

# A week is a long time in a pandemic: learning strategy and survival insights from a micro-enterprise owner

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## Abstract

**Purpose** – This article explores the value of engaging a hybrid learning strategy in a micro-enterprise setting when responding to a global pandemic. The research question asks: “Does a hybrid learning strategy enhance a micro-enterprise’s response to extreme events?”

**Design/methodology/approach** – A micro-enterprise owner–manager (OM) reflects on their experience running a business during the coronavirus disease 2019 (COVID-19) pandemic, which resulted in the complete decimation of the organization’s revenue stream in early 2020. Captured in conversation with an academic peer, these practitioner insights provide valuable case evidence relating to micro-enterprise response to extreme commercial events, such as a global pandemic.

**Findings** – The journey from initial survival-mode to emergent market opportunity recognition and subsequent growth is recorded. The paper contributes to the limited research on the impact of learning strategy plans on micro-enterprise crisis response strategies and provides insights into the value of engaging a hybrid learning strategy when responding to a significant external business shock.

**Originality/value** – Drawing from these insights, the authors offer a literature-informed framework from which to consider the dynamics of an adaptive strategic response in a micro-enterprise setting, offering a means through which micro-enterprises can plan for and respond to extreme events in the future.

**Keywords** Micro-enterprise, Crisis, Learning strategy, Growth, Pandemic

**Paper type** Case study

## 1. Introduction

Under the auspices of organizational learning theory, both internal and external environment criteria are simultaneously at play in an organization (Odor, 2018). While internal structures, people and processes are under the control of the owner–manager (OM) in a micro-enterprise, they have little or no influence on the external business environment (Kelliher, 2007) and little is known about the impact of differing environmental dynamism and complexity on organizational learning in the small firm setting (Theodorakopoulos and Figueira, 2012). The emergence of coronavirus disease 2019 (COVID-19) in late 2019 was a significant external economic shock [1] for all businesses, but was of particular consequence to micro-enterprises (Cowling *et al.*, 2020), who were deemed most at risk of failure due to the pandemic (Brown and Cowling, 2021). A global “lock-down” response to the pandemic resulted in immediate non-essential service” closure across Europe, with stay-at-home notices imposed on the majority



of European citizens in February–March 2020. While ensuing liquidity pressures occurred across all commercial entities, micro-enterprises faced particular challenges due to characteristics such as restricted access to finance, informal strategy orientation and internal capacity constraints (Clark and Douglas, 2012; Eggers, 2020; Goyal *et al.*, 2018; Luederitz *et al.*, 2021; Manuti *et al.*, 2015). Curtailed capacity to instigate rapid strategic change (Kearney *et al.*, 2019), a lack of formal technology investment strategies (Evangelista *et al.*, 2013) and limited specialist resources (Goyal *et al.*, 2018; Kelliher and Reinl, 2009; Maiti *et al.*, 2020) compound the risk of micro-enterprise failure in these circumstances. While micro-enterprises are heavily affected by such crises (Hayen and Seidl, 2006), placing a suitable learning structure within the organization to facilitate rapid response can help mitigate against such events (Odor, 2018; Ulku and Bektas, 2021). In this context, organizational learning is widely acknowledged as being a critical activity, one that shapes a micro-enterprise's development, growth potential and ability to compete (Dencker *et al.*, 2009; Odor, 2018). However, there is a paucity of research exploring the specific behaviors and mechanisms through which organizational learning capabilities are developed within small firms (Theodorakopoulos and Figueira, 2012). In particular, research suggests that micro-enterprises that engage with learning strategies have greater capacity to respond successfully to shocks to the business environment (Murphy *et al.*, 2019).

The research question asks, “Does a hybrid learning strategy enhance a micro-enterprise's response to extreme events?”

