



**UNDERSTANDING THE  
EFFECTS OF COVID-19 ON  
SMES IN THE UK:**

EXAMPLES OF PROMISING  
PRACTICES

Dr Norin Arshed, Jillian Ludwig,  
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## EXECUTIVE SUMMARY

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This report analyses the impact of the COVID-19 pandemic on small-medium-sized enterprises (SMEs) in the United Kingdom. The first case of coronavirus was confirmed in the UK in late January 2020. From that point, the virus spread throughout the country and around the world, impacting public health and the economy along the way. As the unprecedented situation sent the nation into lockdown, businesses were forced to adjust to a new way of operating. SMEs were forced to shut their doors, work from home, and adopt new strategies to survive the pandemic. While many firms were unable to withstand the challenges of COVID-19, several were able to adapt to the ongoing situation and not just only to survive, but also thrive during this time. This report analyses case studies of SMEs from a variety of sectors and regions throughout the UK to understand the challenges they faced and how they were able to overcome them despite the global pandemic.

Section one of this report explores the entrepreneurship and SME literature and the importance of SMEs to the economy. This section considers how COVID-19 has impacted the small business landscape both in the UK and around the world. Based on the literature review, several themes emerged whereby the pandemic has affected the functionality and finances of many SMEs, but highlights that some have seen a disproportionate impact. Furthermore, this section looks at the ways in which government has worked to counteract the negative effects of the pandemic and subsequent lockdowns through broad policy responses. This section concludes by addressing the ways in which SMEs have taken advantage of the pandemic and seized opportunities to strengthen and grow their markets.

In section two, we introduce and justify our methods of data collection, in which we are confident we have achieved a high degree of rigour. We sought to (a) ensure that the data collected were representative of regions and industries, (b) be transparent in how we collected the data to ensure our qualitative approach is consistent with the standards of good qualitative inquiry, and (c) ensure our methods of enquiry were based on word-for-word transcriptions of what participants thought, felt and said, and were based on rigorous standards

of inductive analysis. In section three, we present our case studies and in section four, we discuss the case studies and allow for cross-case analysis. The final section discusses our recommendations which have been informed by the extensive data collected and from the literature review and, finally, we close by concluding the report by offering policy recommendations.

Based on the findings of the desk research and the case studies, the following overarching conclusions emerged:

**Conclusion 1:** SMEs were quick to react to the pandemic despite facing many challenges.

**Conclusion 2:** The challenges that SMEs faced comprised lack of incoming capital and urgency in accessing funds.

**Conclusion 3:** SMEs pivoted online; those that could not began seeking opportunities that they previously may have not considered.

Furthermore, given the findings, it is generally recommended that:

**Policy recommendation 1:** Policies should be inclusive of all viable small businesses.

**Policy recommendation 2:** The landscape of business support and advice requires a more holistic and less fragmented approach.

**Policy recommendation 3:** Quicker response times from government are required.

**Policy recommendation 4:** Digitalisation should be offered to all SMEs as a basic training and progression element of available support services.

# 1. SMES AND COVID-19

## 1.1 What is entrepreneurship?

Over the last thirty years, research on the field of entrepreneurship has grown (Ferreira et al., 2015). Governments have had a vested interest in creating a more entrepreneurial society as an alternative to traditional employment or even unemployment to reap its economic and societal benefits. This has prompted universities, and thus academics and researchers, to contribute to the growth of entrepreneurship (Cowling, 2009). Within this growing understanding of entrepreneurship, scholars have focused on various factors contributing to entrepreneurial activity, including both the innate characteristics of an entrepreneur and market demand for new ventures. As Gartner (1990) so aptly concludes, entrepreneurship is a complex concept but, in general, we understand it as the activity of creating a new business (Gartner, 1990). This activity inherently includes some level of risk-taking on the part of the entrepreneur - after all, no business is started without some investment of both time and money. The new venture likely requires an amount of innovation or uniqueness, creating, producing, or offering a good, a service, a process, etc., not currently available in the market. Still, this entrepreneurial activity occurs within social, economic, political, and market contexts (Thornton, 1999). This considers the entrepreneur's network of contacts, the exogenous economic and political conditions and, of course, the current business landscape. An entrepreneur, with these contexts in mind, sees an opportunity for new enterprise and seizes it through risk, creativity, and innovation.

Governments, globally, have vigorously pursued entrepreneurship by investing in a variety of different policies that incentivise starting and growing businesses to boost job creation, market competition, and innovation (Michael & Pearce, 2009). For example, enterprise policy has emerged as one of the key 'policies of choice' for governments around the world for tackling social and economic

challenges (Arshed et al., 2016; O'Connor, 2013; Wright et al., 2015). To support continued entrepreneurial activity, governments have attempted to foster better business environments both through direct support programmes and indirect policies which affect entrepreneurs. The UK government has created multiple programmes that support SMEs through access to funding, business advice, tax relief schemes, and training programmes, all of which create entrepreneurial ecosystems (Musa-Green, 2020). One such example of government assistance is the Start-up Loans scheme, a government-backed loan of up to £25,000 for new businesses. This programme reports that it has approved loans for over 75,000 businesses totalling more than £623 million since its inception in 2012 (British Business Bank, 2020). In January 2020, the Cabinet Office reported that the government had directly supported SMEs by spending £14.2 billion with small businesses from 2018 to 2019, a £2 billion increase since the previous year (Cabinet Office, 2020). In other countries, state-backed institutions have also been instrumental in promoting policies for SMEs. For example, the US Small Business Association approved \$28.2 billion in loans to small businesses in 2019 (SBA, 2019). With such a high level of investment, governments have a vested interest in encouraging entrepreneurship and SME growth and, based on the increase in the number of SMEs in recent years, these efforts have had an impact (Department for Business, Energy & Industrial Strategy, 2020a).

## 1.2 Why is entrepreneurship important?

Though they are small in terms of the number of employees, SMEs are of no small consequence in any economy. Over the past 20 years, the number of SMEs in the UK has increased by 2.5 million businesses, or by 73% (Department of Business, Energy & Industrial Strategy, 2020b). Both in the UK



and globally, small businesses and entrepreneurial ventures are the backbone of the economy (Eggers, 2020). Entrepreneurs greatly add to economic growth, contributing to the creation of jobs at a much higher level than other enterprises, with local employment growth often spilling over into nearby regions (van Praag & Versloot, 2007). Many small companies are deeply integrated into the fabric of a community, employing its citizens, and supporting a local network of people and resources. These entrepreneurial ventures also play a crucial role in the business landscape. Because of their typically small size and relative newness in the market, entrepreneurial businesses have the benefit of being more flexible and ready to adapt to changing market conditions (Eggers, 2020). The innovation that is often sparked by small businesses both encourages larger companies to explore new opportunities and increases competition (Schooley, 2020). There is a well-documented link between entrepreneurship and innovation in terms of product and process. Product innovation results in extended growth, while process-oriented innovation increases sales and decreases the price of doing business (Michael & Pearce, 2009).

Looking at the UK, small businesses are vital to the functioning of the economy. According to the Department for Business, Energy and Industrial Strategy, small businesses with 0 to 49 employees account for 99.3% (5.94 million) of all firms in the UK (Department of Business, Energy & Industrial Strategy, 2020b). SMEs account for 60% of private sector employees in the UK, or about 16.6 million jobs, and contribute 52% of the turnover generated by the private sector, approximately £2.3 trillion (Stephan et al., 2020). About 35% of UK private sector businesses can be found in London and the South East, and nearly 20% of all SMEs in the UK operate in the construction sector, while 10% are in the professional, scientific, or technical activities sector (FSB, 2020). According to the State of Small Business Britain (2020) report from the Enterprise

Research Centre (ERC), nearly 1 in 10 working-age Britons were in the early stages of starting a business in 2019 (ERC, 2020). Overall, about one quarter of all adults in the UK were planning on starting a business in the next three years, were in the beginning stages of opening a business, or already owned a business in 2019. Based on these numbers, it is obvious that entrepreneurs and small businesses make up a substantial portion of the UK economy.

### 1.3 How has the pandemic affected SMEs globally?

Without a doubt, 2020 presented unprecedented challenges for small businesses throughout the UK, describing it as an 'annus horribilis' for firms (ERC, 2020). With the backdrop of ongoing Brexit negotiations, the year began with the onset of a global pandemic that would spiral into national lockdowns, frozen supply chains, and dismal levels of demand. Nearly three-quarters of SMEs participating in the ERC Business Futures Survey taken in the fourth quarter of 2020 reported that the uncertainty produced by the pandemic was a barrier to running a successful business (ERC, 2020). This statistic becomes even higher when considering consumer-facing sectors like accommodation and food services and arts and recreation, 90% and 92% of which described the pandemic as an obstacle, respectively (Hopley, 2021). Around 61% of small firms surveyed by King's Business School (KBS) said the existence of their business was threatened by the crisis (Stephan et al., 2020).

SMEs have been hit particularly hard by the impact of COVID-19 as small businesses in the UK are much more likely to operate in sectors that have borne the brunt of cash flow reductions such as the food, accommodation, arts, and construction sectors. While the hospitality sector recorded almost no output in April and May 2020, 90% of businesses in

logistics, construction, and agriculture reported large reductions in revenue (Albonico et al., 2020; Office for National Statistics, 2020). The Office for National Statistics reported in November 2020 that 34% of accommodation and food service businesses had no or low confidence that their firm would survive the next three months (Office for National Statistics, 2020). Exacerbating the impact of the crisis is the fact that SMEs tend, on average, to be less resilient than their larger counterparts, making a recovery for these small firms a daunting task (Juergensen et al., 2020). Although the coronavirus pandemic has indisputably stifled SMEs, both in terms of functionality and finances, it has also brought about business-bolstering policy responses and new opportunities for those that can survive.

### **1.3.1 Functionality**

The onset of the COVID-19 pandemic has majorly affected the way in which SMEs are able to function, from trade to operations. National lockdowns, social distancing measures, and the restriction of movement of people and goods have changed the ways firms do business and, in some cases, have stopped business altogether. According to a survey by KBS, 73% of companies opted to change their business plans, either by developing new products or repositioning entirely, considering the pandemic (Stephan et al., 2020).

The global slowdown of supply chains has significantly impacted firms' productivity. Even prior to the lockdowns in the UK, enterprises relying on imports experienced a shock in supply as the virus started to spread across the globe. Once the UK government took measures to stop the spread of COVID-19 in March 2020, both supply and demand ground to a near-halt, with movement severely restricted across the country. According to the Business Impact of COVID-19 Survey, March and April 2020 brought the highest monthly fall in both

exports and imports ever recorded by the Office for National Statistics (ERC, 2020). These supply and demand shocks are felt even more acutely by small businesses who often have limited resources to combat them. Nearly 59% of Innovate UK award winners reported supply chain disruptions and 63% reported demand disruptions (Roper et al., 2020).

