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Journal of Business Venturing Insights

journal homepage: www.elsevier.com/locate/jbvi

Knocked down but not out and fighting to go the distance: Small business responses to an unfolding crisis in the initial impact period



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ARTICLE INFO

Keywords:

Entrepreneurship
Crises
COVID-19
Coronavirus
Lockdown
Diary study

ABSTRACT

This study explores in real time how small businesses adjust to an unfolding crisis in the initial crisis impact period and what kinds of actions they take. A weekly diary study following a group of entrepreneurs in London over the first couple months of the COVID-19 inspired lockdown across the UK beginning March 23, 2020, found that small businesses were knocked down but not out by events. Small businesses were increasing their chances of survival (*going the distance*) by 1) monitoring business functioning and detecting risks (*checking vitals*), 2) initiating quick defensive moves to absorb damages and defend against additional risks (*blocking*), 3) undertaking more skilful moves to avoid further damages (*deflecting*), and 4) planning the next move and managing expectations (*developing tactical awareness*). While the unfolding crisis does not literally represent a fight, features of how boxers engage in a fight were borrowed to help explain small business responses.

1. Introduction

While research on entrepreneurship and crises has historically been limited, the advent of COVID-19 is a watershed moment that promises to bring the field to a new level. COVID-19 is especially important from a research perspective because it provides us as entrepreneurship scholars with the opportunity to study a crisis as it unfolds. Until now, research has been concerned mainly with examining pre-crisis planning and post-crisis responses to one-off crises (e.g., Linnenluecke and McKnight, 2017; Williams and Shepherd, 2016; Doern, 2016; Brünjes and Revilla-Diez, 2013; Runyan, 2006; Irvine and Anderson, 2004; Corey and Deitch, 2011), and the negative and positive consequences for entrepreneurship (Doern et al., 2019). The finer-grained experiences around and processes associated with business responses to an unfolding crisis in situ have not been explored. The research question for this study is how do small business businesses adjust to an unfolding crisis in the early stages of the crisis impact period and what kinds of actions do they take?

According to the World Health Organization, COVID-19 is an infectious disease transmitted mainly by respiratory droplets emitted through speaking, sneezing or coughing. The origins of the disease were traced back to China in December 2019, and by the spring of 2020, COVID-19 was declared a global pandemic, responsible for enormous social and economic losses. Lockdowns were imposed by most governments around the world forcing the closure of non-essential businesses (not emergency services, hospitals, pharmacies, supermarkets, petrol stations) and instructing the public to stay at home.

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<https://doi.org/10.1016/j.jbvi.2020.e00221>

Received 21 August 2020; Received in revised form 21 December 2020; Accepted 21 December 2020

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Taking an inductive research approach and utilizing a qualitative diary method, this study followed a group of small business entrepreneurs in London over the first two months of the lockdown. Due to similarities in the data between crisis responses and how boxers engage in a fight, I used terminology related to boxing and the metaphor of *going the distance* to capture how small businesses were increasing their chances of business survival by *checking vitals*, *blocking*, *deflecting* and *developing tactical awareness*. This is the first study to capture small business responses to an unfolding crisis over the initial impact period in real time, and to create a picture of short-term recovery.

1.1. Entrepreneurship and crises: from pre-to mid to post-crisis impact

While all stages of a crisis are significant for organizations – the pre-crisis period, period of crisis impact, and post-crisis period (Smith, 1990; Raphael, 1986; Cohen and Ahearn, 1980) – few studies focus on the second and most are concerned with the third (Smith, 1990). Pearson and Mitroff (1993) described three phases of the pre-crisis period as detecting vulnerabilities, crisis preparation/prevention and containment (i.e., measures to limit effects at the onset of a crisis). In entrepreneurship, a handful of studies have looked at pre-crisis planning and preparedness (e.g., Herbane, 2019; Muñoz et al., 2019) but not containment. Crisis planning can prevent or shorten the length of business interruption and a reliance on external support (Herbane, 2019), reducing negative consequences. The post-crisis period is about recovery and learning (Pearson and Mitroff, 1993). Recovery is concerned with identifying activities and operations over the long term to bring the business back to normal, while learning uncovers factors that negatively affect firm performance in a crisis and uses that information in pre-crisis planning (Pauchant and Mitroff, 1992). Following the London 2011 riots, for example, small businesses were recovering by mobilizing external support, devising promotions (e.g., customer discounts) and generating publicity; diminishing the negative effects of the crisis and increasing resilience (Doern, 2016). Resilience – how to bounce back from a crisis, maintain a stable equilibrium (Lazarus, 1993; Wildavsky, 1988) or return to a new normal (Darkow, 2018) – captures factors present in the entrepreneur or environment that buffer against adversity (Korber and McNaughton, 2018), such as entrepreneurial self-efficacy (Bullough et al., 2014), prior experience of crises (Muñoz et al., 2019; Doern, 2016), training and resources (Simón-Moya et al., 2016).