Empirically, there is little evidence on how micro-enterprises can plan for and respond to extreme events (By, 2005; Ulku and Bektas, 2021), such as a global pandemic. As such, capture of firsthand micro-enterprise experience is of value to help extend our understanding of a learning strategy-informed response to extreme events in a micro-enterprise setting and offers insight into the internal and external environment interplay at the heart of organizational learning theory (Odor, 2018). In this paper, a micro-enterprise OM reflects on their experience running a service enterprise during the pandemic. The organization's initial response to the crisis and the impact of a hybrid learning strategy on the organization's pandemic experience is captured. The journey from initial survival-mode to emergent market opportunity recognition and subsequent growth is recorded in the first person, as expressed by the OM. Insights are offered in consideration of prior research as a basis for mitigating against future crises through a learning strategy lens in the micro-enterprise setting.

## 2. The hybrid learning strategy – an overview

Formal learning is considered to be a structured intervention that normally happens in a classroom environment or equivalent (Marsick and Volpe, 1999) whereas informal learning takes place “*in situ*”, such as on the job in interaction with colleagues (Cheetham and Chivers, 2001). While OMs agree that formal learning can contribute to business performance (Tocher *et al.*, 2007), many find it difficult to identify their specific learning needs and to access resources to carry out formal learning activities (Johnson, 2002). As a result, small businesses are less likely to invest in formal learning strategies (Murphy *et al.*, 2019; Kelliher and Henderson, 2006), often to the detriment of sustainable development. Drawing from both formal and informal learning perspectives can facilitate the creation of a contextualized strategic learning plan, helping to balance these challenges. A hybrid strategic learning plan is one that determines long-term goals and objectives of learning within the micro-enterprise that seek to improve the strategic capability of the organization (Keith *et al.*, 2016). The goal is to understand the micro-enterprise's learning needs (Murphy *et al.*, 2019) in order to form practical learning interventions while being cognizant of the *context* factors (Tocher *et al.*, 2007; Johnson, 2002) including resource constraints (Kelliher and Reinl, 2009). Despite interest in small firm strategic learning plans (cf. Keith *et al.*, 2016; Murphy *et al.*, 2019), empirical evidence

on the subject remains scant (Battistia *et al.*, 2019; Kelliher *et al.*, 2020). In this case, it is assumed that a micro-enterprise with capacity to embed a hybrid learning strategy responds more successfully an external shock such as the pandemic, as reflected on by the studied micro-enterprise OM.

### 3. The value of hybrid micro-enterprise learning strategies in a pandemic

Micro-enterprises, defined as those with less than 10 employees and with a turnover of less than €2m per annum (European Commission, 2016), represent between 70 and 95% of all businesses in countries across the globe (OECD, 2017). Despite their global prevalence, these firms' are not routinely profiled or studied (Clark and Douglas, 2012). For a micro-enterprise to sustain its business in the longer-term, it needs to be able to learn how to adapt to changing environments and a planned approach to learning can help address the risks associated with a purely experiential approach (Murphy *et al.*, 2019; Mazzarol *et al.*, 2009), seen as the bitterest way to learn (Confucius, c.551-479 BCE). Such planning can happen in an organic way within day-to-day responses to and interactions with various stakeholders including employees, customers, suppliers, government support agencies, experts and the wider community in which the enterprise operates. Here, the OM's "embeddedness . . . in local contexts, their relationships with the community, and commitment to peer-to-peer support are key in shaping their strategic orientation" (Luederitz *et al.*, 2021, p. 3).

Within this environment, a learning-oriented OM can continually monitor, sense and respond to the external and internal environment in small steps as an ongoing process (Luecke, 2003) and in doing so, convert experience to insights relevant to the strategic learning plan's conceptualization. Critics of such hybrid planning activity argue that it is not possible to imagine the challenges of the business as it develops or encounters a crisis because most planning is carried out *prior* to the launch of an organization or campaign, not during it (Bhide, 2000). However, advocates of hybrid planning techniques argue that planning as a process leads to faster and better decision making and prevents OMs from becoming distracted (Kevill *et al.*, 2020). This is an important insight, as the risk of diverting OM attention from strategic planning to present-day operational concerns is omni-present in a micro-enterprise. It is therefore important that OMs create knowledge-sharing systems and reflect critically on existing routines as well as implementing both structures and cultures supportive of strategic development (Jones *et al.*, 2010). This open-communications approach helps ensure that the OM articulates such plans in practice (Kelliher and Reinl, 2009).

