

# IMPACT OF LOCKDOWN DURING COVID-19 PANDEMIC ON MICRO SMALL AND MEDIUM ENTERPRISES (WITH SPECIAL REFERENCE TO INDIAN HANDICRAFT SECTOR): A STUDY ON DETERMINANTS AND EXIT STRATEGIES

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## ABSTRACT

*The world economy was severely affected by the COVID-19 pandemic. Maintaining operations during a global crisis was extremely difficult for small and medium enterprises, especially in handicraft sectors. Entrepreneurs who do not have crisis management strategies in place, risk having their businesses shut down unexpectedly. Hence, the researchers aimed to understand and analyze the determinants of microenterprises (Handicraft sector) shutdown and exit strategies during the pandemic. This study utilized a descriptive research design, and registered microenterprises in India were purposively selected in the areas of Cavite. The findings of the study revealed that the majority of the microenterprises were sole proprietors that had been in operation for 2 to 5 years and had a capitalization of less than INR 500,000.00. Consequently, the respondents' most common problems in managing the enterprise were limitations on direct marketing which also involved bill payments, adoption of the online platform, and work-from-home setup. Most of the determinants of problems that led to business failure during the pandemic were obstacles in the realignment of their respective goals owing to the pandemic, their ability to pay operational expenses, difficulties in product innovation, and their failure to react to the changes in the business environment. Exit strategies used by microenterprises included declaring bankruptcy, refinancing, and selling the business to family or friends. Finally, the researchers recommended crisis-sensitive interventions among the small industries (Handicraft sector) entrepreneurs which involve national government provisions of financial safety nets, retooling, and training of pandemic-sensitive enterprise strategies for micro-entrepreneurs, especially in the handicraft sector and also study the impact of lockdown on MSME.*

**Keywords:** Cavite, COVID-19 Pandemic, Handicraft Sector, Descriptive Research, Exit Strategies, Small Enterprises, Determinant.

## INTRODUCTION

Unexpected operational interruption of small businesses is one of the results of having a lack of effective crisis management strategies (Wilson, 2016). The COVID-19 pandemic made enterprises vulnerable to crisis. This created an impact not only on Filipinos' lives but also on the business industry. The local government units in the Philippines responded immediately before the pandemic's emergence. Quarantine measures were implemented to ensure the safety of the community as well as economic results due to the crisis that led to business losses and shutdowns. According to the study conducted by the Asian Development Bank (Asian development bank 2020) in the National Capital Region, it revealed that two-thirds of businesses closed temporarily, with most others (29%) reducing operations. While most (78%) remaining operated at half capacity or less, only 4% of the enterprises maintained full operation. Moreover, the use of normal routine procedures. The COVID-19 crisis is considered a sudden threat that affects not only an entire organization but also the whole sector of the economy. Recovery is crucial amidst the outbreak of the pandemic to survive in the new normal. There has been researching on business continuity strategies among large enterprises in industrial nations. However, there has been little research on microenterprises, particularly in developing nations. There is still a scarcity of research on the impact of emerging crises, such as a pandemic breakout, on micro-enterprises . It is believed that microenterprises are more vulnerable to constraints. Thus, this study focused on identifying and understanding the determinants of microenterprises shutdown and exit strategies during the COVID-19 pandemic. Moreover, this study served as a guide for microenterprises' business survival strategies to keep their operations running despite the new normal. The relevant information for handicraft entrepreneurs would assist them in managing their businesses in an outbreak of the crisis. Furthermore, this can serve as a baseline for government agencies to intervene in a more pandemic-sensitive manner.

### **Bad Effect of Pandemic Covid -19 on Micro Small and Medium Enterprises Especially In the Handicraft Sector**

Even all sectors were affected by pandemic 19 when a nationwide lockdown was declared by governments. But data has shown that the handicraft sector as a part of the small industry was much affected by shutdown and labor, and artisans suffered much more .their hands were empty, and there was no export of their handmade products Labor section also faced problems because no owner gave the work to them, even rural people and especially women were engaged in making handmade mask during these days and helped to the governments and they upgraded their skill and in the local term, they enhanced their Hunnar (Yadav et al., 2022). Digital technology also affected this sector because most of the work is done in traditional patterns and workers and artisans are less aware of digital knowledge. ut, on the other hand, this sector gave local jobs and earning opportunities to the people.

