected businesses. Businesses dealing with footwear, clothing, leather products, and vehicles experienced revenue declines due to the restrictions on imports and exports. The travel restrictions and bans globally affected businesses in the travel sector such as hotels, airlines, and Airbnb that experienced cancellations of bookings or low traffic. Apart from stopping the virus’s spread, the lockdowns also shut down the economy. Businesses mainly affected were those in the hospitality, travel, tourism, wholesale and retail sectors (Fairlie & Fossen, 2022). These industries represent SMEs.

Notably, most businesses, irrespective of size, have experienced survival problems due to the covid-19 pandemic. However, SMEs face a much more critical situation due to their customer base, dependence on few employees and financial limitations. A recent study by Veem shows that about 81 percent of SMEs in the U.S. surveyed expect the covid-19 to affect their businesses over the next 12-16 months, and about 90% are preparing for an economic slowdown (Giunipero et al., 2022). Businesses that switched to working online greatly benefited from their resilience strategies.

## Role of Government in Assisting Business

Many businesses have stagnated, and supply chains have been disrupted due to the covid-19 pandemic, further forcing numerous enterprises, especially SMEs and others, that face tremendous pressure with a capital shortage. SMEs have received financial support from multiple stakeholders such as financial institutions, public administrators, and regulators. For example, public administrators and regulators have developed various supporting policies. The U.S. government passed the CARES Act to address the covid-19 outbreak by establishing several new temporary programs as per the Act. These programs include SBA Debt Relief, EIDL Loan Advance, Pay Protection Program, and SBA Express Bridge Loans (Giunipero et al., 2022).

Moreover, the Small Business Development Centers have been at the forefront of developing and providing resources for SMEs to deal with the covid-19 outbreak, such as guides to pandemic planning and resiliency guides. Other governments worldwide also issued similar measures to assist struggling businesses financially. However, Giunipero et al. (2022) research show that despite significant support measures in place, many SMEs surveyed showed that about 70% of their cash flow pressure had not been relieved.

## How Apple Inc. has dealt with Covid-19 Uncertainties

Apple is one of the big players in the technology sector with revolutionary technological products from personal computing to smartphones. The Coronavirus outbreak disrupted the production and introduction of new Apple products. The shutting down of factories in China due to the global health crisis presented Apple with ambiguous and unprecedented business operations. In response to the shutting down of Apple’s retail stores during the pandemic, the company continued to provide its services and products online through its support site, AppStore, and Apple’s online store (Zhao & Zhang, 2022). As lockdown measures began to be eased, the company started slowly reopening its physical stores.

During the pandemic, the company provides its employees worldwide flexible working arrangements. It also implemented strategies to minimize physical contact for employees required to report to work. It implemented frequent and extensive cleaning at all sites. The company also extended its leave policy to cover employees affected by covid-19, such as those recovering from an illness, school closures, and quarantine orders (Zhao & Zhang, 2022). Working remotely improved the company’s productivity and reduced management expenses (Apple Inc., 2020).

## Conclusion

The coronavirus has resulted in significant supply chain disruptions and other economic activities. Many businesses have experienced disruptions in the supply chain. The lockdown measures caused a labor shortage in many manufacturing companies, thus decreasing these entities’ production capacity. Air and ocean freight transportation restrictions almost doubled the production and order fulfillment lead-time. The coronavirus pandemic has led companies to implement various resiliency strategies like remote working, which businesses have discovered can help save management expenses. The future will be different, and businesses’ survival depends on the ability to adapt to market conditions quickly.

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