While this incremental approach to change is recommended in normal circumstances (Luecke, 2003), a need for rapid change can be triggered by an external shock (Senior, 2002); in this case the pandemic. Micro-enterprise' reaction to such shocks is embedded in both strategy (Kearney *et al.*, 2019; Murphy *et al.*, 2019) and crisis literature (Eggers, 2020; Hayen and Seidl, 2006), and planning as a practice reinforces capacity to respond successfully in a crisis environment (Hayen and Seidl, 2006). As micro-enterprises are often closer to their customers and key stakeholders as described above, they can benefit from valuable market insight *while* a crisis unfolds (Eggers, 2020). In cases where there is an embedded ethos of learning strategies (Murphy *et al.*, 2019), capacity to adapt quickly to changing business environments is enhanced. Specifically, capabilities such as the strategic use of technology, communicating with employees and the organization's approach to acquiring, using and storing knowledge within an organic strategic learning plan can offset the risk of business model innovation (Hock-Doepgen *et al.*, 2021).

While the comprehension and adoption of a strategic lens to organizational learning needs is known to positively impact micro-enterprise performance (French *et al.*, 2004; Macpherson and Holt, 2007; Murphy *et al.*, 2019; Roxas *et al.*, 2014; Tocher *et al.*, 2007), less is known about

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how strategic learning plans impact response to crisis (Eggers, 2020), as reflected on in this paper.

#### 4. Methodology

This paper was co-created by a micro-enterprise OM who is an active practitioner-researcher, in conversation with an academic collaborator in order to authentically capture the OM insights into their enterprise's hybrid learning strategy and adaptive strategic approach to business response and development in light of the COVID-19 pandemic (2019–current). The exploration of the research question “Does a hybrid learning strategy enhance a micro-enterprise's response to extreme events?” underpinned these conversations. Drawing upon personal experience of designing and conducting a research project into micro-enterprise learning, developed jointly by the authors (Murphy *et al.*, 2019), this approach offers a “reflexive account of the co-production of a qualitative research project” with the aim of “illuminating the experience in and of practice” (Orr and Bennett, 2009, p. 85). A critical reflection and co-inquiry approach was pursued which involved co-production of the life story, arising from in-depth reflective conversations between academic and practitioner (Orr and Bennett, 2009).

While engaging with reflexivity helped to produce insights about both the experience and the paper co-production process (McCabe *et al.*, 2021), it is acknowledged as a complex and contested concept (Bartunek and Rynes, 2014). This study adopted a position of practical reflexivity which helped the authors “to understand ourselves, our ways of relating to others, and how to participate in our social world” (Cunliffe and Easterby-Smith, 2004, pp. 35–36). This required each author to “unsettle previously held beliefs and assumptions about learning, practice and disciplinary knowledge” (Waddington and Molloy, 2011, p. 19) and meant discarding traditional practitioner and academic roles, to position this research team as equals. This was at times a complex arrangement, as each author is both “alike and unlike” as practitioner-researcher and academic co-writing this paper. Differing logics, time dimensions, communication needs, perspectives on rigor and relevance, and interests and incentives (Bartunek and Rynes, 2014) could have derailed the project. Rather than resist these tensions or seek to resolve them, the authors negotiated each potential impasse as it occurred and in doing so co-created the paper contents, structure and focus as an organic exercise, resulting in the presented manuscript. Of benefit was the co-authors pre-existing relationship, which proved crucial for fostering joint work that benefitted from engaging these tensions (Amabile *et al.*, 2001). This trajectory, underpinned by reflexivity, resulted in an authentic account of what occurred in practice through the practitioner lens, allowing consideration of how context influenced the experience to help generate new research and practice (Bartunek and Rynes, 2014).

