

**The 5<sup>th</sup> International Conference on Economics and Social Sciences**  
**Fostering recovery through metaverse business modelling**  
**June 16-17, 2022**  
**Bucharest University of Economic Studies, Romania**

## **Entrepreneurship Business Restart Readiness**

Vyara KYUROVA<sup>1</sup>, Dilyana YANEVA<sup>2</sup>,  
Teodora KIRYAKOVA-DINEVA<sup>3\*</sup>

DOI: 10.24789788367405072-049

### **Abstract**

*The new reality of COVID-19, as well as the present post-pandemic situation, have caused and continue to cause issues to most of the business activities. Many company owners and employees were forced to reorganize their usual ways of working. In fact, this led to turbulent restructurings in many spheres of the economic and social life, both directly and indirectly. In turn, the overall change has also necessitated the wider use of information and communication technologies, for which companies were more or less open.*

*The purpose of this research is to explore the readiness for a recovery of the entrepreneurship business from the post-COVID-19 pandemic challenges in the context of the Bulgarian business operators. Pursuing this particular line of investigation, the authors examine the difficulties of the entrepreneurship business in the specific timespan, the attitudes toward maintaining work in a digital environment after the pandemic, and adaptability to cope with the crisis. The role of government measures to support business handling the post-pandemic survival easier is another research inquiry.*

*As a research method, we apply the survey method comprising of closed-ended and open-ended questions pursuing to gain insight in to the post-pandemic business situation.*

*The results confirm the complexity of the business recovery and reorientation processes of companies, the need for a more active work in the digital environment, as well as the necessity for intensive tripartite meetings on issues related to business restart readiness.*

**Keywords:** entrepreneurship, business recovery, digitalization, adaptation, measures.

**JEL Classification:** A11, E22, J08, O15.

### **1. Introduction**

The coronavirus pandemic has caused drastic changes for all human beings as well as for the business world. The COVID-19 crisis has adversely affected many

---

<sup>1</sup> South-West University "Neofit Rilski", Blagoevgrad, Bulgaria, vvasileva@swu.bg.

<sup>2</sup> South-West University "Neofit Rilski", Blagoevgrad, Bulgaria, d\_janeva@swu.bg.

<sup>3</sup> South-West University "Neofit Rilski", Blagoevgrad, Bulgaria, teodora.kiriakova@swu.bg.

\* Corresponding author.

companies by forcing them to adapt their activities to the external changes, or even to stop their business operations. Many of the service companies stopped functioning altogether, and well-acknowledged standards such as competitiveness, growing revenue, and increased business volume stopped to be the leading criterion. The protection of human health and the need for a paradigm shift in businesses provoked new ways for businesses to function. In addition, many employees were forced to work in extremely stressful situations, and some of them could not cope with the burnout effect. It was also not uncommon for some of the employees, or to some of their family members to lose their lives. In these complex circumstances of social, health and occupational insecurities, it is now clear that COVID-19 was not only unconquerable, but it showed that life and business have to proceed. The question that theoreticians and practitioners are concerned about, both in social and humanitarian sciences, is what advantages society can gain and whether business and society are ready for a quick restart from the crisis. In this context, a relevant question is how business recovery occurs in the context of some Bulgarian companies.

Other issues subordinate to the main goal are questions about the specific difficulties in relation to the business operators. When summarising these answers, it will allow an assessment to be made, weaknesses to be more explicitly identified so that opportunities for future action plans to be better envisaged. The research conducted is based on 18 survey questions related to the business activities, the challenges in operations, and especially their adaptability to external and internal company problems. The main body of research is directed to subsets of business restart readiness from a post-COVID-19 situation.

## **2. Problem Statement**

The issue of business recovery takes on an exceptional acuteness in any period of upheaval. A recent example of this can be associated with different reflections after the global crisis of 2007-08 (Tcholakova, Sotirova, Tzvetanova, 2017; Belova, Hadzhipetrova-Lachova, 2014). Based on this experience, and given the financial indicators of such events, more and more issues of recovery prospects in a global aspect (Desai, 2011; Floyd, 2011), and business performances and recovery mode are examined by other authors (Moutray, 2020; Caraianni et al., 2022), in particular. This type of management is particularly significant against the backdrop of both business-to-business markets (Döscher, 2014) and business-to-customer markets. Much in this vain, competitiveness (Alpopi et al., 2018) still remain strong indicators, along with loyalty (Russo, Confente, 2017) and customer satisfaction (Khan, Ghouri, 2018).