Supply and demand aside, the daily operations of SMEs have been greatly affected by the pandemic. With national lockdowns and social distancing restrictions, many businesses have had to scramble to create viable work-from-home options or alter their workspaces to maintain some activity. In contrast, others have had to face the reality of closing either temporarily or permanently. These changes have been the most challenging for traditionally consumer-facing industries that are less suitable for work-from-home set-ups like accommodation and food services (ERC, 2020).

Meanwhile, two-thirds of entrepreneurs surveyed by KBS reported that they began exclusively working from home or started working from home more, and many businesses had to make significant investments to alter their establishments to comply with social distancing regulations (Juergensen, 2020; Stephan et al., 2020). For firms who were able to shift to a work-from-home model, this has meant the adoption of new technologies that allow for telework or e-commerce. Almost two-thirds of firms in the Business Futures Survey said they changed their use of technology in response to the pandemic (ERC, 2020). But particularly for service sectors, this adjustment was not possible, resulting in large decreases in turnover relative to their production counterparts (ERC, 2020).

### **1.3.2 Finance**

The pandemic has also sparked significant financial difficulties for SMEs across the country. In fact, only

38% of the smallest firms reported to the Office for National Statistics that they were highly confident that they could survive the next three months in October 2020 (Office for National Statistics, 2020). With nearly three-quarters of Innovate UK award winners experiencing disruptions in cash flow and two-thirds of SMEs seeing decreased revenues, many firms are left in a precarious financial situation due to COVID-19 (Goldman Sachs, 2020; Roper et al., 2020).

No matter the cause, financial crises highlight the challenges that small businesses face in securing finances for cash-flow needs. Frequently, SMEs are perceived by banks as greater risks during a crisis period, leaving them without crucial support (Eggers, 2020). Having to rely on turnover and savings, then, can pose a major threat to many SMEs. According to a 2018-2019 survey reported by Cowling et al. (2020), one in 12 businesses are at a severe risk of liquidity crisis due to a complete lack of cash balances, and only four in 10 businesses had any 'rainy day' savings leading up to the onset of the COVID-19 lockdowns (Cowling et al., 2020). These challenges have been particularly prevalent in service sectors who have seen sharp falls in turnover. More than 50% of food service, arts, entertainment, and other service sectors say they expect their cash reserves to only last up to six more months, and 14% of all businesses say their current operating costs are higher than their turnover (ERC, 2020). What's more, within the accommodation and food service sector, 71% of businesses participating in the ERC Business Futures 2020 survey reported a decline in turnover (Hopley, 2021). When considering the investments that firms have had to make to adjust to a work-from-home operation or comply with social distancing, the lack of cash inflow can be staggering.

Declines in income and funding have had a multitude of other effects on SMEs. Nearly three-quarters of firms reported that reducing costs has become their main priority considering the COVID-19

pandemic (Hopley, 2021). Meanwhile, an estimated one-quarter of businesses are concerned about defaulting on existing loans, and nearly 30% of small firms and 32% of medium-sized firms reported having to let employees go (Albonico, 2020; ERC, 2020). Additionally, many enterprises have had to significantly reduce research and development activity or stop it altogether, bruising hopes of future innovation and growth. Clearly, the coronavirus crisis has left most SMEs in a dangerous financial position.

### **1.3.3 Disproportionate impacts**

Though the pandemic has had far-reaching effects on all entrepreneurs, some groups have faced additional difficulties. In particular, women and ethnic minority groups in the business community have been substantially impacted by not just the coronavirus itself but by the restrictions that have been put in place to protect against it (Jeraj, 2020; Stephan et al., 2020). Both women- and minority-owned businesses have a higher likelihood of being in sectors that have struggled the most to maintain turnover due to social distancing and lockdown guidelines such as retail, hospitality, and personal care (ERC, 2020; Jeraj, 2020). Women-led businesses were far more likely to report that they had seen a lower trading volume due to COVID-19 than men, with 72% and 56%, respectively (Stephan et al., 2020). Likewise, a survey taken in April 2020 reported that nine in 10 businesses owned by a Black, Asian or minority-ethnic individual could face permanent closure if lockdown measures persisted for longer than three months (Lally, 2020), leaving these groups more greatly exposed to the issues already faced by the business community at large.

The pandemic has highlighted global challenges for women entrepreneurs: (1) the industries where most women operate are disproportionately affected by the recession; (2) women are more likely to run many of the youngest, smallest, most vulnerable

businesses; (3) with schools closed and elderly family members under threat, women are more likely to be juggling primary care-giving and homemaking, while they are scrambling to save their businesses (Manolova et al., 2020); and, (4) women are less likely to seek external finance to bolster their cash flows (Arshed, 2021). Prior to the pandemic, women were still more likely to take on a larger share of childcare and household responsibilities than men. With schools closed, the time spent on at-home-education and childcare has substantially increased. If patterns of the division of childcare have remained similar during COVID-19, school closures have made it far more challenging for many women entrepreneurs and business owners to maintain their professional roles (Andrew et al., 2020; ERC, 2020) with the International Monetary Fund warning that the COVID-19 pandemic threatens to roll back gains in women's economic opportunities, widening gender gaps that persist despite 30 years of progress (International Monetary Fund, 2020).

Meanwhile, the existing inequalities that persist for ethnic-minority communities have also been reflected in their SMEs. For example, studies have shown that ethnic-minority groups were far less likely to know about different financial support schemes being offered by the government to business owners, suggesting that minority groups face greater barriers to information and support (Lally, 2020). Furthermore, research has shown that individuals from ethnic-minority groups are three times as likely to contract COVID-19 and five times more likely to face serious complications due to the virus. Similarly, local lockdown restrictions are more likely to be in urban, densely populated areas which have higher levels of ethnic diversity (Lally, 2020). The disproportionate health effects of the pandemic on ethnic-minority communities (Devakumar et al., 2020) have undoubtedly increased the challenges that entrepreneurs face in keeping their businesses afloat through this crisis. For both women- and ethnic-minority-owned firms, the pandemic has

served to exacerbate the difficulties and inequalities they faced prior to the virus.

#### **1.4 How has the government responded?**

Though the outlook for SMEs across the country has been troubling, the government has introduced numerous new programmes and schemes to help alleviate some of the challenges produced by coronavirus. In fact, about three-quarters of entrepreneurs surveyed by KBS had applied for government support in response to the pandemic before September 2020 (Stephan et al., 2020). One of the most substantial support programmes offered by the government is the Coronavirus Job Retention Scheme, which allows businesses to furlough employees (meaning these employees cannot engage in any work activity for the firm) and apply for a grant to cover up to 80% of their salary, up to £2,500 per month (HMRC, 2020). A survey from the Association of Practising Accountants found that nearly 60% of respondents were using the furlough scheme in April 2020 (Association of Practising Accountants, 2020). According to Goldman Sachs, 98% of SMEs they surveyed said that the programme had a positive impact on their business (Goldman Sachs, 2020). After bypassing many projected end dates, the furlough scheme has been extended to the end of September 2021 (SBA, 2021).

Businesses have also been given the opportunity to apply for several different government loan schemes. The Coronavirus Business Interruption Loan Scheme offers access to loans of up to £5 million with a government guarantee of 80% of the loan cost and paid interest fees for the first 12 months. The Coronavirus Future Fund offers convertible loans for innovative firms, given the business has acquired at least matching funding from private investors. Finally, the Bounce Back Loan Scheme (BBLs) offers SMEs 100% government-guaranteed loans between £2,000 and 25% of their

turnover. According to the National Audit Office, within the first month of the programme, nearly 700,000 loans had been approved through the BBLs, amounting to £21.3 billion in support for small businesses (Davies, 2020). Among Innovate UK award holders, this scheme has proved particularly popular amongst manufacturing and hospitality firms (Roper, 2020). Approximately 90% of BBLs loans have been administered to micro-firms with zero to nine employees. Other support programmes have included deferrals on income tax and VAT payments and cash grants from local councils or other initiatives (Stephan et al., 2020). According to the Chancellor of the Exchequer, Rishi Sunak, £280 billion has been provided by the government to support businesses and jobs across the UK as of January 2021 (HM Treasury, 2021a).

For many, these schemes have acted as a lifeline, keeping SMEs afloat despite pandemic-induced difficulties, yet some businesses slipped through the cracks early on. As the impact of COVID-19 continues to affect firms, new schemes have been introduced to support these members of the business community as well. For example, the Self-Employment Income Support Scheme awards grants worth 80% of average monthly profits for up to three months and has been extended twice already (HM Treasury, 2021b). A similar programme has also been proposed that would support directors of limited companies (Agyemang, 2021). Still, many people have not been able to access crucial support schemes. Millions of early-stage or part-time entrepreneurs have been left out of the current government offerings (Keerat, 2021). To protect entrepreneurs and small businesses, it is key for governments to address the needs of these individuals and their companies.

### 1.5 What are the new opportunities that await SMEs?

Despite the obvious challenges, the COVID-19 crisis has not been entirely doom and gloom for SMEs. More than four out of five SMEs surveyed by KBS said they think their business will survive or grow larger after COVID-19 subsides (Stephan et al., 2020). Firms that saw opportunities to adjust their product line or delivery methods through the pandemic have seen the crisis as an opportunity to adapt, reroute, and even grow (Stephan et al., 2020). Though SMEs are typically seen as particularly vulnerable to shocks, their relative newness and small size offers some advantage over larger firms. Small businesses can adapt more quickly when there is an opportunity or threat in the environment without having to deal with deeply entrenched business plans that slow the adjustment process for larger firms (Eggers, 2020). Some firms have taken this opportunity to alter and diversify their supply chain to not be so dependent on faraway manufacturers (Juergensen, 2020). The small size of SMEs also typically puts them at closer proximity to their clientele, making them better suited to shift course to meet market needs (Eggers, 2020). In fact, businesses that have maintained turnover during the pandemic have done just that. Almost half of the entrepreneurs participating in the KBS survey reported that they could seize new opportunities by developing different products and services than usual (Stephan et al., 2020). Following the first wave of lockdowns in the spring of 2020, two in five SMEs adjusted their business plans as they anticipated further restrictions and potential falls in revenue, and 10% of small companies pivoted to a new market (Ruzicka, 2020). Some firms have even been able to repurpose their production operation to create masks, medical equipment, and other PPE (Juergensen, 2020).

For many SMEs, COVID-19 has encouraged further commitment to carbon-neutral practices as policymakers discuss a 'green recovery' to the

financial crisis. An estimated 39% of respondents to the ERC survey reported that they still strongly consider environmental implications in decision-making. For those adopting net-zero practices, over half said that cost reduction considering the pandemic was their main reason for doing so (ERC, 2020).

