# Resilient Entrepreneurial Strategies Adopted by Zimbabwean Small and Medium Enterprises During Economic Crisis

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## EXECUTIVE SUMMARY

*Resilient entrepreneurial strategy is a concept of great importance as it captures how entrepreneurs can ensure business sustainability in the face of harsh economic conditions of a market. In the wake of the economic crisis induced by the COVID-19 pandemic, it is not surprising to observe that scholars and practitioners are shifting their attention towards entrepreneurial resilience especially in the context of SMEs. With this in mind, this chapter focuses on the resilient entrepreneurial strategies adopted by Zimbabwean SMEs during the COVID-19 pandemic. The study established five strategies, namely strategic alliance, product differentiation, cost containment, innovation, and product differentiation. It is, therefore, recommended that SMEs should harness online technology and constantly re-evaluate entrepreneurial strategies in order to augment their agility to shocks emanating from the business environment.*

## INTRODUCTION

Recently, the global health crisis induced by the outbreak of coronavirus had created a spillover to an economic crisis that threatens the existence of many Small and Medium Enterprise (SMEs) across the globe (Brown & Rocha, 2020; Dzingirai, Chagwesha, & Mudzurandende, 2021; Kuckertz et al., 2020). It is an open secret that crisis is not a new phenomenon since the world had experienced numerous crises in the past such as the great depression of the 1930s, the global economic crisis of 2008, and the recent COVID-19 crisis (Tsilika, Kakouris, Apostolopoulos, & Dermatis, 2020). Despite the relevance of organizational resilience in the face of challenging times, it is discouraging to observe sparse crisis-oriented entrepreneurial research (Bullough et al., 2014; Doern, Williams, & Vorley, 2019; Monllor & Murphy, 2017).

According to Fatoki (2018), SMEs have a significant role to play in the sustainable development initiatives in most African countries including South Africa. Unavailability or inadequacy of financial capital in most developing countries is a challenge hence SMEs with little capital constitute a greater proportion of contribution towards sustainable development and economic growth hence the sustainability and thriving of these enterprises is crucial for job creation, poverty alleviation, and economic growth (Blundell & Machin, 2020; Fatoki, 2018). Escalating SMEs' failure rate is worrisome for South Africa and Zimbabwe among other countries in the region as these failures negatively impacted sustainable development (Odero, 2016). Fatoki (2018) reported that SMEs contribute significantly to the South African economy constituting approximately a whopping 90% proportion of all formal businesses in the country. Gross Domestic Product contribution by SMEs is estimated to be between 51% and 57%. More so, SMEs in South Africa provide approximately 60% of the country's employment population. The contribution to GDP as well as poverty alleviation by SMEs makes it crucial for due attention to be given to the worrisome and continued failure rates of these businesses especially after the COVID-19 outbreak and lockdown restrictions in Zimbabwe just like everywhere else around the globe. These experiences call for the emergence to analyze and understand how SMEs survive in times of uncertainty.

Pursuit of entrepreneurship by individuals or corporates is by no means an easy task due to multiple obstacles and unforeseen impediments such as the pandemic outbreak. Entrepreneurs should continuously keep tabs on global changes and changing contingencies in order to come up with resilient strategies and then align their goals (Korber & McNaughton, 2018; Odero, 2016). Entrepreneurial resilience should be the focal point for researchers and businesses yet to the best of the researcher's knowledge no satiable empirical study in the past has been done to satisfy the effect of entrepreneurial resilience on SMEs in Zimbabwe. This is witnessed by the continued increase in the number of SME failures. Some of the reasons behind the failure of SMEs include technological inadequacies (Dzingirai et al. 2021; UNDP, 2020).

Despite voluminous adoption prototypes of the technology across the globe, there is still a slow uptake of the technology by SMEs in Zimbabwe hence low drive is being witnessed towards adopting smart technologies (UNDP, 2020, Odero, 2016). Decision-making obstacles are faced, mainly influenced by the fear as well as the uncertainty of acquiring the technology. This situation arises as a result of a lack of planning and evaluation when considering the technology (Reynolds, Fourie, & Erasmus, 2019). SMEs need to plan and evaluate the technology alongside their business strategies, processes, and then embrace innovation as a strategy to overcome technology chasm (OECD, 2019a).

Worryingly, the research that captures issues of entrepreneurial resilience during the COVID-19 pandemic is scarce (Giones et al., 2020; Kuckertz et al., 2020; Thorgren and Williams, 2020). Notably, SMEs are more likely to be negatively affected by crises due to their weak financial muscles as com-

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