Alongside the main theoretical issues, opportunities from the field of business recovery testing are also being included (Watters, 2013). Similarly, the COVID-19 pandemic has given publicity to optimization and buzz response primarily in financial markets (Seven, Yilmaz, 2021; Yarovaya, Matkovskyy, Jalan, 2020).

A particularly strong need for a rapid recovery has also been noted in the manufacturing and supply chain fields (Moutray, 2020; Paul et al., 2021). The call for urgent measures was also particularly strong for small and medium-sized

businesses, for which two types of approach appear to be defining - towards Business Continuity on the one hand, and towards Disaster Recovery Planning on the other (Slade, 2021; Das, 2022). The levels of overall disruption due to the COVID-19 epidemic are also triggering responses for new sales channels, innovative digital solutions, and also encouraging thinking about the appropriateness of supporting measures in the pandemic periods.

In 2020, the European Commission adopted a temporary framework for state aid measures to support the economy during the outbreak of COVID-19. These measures regulated various forms of aid in the form of direct grants, loans, as well as subsidies paid to employees to prevent redundancies during the epidemic situation, which had national applicability for each member state.

### **3. Research Questions / Aims of the Research**

This study represents the results of a case study which was conducted in 46 companies in South-West Bulgaria. The goal of the study is to gain a closer look at the difficulties businesses experience as a result of the COVID-19 crisis and on this basis to assess their readiness for business recovery. However, this is a problematic research endeavour related to a problem of a multifaceted socio-economic nature (business survival under conditions of health pandemic without clear vision neither for the company, nor for the employees). Admitting that this research scope is related to objective and subjective settings, the authors aim to gain some basic information about the companies' adaptability to a post-pandemic restart.

### **4. Research Methods**

This study has used primary data. The primary data was collected through a survey which was distributed to 75 representatives from the managerial level, such as business owners, managers, HR directors and company's representative bodies of small and medium-sized enterprise businesses in Bulgaria.

The study was sent electronically; it was limited in time and place. The survey was conducted between February and March 2022 in Bulgaria. Using a questionnaire as a research instrument enabled the collection and analysis of quantitative data by using descriptive statistics. Data was collected from 46 enterprises using an own questionnaire applying open-ended and closed-ended questions related to their readiness for business restart in the post-pandemic situation.

The discussion of the survey results was based on the quantitative method, aiming to analyze and evaluate the results obtained using the approaches of grouping and graphical representation.

### **5. Findings**

#### ***5.1 Sample Structure (Industry, Size, Age of the Enterprise)***

Directly related to the problem under study is the determination of the profile of the enterprises studied according to three main criteria. Taking into account that an

important element of the business characteristics is the choice of the sphere of economic activity, the results of the study reveal that among the surveyed enterprises with the highest market presence are those in the field of trade (43.5%), followed by those with manufacturing activity (30.4%) and, lastly, are enterprises with the main activity of services (26.1%). In terms of the sample structure of the enterprises, according to their size, it was found that micro enterprises predominated (47.8%), followed by small enterprises (28.3%). It is noteworthy that the share of large enterprises is also relatively high (23.9%).

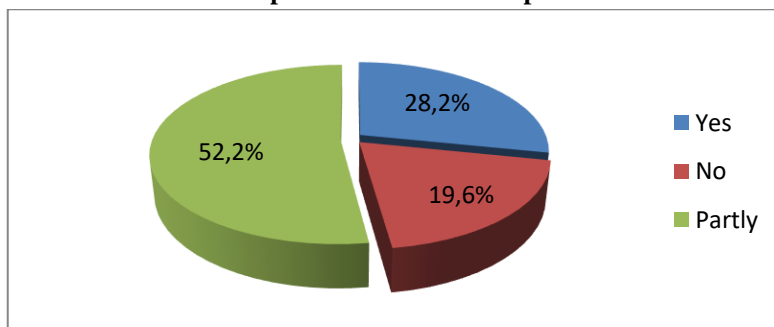
In regards to the distribution of enterprises according to the time of registration, it is significant that those operating for more than 10 years predominate (54.4%). The share of enterprises operating for 5 to 10 years is also significant (23.9%). At the same time, it is observed that the share of enterprises with a market presence of less than 5 years is the lowest (21.7%). Due to the sampling method used, there are no enterprises registered within the last 1 year.

