

**STRATEGIC CRISIS MANAGEMENT RESPONSES OF BRAZILIAN AND FINNISH
MICRO AND SMALL ENTERPRISES**

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Introdução

Although micro and small businesses are vulnerable to crises due to their size, they have the flexibility and adaptability to react quickly to changes. However, they cannot adopt the crisis management practices of large companies and need more specific planning. The COVID-19 pandemic has illustrated this vulnerability, with major business disruptions. The research compared responses to the crisis in Brazil and Finland, highlighting the different crisis management strategies adopted by companies in the two countries.

Problema de Pesquisa e Objetivo

The research problem involves three questions: What have been the short-term impacts of COVID-19 on businesses? How have entrepreneurs responded to the COVID-19 pandemic concerning restraint, perseverance, and innovation? How did the responses differ in Brazil and Finland? Thus, the general objective of this study is to investigate the short-term impacts of the COVID-19 pandemic on business in Brazil and Finland, and what were the strategic managerial responses of entrepreneurs to the acute external crisis.

Fundamentação Teórica

Wenzel et al. (2020) identified four strategic responses to the crisis: containment, perseverance, innovation, and exit. Containment helps in the short term, perseverance is viable in the medium term, innovation is seen as an essential action in the long term, and exit represents the reallocation of resources and was not used in this study, as the empirical data is from entrepreneurs who continued their businesses despite the crisis. Kraus et al. (2020) applied this model to family businesses, highlighting measures of restraint, perseverance and innovation, both in the short and long term.

Metodologia

The data consists of interviews conducted repetitively with entrepreneurs, addressing the impacts of COVID-19, managerial actions, business perspectives, financial support, business advice, and personal well-being. Collection occurred from March to June 2020 in Finland and from October 2020 to June 2021 in Brazil. Using the strategic response framework of Wenzel et al. (2020) and Kraus et al. (2020), the study focused on containment, perseverance, and innovation, excluding exit. In the context of our study, only the short-term perspective is relevant and adopted as our analysis framework.

Análise dos Resultados

In Brazil, COVID-19 paused operations, canceled orders and supplies ran short, reducing revenues by up to 100%. Companies adopted new digital sales channels to stay in business, sought financial support, and adjusted operations to maintain active businesses, implemented layoffs and cost-cutting to survive. In Finland, online and technology sectors grew due to increased demand, encouraging digital transformation. Innovation actions included migration to hybrid and online formats, and companies maintained and improved their services. They also cut costs and adjusted their operations to survive.

Conclusão

This international comparative study analyzed crisis management in small businesses in Brazil and

Finland during the COVID-19 pandemic. Through interviews with owner-managers, it was identified that companies adopted diverse strategies, including cost reduction, perseverance, and innovation. Resilience and adaptability were crucial to survival. The research highlights that crisis management actions are similar regardless of the context, being influenced more by the motivation and competence of the entrepreneurs than by the business environment.

Referências Bibliográficas

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