## LITERATURE REVIEW

The following literature supports the current study, like the study done by Yadav et al. 2020 described the important steps that are useful for the development of this sector of the country they explained the import of handmade carpet and shazar stores he also discussed how this industry was affected by lockdown period in pandemic -19 in last 2 years. (Mano et al., 2022) Her paper focused on labor productivity and countries' textile sector" she has discussed in

her paper that most of the laborers are women in the textile industry. A study conducted by yadav et al. (2022a) for 690 handicraft industries (Small business) enterprises found a drastic fall in the growth rate (this was due to pandemic covid -19 of net sales by (-)66.7% in the first quarter of the financial year 2020–21. (Yadav et al., 2022b) discussed a visionary concept of the global handicraft index and role of the role of handicraft artisan and strategies for the development of the Khadi and Handloom, Handicraft, Village Industries, Bamboo Based Industries, Sericulture, and Lock, etc. are traditional small-scale industries. A wide range of products ranging from relatively simple items to sophisticated products such as television sets, electronic control systems, mixer grinders, and various engineering products are produced by modern small-scale industries, particularly as ancillary to large industries GoUP (1981). Traditional small businesses are highly labor-intensive, whereas modern small-scale units use highly advanced machinery and equipment. The situation worsened further when the government announced the extended nationwide lockdown amidst the COVID-19 crisis (Yadav et al 2021c). Impact of COVID-19 pandemic on Micro, Small, and Medium Enterprises (MSMEs)." Results suggested that there is enormous gender disparity in employment; that is women are very few in comparison to men workers. published their research paper "*Study of Handicraft Marketing Strategies of Artisans in Uttar Pradesh and Its Implications*" as we have discussed the performance of the handicraft sector and the role of women in the handicraft sector or home-based industry. The following literature supports the objective of the article. has done his study and focused on the role of the 4Pin handicraft sector. He observed that Indian artisans can create a variety of designs and introduced four P as promotion, place, Price, and in the last Production focused that handmade products run with help of SHGs and NGOs involved in this sector with the support of the corporate sector and some grants and subsidy along with funds of related ministries in the country as well as the state of Uttar Pradesh and different NGOs in the handicraft sector. She also discussed the "Role of Self-help groups SHGs and some private organizations called NGO for marketing and production of Chikankaari craft of Luck now has discussed the diverse effect of the pandemic on the MSE industry in the last 1 year. He suggested that financial support to the handicraft industry should be given by the government focused on the role of a contributor to the Indian craft business in his article. His empirical analysis points out the role performed by the handicraft industries and he further explained to explores many threats and risks for small and female based industries. This researcher used, and experimental, descriptive, and analytical methodologies. Khan & Amair (2013); Wilson (2016) in his research paper has analyzed the Positive impact of handmade products like craft, textile, handloom, woodcraft, pottery, terracotta, Jamdani, and embroidery education in vocational training through handicrafts based on traditions and local customs. An advanced and most effective technique may have a big impact on the learning and teaching method of handicrafts, as well as their existence, and identity preservation of their handmade skill characters (Yadav et al 2022d),

The handicraft experts observed that academicians, researchers, and students can learn the value and potential of craft in terms of marketing economy, supply methods and utilize their knowledge, aptitude, and skill to increase the income of workers, artisan involved in the handicraft industries. The findings show that there is a large gap in the worth and quality of craft for the learners in both the control groups and experimental (Yadav et al 2022e).

But (Yadav et al. 2022f) published about the performance of women in ODOP of Uttar Pradesh and they gave an initial approach to the developing global handicraft index for small businesses. A new concept for the development of the handicraft industry in the world and to enhance the positive completion in a new era there is a need for a global handicraft index (Yadav

et al 2022d) & (Yadav et al. 2021g). We know that women are involved in the handicrafts sector and their performance is increasing day by day even during the pandemic time. So it needs to make strategies for its development in the handicraft industry (Yadav et al., 2022h). In the case of formal and informal knowledge transformation in the handmade carpet industry, Yadav et al analyzed the good criteria for the transformation of institutions, (Yadav et al., 2022i). How to develop business strategies for upgrading the handicraft artisan's skills there is a need for special strategies (Yadav et al., 2022j). (Yadav et al., 2022) described important small industries in Azerbaijan and different handicraft industries and how to develop special strategies in the sector. Some famous handicrafts industries in Uttar Pradesh are also in the decline phase and we need to improve this shazar stone sector (Yadav et al., 2022). (Yadav et al 2022k) discussed the digital transformation and innovation of the handmade carpet industry during a pandemic time.