## 5.2 Difficulties for Entrepreneurial Business

In order to investigate the state of businesses in Bulgaria during and after the crisis, respondents were asked a question concerning the emergence of difficulties in the COVID-19 period. It turns out that the majority of businesses (56.5%) experienced serious difficulties and ¼ experienced partial difficulties (26.1%). 17.4% of the respondents mentioned that they had no difficulties in their operations during the pandemic. A more detailed examination of the question reveals that these are large companies with long market experience, effectively studying the market situation and quickly adapting to the dynamic changes. These companies are the ones that specify that they are not currently experiencing any difficulties in their operations (19.6%).

However, it is a worrying result to have 28.2% of respondents categorically stating that they are still unable to cope with these problems. It is found that these enterprises are micro (84.6%) and small enterprises (15.4%) operating in the field of production and trade. For one in two enterprises (52.2%), the difficulties still continue after the pandemic, but only partially.

**Figure 1. Difficulties for entrepreneurial businesses in the post-COVID-19 crisis period**



Source: Authors' survey, 2022.

The survey data indicates that the main problems are rooted in the uncertainty and insecurity of the socio-economic environment (67.4%), customer churn (52.2%) and staff sickness issues (41.3%). This, in turn, has led to the need to suspend business activities for a period of time (26.1%), a contraction in production (26.1%), and redundancies for some staff (32.6%).

Although one in three enterprises cited the lack of financial means to carry out operations as a major difficulty (34.8%), the proportion of those (15.2%) who thought that additional means to respond to a COVID-19 situation would solve these problems was not particularly high. It is interesting to note that no respondents mentioned the need to use credit as a key difficulty.

The study of attitudes and trends towards the immense use of ICT and the digitisation of business in the periods during and after the crisis is important to achieving the objectives of the study. The results indicate that one in three businesses operated online during certain periods of the pandemic (32.6%).

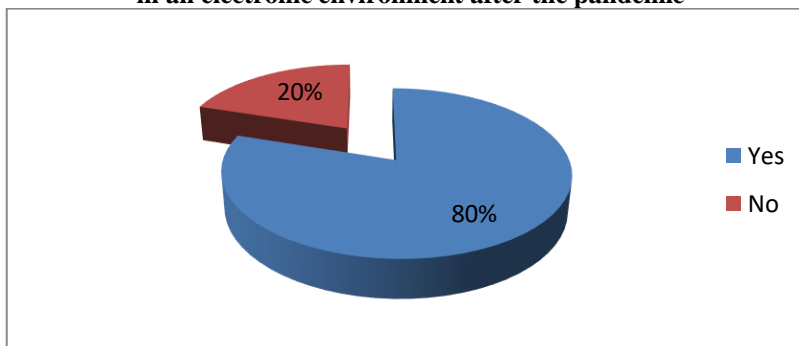
On the other hand, about 10% of the investigated companies had to go online during the whole period (10.9%). However, the vast majority of organisations (56.5%) did not have to resort to working in a digital environment. Due to the nature of the business, this was the case for 100% of manufacturing businesses, 40% of commercial businesses and 16.7% of public service organisations.

The main difficulties of working in an online environment appear to be the need faced for businesses to quickly reorganize operations (30.4%) and the lack of knowledge in relation to the tools that support employees to work in a digital environment (21.7%). Thus, company management faces problems such as inadaptability and lack of staff preparation (17.4% each). For 8.7% of the respondents, these difficulties would not have existed if the staff had participated in trainings about working in an online environment before the COVID-era.

The reorientation of enterprises' activities towards working in an electronic environment has led to a reluctance to work for a large proportion of staff. Employees cite uncertainty (21.7%) and inability to adapt (32.6%) as their main motives. Another part of the respondents pointed out problems with communication with the Internet (26.1%), the inability to work as a team (19.6%), and dissatisfaction with the results (8.7%). This, in turn, was caused by lack of experience (17.4%), knowledge (21.7%) or demotivation (4.3%). For 46% of the respondents, the negative attitude was due to the workload and performing additional activities that were not materially rewarded.

Despite these issues, 80% of businesses consider keeping some of the processes to work in an electronic environment as an effective business recovery option. However, one in five companies believes that there are no appropriate ways to deal with the crisis.