Meanwhile, many businesses that had not previously been a part of the online marketplace turned to digitalisation to increase flat-lined demand. The ERC Business Futures survey shows that 34% of businesses said that adding new technology to the mix increased their sales (ERC, 2020). In comparison, 38% said that digitalisation has had a positive impact on innovation in their firm (ERC, 2020). Likewise, according to research carried out by Paragon Banking Group (2020), 52% of SMEs who operate online have seen sales increases during the pandemic. A Goldman Sachs (2020) survey reports that nearly three-quarters of businesses say that continuing to expand their digital capabilities and infrastructure is a top priority moving forward from the pandemic. This increased adoption of technology in small businesses will assuredly help them be more resilient to shocks in the future.

While studies of previous panics like the Great Financial Crisis have found that nearly 20% of small firms will not survive a recession, those who can weather the storm can reap great benefits (Lim, 2020). In fact, 49% of SMEs surveyed by Paragon Banking Group (2020) said that new knowledge generated by the pandemic and the changes they have made as a result will increase future resilience.

In March 2021, Chancellor Rishi Sunak presented a budget to Parliament which included several provisions extending or developing further COVID-19 financial support for SMEs (smallbusiness.co.uk, 2021). Both the furlough scheme and the reduced VAT rate have been extended to the end of September 2021, while the business rate holiday

has been extended three months from April 1. New additions to COVID-19 fiscal support include the Restart Grant and the Help to Grow schemes. Restart Grants will be available for business in the hospitality, leisure, accommodation, and non-essential retail sectors (smallbusiness.co.uk, 2021). The government hopes that this funding will allow for these businesses to reopen safely once lockdown restrictions have lifted (Gov.UK, 2021). The Help to Grow scheme will provide management and digital training for SMEs in the UK with 90% of the costs covered by the government (Gov.UK, 2021). The programme also allows small businesses to apply for a £5,000 grant to pay for productivity software. Additionally, the Self-Employment Income Support Scheme will offer two further grants, although company directors who pay themselves in dividends will notably be left out of this programme once again (smallbusiness.co.uk, 2021).

## 1.6 Conclusion

The review was aimed at understanding entrepreneurship, SMEs, and the importance they play in the economy while also highlighting the landscape of SMEs in the current pandemic in the UK and highlighting some of the government support available to address the challenges faced by SMEs. The key takeaways are the amplified challenges faced by SMEs and the importance of the role of government in providing accessible and appropriate support for them to survive during and after the pandemic. Thus, the report looks to case studies of SMEs throughout the UK to understand how these promising practices can influence and inform the future of policy for SMEs.

## 2. METHODOLOGY

### 2.1 Sampling

The goal in selecting case studies was to highlight SMEs who were able to succeed and innovate despite the challenges of the COVID-19 pandemic. To do this, we used a non-probability method that combined purposive, convenience, and snowball sampling to create a sample of businesses from a variety of different sectors operating in many regions throughout the UK.

Contact was made to have a discussion as to why, where, when, and how these organisations prospered during the pandemic; the opportunities that arose from the pandemic for their SMEs; how they tackled the challenges during this turbulent period; and, what support they sought to ensure they were able to thrive. The aim of collating the case studies was to build 'promising practices' to understand various models in different regions which were sustainable and feasible, and applicable during and after the pandemic for SMEs to survive and be successful.

### 2.2 Data collection

The data were collected between February and March 2021. The goal of these interviews was to obtain a thorough account from SME owners of how coronavirus affected their business, the ways in which they adapted to the pandemic, and what, if any, support they received that aided their business during this time. Semi-structured interviews were undertaken to reflect on their experiences before and during COVID-19. The interviews included questions about the state of business pre-pandemic, innovative actions taken, and advice for other businesses and the government.

In total, 12 SMEs confirmed participation in the study (Table 1). Those who responded and agreed to be interviewed were asked to read the participant information sheet and sign a consent form where they confirmed that the information the individuals provided would be used for a report submitted to 89Initiative and would be publicly available.

Table 1: Information on case studies

<b>Company</b>	<b>Type of Business</b>	<b>Region</b>
The Clear Coach	Life Coaching	London
Anonymous*	Nutraceutical Distributor	London
Mary's Home	Care Home	London/Surrey
Strawberries and Creem Festival	Music Festival	Cambridge
Cotswold Printing	Publishing Company	Gloucestershire
Ecoanolytes	Cleaning Product Manufacturer	Dundee
Re:Nourish	Food Production	Cobham
Brewdog	Brewery	Aberdeenshire
Cosmedics	Medical Practice	London
Weekly10	Online Employee Feedback Platform	Wrexham
The Chelsea Corner	Joni Lekai	London
Devonshire Wealth Management	Financial Advisory and Wealth Management	London

\* Business owner wanted to remain anonymous.

### 2.3 Data analysis

To analyse the data collected from the case studies, each interview was recorded (with permission), reflected upon, and summarised. The interviewees provided a clearer understanding of the ways in how coronavirus has affected small businesses in different sectors throughout the UK. By sharing their experiences, it allowed for not only insights into the factors which allowed the SMEs to survive but also to understand the challenges they may have faced during COVID-19.

All interviews were recorded with permission. We followed strict guidelines in analysing and reporting qualitative research (Gioia et al., 2013). The first step in the analysis was to transcribe all interviews verbatim. The second step involved manually coding the data and identifying initial ideas in the data and grouping them into categories, known as open

coding (first-order codes) - key words, phrases, sentences, and paragraphs from the transcripts, memos and field notes were highlighted. The final step involved coding and interpreting by entering all codes into the NVivo program (software that is used to analyse text). This aided verification of the data, re-coding where necessary, and linking key concepts to build a narrative from the findings.



## 3. CASE STUDIES: SMEs DURING THE PANDEMIC

### 3.1 Introduction

To analyse the impact of COVID-19 on SMEs, we conducted 12 case study interviews with business owners from various sectors throughout the UK using a semi-structured format. Each business owner provided us with details of their experiences before and during the pandemic, shared their strategies for survival, and offered advice for both the government and other SMEs. Using these case study interviews, we analysed the impact of coronavirus on small businesses and found that, across regions and sectors, common challenges were faced, and similar approaches were used to highlight promising practices despite the pandemic.

#### Case 1: The Clear Coach

Dr Rakish Rana  
[www.theclearcoach.com](http://www.theclearcoach.com)



THE CLEAR COACH

Dr Rakish Rana is the owner of The Clear Coach, a life and professional coaching service based in London. Dr Rana started. The business name is TCC Consulting Ltd, but for brand and marketing purpose The Clear Coach began in 2014, operating the business alongside a separate full-time job. In 2019, the business had become so successful that Dr Rana was able to transition to full-time life coaching. He offers services to a wide range of clients both in the UK and internationally. During the pandemic, Dr Rana was able to spend time building his marketing campaign on social media allowing him to grow his business and its reach.

#### Key event during the pandemic

Once the pandemic hit, Dr Rana had to shift entirely to a telecommunication model to continue servicing his clients during lockdown. While finding new clients proved challenging due to COVID-19, the pandemic provided The Clear Coach with the opportunity to reboot the business's marketing strategies. Now active on Instagram and LinkedIn, Dr Rana calls 2020 a successful year despite the challenges of coronavirus.

#### How did the business start?

The Clear Coach is a life coaching service that was established by Dr Rakish Rana in September 2014. Typically, most of the coaching has been conducted face-to-face, with occasional telephone or video coaching for international clients.

#### What was business like pre-COVID-19?

Though the firm has been operating for nearly seven years, Dr Rana worked a full-time job outside of The Clear Coach until 2019. At that point, the business was running smoothly, allowing him to transition to life coaching on a full-time basis. Keeping with the typical cycle of business for the firm, The Clear Coach saw an uptake in enquiries for consulting in the early months of 2020. Yet, by March there was a major decline in terms of the number of people willing to commit to services financially. Still, the number of people seeking assistance on an informal basis grew substantially.

#### What challenges have you faced during COVID-19?

The biggest challenge facing The Clear Coach was maintaining a steady cash flow and income for Dr Rana. Even with a decent level of savings heading into the pandemic, the lack of incoming clients made it necessary for the business to become creative

about ways of generating new clients and cash flow.

### **How have you taken advantage of the pandemic to become successful?**

Dr Rana often says to his clients, *"We can't allow external influences to always affect what we do."* 2020 has undoubtedly been a challenging year, but The Clear Coach has taken that message to heart and used the pandemic as a springboard to seek new opportunities. The inherent difficulties of the pandemic made it necessary for Dr Rana to innovate and explore new, creative options for marketing his business that he might not have investigated otherwise.

Over the course of the pandemic, Dr Rana has invested considerable time in raising awareness of his company via marketing. After hiring a publicist to create a higher level of exposure and brand awareness, he has taken to social media, hosting Instagram Live sessions, and boosting his activity on LinkedIn. He has also launched a podcast and appeared on others' podcasts as well. Appearing both online and in various forms of media has shed new light on the services that The Clear Coach provides, helping to further establish credibility and attract new clients.

### **What innovations/adaptations did you implement to survive and prosper?**

While The Clear Coach typically prefers to conduct client meetings face-to-face, COVID-19 made this impossible. Video and telephone meetings were not new options during the pandemic, but the situation necessitated a much greater volume of them than normal. As a result, the business had to market itself that way, convincing clients that video calls are standard practice and are just as effective as the usual in-person sessions.

Luckily, this shift saved The Clear Coach both time

and money. Telephone and video meetings allowed for more flexibility for timing and location and lower costs in terms of travel expenses. It also opened more opportunities for an increased international client-base. Dr Rana does note, however, that when he is able, he would like to return to more in-person coaching, but it is good to know that online options are viable and available should they be needed in the future.

### **Did you seek support/advice/financial assistance?**

Dr Rana was significantly reliant on life savings because many of the grant programmes were not available to The Clear Coach. As Dr Rana only went full-time for the business two years ago, he could not show enough income from coaching to be eligible for many support schemes. He says, *"I was one of those businesses that fell through the gaps [in terms of government support]."*

### **Was this support useful and how is it used? How will it prepare you for the future?**

Without grant or loan assistance, Dr Rana says he had to financially tighten his belt, both personally and in the business, saying, *"It's going to take some time to pick back up again."* Nevertheless, Dr Rana views 2020 as a successful year for The Clear Coach. He has been able to pivot, adapt, and help more people than ever, despite financial challenges

### **What advice would you give other businesses or the government to become more successful?**

Dr Rana notes that he was disappointed by the lack of guidance for the government support scheme application process. He says the process was not streamlined or easy to complete, and there was a significant lack of clarity about what programmes he should explore. About the application process, he says, *"The time I was having to apply, it was like*

applying for a full-time job and doing a job, rather than doing what I needed to be doing." In his view, communication channels need to be much simpler for support to be effective.