The emphasis in prior research on post-crisis responses and one-off, relatively short-lived crises (Muñoz et al., 2019), has meant that little is known about the crisis impact period. Research undertaken during a crisis while important is rare. More recently, studies on COVID-19 have started to shed some light on this. For example, Kuckertz et al. (2020) examined the responses of start-ups to the COVID-19 crisis by interviewing different actors in the entrepreneurial ecosystem in Stuttgart, Germany. Entrepreneurs responded quickly to the crisis by relying on existing internal resources and networks (e.g., the start-up community) and identifying new opportunities and directions (e.g., customer segments/channels). Drawing from a survey undertaken by the chamber of commerce in Norrbotten Sweden, Thorgren and Williams (2020) showed that small businesses immediately deferred investments, reduced labor costs and other expenses. Researchers noted that in the future more research should look at actions taken by small businesses within the first few months of a crisis. The current research goes further by moving away from cross-sectional data and capturing in real time how small businesses adjust to an unfolding crisis in the initial crisis impact period and the actions they take using a qualitative diary study.

2. Methodology

Diary studies and other intensive longitudinal methods are well suited to investigate thoughts, emotions and behaviors in their natural environments (Bolger and Laurenceau, 2013). Their value also lies in capturing how phenomena unfold with more immediacy, detail and less retrospection than studies using cross-sectional designs (e.g., Poppleton et al., 2008). Weekly diary studies, while used very little in entrepreneurship research, have both examined how nascent entrepreneurs use imagination in the venture creation process (Frederiks et al., 2013) and characteristics associated with psychological strain in self-employed workers (Totterdell et al., 2006). As in other fields, they have relied on structured, quantitative measures that pre-specify events/emotions (Symon, 2004). By contrast, “qualitative diaries may not pre-specify activities, events, attitudes or feelings but allow the respondent to record subjective perceptions of phenomena of relevance to themselves at that point in time” while the researcher “understand(s) the respondent’s reactions, descriptions, and so on from the respondent’s perspective and within the context of their own worlds” (ibid – p. 99).

Entrepreneurs and their small businesses are closely intertwined. For this reason, to address the research question, weekly qualitative diaries were collected from eight London-based entrepreneurs during the COVID-19 lockdown.¹ As with other studies in entrepreneurship that rely on small research samples, the focus was on lived experiences (Berglund, 2007; Cope, 2011). Entrepreneurs were identified through networks or by referral. Personal connections were important given the commitment diaries require and over a difficult period. To participate they had to be owner-managers of small established offline businesses, working in close proximity with

¹ In the UK, the lockdown was declared a ‘national emergency’ by the Prime Minister, Boris Johnson, on March 23, 2020. All shops selling non-essential goods were ordered to close – e.g., clothing shops, hair, beauty, nail salons, gyms, pools and leisure centres, hotels, hostels and theatres; cafes, restaurants and pubs could do takeaway or delivery service only. Those that could remain open included supermarkets, corner shops/newsagents, pharmacies, hardware shops, bicycle shops, petrol stations and post offices. Some businesses moved to remote working. Schools were shut, social events and gatherings with more than two people banned, and people were instructed they could leave their homes only to buy food or medicine or exercise once a day, otherwise risk fines. Most participants were approached on March 16, 2020, just prior to lockdown; the same day the PM announced that people within the UK should avoid all non-essential contact, certain businesses such as pubs and restaurants, and non-essential travel. The lockdown was extended mid-April.

employees and customers. (See Table 1).

The data presented below capture the first eight weeks of lockdown in London. Entrepreneurs were emailed weekly and asked what they were doing, what conversations they were having with stakeholders, what they were thinking, how they were personally feeling, how they were managing, what, if anything, made the last week easier and what made it difficult, whether they were planning for recovery and if so what these plans were. Data analysis was inductive, covering 49 diaries (a few were absent), approximately 120 pages of data, and relied on open coding and comparative analysis (Corbin and Strauss, 1990; Glaser, 1965). First-order concepts and second-order themes relating to small business responses were identified from diary data, along with an aggregate theme (Gioia et al., 2012).

That is, to understand more about how small businesses adjust to an unfolding crisis in the initial crisis impact period and what kinds of actions they take, the coding process evolved in three stages. In the first stage, I examined diary data line-by-line, creating first-order concepts via open coding. Analyses of the data from the first month of lockdown revealed entrepreneurs had a strong preoccupation with damages to businesses and defending businesses against further damages – monitoring, absorbing and avoiding damages. Due to high uncertainty in the environment, recovery was not visible. By the second month of lockdown, entrepreneurs started entertaining thoughts of recovery and making cautious and flexible plans, shifting the focus slightly between more reactive, defensive moves, and proactive moves. In the second stage of analysis, I moved from raw data to interpretation. This involved examining similarities and differences between first-order concepts and looking for relationships in the data (Corbin and Strauss, 1990). The intensity of emotions expressed by entrepreneurs, along with the speed and agility with which they responded to the unfolding crisis, suggested they were engaged in a fight for business survival. This observation made me reflect on other kinds of fights, specifically boxing and its parallels with the COVID-19 inspired lockdown; including the difficulties of planning when uncertainty is high and the need to stay calm in this context and adapt quickly in either case – i.e., as a crisis unfolds during the impact period especially and in a fight following a knockdown or major punch. As Mike Tyson once famously said: “everyone has a plan until they get punched in the mouth”. This resulted in grouping entrepreneurs’ responses in to second-order, boxing-related themes, through a process of axial coding (Corbin and Strauss, 1990). These boxing-related themes – *checking vitals*, *blocking*, *deflecting* and *developing tactical awareness* – represented the different kinds of strategies entrepreneurs were using to increase their chances of small business survival and get through the crisis without being knocked out, what I have labelled as *going the distance* – the main aggregate theme. Aggregate themes are those that tend to come up repeatedly and are central to the phenomenon (Gioia et al., 2012).