**Figure 2. Attitudes towards maintaining processes for working in an electronic environment after the pandemic**



Source: Source: Authors' survey, 2022.

The state and trade unions have a key role to play in rebuilding entrepreneurial businesses. Respondents were almost unanimous in their opinion that tripartite meetings on these issues should be organised (97.8%). Only 2.2% are skeptical of the issue.

### **5.3 Role of the Recovery Measures**

The 60/40 scheme is a short-term instrument for an emergency support from the state to businesses to maintain employment and guarantee the income of employees. The results of the survey show that only 21.7% of employers have benefited from the compensation provided (for 3 months - 30%; for 6 months - 60%; from the beginning to now - 10%). It appears that these are mostly micro and small enterprises engaged in commercial activities. It is noteworthy that the majority of employers have not shown interest in this measure - 78.3%. The reason for this is that 32.6% consider it to be partially effective, 45.7% - somewhat effective, and 8.7% - ineffective. 13% did not answer. None of the enterprise representatives considers this instrument to be fully reliable and effective in dealing with the crisis.

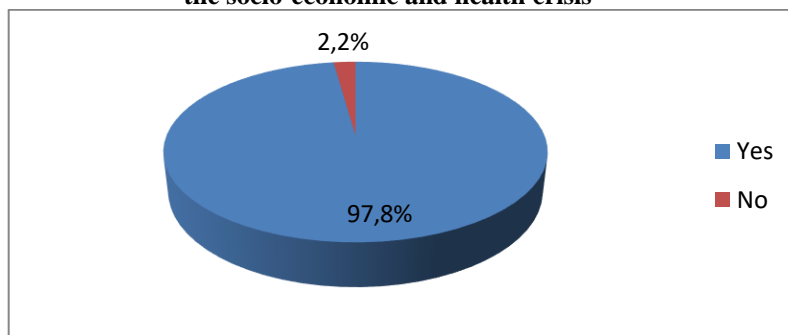
Only 2.2% of all enterprises received compensation under another measure, the Keep Me Employed project. The remaining 97.8% did not benefit from any other incentives from the state to cope with the crisis.

As part of NextGenerationEU, Bulgaria has developed a national recovery and resilience plan in 2021. The main objective of this mechanism was to facilitate economic and social recovery from the crisis caused by the COVID-19 pandemic. In this regard, 23.9% of the respondents mentioned that they were familiar with the Plan in detail, while 43.5% knew only some of its parameters. Unfortunately, 1/3 of enterprises in Bulgaria are not familiar with the advantages offered by this tool.

When asked whether the Plan would provide an opportunity for business recovery, 56.5% of respondents thought that it could be of partial help. Only 6.5% are strongly convinced of the effectiveness of this instrument. It is noticeable that these are only manufacturing enterprises. Unfortunately, a very high proportion of respondents (37%) find the measure ineffective. Detailed research of the question

shows that representatives of all types of enterprises, regardless of their size, age, or field of activity, think so.

**Figure 3. Need for tripartite dialogue to find ways to manage the socio-economic and health crisis**



Source: Source: Authors' survey, 2022.

From all respondents, 17.4% identify gaps in the National Recovery and Sustainability Plan. However, the majority (82.6%) do not find any gaps or weaknesses in the Plan, citing insufficient knowledge of its parameters rather than its potential as the main reason.

## 6. Conclusions

Admitting that periods of crisis, disasters, and pandemics always confront humankind with a wide set of uncertainties, both for business and society, there is an objective need to better understand the nature of such challenges. This research was designed for that purpose and had the aim to reveal the readiness of the Bulgarian entrepreneurship business for a quick post-pandemic restart.

Obviously, the coronavirus crisis has affected all businesses, their strategies for survival in terms of processes, resources, and business operations for an easy recovery. Both the theory and the topicality of business recovery confirmed the wide range of issues studied so far, mainly in the field of recovery management, but also in terms of the specifics of recovery planning as well as the specific actions of the business in times of uncertainty. This sheds further light on entrepreneurial businesses and situates the problem in the context of preparedness of the economy for the disaster management.

The findings of this study confirm some of the authors' assumptions, that the companies are now facing difficulties in most of their business operations, but that they are ready to restart. However, it was additionally found that some of the companies managed to adapt well, on time and successfully to the challenges posed by the COVID-19 outbreak. Apart from the negative consequences, it appeared that it was possible to exploit new business processes and to rethink working distantly.

