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## ENTREPRENEURSHIP AND SMALL BUSINESS IN THE CONTEXT OF POST COVID-19: IS THERE LIGHT AT THE END OF THE TUNNEL?

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Dear Readers,

We want to contribute with entrepreneurs and public policy agents, in the face of the current chaos and offer reflections, recommendations and subsidies, anchored in scientific articles. However, we are still not sure of what is ahead and are optimistic and believe we will have a different future.

Our previous editorial (v. 9, n. 2, 2020) questioned whether entrepreneurs and small businesses were prepared for contextual adversities, providing a reflection in light of the COVID-19 pandemic (Nassif, Corrêa, & Rossetto, 2020). This issue remains on the agenda in this issue, not as a past, but as a present and, in a way, looking ahead to the future. The crisis is ongoing, as of this writing, especially in Brazil, which makes it difficult to locate references on how to act, in such a difficult time.

We have already experienced other crises, such as that of 2008-2009, which brought learning and new paths, aimed at a better future, in addition to suggestions to managers of small companies and to public policy agents. In the fight against Coronavirus, a large part of the research, performed in developed countries, such as, Germany and the United Kingdom, and in emerging countries, such as China (whose classification coincides with that of Brazil), the confrontation actions present substantial differences.

Small businesses, despite their important contribution to job creation, are more susceptible to declining demand. However, although the effects of the recession are severe,

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the evidence points to the fact that entrepreneurs have a quick recovery capacity (Cowling, Liu, Ledger, & Zhang, 2015). In addition, the idea that periods of imbalance create opportunities for entrepreneurs is not new (Cowling et al., 2015; Parker, Congregado, & Golpe, 2012; Schumpeter, 1942); however, for this to occur, it is necessary to seek a minimum of preparation, such as the domain of technology, to keep business, partnerships and cooperation active. As a result, we ask whether entrepreneurs, small business owners and public policy agents are really prepared for the demands arising from this crisis.

The article by Rocha, Olave and Ordonez (2020), entitled “Innovation Strategies: An Analysis in Information Technology Startups”, works not only on the idea of innovation, but on the quality of startups and relationships. For the authors, among the most prominent practices are cooperation and organizational partnerships, which may follow an informal implementation, as the parties involved provide knowledge and skills to address any deficiencies. This can be understood as an opportunity to strengthen relationships with customers and other organizations. This is possibly one of the paths to be followed by entrepreneurs who in difficult times, fight for the survival of their businesses.

Neeley (2020) raises important aspects regarding remote work, which is to be considered as a model prevalent in current and future times. Among 15 questions, we selected those pertinent to our reflections in this editorial: Are companies able to make this sudden transition? How to prepare yourself psychologically when remote work is not part of your experiences? How will these changes affect productivity? If the policies of social detachment continue for a while, how to measure the gains and, eventually, how to reinvent or revise the work? We wanted to address if these questions are present in the routine of entrepreneurs, small business managers and public policy agents.

When analyzing this social and economic paralysis, in a broad perspective, related to public policies of regional development, we find evidence in the literature that entrepreneurship is fundamental to promote diversification and capacity building in more resilient economies. It is also suggested to replace regional development agencies with partnerships, which mediate between the public and the private, to involve and coordinate other stakeholders (Williams & Vorley, 2014).

In this context, this issue brings three articles that contribute to reflect on aspects of the COVID-19 post-crisis scenario.

The first one, by Bendor, Lenzi and Souza (2020), presents factors for the formation of entrepreneurs, presenting instruments and guidelines for this, in addition to discussing the



role of the state in social and economic development. Although the entrepreneur is a social agent capable of developing the local / regional economy, he will not be able to solve all the problems of the same locality.

To complement these discussions, the second article, by Mineiro, Dornelas, Arantes and Cougo (2020) highlights the importance of social entrepreneurship, indicating that in times of crisis and aggravated social problems, it becomes fundamental to search for alternatives and solutions that reduce the impact of the moment. This study shows a contrast between the discursive practices of social entrepreneurship compared to the managerial and instrumental discourse of the administration.

The third article, by Barakat, Parente and Sarturi (2020), assumes that a fair share of the entrepreneurial businesses are housed in families; therefore, it is important to prioritize stakeholders, identifying similarities and differences between family and non-family companies. In addition, the authors discuss that organizations should logically manage family and business, reflecting on values, goals and needs. Furthermore, in times of crisis, it is essential to have a long-term orientation, concerned with the reputation of the family and the company; that takes care of the non-financial objectives, seeking to preserve the socio-emotional investment of both institutions.