Dr Rana says that the most important thing for other business is to consider the question: "What's going to make you resilient? Not only as a person, but as a business as well." He thinks that having a personal network of mentors and trustworthy people is crucial to surviving in business. He also notes that he believes it critical not to fully rely on government, saying, "If I need to accomplish anything, I need to do it myself...you've got to look out for yourself."

## Case 2: Anonymous Health

Anonymous Anonymous

Anonymous is the founder of Anonymous Health, a nutraceutical distributor and wholesaler based in London. Anonymous started the business in 2019, operating mainly as a business-to-business supplier for UK companies. During the COVID-19 pandemic, Anonymous saw an opening in the market for health supplements and shifted the firm to a business-to-consumer model.

### Key events during the pandemic

After effectively shutting down the company when the coronavirus set in, Anonymous Health came back with a new business plan that was better suited to success during the pandemic. Once exclusively operating as a business-to-business firm, Anonymous saw an opportunity in the market for health and wellness products and now operates on a business-to-consumer model.

### How did the business start?

Anonymous Health, founded by Anonymous, is an online store as well as a UK-based distributor for nutraceuticals, which include vitamins, supplements, minerals, and more. The company was founded in 2019 as a distributor for a German health clinic and supplement manufacturer. Just prior to the pandemic, the company began to transition into cosmetics but returned its focus to immunity-building supplements as COVID-19 began to spread.

### What was business like pre-COVID-19?

Before the pandemic hit, Anonymous Health mainly connected European manufacturers with wholesalers in the UK. When lockdown measures took effect throughout the country and retail shops were shut down, and the company began to explore e-commerce sales.

### What challenges have you faced during COVID-19?

The main difficulty faced by Anonymous was in making new deals. Both the pandemic and the ongoing Brexit negotiations made trade with other firms in Europe substantially more challenging. Products, particularly on the cosmetics side of the business, became much harder to sell to businesses. The ensuing financial hardships that came about due to COVID-19 effectively shut down trade for Anonymous Health for a brief period in 2020.

### How have you taken advantage of the pandemic to become successful?

After taking some time to get her bearings following the onset of the pandemic, Anonymous made the decision to extend her business directly to consumers in late 2020. The firms that she had previously been working with were also struggling due to COVID-19, making the business-to-business

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sales model Anonymous Health worked with previously less viable.

Once the decision to shift to a business-consumer model was made, the focus became about how to make that retail experience most convenient for consumers and most successful for the business. Anonymous realised that consumers now had increased budgets for health, lifestyle, and beauty products and knew that she had to cater to that market. With respect to identifying the new health and beauty trend, she says, *"I was doing my research as a business," and she asked herself, "How can I interfere in this customer base?"*

### **What innovations/adaptations did you implement to survive and prosper?**

Alongside the transition to an e-commerce platform, Anonymous Health began to bring a lot of its operations and supply chain back into the UK, rather than relying on international firms. This helped to keep the supply chain moving despite the pandemic and Brexit.

The main key to Anonymous Health's success amid COVID-19 difficulties is that the company was able to adapt to sell products that were high in demand during the pandemic. Anonymous Health had the opportunity to market its products as health-related and immunity-building, factors that became hugely popular to consumers over the year.

Anonymous understands that the business must continue to adapt to consumer behaviour to be successful. She believes that e-commerce will maintain a vital role for business-to-consumer firms.

### **Did you seek support/advice/financial assistance?**

While Anonymous did try to apply for government grants and other support schemes, she ultimately

found that Anonymous Health was not eligible for many of the programmes on offer. Because of this, the firm received no financial assistance during the pandemic.

Anonymous did, however, receive invaluable advice from an industry-specific mentor that helped to influence her decisions in adapting Anonymous Health.

### **Was this support useful and how was it used? How will it prepare you for the future?**

While Anonymous Health was not able to gain financial assistance through support schemes, Anonymous notes that it certainly would have helped her business had it been eligible. She found that the threshold for eligibility made it very difficult for her relatively young business to access the resources that were available to other, more established firms.

### **What advice would you give other businesses or the government to become more successful?**

Anonymous predicts that the key to success for businesses moving forward will be adapting to a digital landscape. She thinks that the government should be looking into more schemes that support businesses in the transition to becoming digital enterprises and e-commerce firms as it becomes more important for survival. In her parting words, Anonymous says, *"The future is becoming more and more digital, and both businesses, as well as the government, need to invest in those sectors...otherwise, they will fall behind on a global scale."*

### Case 3: Mary's Home

Amin Thobani

[www.maryshomecroydon.co.uk](http://www.maryshomecroydon.co.uk)



Amin Thobani is the Director of Mary's Home, a mental health care home for ages 18 to 65 operating in Croydon. The business has been operating since 2016. As a care home, Amin was particularly concerned about the COVID-19 pandemic and was careful to take precautions early. By taking advantage of grants and assistance for the care home industry, Mary's Home was able to update its facilities, follow protocol, and keep its residents safe.

#### Key events during the pandemic

With rumblings about coronavirus circulating in the early months of 2020, Mary's Home began taking precautions relatively early. By early March, the Home implemented a pre-emptive lockdown before the government lockdown took effect. This decision was based on information Amin had received about the situation in hospitals and care homes in Italy where the pandemic had begun to spread a few weeks earlier. Because of these preventative measures, the Home managed to stay COVID-19-free through 2020, only having an outbreak in January 2021 that lasted three weeks.

#### How did the business start?

Mary's Home is a residential mental health care home for ages 18 to 65. The business was started five years ago, originally as a family business, with Amin taking over as Director from his father.

#### What was business like pre-COVID-19?

Before the pandemic, Mary's Home was doing very well. The company had just completed a five-room extension in February 2020 and was operating at around 90% occupancy. However, with the onset of COVID-19, the Home stopped taking on new residents, leaving some of those new rooms empty for a few months. With business keeping steady leading up to the pandemic, Amin had accrued about 18 months of loan payments in savings for a worst-case scenario.

#### What challenges have you faced during COVID-19?

The main challenge faced by Mary's Home was maintaining safety measures and infection control throughout the duration of the pandemic. The worldwide shortage of PPE and cleaning materials meant that the Home needed to ration their supplies carefully, whilst a lack of clarity about the virus itself posed challenges for the business. In addition, uncertainty about symptoms, spread, and safety made it hard to know how to control infection in the Home effectively.

As the situation rapidly evolved, updates from Public Health England were given very quickly and the amount of changing information was difficult to keep up with. Once vaccine rollout began, a low level of supply in the area and certain protocols meant that residents and staff of the Home could not receive it immediately. While Mary's Home had successfully kept COVID-19 out of its facilities, unfortunately, in early January 2021, Mary's Home experienced an outbreak. Luckily, in three weeks' time, the Home was coronavirus-free once again.

#### How have you taken advantage of the pandemic to become successful?

Including grants and regular income, 2020 was

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the best financial year for the business to date. COVID-19 itself did not make the business more profitable, but the ability to take advantage of grant opportunities and referrals for recovered coronavirus patients opened new options for Mary's Home.

### **What innovations/adaptations did you implement to survive and prosper?**

Most changes within Mary's Home concerned the safety and infection control protocol. Amin worked to make sure that he and his staff were up to date on measures to protect residents and staff by keeping in contact with Public Health England throughout the pandemic. They also adopted new software to digitalise care plans, created staff cohorts so they could not mix, and upgraded the home to make safety protocols easier.

Amin ultimately thinks that locking down Mary's Home early was the most innovative thing he could have done, and it certainly helped to save lives.

### **Did you seek support/advice/financial assistance?**

Although the application process was extensive, Mary's Home did receive several grants from the government that amounted to £1,500-£2,000 per room. Amin notes that support within his industry was particularly strong, with almost every care home receiving grants, advice from public health officials, and support with new regulatory measures.

Amin also virtually attended seminars for care homes where members of the industry could compare methods and experiences. He was able to receive guidance from other home directors about infection control and management of outbreaks, as well as general check-ins.

### **Was this support useful and how was it used?**

### **How will it prepare you for the future?**

The grants received from the government were spent mainly on safety measures like staff transport, PPE, and upgrades to the facilities that improve Mary's Home's capacity to control infection. Aside from the financial support, encouragement and advice received from Amin's network of other care homes and stakeholders had a significant impact. Reassurance helped the business stay on the right path and not allow complacency in terms of safety protocols to set in.

### **What advice would you give other businesses or the government to become more successful?**

Amin thinks that it is important for businesses, particularly in his sector, to remember the importance of maintaining infection control. He says, "[COVID-19] is here to stay, it's not going anywhere, we need to live with it." Ultimately, he remains hopeful for firms that have been able to withstand hardships during the pandemic saying, "If you're able to stay financially viable throughout this, I think businesses will come out stronger."

### **Case 4: Strawberries and Creem Festival**

Chris Jammer

[www.strawberriesandcreem.com](http://www.strawberriesandcreem.com)



Chris Jammer is one of four founders of the Strawberries and Creem festival, an annual music festival that specialises in showcasing musicians from the rap and grime music genres in the UK. The company was founded in 2014 and has since put on successful music festivals that have been attended by over 10,000 people in 2019. During the pandemic,

Strawberries and Creem has been able to expand its social media presence and plan to recommence music festivals in 2021.

### **Key events during the pandemic**

On Monday 23rd March, Boris Johnson announced all gatherings would be banned due to new social distancing rules. Subsequently, the festival announced it was postponing the event to 2021. However, on 21st February 2021, the government announced its COVID-19 response roadmap, which permits large gatherings, including festivals, from 21st June 2021. Strawberries and Creem festival has since announced it will be hosting a two-day event in September 2021 with headline acts including Sean Paul and Partynextdoor.

### **How did the business start?**

Strawberries and Creem is a music festival that takes place in the UK, annually, in the month of June and has been ongoing since 2014. The company started as night club promotions and decided to host an alternative event to Cambridge University's May Week festival. Chris said *"...the Cambridge event did not represent artists so we put on an alternative event that showcased alternative music artists in the grime genre."*

### **What was business like pre-COVID-19?**

The festival was increasingly growing; in 2019, 12,000 people attended the fifth annual festival; the largest Strawberries and Creem festival to date. Additionally, over 50 artists performed at the festival, cementing the festival's place as a diverse and ever-growing UK festival.