2.1. Findings: responses to an unfolding crisis in the initial crisis impact period

As mentioned, there were notable similarities in the diary data between how small businesses were responding to the unfolding crisis in the early stages of crisis impact and how boxers engage in a fight. For this reason, I used terminology related to boxing and the metaphor of *going the distance* to help explain the findings. Regarding the use of metaphors in management research, O’Malley and Tynan (2000) have argued: “As a conceptual tool a metaphor must be literally false while simultaneously offering creative possibilities when source and target domains interact” (p. 593). This suggests that while the COVID-19 crisis and associated lockdowns do not literally represent a fight, features of how boxers engage in a fight can be borrowed to suggest how small businesses initially adjusted to the unfolding crisis and the kinds of actions they took. (See Table 2 for small business responses and related themes). As the findings will show, small businesses were knocked down but not out by events.

2.2. Checking vitals

Entrepreneurs were monitoring business functioning over lockdown (i.e., financial, human and physical damages) to ascertain losses and where things currently stood, and detecting further risks to businesses (e.g., declining sales, work, reserves). I have labelled this response as *checking vitals*. Checking vitals is generally concerned with examining an individual’s pulse, breathing, temperature and so on to determine if they are within healthy levels (as ringside doctors may do in a boxing match). Business vitals were especially weak

Table 1
Profile of participants.

Participant number	Participant age	Business focus	Business age (years)	Business size (employee numbers)	Open/Closed during the lockdown
Part 1	30–35	Café	10–15	10–15	Closed ^a
Part 2	30–35	Restaurant	5–10	approx. 10	Closed ^a
Part 3	50–55	Wholesale	20+	approx. 10	Open
Part 4	55+	Pub	20+	15–20	Closed
Part 5	35–40	Consultancy	10–15	approx. 200	Open ^b
Part 6	40–45	Restaurants	5–10	65–70	Closed
Part 7	45–50	Pub	15–20	approx. 10	Closed
Part 8	55+	Consultancy	5–10	20–25	Open ^b

Ranges have been provided in order to protect anonymity.

^a Closed a couple weeks in to lockdown and re-opened prior to the end of the two months (the period of investigation). The others that closed did so just prior to lockdown and had not yet re-opened by the end of the data collection period.

^b Closed offices and switched to remote working.

Table 2
Small business responses to an unfolding crisis in the initial crisis impact period.