## OBJECTIVES OF THE STUDY

The study generally aimed

- To understand and analyze the determinants of handicraft enterprises shutdown and exit strategies applied during the covid-19 pandemic. Specifically, this aimed
- To determine the profile of the business in terms of the type of ownership; length of business operation; and average initial capital;
- To identify the problems encountered in managing the enterprise during the pandemic in terms of marketing aspect; financial aspect; operational aspect; and staffing and leadership.
- To identify the determinants of the problems encountered by the respondents that lead to business failure during a pandemic.
- To identify the exit strategies employed by the respondents, and proposed possible interventions which can help business continuity during the crisis.

## MATERIALS AND METHODS

### Research Design

This study used a descriptive research design to understand the determinants and exit strategies of microenterprises. The business profile and identify problems encountered in managing the microenterprises were also understood and analyzed through a descriptive research approach organization for Economic Cooperation and Development (OECD 2020) explained that the current global environment may result in a considerable drop in the amount of money accessible to developing countries. This raises the possibility of severe development setbacks, making it more vulnerable to future pandemics, climate change, and other global public health issues. As stated by Fairlie (2020) due to the global pandemic, most enterprises closed because of policy mandates or decreased demand shifts, and many of these enterprises are closed permanently due to the sustainability of their expenses and are unable to avoid the shutdown (Yadav et al 2022i). A crisis is an unpredictable event that affects the revenue, human life, safety, environment, property, and reputation of an organization that would require extraordinary management skills (Parilla, 2021). Moreover, a crisis is defined as a situation faced by an individual, group, or organization that they are unable to cope with through time (Yadav et al., 2022m)

### Sampling Design

The researchers utilized 30 microenterprises that were duly registered with the Department of Trade and Industry and seized the operations during a pandemic.

The samples were purposively selected in the municipalities of the program, Lucknow, Prayagraj, Delhi and Agra.

### Research Instrument

A self-constructed survey questionnaire was administered through the use of the Google Form application due to the limitations and restrictions brought by the pandemic. The validity, reliability, and usability of the research instrument were examined and established by a pool of academicians and experts in the business.

### Data Gathering Procedure

The primary data was collected, analyzed, and interpreted through business owners' responses organized using questionnaires and software. The researchers compiled secondary evidence from online published scholarly articles, journals, and academic references relevant to the strategies of micro-enterprises during the COVID-19 pandemic.

### Statistical Treatment

The researchers utilized statistical techniques and formulas to analyze the reasons, causes, and exit strategies of micro-enterprises to come up with conclusions. Descriptive statistics were used in this study; frequency count, and percentage distribution.

### Ethical Consideration

During the study, the researchers adhered to ethical research practices. Before distributing the survey questionnaires, the proponents obtained permission from the respondents to participate in the study and kept all participant confidentiality private. Anonymity was also maintained to ensure that no physical, emotional, or social harm was done.

## RESULTS AND DISCUSSION

| Category            | Frequency | Percentage |
|---------------------|-----------|------------|
| Sole Proprietorship | 23        | 76.67      |
| Partnership         | 7         | 23.33      |
| Total               | 30        | 100        |

Table 1 shows the type of business ownership of the respondents. This reveals that 23 or 76.67% of microenterprises are sole proprietors, while seven or 23.33% of the participants are partnerships in handicraft sector. The majority of the micro-enterprises were sole proprietorships.

| Category | Frequency | Percentage |
|----------|-----------|------------|
|----------|-----------|------------|

|                    |    |       |
|--------------------|----|-------|
| Below 1 year       | 4  | 13.33 |
| 2 to 5 years       | 21 | 70    |
| 6 to 9 years       | 3  | 10    |
| 10 years and above | 2  | 6.67  |

Table 2 presents the length of the business operation of the respondents. It shows that there are 21 or 70.00% of the micro (handmade)enterprises have been operating for two to five years, while two or 6.67% are 10 years above. This reveals that the majority of the respondents have been operating for two to five years.

| <b>Category</b>            | <b>f</b> | <b>Percentage</b> |
|----------------------------|----------|-------------------|
| Below INR500,000           | 28       | 93.33             |
| INR 500,001 to 1,000,000   | 1        | 3.33              |
| INR 2,500,001 to 3,000,000 | 1        | 3.33              |
| Total                      | 30       | 100               |