### **What challenges have you faced during COVID-19?**

As a hospitality event with over 10,000 attendees,

the festival could not run in 2020 and cancelled the June festival on the 19th March 2020. However, Chris highlighted further issues with the uncertainty: *"money was spent on marketing for the 2021 festival that was made redundant by changing government dates of when live music events could restart."* Further challenges came when the government announced their lockdown exit roadmap, allowing festivals to commence the week after Strawberries and Creem had intended on hosting the 2021 Festival.

### **How have you taken advantage of the pandemic to become successful?**

During the lockdown, the company focused on growing their online social media presence and brand awareness as it could not host festivals. Chris explained: *"we are normally busy planning festivals so other parts of our brand get neglected. The pandemic allowed us to expand our social media presence on various platforms and hire employees to manage our social media accounts."* This signifies Strawberries and Creem grew its brand presence in the hope that of an increasing awareness of the festival.

### **What innovations/adaptations did you implement to survive and prosper?**

Unfortunately, due to government guidelines, the festival was postponed for 2020. Therefore, innovations were not put in place to go ahead with the festival. However, Strawberries and Creem was acquired by Sony Music backed promoter, Senbla, in 2020. The founder explained it *"provided the company with financial confidence and security during the pandemic."* Therefore, the company set up a transaction to be acquired that helped it survive and retain staff during the pandemic.

### **Did you seek support/advice/financial assistance?**

Strawberries and Creem had support via the

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furlough scheme. It was lucky, highlighting that many of their collaborators, various artists and partners, did not all receive support from schemes which impacted the company's ability to work together with them. The festival did not seek business advice as it could not find any for its sector or that was relevant.

**Was this support useful and how was it used?  
How will it prepare you for the future?**

Strawberries and Creem found the government furlough scheme a useful support scheme once it was expanded to include people in the music and arts industry. The government had initially planned to stop the furlough scheme in July 2020; however, pressure from lobbyist groups caused the government to extend this to October 2020 and ensure musicians and employees in the live events industries were included on the furlough scheme.

**What advice would you give other businesses or the government to become more successful?**

Founder Chris Jammer believes there was insufficient communication between the government and businesses, impacting the support SMEs received. He explained, *"many companies we work with were not sure if they were eligible for loans or the repayment systems in place which deterred them from seeking help."* The company argued that clearer communication would have allowed more businesses to access financial support during the pandemic.

**Case 5: Cotswold Printing**

Adam Soble  
[www.cotswoldprinting.co](http://www.cotswoldprinting.co)



Adam Soble is the founder and managing director of the Cotswold Printing Company, a format printer that specialises in indoor advertising displays. The company was established in 2005 and has since provided the local area with the production of format printing to be used for commercial purposes. During the pandemic, Cotswold Printing Company expanded its product lines to include the production of PPE and visors, essential for businesses, schools and hospitals to remain open during the pandemic.

**Key events during the pandemic**

Fears of the pandemic and an economic recession reduced demand for Cotswold Printing's services as firms were reducing their spending on marketing. Using a reliable source of Perspex, the firm began producing PPE for their local NHS trust. As restrictions were slowly lifted in June 2020, the company started creating PPE and screens for commercial use, enabling retail and hospitality businesses to reopen. Cotswold Printing is still producing PPE and is starting to increase its commercial advertising output as demand increases.

**How did the business start?**

Cotswold Printing is a large format printer, established in 2005. The managing director, Adam Soble, said the company specialised in, *"banners and displays for small tradesmen up to large international brands such as Mitsubishi."*



### **What was business like pre-COVID-19?**

Before the pandemic the company focused on working with clients within a fifty-mile radius and experienced 8% growth per year, benefiting from repeat business. The company invested in increasing their output capacity such as through the purchase of new manufacturing machinery.

### **What challenges have you faced during COVID-19?**

The pandemic drastically impacted company operations; retail showrooms and non-essential shops were forced to close meaning clients were not consuming large format print. The company had to change the goods it was selling as demand shifted from advertising to COVID-19 prevention, something the company was able to produce.

### **How have you taken advantage of the pandemic to become successful?**

The company started manufacturing PPE visors for a local NHS trust. It produced 45,000 of PPE in March 2020 which protected doctors and nurses in South Gloucestershire. The company did not make a profit on these but solidified its place in the local community. Cotswold Printing also changed the way it took payment for products to an online store.

### **What innovations/adaptations did you implement to survive and prosper?**

The company decided to use existing machines and supply chain partners to produce PPE visors and Perspex screens. The company set up an online shop meaning clients could more easily purchase products but also had the added benefit that clients were paying upfront for products, rather than after the items were delivered which increased Cotswold Printing's cash flow. Adam explained, *"demand for PPE grew our client base nationally and the introduction of our online store helped us achieve*

*maximum growth of 560% through the pandemic."*

### **Did you seek support/advice/financial assistance?**

The company did not seek business support or financial assistance during the pandemic. However, it did receive European funding in 2018 to buy machines which the GrowthHub Service helped find. The managing director explained, *"without that grant, we would not have been able to purchase the equipment that allowed our business to survive during the pandemic."*

### **Was this support useful and how was it used? How will it prepare you for the future?**

The company did not seek business support or financial assistance during the pandemic and as it already had the expertise to produce PPE and screens, the company was happy with its growth over the pandemic.

### **What advice would you give other businesses or the government to become more successful?**

The company would advise small businesses to research what grants are available to them and think that more signposting from agencies and the government is required. Additionally, the company has helped supply 45,000 PPE visors to their local NHS trust at the beginning of the pandemic in March 2020. Adam said, *"We had the supply chain to continue making PPE whilst most companies struggled to purchase materials needed. Therefore, we are not sure why the government did not approach us to help support other NHS trusts."* The company believes the government should aim to work with small businesses and local suppliers to help manufacture required goods rather than look to give contracts to larger companies that are international.

## Case 5: Case 6: Ecoanolytes

Erik Smyth

[www.ecoanolytes.com](http://www.ecoanolytes.com)



Erik Smyth is the founder of Ecoanolytes, a chemical production company that specialises in the manufacturing of cleaning and sanitiser products. The company was established in 2018 with an aim to specialise in creating environmentally conscious cleaning products that do not create harmful by-products. During the pandemic, the company increased production of hand sanitiser and experienced large, sustained growth that they hope to maintain after the pandemic.

### Key events during the pandemic

Fearing the virus that was consuming parts of Asia and Europe, customer demand for hand sanitiser increased beyond supply chains' capacity to meet demand. Consequently, supermarkets rationed products and started running out of products. Ecoanolytes had already expanded into supplying domestic products and saw a big increase in demand for their sanitisers. The company moved into a larger factory in 2020 to help meet demand and increase production output.

### How did the business start?

Ecoanolytes manufacture cleaning products and sanitiser from electrolysed water. The founder, Erik Smyth, explained the products are, *"80% times more effective than bleach but do not carry the same toxic and harmful properties, making it safe for use around children."*

### What was business like pre-COVID-19?

The company sells hand sanitisers to commercial firms, individuals, and schools, engaging in outreach programmes to teach children about hygiene and environmentally sustainable products.

The company was still in its early stages before the pandemic hit. Still, expansion into domestic products through its distribution brand, DEW, allowed them to expand its customer base.

### What challenges have you faced during COVID-19?

When the pandemic hit, Ecoanolytes faced a supply problem of the bottles and sprays due to the increased global demand for sanitiser, prohibiting order fulfilment. Similarly, throughout the pandemic, the demand for the company's sanitiser products exponentially grew, meaning the manufacturers were concerned about how they could expand capacity and meet customer demand. The managing director, Erik Smyth, explained at the beginning of the pandemic, 80% of his time was spent finding solutions to their packaging issues.

### How have you taken advantage of the pandemic to become successful?

The company's expansion into hand sanitiser before the pandemic was fortunate when COVID-19 reached the UK. The product, overnight, became highly sought after and there was a lack of supply, meaning supermarkets were running low on sanitiser stock. This allowed the company to prosper as it could take orders directly through their online store DEW.

### **What innovations/adaptations did you implement to survive and prosper?**

Erik resolved his problem by collaborating with a friend and local manufacturer of bottles, *“the support of Superfine allowed Ecoanolytes to operate during COVID and fulfil our orders.”* Similarly, to meet the increase in demand, Erik sought help from friends and family, increasing manufacturing operations from 16 to 24 hours a day during the peak of the pandemic. The company went from processing five orders per day to 700 at the start of the pandemic. Erik explained they have since, *“hired 12 additional full-time staff and now have 25 people working for the company.”* Due to increased demand for sanitiser products, Ecoanolytes has experienced 1200% growth during the pandemic.

### **Did you seek support/advice/financial assistance?**

Ecoanolytes sought advice and received financial support during the pandemic. The company sought advice from the Scottish Manufacturing Advisory Service, Michelin, Business Gateway and Dundee City Council on handling increased growth and putting systems in place to deal with increased turnover. Furthermore, the company had applied for a loan from Business Loan Scotland before the pandemic. However, the loan organisation gave Ecoanolytes increased investment over what it had asked for, due to the pandemic.

### **Was this support useful and how was it used? How will it prepare you for the future?**

Business advice sought helped the company deal with the increased demand and how to develop their systems to account for increased revenue. One example of this was taking on staff to help with implementing orders. The loan from Business Loan Scotland allowed the company to move to a new, 10,000 sq. ft facility and increase its

production capacity.

### **What advice would you give other businesses or the government to become more successful?**

Erik Smyth’s advice for small businesses is, *“try to learn every aspect of your business, enabling you to learn about processes and discover where systems can be improved.”* Furthermore, Erik suspects, *“businesses look for financial assistance but do not always seek, and even undervalue, the benefit of advice.”* Ecoanolytes suggest the government should, *“do more to advertise the support that is available for small businesses and increase financial support available for green enterprises, helping innovate sustainable technologies and reduce Climate Change.”*

### **Case 7: Re:Nourish Soup**

Nicci Clark  
[www.renourish.co.uk](http://www.renourish.co.uk)

## **RE:NOURISH™**

Nicci Clark is the founder of Re:Nourish, a fresh soup brand. The company produces soup in the World’s first patented microwavable bottle that is more sustainable than competitor brands. Bottle, label and cap fully recyclable. Despite starting operations in 2019, the company experienced sustained growth and expanded the number of retailers selling Re:Nourish soup during the pandemic.

### **Key events during the pandemic**

In April 2020, Re:Nourish donated 10,000 bottles of their soup to people in hospital and those in need. The company received financial investment

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from Doeler Ventures in 2020 which enabled them to recruit more staff and launch a successful advertising campaign to maintain their growth throughout 2020 and 2021.