Aggregate Dimension: Going The Distance		
Second-order themes	First-order concepts	Illustrative data extracts
Checking Vitals	Monitoring business functioning/damages	<p>“Weekend activity was down by 50% and nearly all our customers arrived between midnight and 2am. Friday and Saturday night are our busiest nights and these two nights, in a way, support the rest of the week”. (Part 7, wk 1)</p> <p>“By the first or second week of March [sales were X] like 50–60% and by the last few days it was down by 80 or 90 percent”. (Part 6, wk 1)</p> <p>“[O]ur business is predominantly dine in ... Almost all reservations have been cancelled and we face uncertainty with walk ins only. Last week, the cancellations started coming in thick and fast and we had to increase takeaways. Also staff are on edge with instructions on self-isolation, not wanting to spread the virus in the business. Lots of uncertainty”. (Part 2, wk 1)</p> <p>“My mood is up and down, largely ok and reflective, but very frustrated. It’s really strange to run a business which is doing extremely well and then quite suddenly hits a wall where we can only do about 25% of our work from next month because our clients simply can’t engage with us and many have been redeployed to deal with [the crisis]”. (Part 8, wk 2)</p> <p>“Felt lots of anxiety, uncertainty, adjusting to a new world. Business totally compromised”. (Part 2, wk 2)</p> <p>“Our turnover will almost be half in 2020 of that in 2019”. (Part 1, wk 6)</p> <p>“Since the 20th of March the company has lost [X] in sales. Easter weekend and this weekend are big bank holiday weekends. This allows us to build up reserves. We are having to pay out [X] a month in costs, to cover rent and operating costs whilst remaining closed. We have received no financial support from the Government and [council]. Before Covid-19 we were 18% up year on year. With no end date in sight in the lockdown being lifted it makes it very difficult to look at a business recovery plan. If Social Distancing restrictions are implemented, we will not be able to operate at capacity and we need to operate at capacity at the weekend to meet our financial obligations”. (Part 4, wk 6)</p>
	Detecting future risks	<p>“My biggest concern is we don’t have the capital to survive a long period of closure. I’m also worried about myself and everyone else that works for us, how they’ll be paid etc”. (Part 1, wk 1)</p> <p>“[I] am concerned, first for staff welfare. Then for work/[the]organization ... Our staff are parents, so there are now constraints on how much they can now work, especially if their children are primary school age or younger. After that I am concerned about whether we may enter a phase as severe as Italy is now going through, where it is difficult to see how much routine economic activity can be sustained even through home working. In which case, our work could dry up, and we would then need to see how long our reserves could sustain us”. (Part 8, wk 1)</p> <p>“The real challenge for us is that whilst we have a lot of projects that we need to work on we will see a natural slowdown with our pipeline. This will impact us in 2021”. (Part 5, wk 2)</p> <p>“Even if the lockdown is lifted, life would be different, I cannot imagine lots of people eating out”. (Part 3, wk 5)</p>
Blocking	Employing quick and defensive moves to absorb damages	<p>“We have had to ... ensure that all our staff can work at home and be fully operational. Then we have had to set up new communications channels and check the wellbeing of staff, especially younger staff, sometimes living on their own, or away from their home country”. (Part 8, wk 1)</p> <p>“Practically we are supporting staff, we are putting home working procedures in place and giving our clients all the support we can”. (Part 5, wk 1)</p> <p>“I am working on business-related matters as in furloughed staff to ensure that they get paid and are able to live, pay bills and eat”. (Part 4, wk 2)</p> <p>“Negatively dealing with people, staff and customers alike has been unbelievably, unbearably stressful. We’ve had people crying ... constant questions about pay etc ... [T]orn between needing to keep my business going but then feeling like I should shut for public good” (Part 1, wk 2).</p> <p>“We’ve paused our one debt ... We won’t make any payments for VAT or PAYE at present, but that’s about it. I would like to try and pay all suppliers. All our staff will be furloughed for time being”. (Part 1, wk 2)</p> <p>“I immediately cancelled every payment that could go out of the account ... [suppliers, rent] ... we sent a communication to everyone saying we would be stopping payments until further notice”. (Part 6, wk 2)</p> <p>“I’m very proud that we have built a robust enough business that we didn’t have to make anyone redundant. The flip side is we have achieved this by deploying cash reserves, asking some to take pay cuts, asking some to reduce hours and placing others on furlough”. (Part 5, wk 3)</p> <p>“Attempting to engage with the landlords to ask for a freeze on the rent. They have not acknowledged any emails. Rent of [X] a month still has to be paid”. (Part 4, wk 4)</p>
	Defending business against further risks	<p>“Last week we had a member of staff who presented with symptoms. We had to immediately close the office and have [X] people work remotely”. (Part 5, wk 1)</p> <p>“We have made the decision to stop trading completely whilst the virus is rife. As a restaurant we are allowed to continue trading takeaway/delivery to the public but we felt we had a duty to our staff and public to stay safe and not operate to minimize risk of passing the infection on. Social distancing practises would be hard to abide by in a busy hot kitchen. And I personally would face not seeing family members if we continued trading. The same goes for team members, the personal impact is huge”. (Part 2, wk 2)</p>

(continued on next page)

Table 2 (continued)