#### 5. The pre-pandemic business environment – 2011: 2019

Established in rural Ireland in 2011 during the global financial crisis (2008–2012), the studied micro-enterprise employed five full-time and three part-time staff by the end of 2019 and had enjoyed year-on-year growth in terms of sales and profitability since its establishment, driven by the OM's vision for the organization.

I was and remain a close observer of what I believe makes organizations successful—customer service, a collaborative team, investment in technology, financial prudence and a learning culture. So, upon establishing my own business, these areas were of pivotal importance to me from day one. In some respects, I would suggest that we are a micro company that behaves as a much larger company in its approach to business planning insofar as is practical and sensible given our resources.

The construct of the resource-based view is well documented in the micro-enterprise literature (cf. [Kelliher and Reiml, 2009](#); [Maiti et al., 2020](#)) and the ability to access and mobilize resources during a crisis are important elements of organizational resilience ([Battistia et al., 2019](#)).

We have always adopted a conservative and innovative approach to acquiring, and using limited resources; for example, we have continued to use the services of freelance consultants through the global ICT [Information Communication Technology] site called Freelancer which allows us to post a project/discrete piece of work and have various specialists bid on that work. This is in effect, a global market for small service companies who can avail of skills and expertise on an hourly, daily or weekly rate. Because it is global, work posted late in the evening (such as data entry tasks or presentation preparation) could well be completed by the next morning due to varying time zones and for a reasonable rate with no lengthy hiring process required.

The business provides training and technology services for its growing list of clients across a diverse range of industry sectors. Specifically, it specializes in the research, design and evaluation of online and face-to-face training events. Success in what is a highly competitive market depended on the OM's deep understanding of both current and future training and development needs of customers, often informed by their closeness to the market they serve ([Murphy et al., 2019](#); [Luederitz et al., 2021](#)).

In my own experience, the business model has been based on identifying medium and large sized enterprises that typically will have a budget assigned to training, learning and employee development. We then target the human development or learning and development managers in those businesses and secure a meeting with them to outline our services. This often results in the request to send in a proposal for how we would approach the design, deliver and evaluation of face-to-face training in a class-room style setting either at the client's premises or in a nearby hotel.

The benefit of valuable market insight as a catalyst for strategy development and evolution was underpinned by a learning strategy culture that been embedded in the micro-enterprise since its birth.

As a team, we regularly take time out of the business to reflect on the previous period (usually 6 months) to examine how we performed against our strategy as agreed at the beginning of the year. It's worth noting that we differentiate our business model from our corporate strategy by examining what we do better than our competitors. We have a monthly update from one team member who reviews our key competitors both nationally and internationally. This sometimes offers some interesting food for thought in terms of how they are using technology and what innovative solutions are being offered to clients. We also make time to attend the Learning Technologies Conference, which is a global, annual event and helps us to stay in tune with how technology is informing learning and learning strategy.

Another aspect of our strategy was to improve the consistency and quality of what we do. To that end, we engaged with the National Standards Authority of Ireland (NSAI) to investigate the possibility of us aiming for the International Standards Organization (ISO) 9001:2015 certification. This would require us to formulate a clear set of processes, policies and procedures as well as a quality management manual that could serve to give clarity and consistency to our staff, clients and learners. This is another certification that is often reserved for larger organizations as smaller organizations do not tend to aim for this accolade. However, we knew it is a critical requirement in order to respond to some government tenders, so we balanced the time and resource costs of seeking accreditation with the benefit of being able to apply for government work in times of economic uncertainty. I guess starting the business during the financial crisis means that I am conscious of mitigating against the risk of another downturn.

Despite the benefits of embedding an organizational learning strategy in the micro-enterprise ([Murphy et al., 2019](#); [Theodorakopoulos and Figueira, 2012](#)), business model innovation can be risky and often requires the use of limited financial resources against the uncertain future

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revenue stream that it might create (Hock-Doepgen *et al.*, 2021). A decision to innovate is characterized by uncertainty around costs, revenue creation and duration and if a new business model fails, the impact is particularly severe for small firms. Despite significant investment in on-line resources and pursuit of ISO accreditation (which was successful at first full external quality audit in December 2020), training was primarily delivered in face-to-face sessions pre-pandemic as the majority of clients preferred this medium.