### **How did the business start?**

Re:Nourish is a company selling fresh soup in the world's first microwavable and fully recyclable bottles, established in 2019. The founder, Nicci Clark, went to the United States to look at the *"Soup landscape over there as 'Souping was the new juicing.'*" However, nobody had managed to do it in a heat-able grab & go bottle. She returned to the UK and spent nine months designing the bottle and the healthy flavours before launching to market April 2019.

### **What was business like pre-COVID-19?**

Re:Nourish instantly found success, winning a food wellness award in London in 2019. Subsequently, supermarket Waitrose, *"agreed to trial the product by stocking the product in 314 stores, something never before done with any other brand."* This contributed to Re:Nourish's growth by 248% from February 2020 to February 2021, winning The Grocers Top Product launch and The Grocer Gold Start Up of the year 2020 finalist. They are now the U.K's 7th most popular fresh soup brand after one year.

### **What challenges have you faced during COVID-19?**

Re:Nourish did not suffer manufacturing or distribution limitations during the global pandemic; however, the pandemic, *"prevented us from expanding internationally into European and Scandinavian markets, making us focus on the UK market instead."* Re:Nourish did not, therefore slow down during the pandemic as they were seen as a credible health brand. Their Immunity soup was the biggest selling fresh soup in the UK.

### **How have you taken advantage of the pandemic to become successful?**

As a new company who did not suffer any challenges during COVID-19, the brand was able to continue growing despite the pandemic. The founder, Nicci, does not believe the firm took advantage as she believes it would have grown at the same rate without the pandemic.

### **What innovations/adaptations did you implement to survive and prosper?**

Re:Nourish created a new marketing campaign in response to people having to stay at home called 'We've got the bottle.' The campaign encompassed the 'disruptive' nature of the brand in the market and also professionals being busy at home on Zoom calls; using billboards, digital boards and bus shelters to create brand awareness. This is attributed to the company's increased growth in 2020.

### **Did you seek support/advice/financial assistance?**

The company did not seek any financial support or professional advice through the pandemic; however, it did receive a seven-figure investment from Doeler Ventures and a private angel investor during the pandemic that was used for marketing campaigns and hiring additional staff, increasing the number of employees from one to six.

### **Was this support useful and how was it used? How will it prepare you for the future?**

Re:Nourish did not seek any support to help the business as they continued growing during the pandemic, expanding product lines and stores the product is stocked in. However, the company received investment that was used for marketing campaigns and hiring additional staff, increasing the

number of employees from one to six.

### **What advice would you give other businesses or the government to become more successful?**

Re:Nourish's founder suggests small businesses are, "finding a unique path, creating a product that will disrupt a market and do something competitors have not thought to do." Re:Nourish attributes a large part of its success to being the first company in the world to offer fresh soups in a microwaveable and recyclable bottle, giving it a USP over other brands. The soups are also vegan, allergen and gluten free and packed with vitamins. Consumers are looking at healthy products and making health their priority. In addition, the founder would advise the government to, "support female entrepreneurs, increase financial support to starting SMEs", highlighting "it was hard to attain bank loans/ overdraft when the company was founded."

### **Case 8: Brewdog**

James Watt  
[www.brewdog.com/uk](http://www.brewdog.com/uk)

# BREWDOG

James Watt is the co-founder of Brewdog. The business consists of two parts: (1) the wholesale side based in Aberdeen, Scotland; Columbus, Ohio; Berlin, Germany; Gold Coast, Australia; and, additionally, 102 hospitality locations where 40% of their turnover is from hospitality; and, (2) 60% is wholesale beer, spirits and e-commerce. Brewdog has used the pandemic to take additional steps in becoming more sustainable and, also, pushed the focus of the brand into ecommerce, while hospitality venues have been largely closed.

### **Key events during the pandemic**

The pandemic has been challenging for Brewdog, as half of the business is in hospitality. One hundred locations have been closed over the last 12 months. In March 2020, CEO James Watt slept on an air bed in the office, thinking, "the ship is going to go down." Brewdog lost 70% of their revenue overnight, and customers could not afford to pay them. The worst period was before the furlough scheme was announced in March. The furlough scheme alleviated some stress and allowed the company to protect employees' jobs. Brewdog often found innovative ways to adapt the business, not only to support finances, but also to support the community. They pivoted the distillation business and made it into a hand sanitiser business; this was not at a profit, but to donate 500,000 bottles of hand sanitiser to the NHS and health care charities.

### **How did the business start?**

Brewdog was founded in April 2007 and started as a hobby. James and his business partner started with a £20,000 loan, and £20,000 savings.

### **What was the business like pre-COVID-19?**

The business has been rapidly growing since its inception in 2007. In 2008, during the second year, it became Scotland's largest independent brewery. By 2009, Brewdog was the UK's fastest growing beer brand and its famous 'Punk IPA' had gone international, becoming the top selling IPA in Scandinavia. 2010 saw the opening of Brewdog's first bar in Aberdeen, and by 2012 it had been awarded the Fastest Growing Company in Scotland and opened six new UK bars. In 2013 it opened its first international bar in Stockholm, and in 2015 it opened an additional 17 new bars. In 2018, among additional bar openings, it launched the first Craft Beer Hotel. By 2021 Brewdog had 102 international venues, with more openings to come including

Brewdog Las Vegas.

### **What challenges have you faced during COVID-19?**

The middle of March 2020, was the toughest for Brewdog, when it lost 70% of revenue overnight. Alongside Brewdog's own bars being closed, all of the bars that Brewdog act as a wholesaler to, had been informed to shut. International clients were not buying, clients could not afford to pay them and so, in turn, Brewdog could not afford to pay staff, *"people have got used to working and living with COVID now, but in March things were very uncertain."* Staff did not want to come in to work and wanted to isolate, there were issues with the furlough scheme, issues with working from home, and having to home school children. James said it, *"looked 50/50" if they would remain in business and, "even the periods that hospitality was open in, we lost money."*

To get out of this situation it pivoted parts of Brewdog, boosted e-commerce by 1,000% in 2020, and changed the channels through which it sells beer – using supermarket partners. However, social distancing meant it could not operate at capacity, regional variations in COVID rules also played a part in financial losses, *"It was almost more difficult being open, and operating with all of those constraints, than it was just being closed or open for takeaway, as it was impossible to make money."*

### **How have you taken advantage of the pandemic to become for successful?**

James states that the pandemic has not made them more successful outside of e-commerce but the company has been able to do more charitable giving - providing its vans for use, donating hand sanitiser, free canned water for vaccination centres, and Help NHS Heroes packs. Businesses have had the opportunity to look at how to give back and help the community. Brewdog became a certified

B Corp, which is awarded to businesses that 'meet the highest standards of social and environmental performance'. James claims that B Corps are, *"the future of business"*. The company also launched a beer education app for customers who are bored in lockdown to learn about beer – which increased engagement with the consumer.

### **What innovations/adaptations did you implement to survive and prosper?**

James argued that they were *"insanely adaptable"* and there are things they will not go back to after the pandemic. The growth in e-commerce will remain a focus after it brought in so much additional revenue. Beer was distributed via a new app delivery service within 60 minutes as it was going to waste in kegs. This enabled people to stay employed in those locations and allowed people to have a hospitality experience. Brewdog has showcased that business can be a force for good its emphasis on sustainability. In June 2020, the company decided to become carbon negative by buying 10,000 acres in the highlands and planting seven million trees, which boosted the business with the growing appetite by the consumer for sustainability.

### **Did you seek support/advice/financial assistance?**

The company utilised the government furlough scheme and took out an additional CBILS loan from HSBC. The furlough scheme has been *"invaluable"* in saving jobs; however, both co-founders were unpaid in 2020 to keep the business afloat. The hospitality side of is losing a lot of money while bars are closed. However, other parts of the company that are currently stronger are helping to offset the losses against the hospitality side. The CBILS loan and furlough scheme are both going towards keeping employees employed.

### Was this support useful and how is it used? How will it prepare you for the future?

The CBILS loan must be paid back, so provides temporary support. The furlough scheme will also be paid back through taxes, and James said, *"We're nervous about the future economic implications of that."* They say they're "also nervous about the effect on employment when the job retention scheme ends." James believes some people are using it as a stop-gap as a redundancy postponement scheme rather than a job retention scheme, and a lot of people may not go back to work when the scheme ends.

### What advice would you give other businesses or the government to become more successful?

James claims, *"adaptability is key... also the ability to operate at speed."* To this end, their app was launched in two weeks rather than what would have usually taken five or six months - this enabled them to shift kegs of beer that would have gone off. James also pointed out that internal communications were fundamental where they launched an internal app called 'Huddle' to communicate regarding performance, future plans, and to, *"alleviate uncertainty and anxiety."* They have increased connectivity and James feels that, *"overall, the support has been enough, it's enabled us to survive."* Regarding what the government can do, Brewdog suggested the government take a more of a, *"sector-specific approach"* to the industries that have been affected the most. Also, when exiting the pandemic, the government should use the opportunity to focus on sustainability.

### Case 9: Cosmedics

Dr Michalis Malandrakis  
[www.cosmedics.co.uk/doctors-surgeons/mr-michail-malandrakis](http://www.cosmedics.co.uk/doctors-surgeons/mr-michail-malandrakis)



Dr Michalis Malandrakis is a self-employed surgeon currently working with Cosmedics UK. Michalis adapted his self-employment at the end of the first national lockdown to work with Cosmedics, as it enabled him to continue working as a surgeon and also be closer to home and run less of a risk of contracting coronavirus, himself, without a long commute.

### Key events during the pandemic

The company remained successful during the pandemic, the first lockdown allowed Michalis to undertake personal development which included building a website, attending webinars, and studying. The company also decided to audit themselves and explore areas of growth.

### How did the business start?

Michalis is a surgeon working for a successful London-based private clinic which offers cosmetic and non-cosmetic surgical and non-surgical treatments. He started working with Cosmedics after the first lockdown measures were eased off partially. He says, *"it was the best decision to leave my previous surgery which was outside London, as I needed to be close to my family and London."*

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### **What was the business like pre-COVID-19?**

Cosmedics was, *“a very successful private cosmetic clinic which was very busy before the pandemic and managed to remain open during the COVID-19 pandemic with reduced activities.”* Michalis is self-employment with Cosmedics, which allowed him to remain financially secure as it stayed open for most of the year after the first national lockdown. During the first national lockdown Michalis was not able to work, in line with government restrictions.

### **What challenges have you faced during COVID-19?**

There was a lot of uncertainty as to whether similar businesses could remain open. In the case of Cosmedics, with the treatments they have on offer, they were able to remain open for the majority of the year to tend to their clients' existing bookings. Additionally, the number of consultations with new patients reduced, as, *“patients assumed we were closed or did not want to risk leaving home.”* The clinic had to remain closed completely during the first national lockdown; however, Michalis explains that it did not have too much of a financial impact on Cosmedics as a whole, or for himself in self-employment, as this business was quite profitable before Coronavirus and they could afford to take the time off.