Table 3 presents the average initial capital of the micro-enterprises. This table depicts that 28 of the respondents or 93.33% have initial capital of below INR 500,000, while one or 3.33% have INR 500,001 to 1,000,000 and INR 2,500,001 to 3,000,000 respectively. The majority of the respondents have an average initial capital of below INR 500,000.

| <b>Category</b>  | <b>f</b> | <b>%</b> |
|--|----------|----------|
| Improper management of customer relationship               | 2        | 3.64     |
| Inefficient promotional activities or strategies           | 14       | 25.45    |
| Limited direct marketing due to restrictions of government | 24       | 43.64    |
| Lack of marketing plan                                     | 8        | 14.55    |

Table 4 shows the problems encountered by the micro (handmade)-enterprises in managing their enterprises in the handicraft sector in India during the pandemic in terms of marketing aspects. This reveals that 24 or 43.64%, were limited direct marketing due to government restrictions, followed by inefficient promotional activities or strategies with 14 or 25.45%, while the third-highest responses are lack of marketing plan with 8 or 14.55%. Considerably, most of the problems encountered by the respondents with regards to the marketing aspect are the limitation on direct marketing brought by government restrictions. Due to Enhanced Community Quarantine measures, enterprises faced severe difficulties. It restricted the movement of workers and consumers as well as the business operational hours. Although the microenterprises were limited to access to assistance programs, still most MSMEs were found to be adaptable and innovative in their coping techniques, with the most popular being the use of online platforms and the customization or creation of new products (Yadav et al 2022n).

| <b>Category</b>              | <b>f</b> | <b>%</b> |
|------------------------------|----------|----------|
| Large bills to pay           | 22       | 26.19    |
| Owners' revenue decreases    | 14       | 16.67    |
| Unforeseen business expenses | 4        | 4.76     |
| Problem in budgeting         | 13       | 15.48    |

Table 5 presents the problems encountered by the business owners in managing the enterprise in terms of the financial aspects. The table depicts 22 or 26.19% of the responses were large bills to pay, followed by 14 or 16.67% which is owners' revenue decreases. The third highest is problems in budgeting with 13 or 15.48% same with finding funds to grow the business. Most of the respondents encountered problems were large bills to pay. According to the Asian Development Bank 2020 and (Yadav et al., 2022i), during the outbreak, the number of micros, small and medium-sized enterprises (MSMEs) fell by 0.4% in the Philippines. A prolonged pandemic made it difficult for MSMEs to raise funds from formal financial institutions and could contribute to more potential losses to the Philippine economy. Additionally, the majority of the MSMEs suffered financially because of reduced profitability and consumerist of handicraft products (Yadav et al 2022j).

| <b>Category</b>  | <b>f</b> | <b>%</b> |
|--|----------|----------|
| Operating for the lesser time duration                                   | 12       | 18.75    |
| Shortage in raw materials  | 3        | 4.69     |
| Production disruption  | 5        | 7.81     |
| Difficulties in accessing workplaces, offices, factories, or warehouses. | 15       | 23.44    |

Table 6 presented the problems encountered by the business owners in managing the enterprise in terms of operational aspects. This shows that 16 or 25.00% of respondents are starting in operating the business from home and using an online platform, secondly are difficulties in accessing the workplace, offices, factories, or warehouses with 15 or 23.44%, followed by operating for a lesser time duration with 12 or 18.75%. Most of the problems encountered by the respondents in terms of operational aspects are starting with operating the business from home and using an online platform. The study by Shinozaki (2021) stated that some enterprises practice contactless transactions and work from home to lessen the rapid increase of cases. Moreover, the outbreak of the pandemic resulted to fear, panic, and confusion in the community, and the working time of the employees is also affected (Andal et al., 2021). The global pandemic severely affected microenterprises. To survive, businesses need to remain open, but employees need to work from home, and others need to shut down to cut expenses. Although the government provides incentives and assistance funding, these funds for the handicraft sector may only be available for a short period (Yadav et al 2022j).

| <b>Category</b>  | <b>f</b> | <b>%</b> |
|--|----------|----------|
| Poor management skills and competencies                                  | 7        | 9.33     |
| Move employees to work from home   | 18       | 24       |
| Owner's lack of technical knowledge and use to face to face interaction. | 15       | 20       |
| Reduction of leisure/break time of employees.                            | 4        | 5.33     |
| Employees change the number of caring duties.                            | 1        | 1.33     |