Technology has always featured as an important part of our strategy as it is an essential part of any business wishing to grow and scale. In the years before the pandemic, we had already hired a technology resource into the business and worked with them to create our learning technology suite such as the Learning Vault and CheckMate. So, while online training systems were available from our business as far back as 2018, the uptake on them from clients was minimal as the vast majority of clients sought face-to-face training up until the pandemic. We invested significant time and money into developing these technical solutions in order to ease the burden of face-to-face training and travel for both ourselves and our attendees. So, the decision to innovate the business before it was critical to do so was a strategic one, but one that created uncertainty around costs and how long it would take to recover that investment . . . I think that it is a combination of these activities as a micro business that meant we had a technology-informed and invested solution ready prior to the pandemic even though the adoption rate was slow. Ironically, these decisions proved to be the creative and innovative competitive edge that we had over our competitors once all training had to happen online.

## 6. A saint Patrick's day like no other

In March 2020, the first pandemic lockdown was declared in Ireland with a national address by the then-Taoiseach (Prime Minister) Leo Varadkar. Initially set as a short-term closure, to March 29, it was anticipated that lockdown could be extended into the summer of 2020. Educational facilities and non-essential businesses were closed, non-essential physical gatherings could not take place, and anyone who could work from home were asked to do so with immediate effect.

While training and development of staff is something many companies do, it is by no means considered an essential service and therefore was prohibited in a face-to-face capacity during lockdown. This resulted in many training companies having to cease delivery of face-to-face training during the pandemic, and any pre-booked business was lost. This reality also curtailed potential growth opportunities and/or expansion plans (Martinez-Cillero *et al.*, 2020). The impact was initially devastating for the studied micro-enterprise.

Given the nature of our business model, face-to-face training events take place in groups and this meant we had to cease all such training immediately. In the week following the announcement, as a business, we received emails and calls one after another from clients to inform us that they would be either cancelling or postponing the planned training. Further, it was likely, given the nature of a pandemic, that they would not be holding any such training sessions for the remainder of the year. In effect, by March 13<sup>th</sup> 2020, our entire book of business for the year was gone.

As a micro-business, finances came into sharp focus in March 2020 in light of the cliff-edge nature of this catastrophic business event. This led to immediate analysis of the organization's credit lines in light of revenue stream destruction.

As a business established in the recession of 2008–2012, our management approach to finances had started out, and continues to be one of prudence. We have grown the business without any bank borrowings or other loans. We do not carry any debt, always pay our bills on time and well within the payment terms and made a concerted effort in meeting with our bank manager regularly in the early days of the business and had secured an overdraft facility and a credit line early in the business's life, despite rarely using them; so we had access to this finance if needed once the pandemic hit. We do not have a financial resource staff member within the business, so we educated ourselves on the government backed, equity-free investment scheme called the EIS (Employment and Investment



Incentive Scheme) which has been around for many years and is usually under-subscribed, particularly for small and micro businesses. Despite being advised by our accountant that we would not be eligible, we applied to the Revenue Commissioners for the scheme and were successful in 2018. This meant that we could get investment sums from family and friends who, while they do not get any equity in the business, nor do they get a return on their sum, they do get 40% tax relief on their income tax due. This allowed us to use these sums of money for 5 years at no cost to us as a business. Not having recurring bills to pay monthly, separate to the wage bill, was a significant feature in our survival from a financial perspective.

This approach is at odds with prevailing micro-enterprise behavior when engaging with finance matters. According to the Central Bank of Ireland Small and Medium Sized Enterprise (SME) market report (2021), micro-enterprises credit application rates are typically 16% lower than other firms with a higher rate of credit rejection (26%), and this cohort have the lowest usage of government supports, including grants. This lack of engagement with traditional credit sources can cause difficulties for informed credit assessments in uncertain economic circumstances. This paradigm is borne out in a special article from the Economic and Social Research Institute (ESRI) Ireland who attest that micro-firms tend to hold greater cash than small or medium sized enterprises, which may be a reflection of their limited access to external funding (Martinez-Cillero *et al.*, 2020). In applying an innovative finance model, the studied enterprise secured financial stability early in the pandemic, facilitating a baseline from which to pivot the business.