Williams and Vorley (2014) bring another pertinent aspect to the discussions in this editorial: the importance of government support for the creation of companies with high growth potential, flexibility and adaptability for survival. These are aspects considered more relevant than the number of metrics created for startups. This is because in crisis, small companies lose the ability not only to grow, but to keep going.

Cowling et al. (2015) warn that only small companies with access to financial resources are able to achieve their goals and achieve a significant growth factor, as observed in countries that have incorporated these actions into their policies. In this sense, government support for angel investors is crucial, in the form of tax incentives, stimulating not only those who work, but increasing the amount invested (Mason & Harrison, 2015).

When comparing entrepreneurial experiences in Brazil and the United States, particularly in South Florida, Rocha and Andreassi (2020) produce interesting information regarding the cultural and financial aspects of entrepreneurship in these two countries. For the authors, the perception of entrepreneurial activity proved to be better in the USA than in Brazil, with the entrepreneur considered as someone who invests and creates jobs in the country and this view is shared by public bodies. In contrast, in Brazil, laws, bureaucracy and the labor system contribute to the low articulation between the various agents of the



Brazilian entrepreneurial ecosystem, formed by: government, companies, startups, universities, among others.

Reiterating the idea that this editorial presents a perspective of articulating discussions to overcome the crisis, looking at post COVID-19, another aspect addressed is support for research and development (R&D), especially in the sphere of countercyclical innovation policies, which can promote, in the post-crisis, a stabilizing effect on the economy, helping the survival and growth of small companies (Huda & Hussinger, 2015).

Government investment in innovation, specifically in the form of support for technology parks and incubators, can help commercialize innovations. In companies, the incorporation of innovation in the organizational strategy, including in periods of crisis, contributes to improving the competitive position and financial performance in the post-crisis (Madrid-Guijarro, García-Pérez-de-Lema, & Van Auken, 2013).

In the current scenario, models that help project management become great allies for small and medium-sized enterprises (SMEs). Souza, Maccari, Mazieri and Santos (2020) present one of these models that, among the proposals for the development of skills in project management and for business management, highlights aspects relevant to the discussion promoted by this editorial, such as de-bureaucracy, flexibility, focus on people and management by non-specialists. This reinforces the premise that such models must be simplified, with low cost of implementation, to allow SMEs to anticipate problems.

Other surveys, referring to the 2008-2009 crisis, concluded that the chance of survival is greater when small companies develop and manage to sustain competitive advantages. This is something easy to say and complex to do, but it is a start. In addition, marketing innovations contribute to this process, regardless of the generic strategy pursued, the differentiation or the cost advantage. The training for innovation in marketing has been improved, since the small companies analyzed were oriented towards competition and cross-functional adjustments (Naidoo, 2010).

The analysis of contemporary marketing practices was the object of investigation by Cittadin, Sarquis, Coelho and Pizzinatto (2020), in a multi-case study, entitled "Contemporary Marketing Practices: the Case of Small Garment Manufacturing Companies", in which the authors identified interaction, network and digital marketing practices, which indicated the presence of entrepreneurial and market orientations in these organizations.



At the end of this edition, Menegon, Cernev, Ferreira and Balian (2020) present a teaching case, “Low-Income Female Entrepreneurship: When Business is Privacy”, which discusses the management challenges faced by entrepreneurs at the beginning of its operations. Furthermore, it also considers different retail business models, inviting students to discuss and reflect on the ability to solve management problems, of medium and high complexity, with regard to an enterprise with scalable growth potential. In addition, they make provocations about e-commerce strategies, logistical solutions, facing Chinese competition, supply and sales channels, favorable to the current scenario.

Even without a light at the end of the tunnel, we hope that not only our country, but the world as a whole, will learn great lessons, including: how to greatly value interpersonal relationships and understanding the need to establish solid and effective partnerships with thrift and focus. Respect for others can provide social, financial, learning and survival balance, and, moreover, the experiences of social isolation are capable of turning into opportunities and solidity for entrepreneurial businesses. In times of uncertainty, emotional balance and resilience are configured as coping strategies and foster reflection, both necessary for the prospect of a better future, as human beings.

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