Aggregate Dimension: Going The Distance		
Second-order themes	First-order concepts	Illustrative data extracts
		<p>"We were still trading and although sales were down by about 20% ish we could have continued with a bit of a plan/amended rota and a few furloughs. We unanimously decided to close because it didn't feel right being open. Most of us didn't feel comfortable being open, exposing ourselves to many many people each day (regardless of any changes to the serving structure)". (Part 1, wk 3)</p>
Deflecting	Avoiding damages and protecting entrepreneurs/businesses by:	<p>"Because of the decisions around staff, it was an emotional week. Actually being away from the office and not seeing the people every day made the emotional aspect a touch easier". (Part 5, wk 3)</p> <p>"Surrounding myself with positive influences and speaking to the right people at the right time is also key. I've found that many of the people I'm speaking to are either up or down based upon their last conversation. For personal energy saving and harvest reasons, planning who I speak to and when has become an important part of the day". (Part 5, wk 4)</p>
	Regulating emotions	<p>"Well it's rather positive news to have it suggested that as a country we are now over the expected worse. However buoyed this makes me feel, it comes with ... late and strangely delivered information from the Government that I can't help feeling rather distrustful". (Part 7, wk 6)</p> <p>"I have to keep focused and hope the hospitality sector can recover. It is clear that only the strongest of businesses without government support will survive". (Part 4, wk 7)</p> <p>"I don't have any concerns because I reached a point of thinking that concerns are not good and we have already touched the bottom so from now things should go better". (Part 3, wk 8)</p>
	Mobilizing resources from networks	<p>"I have been in contact with our MP [name] ... [They have] written directly to the Chancellor to outline our position ... that the rateable value approach mentioned for London is set at a higher level rather than a national UK rate". (Part 4, wk 4)</p> <p>"I make sure every week I spend time to talking to all different stakeholders. Hearing what their challenges and fears are enable me to position our strategies in the right position". (Part 5, wk 4)</p> <p>"Talking to my business partner that runs the other businesses I have an interest in. Speaking to the manager of my shop. Looking at how other shops in other countries are trying to operate in the current conditions. Talking to suppliers about starting back up again. Sorting out ... grants. Talking to other business owners about what they're doing". (Part 1, wk 5)</p> <p>"A lot of people from the sector [have been] sharing information in a very quick manner ... industry leaders [are] shining the path forwards ... it has been really reassuring". (Part 6, wk 5)</p> <p>"Knowing we're together in all of this. That there are people campaigning for your same interests. That has been really reassuring ...". (Part 6, wk 5)</p> <p>"Our business offering is about to change ... I have spent my time capturing sentiment, fear, risk and need from our clients". (Part 5, wk 6)</p> <p>"We launched a[n] [online funding page/campaign] last Friday Yesterday morning, we had a prime spot with [X] News ... As of this morning we have reached [X pounds], half way of the target aim. The secures rent for the next 2 months and is a much welcome relief". (Part 4, wk 8)</p>
	Using the momentum and features of the crisis	<p>"Our complete operating system as a business has had to change. We have gone from being a business that promoted the tangibility of what we do to clients and new members of staff to connecting with them digitally". (Part 5, wk 2)</p> <p>"The whole business development function has had to be repositioned to identify opportunities once the market returns". (Part 5, wk 3)</p> <p>"[W]e are in the process of doing this [changing our products/services]. This is one of the exciting things to come out of this. Being a [X] business, much of what we do is about the engagement of staff and how to create a purposeful working environment. The enforced social distancing and WFH measures have a major impact on this, not just in the now but when people return to the office. There is a big opportunity for us to become the thought leaders in this space". (Part 5, wk 3)</p> <p>"It seems a little crazy on the one hand to be talking about trying to save my businesses, while on the other hand thinking about opening more shops. But definitely I think there may be the possibility of taking on other locations ... I think in the short and medium long-term people are going to stay localized and that could have a positive effect on business". (Part 1, wk 4)</p> <p>"We have just started with our e-commerce but we need to improve a lot; selecting the right products, having a range of products that might attract people who can afford them". (Part 3, wk 5)</p> <p>"We will limit the amount of food we sell and maybe try and change up that offering ... a relatively simply business model". (Part 1, wk 5)</p> <p>"Getting the shop open, understand what's happening. Adapt if we need to and then maybe look at ways to benefit from this change of peoples habits and patterns". (Part 1, wk 7)</p> <p>"I mentioned diversifying before ... I'm feeling like with this team we could set up venue design [business] relatively easily - we work together well and have a solid understanding of the licensing trade, how a bar works and [what the] service industry needs, building regs, construction and plans. I'm more than a little excited. You're getting more out of me than almost anyone else ever has ...". (Part 7, wk 7)</p> <p>"What has been good is the opportunity to get creative and think about new ideas into the new business model. If we are to survive we must adapt. [What is difficult] is taking risks and seeing if our new way of working will be profitable going forward. Change will always bring a little anxiety". (Part 2, wk 8)</p>
	Planning the next move	<p>"It is difficult to know what to do with an extension announced yesterday and no end date in sight or any sign of a strategy from the government setting out guidelines to business. It is very frustrating".</p> <p style="text-align: right;"><i>(continued on next page)</i></p>

Table 2 (continued)

Aggregate Dimension: Going The Distance		
Second-order themes	First-order concepts	Illustrative data extracts
Developing Tactical Awareness		<p>(Part 4, wk 4)</p> <p>"I've been turning over ideas considering how the return to the new normal might be ... but I still think it is too soon to plan much". (Part 7, wk 4)</p> <p>"The initial phase has felt like a reasonably successful move to home working, but we now have to plan for a new normal that could last many months. Things we are thinking about include: how to start new projects where we have never met the [clients], or been to their town or city (much of our current work is the completion of projects that begun before the lockdown, so we already had an established way of working on these); when and how to return to any office location(s), and what we would need from these, for the safety of our staff, and minimal services". (Part 8, wk 5)</p> <p>"We are developing our recovery approach and are trialling this". (Part 8, wk 5)</p> <p>"Now considering plans if the government suggest outside drinking allowed ... Also looking at making wipe clean booths and more contained seating at our premises. One of my team is a welder and one is an architect so we're working at that". (Part 7, wk 6)</p> <p>"People are always going to have an appetite for coffee - but we are at the very premium end of the spectrum. What happens when people start to feel pinched, when the layoffs really start? The only options we have, in my head at least, are to try and sell more stuff and increase the lines of food again or to strip it back, even more, go down to 3 staff, or 2 staff as a last resort. I guess we will play it by ear for the next couple of weeks. But it's hard to put together much of a coherent plan". (Part 1, wk 8)</p> <p>"I guess [I'm] quite apprehensive about what's going to happen. The first couple of days have been ok. They have been less busy (monetarily) but then we have less staff and less food to buy. As I am writing this today (Monday and it) is worryingly slow. I am happy to be open and seeing customers. It's good to see money coming into our account. But now we need to work out how we're going to adjust to this new [environment], how long that's going to last and how we're going to make money". (Part 1, wk 8)</p>
	Managing expectations	<p>"I have started wondering about what the other side will look like, what the chances are of another lockdown being put in place when the original one lifts. Certainly, we're going to go back to a very slow shop. We will either need to keep some people furloughed for quite some time or make them redundant ... We also don't know what will happen in the summer in regards to events. We make quite a bit of our profit through summer events and if there are none that's going to affect us. Luckily we own nearly everything outright, so apart from storing it, we won't lose money - we just won't make any money. I do also think there potentially might be some great opportunities out there eventually - but it's about being in a position to act on them, and it seems unlikely we will have any cash to hand for some time". (Part 1, wk 3)</p> <p>"Probably finding myself a little more stressed as we start thinking about re-opening. The first few weeks were a bit of a holiday and now the real work is going to start again. Which is slightly daunting, knowing that the business we have built, the way we were used to operating is going to change - all more negatively. I will be working the same, but earning less money". (Part 1, wk 5)</p> <p>"The longer the lockdown continues the more we will need to look at liquidating the business. It will be a very sad day for all. The government has stated clearly that venues, pubs, clubs, theatres, restaurants, cinemas, gyms will be the last out of lockdown with social distancing restriction in place. The not knowing strategy is causing much of the hospitality industry distress". (Part 4, wk 5)</p> <p>"The company was performing well, we had just had a staff restructure - a new management team had been formed and we were all extremely excited. I am hesitant to say but I suspect if lockdown lifts there will be a flurry of business but one has to remember debts incurred during lockdown and the fact that a second peak/second lockdown could happen so I am not hopeful that stability is visible. Survival will ultimately depend on my landlords I think". (Part 7, wk 6)</p> <p>"I do believe our performance will reach pre COVID-19 levels and we can exceed them. However, this will be because we are redefining our offerings and bringing new offerings to deal with the impact of COVID-19. The business has a run way into 2021, but if the economy takes a significant hit / lockdown was extended for another 6 months, it would be very challenging for the cash flow of the business. We would need a loan or investment to help". (Part 5, wk 6)</p>