## 7. Pivoting a business to survive Covid-19

Led by the OM, a culture of proactive learning strategy development proved invaluable when the pandemic hit.

We take a dedicated and consistent approach to planning as a micro business and to seeking ways to use technology to simplify our services and grow our market share . . . Perhaps my own experience with having an undergraduate degree in Applied Computer Science coupled with 12 years of industry experience in medium and large firms across a range of industries meant that I had an awareness of the power of technology and could see the benefit of investing in it as early as possible in our business . . . Because of this, we did not so much have to pivot our business to survive Covid-19 because we had already started to pivot from a face-to-face model of delivering services to using technology to support, if not fully replace it when customers were ready to move.

The immediate risk of failure was mitigated against by applying an established hybrid learning strategy ethos embedded in the organization.

As a micro-firm owner, my experience has been to balance an informal/social approach and a formal/planned approach in order to decide on a learning strategy for survival and its execution. This flexibility can help facilitate social learning from peers and stakeholders on the one hand, while benefiting from proactive strategic goals which are focused on the future on the other hand. In the first instance, we convened a meeting of the three most senior and experienced people in the business. The mood of the meeting was fraught and worrisome. We examined the calendar and agreed that everything that was not already postponed or cancelled by the client, should be acted upon by us. We needed to take a pro-active and mature approach and also do some of their work for them in terms of administrative follow-up. We felt that this would also demonstrate leadership as well as opening the lines of communication instead of pretending that this was not going to impact our plans. Towards the end of the meeting, we agreed that we would reach out with some attractive, relevant training titles to our clients that might help their teams through the transition to 100% remote working and deliver these completely online which meant a rapid shift in our business model underpinned by technology.

This hybrid planning approach offered the micro-enterprise a strategic balance between formal planning and flexible adaptation to market shocks to allow the pandemic-influenced

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strategy to emerge (By, 2005; Luecke, 2003; Luederitz *et al.*, 2021). The OM's orientation toward a strategic learning ethos, coupled with previously acquired technology-enabled online training and development resources and skills (Hayen and Seidl, 2006) facilitated a rapid strategic response to the crisis (Eggers, 2020).

According to Magretta (2002), all revised business models are variations on the generic value chain underlying the business and require the execution of two parts. One is the activities associated with creating something, and then designing and developing it, in this case, the new suite of training titles. The second part relates to all the activities associated with selling that which has been created, which required a process of finding and reaching customers and a means of delivering a high-quality consistent service in an online environment. The rise of digital communication technologies in recent years has presented micro-enterprises with new ways to do business (Massa *et al.*, 2017) and, in particular, has driven scope for Business Model Innovation (BMI) in this sector. Significant changes to core elements of the studied organization's business model had already been made in 2018 as highlighted above; however, key aspects of its delivery architecture needed to be changed quickly to meet rapidly evolving customer needs. Rising to the challenge, a blend of creativity, innovation and pragmatism prevailed.