### **How have you taken advantage of the pandemic to become more successful?**

The additional amount of free time, particularly during the first national lockdown, allowed Michalis to progress in other areas of personal development. This included building a website, attending webinars and studying. Additionally, at Cosmedics, *“as a clinic we found time to reflect on our audits and renovate certain parts of our branches.”*

### **What innovations/adaptations did you implement to survive and prosper?**

During the first national lockdown Michalis had not yet started working with Cosmedics on a self-employed basis; this gave him the chance to be creative with his personal branding and also allowed him time to study. Regarding his work with Cosmedics after the first national lockdown, the clinic was able to remain open; however, *“we had to operate with limited staff as a few of us had to quarantine. In order to continue making a profit, we had to focus more on medical rather than cosmetic treatments which, by law, we were not allowed to perform.”*

### **Did you seek support/advice/financial assistance?**

No government/bank support was sought for this business. As Michalis said, *“the clinic management did not have to do that as [the business] was quite profitable and could afford to close down during the first lockdown.”* After the first lockdown the business was able to run as normal, with COVID safety measures in place.

### **What advice would you give other businesses or the government to become more successful?**

*“As COVID-19 is here to stay businesses must adapt to the new normal”.* Michalis suggests that stronger online and telephone services are required to remain successful, and good marketing is also essential. He states, in this line of work especially, *“preparation is key, and businesses cannot assume that PPE will be available, and it must be ordered much earlier than needed.”* Government schemes are also essential for businesses to survive prolonged closure periods, and the proper provisions must be made for businesses to rebuild post-Corona.



## Case 10: Weekly10

Andrew Roberts  
[www.weekly10.com](http://www.weekly10.com)



Andrew Roberts is the founder of Weekly10, an online platform that enables employees and employers to track the progress of individuals and the company. The company seeks to improve employee monitoring systems to open dialogue between staff and managers to increase the success of companies. Weekly10 experienced sustained growth during the pandemic as more companies signed up to the service and the platform evolved to be better incorporated with other services such as Microsoft Teams.

### Key events during the pandemic

The company found it difficult to continue with many clients pulling out during the first national lockdown. Furthermore, recruitment of new staff became very difficult during these times. However, during the pandemic a new app by the company has been launched as well as nearly doubling their client base since March 2020.

### How did the business start?

Weekly10 was established in 2018 as a service platform for employers. The online service engages employees with company strategies and allows managers to track the progress of their staff better. Weekly10 is a 10-minute reflection where employees participate in once a week and aims to encourage organisational transparency and facilitate regular feedback. The business was founded by Andrew

and his co-founder, having previously worked as a Software Director for a technology company.

### What was the business like pre-COVID-19?

The firm had been operational for less than two years before the pandemic. Despite this, the firm has seen a fast adoption of their services by firms internationally. Before the pandemic, the company had already accumulated 120 clients, ranging from small businesses to multinational corporations. The founder, Andrew, explained, *"2019 was used to secure series seed funding and establish a pipeline to increase the platform's functionality and collaboration with existing professional platforms."* This infers the firm was putting foundations in for rapid expansion in 2020, before the pandemic hit.

### What challenges did the business face during COVID-19?

The major challenge Weekly10 faced through the global pandemic was multiple clients putting on hold their contracts for Weekly10 services. A large section of the seed funding the company accumulated was spent on marketing and connecting with potential customers; however, this was made redundant due to firms pulling out. The founder explained, *"Most of our clients are in the professional services sector and work as teams on a project. The pandemic caused many projects to close and, thus, companies chose not to employ the use of Weekly10's services as they were no longer required."*

Additionally, Weekly10 found hiring staff during the pandemic challenging. Due to remote working and government restrictions, it proved challenging to interview and train staff. The founder also faced challenges due to the company's office being in Wrexham, which lies close to the border of England and Wales, *"Many of our staff live in both England and Wales, whilst offices were allowed to open at various points during the pandemic, Wales was not."*

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This caused disruption for the company as they had to follow differing guidelines from two devolved governments.

### **How have you taken advantage of the pandemic to become more successful?**

Weekly10 has continued growing despite the pandemic. The company now has 250 clients and experienced 15% month-on-month growth during the pandemic, which compares to 5% before the pandemic. In March 2020, the company launched an app on Microsoft Teams, integrating Weekly10 tasks with the functionality of Microsoft Teams. Whilst this was not an action due to COVID-19, but a part of the company's development plan, the pandemic caused people to work remotely from home, many of whom were using Teams to collaborate with their fellow employees. Therefore, Weekly10 was able to host its services on a platform that became increasingly popular during the pandemic.

### **What innovations/adaptations did you implement to survive and prosper?**

Being an online web service, Weekly10 did not have to cease operations when the pandemic hit. Of the company's clients, 60% are international; therefore, they were familiar with remote working and using software such as Zoom to talk with customers. Due to the nature of their clients, it also already had remote demos meaning it was able to continue acquiring new customers during the pandemic.

One adaptation the firm did make was increasing the functionality of the platform by incorporating a messaging feature. The founder explained this, *"increased the amount of time people were spending on the platform as employees and managers were able to communicate on the platform rather than having to message each other on a separate platform."* This also improved the quality of employee assessment and communication with a company.

### **Did you seek support/advice/financial assistance?**

The company did not use the furlough scheme, like other companies in their sector, but was given a £10,000 grant from the Welsh government. The company did not seek any professional advice or consultation during the pandemic.

### **Was this support useful and how is it used? How will it prepare you for the future?**

The grant was helpful for the company as it gave financial security when it lost its pipeline at the beginning of the pandemic in March 2020. This gave the company the confidence to not furlough staff and continue marketing its product to prospective customers.

### **What advice would you give other businesses or the government to become more successful?**

The founder's advice for small businesses during the pandemic was to not terminate operations first without brainstorming to see if there is a way to continue operations. Weekly10 did not have to furlough any staff, if it had done so, it would not have been able to use staff for operations and, thus, would not have expanded during the pandemic. The founder gave the example of, *"restaurants set up takeaway services or home meal kits and some prospered during the pandemic."* It was felt that if businesses are too reliant on government support and do not seek ways to adapt their operations, they will not grow or develop resilience should another crisis such as COVID emerge in the future.

Furthermore, the founder, Andrew, would recommend the government adjust the furlough scheme as it was, *"more efficient in distributing money to those sectors that really needed it"* Equally, the company experienced disruption due to a

difference in COVID-19 restrictions in England and Wales; therefore, the company commented they was surprised, *“there was not better strategic planning in place for disasters, which would have addressed the issues that COVID highlighted with differences in regional rules.”*

### Case 11: The Chelsea Corner

Joni Lekaj

[www.thechelseacorner.com](http://www.thechelseacorner.com)



The Chelsea Corner is a London-based restaurant operating under the supervision of co-owner Joni Lekaj. In light of the coronavirus The Chelsea Corner remained adaptable to the trying circumstances for the hospitality industry and rebranded itself temporarily to provide takeaway meals through major delivery partners. Prior to the lockdown the Chelsea Corner had been working very hard to succeed in a difficult industry and had just started to receive some critical acclaim, with five-star reviews on OpenTable, Tripadvisor Square Meal and Google Reviews.

#### Key events during the pandemic

The Chelsea Corner was hit heavily by the coronavirus; as with most hospitality venues, it remained closed as a restaurant throughout much of the pandemic. During the ‘eat out to help out scheme’ it had a brief reprise where it was able to invite customers back into the restaurant over the summer. To remain adaptable, when restaurants were told to close for a second time, The Chelsea

Corner opened as a takeaway service only. This proved difficult when covering overheads; however, Joni explained that they continued to work for their mental health as much as to keep the business in operation.

#### How did the business start?

The Chelsea Corner is a restaurant based in London, which started in 2018. Joni mentioned that, “The start was very slow and took us a long time to build the business up and get it going”, as is common with restaurants. Prior to COVID it had just started to thrive in the area and had received press acclaim.

#### What was the business like pre-COVID-19?

The business was at its peak before the pandemic and Joni said, “we were really excited, we were getting some of the investment back and seeing the business succeed.” As the business was still in its early stages, having been open for only two years prior to COVID, it was inopportune timing for The Chelsea Corner who had just started to make a profit and had a rising status in the area.

#### What challenges have you faced during COVID-19?

Joni said that, “financially [it] has been very difficult for the business and government support has not been enough.” The hospitality sector has suffered dramatically during the pandemic and, despite implementing a takeaway service, it was still not enough to meet their overheads in an expensive area where a dining atmosphere is crucial to justify pricing.

#### How have you taken advantage of the pandemic to become for successful?

*“We have done our utmost to succeed as a takeaway*

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restaurant by adding a wood-fired pizza oven and adapting the menu to customers' needs." The addition of the pizza oven also enabled the company to provide a delivery service within a more reasonable budget when it was able to operate as a takeaway. Furthermore, time was also used to make improvements and renovations to the restaurant such a painting and decorating, which would not have been possible had it remained open.

### **What innovations/adaptations did you implement to survive and prosper?**

"We had to adapt to [operating as a] takeaway and redesign the interior and exterior of the restaurant to be suitable to COVID requirements". This included installing heaters and furniture outside for when customers were allowed to dine outside. It also implemented COVID safety measures and an additional traffic light wrist band system for when restaurants were briefly allowed to reopen indoors over the summer. The wristbands allowed staff to distinguish the level that the client was happy to engage with them in the restaurant.

### **Did you seek support/advice/financial assistance?**

The restaurant did claim assistance during this time and secured a bounce back loan.

### **Was this support useful and how is it used? How will it prepare you for the future?**

Joni explains that the bounce back loan, "was useful to keep the business going"; however, he says the support inadequately met its requirements, and that the costs of the business, including paying staff, outweighed the financial assistance that it was offered. Ultimately, during 2020 it was not able to make a profit.

### **What advice would you give other businesses or the government to become more successful?**

The government should continue to support local businesses going forward in similar ways that they did with the 'eat out to help out' scheme. Joni suggests the government should continue to reduce business rates, to allow some time to re-establish a profit margin. Additionally, at times when it is unsafe to utilise indoor spaces, Joni recommends that the government should ensure that businesses can use their outdoor spaces to allow businesses to remain open in some capacity. The government could also allow restaurants to maximise their outdoor seating areas, as they have in some high streets, by closing off roads with many restaurants. Joni adds, "more grants are always welcome", to take some pressure off.