following the UK Prime Minister's lockdown announcement on March 23, 2020. Entrepreneurs were devoting a lot of energy towards monitoring their financial situation in the midst of restricted sales or forced closures. They were focusing on cash flow, reserves, the extent of their lost trade and profits and capacity (in terms of work/sales). Entrepreneurs were monitoring staff morale and wellbeing which had been shaken by fears of catching or spreading the virus, threats to their financial security, and by changing work practices. For the first few weeks of lockdown, concerns around finance, staffing and physical risks were especially high and entrepreneurs' emotions were correspondingly negative and intense. When an individual is seriously injured, their vitals are checked often, but less frequently over time as they recover. Entrepreneurs were checking business vitals over the two-month period, but were especially attentive to damages and risks in the early weeks.

2.3. Blocking

Small businesses were adjusting to the unfolding crisis by employing quick and defensive moves to absorb the damages and defend against further risks (e.g., closing businesses now to avoid the physical risks of working to staff and customers down the road). In boxing, this kind of response is referred to as *blocking*. Blocking is about absorbing blows from opponents. During lockdown, blocking was used to absorb the financial shocks of the crisis and stop businesses from haemorrhaging (i.e., incurring further losses) by furloughing staff, cutting wages, clearing stock and debt, deferring VAT payments, paying off or stopping payments to creditors such as suppliers and landlords, and/or closing. Five of the eight small businesses closed temporarily within the first three weeks because it was mandated by the government, they felt it was the safest option (i.e., physical risks were deemed high) and/or learned it wasn't viable to stay open with restrictions in place. Two of the eight closed their offices and switched to remote working and one moved in to e-commerce. Blocking was also used to absorb the shocks of the crisis to staff by “*experimenting with new communication channels*”, “*checking in*” on them regularly, spending more time with them than usual, and using the government's furlough scheme. Small businesses were not only minimizing financial and human risks, but associated physical risks to health and safety by establishing hygiene and social distancing practices – e.g., hand-washing, spacing between staff and customers, remote working. Blocking behaviors were especially dominant in the first month.

2.4. Deflecting

Small businesses were adjusting to the unfolding crisis by *deflecting* further damages. In boxing deflection, often used in parrying and other boxing manoeuvres, is an important tactic when opponents are strong and endurance is critical to staying in the fight. Although like blocking deflecting is a defensive move, it involves greater skill. That is, while blocking is concerned with absorbing blows, deflecting is about avoiding blows by offering greater protection and in some cases by creating counter opportunities – e.g., using the opponent's energy and the openings they create to advance. Deflection behaviors were apparent throughout the two-month period and included regulating emotions, mobilizing resources from networks, and using the momentum and features of the crisis to change the business offer and create new business opportunities. All were focused on avoiding further damages and offered some protection from the crisis. However, the first two came from the need to conserve or build up resources, while the latter was about the need to devise new processes and directions. Moreover, while all were responses to the crisis, those captured by the third sub-theme were shaped by the features and pace of the crisis specifically.

Entrepreneurs were deflecting damages and protecting themselves from ongoing uncertainty, changing regulations and emotional contagion, by *regulating [their] emotions*. For instance, by being attentive to the needs of staff as discussed, they were not only helping staff absorb the shocks of the crisis, but were themselves absorbing the negative emotions of staff through emotional contagion: The unconscious transfer of emotions between two individuals through the process of mimicry (Hatfield et al., 1992). Emotion regulation is when individuals “influence which emotions they have, when they have them, and how they experience and express these emotions” (Gross, 1998, p. 275). Entrepreneurs were regulating emotions by shaping conversations with staff or how often they had them, and focusing on positive emotions like optimism and hope in a measured way. Carver and Scheier (1998) suggest that by adapting emotions, bringing them back to a baseline, individuals are better able to adjust to a crisis. While too much negative emotion might make individuals unable to cope, too little might render them slow to respond. Negative emotions were particularly high in the first month of the crisis but became more subdued over time.