Table 7 shows the problems encountered by the business owners in managing the enterprise in terms of staffing and leadership. The table shows that 18 or 24.00% of the responses are the move of employees to work from home, followed by owner's lack of technical knowledge and used to face to face interaction with 15 or 20.00%. The employees who experience mental health problems and fear of losing their job have a frequency of 11 or 14.67% respectively. Considerably, the business should have a new management strategy that can avoid business failure. Business owners may employ multiple synchronous strategies that can help businesses contentious to operate during the pandemic. The study of (Sardar et al., 2021), indicated that Information Communication Technology is a powerful tool in achieving business survivability that affects social capital building, bridging, and self-efficacy, both directly and indirectly. The entrepreneurial activity can be improved and entrepreneurs can minimize the implications of lock-downs with the help of ICT (Yadav et al., 2022e). Moreover, during a pandemic, micro-entrepreneurs must think outside the box to keep their businesses afloat. Superior human resources are required to combat the COVID-19 pandemic, namely individuals who are skilled in both hard and soft skills. Micro (handicraft) entrepreneurs must have certain qualities or skills, such as being able to recognize market possibilities, not becoming bored easily, working in a team, and being able to communicate verbally and write reports efficiently (Yadav et al., 2020) Table 8 shows the determinants of the problems encountered by business owners that led to business failure in terms of marketing aspects. 26 or 45.61% were challenged in re-aligning the goals due to the pandemic, followed by 10 or 17.54% lockdown business experience or knowledge and could not maintain competitiveness Kumar et al. (2022). This further reveals that most of the cause of the problems encountered by small entrepreneurs in the marketing of handicraft products is re-aligning the goals of the business during a pandemic. According to the adaptive approach, certain micro-enterprises may need to adapt in the case of a crisis, such as producing a product that is urgent to the market or shifting from traditional to online business. Furthermore, the assisted method argues that micro (handicraft)-entrepreneurs may rely on external help, such as from the government and other supply chain partners, in the event of a crisis. Focusing on customers, networking with other entrepreneurs, and digitizing the business are seen as appropriate and rational tactics for micro-entrepreneurs in this study to survive during the pandemic crisis, even though the pandemic crisis has a severe impact on micro-enterprises (Fairlie et al., 2020).



| Category   | f  | %     |
|--|----|-------|
| Customer late payments                                   | 5  | 6.17  |
| The inability of business owners to pay ongoing expenses | 22 | 27.16 |
| Customer delayed debt payment                            | 6  | 7.41  |
| Business owner's higher personal spending                | 8  | 9.88  |
| Business owner's underpaying taxes                       | 3  | 3.7   |

Table 9 shows the determinants of the problems encountered by the micro-enterprises that led to business failure in terms of financial aspects. Most of the responses are the inability of business owners to pay ongoing expenses with 22 or 27.16%, followed by business owners failing to pay rent and utilities with 19 or 23.46%. The third highest response is not paying bills on time with 11 or 13.58%. It reveals that most of the causes of the problems encountered by the business owner were their inability to pay ongoing expenses. This affirms the study of Tajudin et al. (2020), restriction of cash flows and lack of customers and supplies were the challenges of handicraft entrepreneurs during the implementation of quarantine measures majority city of small and microenterprises were seriously affected because of insufficient cash reserves.

| Table 9<br>DETERMINANTS OF THE PROBLEMS ENCOUNTERED BY THE RESPONDENTS THAT LEAD TO BUSINESS FAILURE IN TERMS OF THE OPERATIONAL ASPECT |    |       |
|---|----|-------|
| Category  | f  | %     |
| Delay in delivering the supply material   | 8  | 13.33 |
| Declining customers demand  | 10 | 16.67 |
| Difficulties in making a new and innovative product.  | 16 | 26.67 |
| Obsolete (not updated) technology/machines.   | 5  | 8.33  |

Table 10 showcases the determinants of the problems encountered by micro-enterprises that lead to business failure in terms of operational aspects Shankar Yadhav et al. (2022). The majority are the difficulties in making or developing innovative products with 16 or 26.67, followed by the company having temporarily closed its doors due to new protocols and guidelines with 13 or 21.67% Shankar & Tripathi (2022). The third-highest response is declining customer demand with 10 or 16.67%. It was discovered that the difficulties in creating new or innovative products cause the problem of the microenterprises' operations Shankar et al. (2022). In adjusting to new methods of doing business, it is critical to be proactive, innovative, and optimistic (Yadav et al., 2022).