### **Case 12: Devonshire Wealth Management**

Martin Cawley  
[www.devonwm.co.uk](http://www.devonwm.co.uk)



Martin Cawley is the CEO of Devonshire Wealth Management. He began the business with two accountants as partners, whom he bought out in 2014. Devonshire Wealth Management has been largely unaffected by the pandemic aside from the initial shock to clients in March 2020; and attributes some of its success during the pandemic to stress-tested and already having a work from home structure in place.

### **Key Events**

In March 2020, Devonshire Wealth Management

held its last corporate networking event 'Cheltenham in Chelsea'; this was the last face-to-face meeting with clients. December 2019 was a 'threatening time' for this business due to a potential change in government; so, at the beginning of 2020 the company felt more stable, which would not last for very long. During the first quarter of March the return on investments had dropped by a third. Martin said, "if you're in retirement and you've got a million-pound pension fund, and all of a sudden, you've got a six-figure pension fund, that's pretty scary." Devonshire Wealth Management's income had dropped by a third, and the business predicted that central banks all over the world would help to secure the economy, and, "effectively that's what happened." Martin adds, "by summer, certainty had been created and markets started to rise, and the last quarter was very, very encouraging." After the initial shock in March, "the UK was throwing in monetary stimulus in a way we've never seen before", which helped the company to bounce back quickly. As wealth management companies are stress tested, they knew how to deal with the fall-back and maintain client confidence.

### **How did the business start?**

Boutique wealth management company established in 2000 that runs investment and tax portfolios for their clients. Started out with Martin and two other shareholders who he bought out in 2014. A small team of 6 people, two members are client-facing and the rest are admin/office staff.

### **What was the business like pre-COVID-19?**

The company has been growing steadily for the last ten years. All of the company income is entirely correlated to clients' assets; so, for every pound a client invests, the company takes a small percentage of that money to manage and invest. On average, the company has achieved 10% growth year on year for the last ten years, equating to around a

200% turnover in those ten years. It had a flexible IT approach to business, anyway, and staff are not expected to be in the office every day of the working week; so, this made the transition to remote working much easier. Martin said, "we were lucky, had this have happened five years ago, perhaps we couldn't have done, but with the advances in technology and Zoom [they were able to]."

### **What challenges have you faced during COVID-19?**

Client relationships are front and centre to what the company does, "clients have to like us, trust us." Not being able to meet up for a coffee, go for dinner, or have face-to-face conversations has been a problem for this client-facing business but Martin explained, in the meantime, they have implemented temporary solutions such as video calls, "the opportunity to reassure people [in person], that key part has been removed." In a time of fear and anxiety this led the company to lead monthly formal Zoom meetings with clients. The Zoom calls were fundamental, not only to update clients on what they had been doing with their assets but, more importantly, to take questions and talk about their clients' queries and concerns. In relation to staff, working from home was easy as structures were already in place to do this; it was more the social and networking aspect of the business that was lacking and missed. Running a business from home while also home schooling was a problem and made working more difficult. For example, two of the most challenging meetings of the week, perhaps with a new client, would fall at the same time as the children might not be doing their homework, the dog was barking because it wanted to play, and parcels were arriving at the door, which led to some personal frustrations in working from home.

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### **How have you taken advantage of the pandemic to become for successful?**

By ensuring client confidence, the company managed to turn over 20% from December 2019 to December 2020. This is partly because when investment markets go up, fees also go up, so there was a direct correlation line. Martin argued that, "there comes a point around the summer when a client who has an appetite for volatility and risk will say 'do you think it's a good time to throw some money in?'" The company has also taken the opportunity to focus on making the business more renewable and sustainable as Martin believes this is something that clients are becoming increasingly engaged with.

### **What innovations/adaptations did you implement to survive and prosper?**

Fortunately, the company had already started to make adjustments to the structure of the business. For example, a few years before COVID it had started a move from a building with a six-figure rental fee, so it worked out well that the move coincided with the start of COVID. As the business had outgrown the 'shop-front style' brand and it was able to move from an expensive W1 location, a few members of staff had retired and had not been replaced. These were all ways the business was kept away from accruing additional unnecessary costs. Martin explains he has, "*big sympathy for those stuck paying city centre rates while not being able to use them.*"

### **Did you seek support/advice/financial assistance?**

No government/bank support was sought for this business, although it was debated due to the low rates. However, it is a lengthy process that must be fully reported in finance. Also, no members of staff were furloughed throughout the pandemic and they continued to work from home as they would have

done from the office.

### **Was this support useful and how is it used? How will it prepare you for the future?**

No financial support was necessary for this business.

### **What advice would you give to other businesses in adapting/pivoting to become more successful?**

*"Ensure you have the right team and trust your staff, have a margin for error, and make sure you've prepared for the worst-case scenario."* Martin also mentions the differentiation between sectors and highlights that being adaptable is key. He said: "*most business owners by their nature are entrepreneurial, or they wouldn't be in business.*"

## 4. DISCUSSION: UNDERSTANDING SMES DURING COVID-19

The case studies in the report represent a variety of sectors, regions, and circumstances within the UK's business community, and each firm had different experiences during the COVID-19 pandemic. Even so, some similarities arose through our analysis of the case studies that suggest a level of commonality amongst small businesses during this unprecedented time. Using the data gathered during the interviews the analysis allowed us to identify similarities and differences across firms, sectors, and regions.

### 4.1 Operational changes

Many firms faced similar challenges when COVID-19 and the subsequent lockdown measures came to the UK. For all the SMEs interviewed, the pandemic necessitated operational changes that affected business. Nearly every company underwent a shift to a work-from-home model, at least temporarily. This shift, however, came more naturally to some companies than others. While firms like The Clear Coach and Devonshire Wealth Management were able to maintain a level of service for their clients using Zoom and other video conferencing technology, production firms faced both supply and demand challenges. Ecoanolytes, for example, had difficulties obtaining some of the materials needed to manufacture their cleaning products due to increased global demand for them. On the other hand, Cotswold Printing saw a drop in demand for their large-format printing products as customer needs changed. Meanwhile, food service, entertainment, and accommodation SMEs often had to close their doors entirely during lockdown, with Strawberries and Creem cancelling their 2020 festival and Brewdog closing their bars.

### 4.2 Cash flow challenges

Regardless of sector, many of the SMEs interviewed noted issues with maintaining cash flow as it became increasingly more difficult to acquire new clients, keep previous clients, and make new deals in the early months of the pandemic. While Anonymous had trouble selling their products to retailers who had been forced to shut down, Weekly10 lost some of their clients as the need for their service declined. In any case, the new hurdles faced in selling products or retaining clients put a strain on the bottom line for many of our case studies. For these SMEs, government assistance offered some reprieve to the financial pressure. Of those that sought government aid, the furlough scheme was popular, with both Strawberries and Creem and Brewdog saying it was instrumental in maintaining jobs during COVID-19.

### 4.3 Government aid and communication

Government aid, however, was certainly not ubiquitous for the SMEs interviewed. Notably, one-third of the firms did not seek government assistance at all. Only five of the SMEs reported that they had received government funding in the form of grants, loans, or the furlough scheme. Two firms, however, were ineligible for the schemes on offer due to different circumstances despite having demonstrable need, highlighting that some SMEs have fallen through the cracks when it comes to government aid. Even for those who did take advantage of government assistance, some fear that once the schemes are rolled back, they may still face having to lay off employees if demand does not pick up.

Many firms did note that they felt communication between the government and SMEs was not sufficient. Some of these companies were not

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certain which support schemes might apply to them and thought the government should have provided better guidance regarding what businesses would be eligible for which programmes. One company noted that the regional differences in restrictions in regulations made it more challenging to do business. SMEs on the borders between two countries likely faced two different sets of lockdown restrictions for their employees, making it difficult to know which rules needed to be followed. Others said that government support was not sector-specific enough. While some sectors were able to maintain day-to-day business easily, or even save money by shifting to working from home, others have been completely shut down and require substantially more assistance to reopen after the pandemic.

customers' new way of life due to COVID-19, The Clear Coach hired a new publicist to engage more with the media. Brewdog even fast-tracked their development of a new app to keep in touch with consumers. In all these circumstances, the SMEs saw that their market had changed as a result of the pandemic, quickly responding to increase their chances of survival.

While the SMEs are in a variety of different sectors and regions, many had similar experiences during the pandemic that included major changes to operations, a general sense of dissatisfaction regarding government assistance and guidance, and the need to adapt in the face of a shifting business landscape.

#### **4.4 Innovating, adapting, and growing**

Even though all the case studies faced numerous challenges during COVID-19, they managed to keep their businesses afloat. The main theme that repeatedly came up when asked about how these SMEs maintained a level of success during the pandemic was the importance of fast innovation and adaptability in the face of unprecedented barriers. No matter the type of firm, almost every case study changed tack to adjust to the new landscape. Cotswold Printing, seeing a change in demand, shifted their production from printing to PPE manufacturing. Anonymous, seeing a new trend in the market, adjusted from a business-to-business model to a business-to-consumer format relying on e-commerce. After vigilantly tracking health developments in other countries, Mary's Home made the life-saving decision to enter lockdown before the national restrictions set in.

Several firms said that a key to their success through the pandemic was developing their marketing and advertising to improve brand awareness. Re:Nourish created new marketing in response to their



## 5. POLICY RECOMMENDATIONS

Our study provided a preliminary understanding of SMEs who have survived during the pandemic in the UK. The SMEs have overcome the challenges faced and highlighted how and why they have survived during these unprecedented times, allowing us to use these case studies as promising practices to influence and inform the future of policy for SMEs in the UK. The following policy recommendations have been developed in line with our findings:

- Policies should be inclusive of all viable small businesses. The policies need to limit the number of SMEs that fall through gaps in support schemes, in particular new SMEs who have little, or no records of trading etc.

- The landscape of business support and advice (including the funding element) currently is complex and requires attention – a simplification and aligned approach are required for SMEs to easily understand, explore, and utilise the policy initiatives suitable for individual SMEs. This could be in the manner of a toolkit that categorises the available support and its structures by sector-specific, regional, and/or life cycle of the business.

- Quicker repose times from the government are required. Often, SMEs' support and advice response (during the pandemic) was slow, and SMEs face repercussions of these time lags. Timely support packages for SMEs will create favorable conditions in maintaining production and business activities in such unprecedented times where product chains have been disrupted. This will then have a positive impact with respect to credit and capital, businesses will ensure a stable production scale, ensure production activities, and safeguard employment for workers.

- As digitalisation is increasing now and for the future of SMEs, the government should perhaps support technology training programmes for SME

owners and staff.

- To accelerate financial inclusion, which potentially includes kick-starter funds where accessing speedy and efficient funding should be key.

- An explicit acknowledgement that knowledge and capability building resources to help accelerate recovery and adapt for the post-COVID-19 environment is required for those disparately affected.

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