Entrepreneurs were deflecting further damages and protecting themselves and their businesses during the crisis by *mobilizing resources from networks*. They were connecting regularly with different stakeholders (e.g., customers/clients, suppliers, employees), listening to their concerns and factoring stakeholder views in to their recovery. They were collaborating with other businesses to share information, lobby for support, and link up with customers. Entrepreneurs were additionally building up financial resources. Three mobilized government grants and two applied for a loan, but most were uncomfortable taking on debt given the uncertainty, fearing loans would not protect them but instead make them weaker over time. A couple lobbied for Government support, including one who started fundraising in the absence of such assistance – an action that enabled them to think more about business recovery. While the Government made provisions for business support, not everyone was eligible.² Loopholes and reportedly ambiguous messages/guidelines created for some a “*loss of confidence*” in the Government to manage the crisis. In contrast, actions taken by entrepreneurs to mobilize resources from networks, increased their confidence and helped them and their businesses adjust. The benefits of conserving and building up resources during a crisis have been widely discussed in the resilience literature (e.g., see Hobfoll, 1988).

Entrepreneurs were also deflecting damages and protecting their businesses by *using the momentum and features of the crisis* (e.g., lockdown, social distancing) to quickly change the business offer and create new business opportunities. This involved “*refocusing*” the business offer to work in person or remotely with less capacity and lower sales (e.g., by developing/refining e-commerce platforms or digital communications, selling more to the same customers, simplifying the business model). It also involved “*repurposing*” the business (e.g., by broadening/restricting the offer, researching expansion and other business opportunities). Due to social distancing, changing consumer habits and patterns, some entrepreneurs were also actively looking at opportunities to diversify the business by focusing on making workplaces safer, creating new products/services for a working from home (WFH) market, and/or by developing new businesses that revolved around localization trends.

² e.g., Including, but not limited to, small businesses with rateable values over £51,000.

2.5. Developing tactical awareness

Finally, small businesses were adjusting to the unfolding crisis by developing tactical awareness. This need for tactical awareness emerged in the second month from entrepreneurs' observations around the enduring nature of the pandemic and associated restrictions as constituting the "new normal". In this context entrepreneurs were thinking not only about what was going on, but where things might go and how to respond accordingly. In a fight, tactical awareness is concerned with the ability to anticipate the opponent's actions and plan at the same time. Entrepreneurs described *planning the next move*, a key aspect of tactical awareness, in relation to trying to work out how COVID-19 related regulations might change and they would respond (e.g., extending outside premises if permitted), how to streamline business processes, provide minimal products/services, whether/when/how to return to the office, work with clients they've never met in person, and plan for recovery in the short term. This necessitated maintaining a flexibility in their planning, "play[ing] it by ear" and "trialling" plans for recovery. One entrepreneur spoke about how "hard [it was] to put together much of a coherent plan". Developing tactical awareness additionally involved *managing expectations* which, broadly speaking, is about reflecting on the possibilities available given the circumstances and diminishing feelings of disappointment in the process. In a fight, this might include thinking through the chances of winning or losing given one's own strength and fitness and that of the opponent. In the unfolding crisis, entrepreneurs were managing expectations of business performance and viability by acknowledging continuing uncertainty in the external environment, the transition to less profitable business models (including reduced capacity and sales) and the possibility of another or extended lockdown.

3. Discussion and conclusions: knocked down but not out and going the distance

Collectively, I have labelled the series of actions taken by small businesses to increase their chances of survival as *going the distance*. In boxing, going the distance is about making it through a match and its rounds without being knocked down. For small businesses, *going the distance* starts with monitoring business functioning (*checking vitals*) and minimizing losses (*blocking*). The perceived threats to, and ultimately fight for, business survival were especially intense over the first month of lockdown and entrepreneurs reported having little time to plan for recovery and/or that recovery planning was premature. Findings suggest business recovery can be exceptionally difficult early on in the crisis impact period when perceived risks are high and confidence in the business environment is low. During this time, governments have an important role to play in terms of providing timely practical support and guidance (not least in this case because the lockdown was government imposed). Policy makers should be careful not to stir up negative emotions as this can increase perceived risks (Burns et al., 2012) and affect entrepreneurs' confidence in their ability to adjust.

In the second month of lockdown, once the immediate threats to small businesses had subsided (attributable in part to *blocking* and *deflecting* behaviors) and the confidence of entrepreneurs had increased, they devoted more attention and energy to recovery short term. This involved planning their next move and managing expectations about what could be achieved (*developing tactical awareness*). There was evidence of *checking vitals* and *deflecting behaviors* throughout the first eight weeks of the crisis. In short, findings point to some of the difficulties small businesses face in an unfolding crisis, expressly in the initial crisis impact period, and the kinds of actions they take or can take to adjust. While entrepreneurs may be unable to choose their optimal recovery strategies in this context, they can trial plans and experiment with those that are good enough for the time-being.

