

## Chapter 6

# SME Challenges in the Pandemic and Post-Pandemic Worlds and SDGs in South- Eastern Europe and the Black Sea in Light of the Pandemic: Identifying and Measuring CTQ (Critical- to-Quality) Features of SMEs

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### ABSTRACT

*Contemporary changes that have been created in accordance with the changes in customer expectations, as well as with the profound influence of the COVID-19 pandemic external circumstances, have placed the prevalent interest of managers and decision makers at SMEs far more at developing rather than reacting to CTQ business features, particularly those that add substantial value to processes and behavior. It is evident that the model of corporate sustainability management, developed by Starik and Kanashiro, for sustaining the competitive position of corporations, would have a substantial influence at building up and further sustaining the competitive position of the fastest growing segment of SMEs, particularly those with highest rate of growth.*

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## **INTRODUCTION**

Reflecting on the past period 2020 was a momentous year for SMEs (small and medium-sized enterprises) worldwide, as well as for businesses and citizens more generally. The Covid-19 crisis brought to an abrupt halt or even reversed the gains made by the SME segment in the past decade. Many industries, especially in the SME-intensive services sector, experienced large declines in sales because of the various lockdowns and other measures introduced at various paces and timing to fight the spread of Covid-19. Although on the other hand, certain industries actually have seen their sales increase. However, the various business support measures implemented by the government during the pandemic limited to some extent the impact of the decline in economic activity.

According to the OECD SME and Entrepreneurship Outlook, 2021, the sources of the resilience of SMEs, namely are i) their digital readiness, ii) their cash reserves, and/or access is possibly given to government liquidity support; iii) the existence of supportive entrepreneurship framework conditions in the country; iv) the availability and optimal use of innovation skills in the labor market.

Covering the most diverse economies such as Japan and North Macedonia leverages on the ground that we are all quite similar apart from our differences. It should be noted that authors have been inflicting a new perspective, of course taking into consideration all potential biases and methodological challenges. Bearing in mind that Japan is a large economy with a population of 125.8 million, whereas North Macedonia is a small landlocked country with only 2.08 million inhabitants, surely, there have been great differences to overcome in the analysis, but still, very interesting contributions have been made in line with some conceptual discussions and future SMEs perspectives, principally pioneering some of the standpoints.

The impact and significance of the SMEs is with, no doubt, one focal point for analyses, and in the case of both Japan and North Macedonia, entire research has proven to be a verification in this direction.

## **FUNDAMENTAL IMPORTANCE OF SME'S IN THE ECONOMY OF NORTH MACEDONIA AND JAPAN**

### **Prior Criteria for Determination of SMEs in Various National Environments**

Considering the academic perspective's ability to determine and classify key terms for any future analysis is an important initial step. Reflecting on natural sciences, the entire process of detailing is very valuable as it helps to determine, name, and categorize organisms enabling improved measurement in research. The key issue with small business research is the absence of a common agreement about how to define and classify this type of organization. Around the world, there are many different approaches to defining small to medium-sized businesses. Differences in the way small businesses are classified create great challenges for researchers, trying to do creative comparisons of businesses across various countries.

### **Japan**

SMEs are generally defined as enterprises engaged in activities such as production or sales that are relatively small in size. In Japan, SMEs provide various ranges of goods and services that are closely related to daily lives. In addition, there are many SMEs that are utilizing cutting-edge technologies for global competition.

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