This research showed that in the context of this crisis, the investigated companies faced serious difficulties and they took significant risks for their survival. Businesses

were not able to fully meet their needs and completely adapt during the times of uncertainties.

The analysis of the results of this research proved that the additional government measures were a good opportunity, but rather had a restricted effect. An explicit finding of the survey is that the measures proposed by the state, which are the main instruments for supporting business, are not sufficiently used due to their insufficient duration. At the same time, the already adopted National Recovery and Sustainability Plan in Bulgaria, which is also a significant tool for the whole economic sector, contributes to the business recovery process and contributes to more successful intersectoral relations.

Despite having faced serious complications in carrying out their activities during the lockdowns and pandemic, the position of business managers, owners, and directors reveals that they feel ready for business recovery. They hope to overcome the post-pandemic stage soon.

In conclusion, without denying some of the limitations in the study (employees' viewpoint, size of the population sampling and economic activity of the business), this research confirms the importance of the business recovery discussion.

## References

---

- [1] Alpopi, C., Burlacu, S., Iovițu, M. (2018). Procesul de globalizare și politicile ecologice [The process of globalization and environmental policies]. In: *Competitivitatea și Inovarea în Economia Cunoașterii [Competitiveness and Innovation in the Knowledge Economy]*, 2, 28-29 September 2018, Chișinău, Republica Moldova: Departamentul Editorial-Poligrafic al ASEM [Editorial-Polygraphic Department of ASEM], pp. 317-324.
- [2] Belova, G., Hadzhipetrova-Lachova, M. (2014). Some decisions of the European Court of Human Rights and the Court of the European Union Concerning the right of asylum. *Comparative Research In Law and Politics*, 2(1), pp. 68-74, doi:10.12737/5251.
- [3] Caraiani, C. et al. (2020). Strategic alignment and business performance model within the corporate governance. *Proceedings of the International Conference on Economics and Social Sciences*, pp. 63-76.
- [4] Das, R. (2022). Business recovery and continuity in a Mega disaster. <https://doi.org/10.1201/9781003279143>.
- [5] Desai, P. (2011). Global recovery prospects. *From Financial Crisis to Global Recovery*, pp. 80-109, <https://doi.org/10.7312/columbia/9780231157865.003.0004>.
- [6] Floyd, D. (2011). Assessing the ways to recovery from the global financial crisis. *Business Strategy Series*, 12(6), pp. 321-324.
- [7] Khan, R.M., Ghouri, A. (2018). Enhancing customer satisfaction and loyalty through customer-defined market orientation and customer inspiration: A critical literature review. *International Business Education Journal*, 11(1), pp. 25-39.
- [8] SSRN Electronic Journal. <https://doi.org/10.2139/ssrn.3595311>.
- [9] Moutray, C. (2020). In recovery mode: Manufacturers try to bounce back after COVID-19 disruptions. *Business Economics*, 55(4), pp. 240-252, <https://doi.org/10.1057/s11369-020-00185-1>.



- [10] Paul, S.K., Chowdhury, P., Maktadir, M.A., Lau, K.H. (2021). Supply chain recovery challenges in the wake of COVID-19 pandemic. *Journal of Business Research*, 136, pp. 316-329, <https://doi.org/10.1016/j.jbusres.2021.07.056>.
- [11] Russo, I., Confente, I. (2017). Customer loyalty in the business-to-business context. *Customer Loyalty and Supply Chain Management*, pp. 14-50.
- [12] Seven, Ü., Yılmaz, F. (2021). World Equity Markets and COVID-19: Immediate response and recovery prospects. *Research in International Business and Finance*, 56, p. 101349.
- [13] Slade, R. (2021). Business continuity and Disaster Recovery Planning. Cybersecurity Lessons from COVID-19, 41-49, doi:10.1201/9781003136675-5.
- [14] Tcholakova, M., Sotirova, V., Tzvetanova, Y. (2017). Reflections on discrimination and oppression in contemporary social work practice in Bulgaria. *European Journal of Social Work*, 21(5), pp. 665-683.
- [15] Yarovaya, L., Matkovskyy, R., Jalan, A. (2020). The COVID-19 black swan crisis: Reaction and recovery of various financial markets. *SSRN Electronic Journal*, doi:10.2139/ssrn.3611587.