This study makes several contributions to the literature on crisis management more broadly and our understanding of entrepreneurship in times of crisis more precisely. To begin with, it is the first study to document small business responses to an unfolding crisis in real time. Findings shine new light on the world of entrepreneurs and small businesses during the initial crisis impact period, not previously captured. The diaries of entrepreneurs' document perceptions of and feelings about the crisis (the COVID-19 inspired lockdown), events that have special relevance to small businesses and actions they were taking over time; and do so with more immediacy, detail and less retrospection than prior research (e.g., Doern, 2016). Future research should continue to use more longitudinal and intensive longitudinal methods to capture in detail how the experiences of entrepreneurs and small businesses evolve in an unfolding crisis, using these insights to develop further our understanding of entrepreneurship at different stages of a crisis, revisiting conceptualizations of crisis management (its phases) and resilience. This study has captured some of the experiences, responses and processes involved in the early stages of the crisis impact period; previously difficult to capture due to emphases in prior research on the post-crisis period and one-off, relatively short-lived crises.

Second, this is the first empirical study to begin to identify a potentially new phase of crisis management, short-term recovery. Before now, it has been proposed but not investigated that short-term recovery may constitute another phase between containment and long-term recovery that creates new processes and includes being both proactive and reactive at the same time in order to overcome a crisis (Darkow, 2018; Kendra and Wachtendorf, 2003). Findings indicate that actions such as *checking vitals* and *blocking* were defensive and reactive, while *deflecting* behaviors and *developing tactical awareness* both were defensive, reactive and proactive at the same time. Building on this more, prior research has implied that the stages of crisis management are linear and static and has stressed that recovery occurs in the post-crisis period after containment (Pearson and Mitroff, 1993). However, findings demonstrate that in an unfolding crisis, businesses may move back and forth between damage containment measures such as preventing further losses and activities associated with short-term recovery such as developing new business processes (refocusing, repurposing), identifying new business opportunities and trialling plans. Findings further suggest actions connected to short-term recovery may have more to do with achieving relative stability than a return to (a new) normal, which at the time of writing is, as of yet, an unknown quantity. Short-term recovery, it seems, may be more important where crises do not have clear beginnings or endings. Relative stability should be the focus of entrepreneurs in this context.

Third, focusing on specific themes and actions, findings show that in an unfolding crisis, [using] *the momentum and features of the crisis*

itself might dictate in part how small businesses respond and the kinds of business opportunities entrepreneurs identify. This finding appears to be novel to research on crisis management. Future research should develop this sub-theme further and investigate the kinds of measures adopted or proposed during a crisis that endure (e.g., e-commerce). Additionally, while the theme *checking vitals* was concerned with business vitals and monitoring business functioning to ascertain losses and detect further risks to businesses, future research should explore this theme more, potentially broadening it to include entrepreneur vitals and personal functioning; and when, whether or to what extent entrepreneurs monitor personal functioning in a crisis and the implications for their businesses. One entrepreneur in this study noted the crisis had forced them to be more aware of their own “*physical and mental wellbeing*” and the need to look after themselves.

Fourth, findings propose that a new mindset might be needed to help small businesses adjust to an unfolding crisis. Previous research on unexpected events has noted the importance of developing an anticipation and containment mindset (Weick and Sutcliffe, 2007). While the former is focused on identifying all possible problems and contingencies before a crisis occurs, the latter is about building capabilities to cope with losses, embracing flexibility and adaptation, and making a commitment to resilience at the onset of a crisis. However, such research is based on large high-reliability organizations (HROs) that devote a lot of time and energy to risk management. Until now research has not explored the mindset of individuals and organizations going through an unfolding crisis, particularly smaller ones with limited pre-crisis planning experience. This might require a *boxer's mindset*. Although a boxer's mindset may share features of the other two, it also offers something new. Specifically, while entrepreneurs were similarly concerned with anticipating what happens next, identifying potential problems and embracing flexibility, this occurred in the context of an unfolding crisis. In an unfolding crisis, a boxer's mindset additionally involves acting quickly while taking stock of damages and responses, assessing where things stand. It is about reflecting on how a crisis is evolving and the implications for the business, thinking about where things might be going and where one needs to be. A boxer's mindset is further about accepting the need for short-term planning, engaging in the practice of trialling plans, and managing expectations around what is possible given the challenges at present and ahead. Future research should investigate whether the responses and potential mindset uncovered here are still observed after the initial impact period and across other unfolding crises.

Finally, findings show how crisis management and resilience, often discussed separately (Williams et al., 2017), work together in practice. That is, the actions taken to assess and minimize damages, and detect, defend against and deflect further risks and make steps towards recovery, not only helped small businesses adjust to the unfolding crisis by achieving relative stability short-term, they enabled entrepreneurs to adjust as well – i.e., to feel more positive or neutral, confident and reassured, and able to go the distance.

Author statement

I declare that the work has not been published previously.

Declaration of competing interest

There is no conflict of interest.

Acknowledgments

I am very grateful to the Editor-in-Chief, Dimo Dimov, for his excellent and continuous support, encouragement and guidance throughout this process. My deepest thanks also goes to the participants who shared their experiences and insights with me during a very difficult period of time.

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