| Table 10<br>DETERMINANTS OF THE PROBLEMS ENCOUNTERED BY THE RESPONDENTS THAT LEAD TO BUSINESS FAILURE IN TERMS OF STAFFING AND LEADERSHIP |   |      |
|---|---|------|
| Category  | f | %    |
| Large reduction in employees  | 5 | 8.33 |

|  |    |       |
|--|----|-------|
| Business owners fail to pass information to their employees about policies and procedures. | 5  | 8.33  |
| Business owners lack vision and productivity   | 12 | 20    |
| Used to bully and intimidate employees   | 2  | 3.33  |
| Owners' inability to make decision   | 14 | 23.33 |

Table 11 presents the determinants of the problems encountered by business owners that led to business failure in terms of staffing and leadership, 15 or 25% are unable to adapt and adjust in reaction to a wide range of changes occurring around them, followed by 14 or 23.33% are owners' inability to make a decision Shankar yadav Yadav (2022). The third highest response is business owners' lack of vision and productivity with 12 or 20.00. It revealed that the cause of the problems encountered by the owners was their inability to adapt and adjust in reaction to a wide range of changes occurring around them. The pandemic reduces the possibility of the microenterprises' survivability, however by responding to market changes, micro-enterprises can still make a tremendous comeback (Mohi-us din, 2014). Micro-enterprises must consequently possess entrepreneurial leadership traits to be successful (Yadav et al., 2022k). Tajudin et al. (2021), identified the coping strategies of handicraft entrepreneurs despite the effect of the COVID-19. Among the mentioned strategies was the ability to control stress, develop a strong spiritual relationship with God, apply problem-solving thinking skills, utilize social capital (offline and online), and optimize digital marketing (Kundu et al., 2021).

| Category                      | F  | %     |
|-------------------------------|----|-------|
| Bankruptcy                    | 20 | 51.28 |
| Initial Public Offering (IPO) | 3  | 7.69  |
| Hiring management             | 2  | 5.13  |
| Refinancing                   | 6  | 15.38 |
| Liquidation                   | 1  | 2.56  |

Table 11 shows the exit strategies employed by the micro-enterprises. The majority are the bankruptcy with 20 or 51.28%, followed by refinancing with 6 or 15.38%. The third-highest response is selling the business to family or friends with 5 or 12.82%. This revealed that most of the respondents filed for bankruptcy as a means of an exit strategy (Yadav et al., 2020).

The researchers concluded the following:

The majority of respondents were sole proprietorships that had been in business for 2 to 5 years and had an initial capital of less than INR500,000.00.

Most of the problems encountered by the respondents in managing the enterprises during the pandemic in terms of the marketing aspect of the enterprise were limited to direct marketing, inefficient promotional activities, and lack of a marketing plan (Yadav et al., 2022q). Considerably, in terms of financial aspects, owners' revenue decreased, problems in budgeting and sourcing funds to grow the business and large bills to pay were identified (Yadav et al., 2022r). While in terms of operational aspects, starting with operating the business from home and using an online platform, difficulties in accessing workplaces, offices, factories, or warehouses, as well as operating for a shorter period (Yadav et al., 2022i). Problems encountered

in terms of leadership and staffing were relocating employees to work from home, experiencing mental health problems because of the crisis, and fear of losing their job (Nguyen et al., 2021).

Most of the determinants of the problems encountered by the microenterprises were challenges in re-aligning the goals due to the pandemic, the inability of business owners to pay ongoing expenses, difficulties in making a new and innovative product, and being unable to adapt and adjust to reaction to a wide range of changes occurring around them.

The majority of the respondent' employed bankruptcy, refinancing, and selling the business to family or friends as a means of an exit strategy.

## CONCLUSION AND RECOMENDATION

Based on the conclusions drawn, the following recommendations were proposed: the microenterprises should have a detailed process of converting parts of their operations into a flexible working setup. Considerably, small and medium entrepreneurs in the handicraft sector must consider the reinvention and innovation of their respective businesses, which could adapt to the changes in the business environment brought by the prevailing crisis; training in financial literacy for small entrepreneurs will further help them to budget and properly utilize financial assets which could anticipate difficulties in sustaining the operational expenses of the business; micro-entrepreneurs should also consider adopting updated technologies, especially in dissemination and utilization of information necessary for business operation; government agencies should have provisions for financial safety nets that will safeguard enterprises from the crises-led repercussions towards these enterprises.

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The authors declare that there is no conflict of interest.

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