Pre-existing investment on our BMI offered us a welcome opportunity to exhibit our commitment and investment in training technology namely, our learning platform the Learning Vault, and our learning evaluation system, CheckMate along with 3rd-party delivery software, such as GoToWebinar, Zoom, Webex and Microsoft Teams. The Learning Vault is a simple content platform that we commissioned in 2018 which reduced the burden of email on our attendees. Each attendee received a unique username and password which gave them access to curated content related to the training subject matter relevant to their role and industry. The content is organized into three areas namely, Read, Watch and Listen. There is a maximum of 5 articles in the Read section, 5 videos in the Watch section and 5 podcasts in the Listen section. Learners can browse the content and digest it in their preferred learning medium. Further, it allows us to account for shorter bursts on online training sessions when participants have received notice of an article to read or an activity to complete in advance of, or after each live online learning session. CheckMate is our Learning Engagement measurement software system which allows us to send a number of questions (usually 2 per day) to participants after they have completed a training session. The questions are sent to their email address and upon answering, they can login and check their current performance against expected learning outcomes and other participants. This piece of technology offers great transparency and accountability for learning and ultimately for return on investment for both client and learners. So, when the pandemic hit, we were able to immediately offer a robust alternative to our traditional business model with a technology-based one. The fact that we were able to switch quickly to a flexible online model meant that we were among the first to offer an online alternative to our clients and prospects. The rapid adaptation of the business model to an online solution also allowed us to deliver training in shorter sessions of ninety minutes over 3 sessions and over a number of days at the client's preference.

Acknowledging that, at times, necessity is the mother of invention, the OM concluded:

There is little doubt that our investment in emerging technology with a view to offering convenience and value to our clients played a part in our survival and subsequent growth. In 2020, these systems were responsible for half of the company's overall turnover.

As a core resource, the organizational team proved central to the success of this strategy. As articulated by the OM:

The quality of the team dynamic and communication always features in our strategy as a core pillar of any likely success. Each team member is asked to demonstrate their commitment to the values of the business and their commitment to the culture of accountability and learning. Each member of the team, regardless of role, are expected to work together as a team to make quality decisions, take personal pride and confidence in their work, make informed financial decisions and respond



promptly to client queries. We take time to ensure that we have monthly a one-to-one meeting with each member of the team in order to evaluate the important concepts of (1) satisfaction; how satisfied they are with the company in terms of their expectations from it—pay, conditions, job satisfaction, team camaraderie, flexibility, autonomy, and, (2) contribution; what the business expects from them—results, quality of service delivery, client care, living our values etc. We have a weekly team meeting with everyone on Monday mornings for 1 hour where we discuss key items such as sales, training delivery, quality, tenders and any social updates from the group. These constructs ensure that there is team cohesion, collaboration, clarity of expectation, and clear, timely communication in the face of any changes or sub-optimal results. I believe that these attributes of the team are a significant part of the business survival.

Worthy of note here is the wider emotional load on the team during the pandemic,

While many of their friends and family members were furloughed, they were required to work harder than before in order to take advantage of new business opportunities. There was a sense of imposter syndrome in that we were all still working and extremely busy where others in our communities had reduced or maybe no hours. This took its toll on us as a team and we all experienced stress and pressure in those months between March and December of 2020.

Evidence suggests that work implications of COVID-19 include technical, physical and socio-psychological impacts not seen before (Carnavale and Hatak, 2020). It has been suggested that “organizations may find inspiration for addressing the issues surrounding employee adjustment and well-being in the current work environment by considering the ways in which entrepreneurs tackle similar challenges . . . through valuing autonomy, tolerance of uncertainty, and approaching new situations openly and proactively” (Carnavale and Hatak, 2020, p. 186). This revelation that may prove valuable to micro-enterprises in particular as the pandemic continues, considering their entrepreneurial core. In the studied case, the benefit of clear and effective open communication has resulted in organizational resilience through improved strategic thinking (Branicki *et al.*, 2017), while OM acknowledgement of the challenges faced by the team suggests an empathic perspective. This is in contrast to one-way communication systems prevalent in micro-enterprises that forces all decision making on the OM (Kelliher and Reinl, 2009), an approach unlikely to foster resilient micro-enterprises (Branicki *et al.*, 2017; Kearney *et al.*, 2019).

## 8. From survival to growth

The innovative approach to business modeling as detailed above has helped create new activities and given scope to rethink existing ones that go beyond product and process innovation to be used as a sustainable source of competitive advantage (Tallman *et al.*, 2018), the benefits of which are significant.

Not only did we continue to trade throughout the entire pandemic, we grew our client base by 20% and profitability by 35%, the most growth of any year since our establishment. While we did avail of government pandemic funding supports in order to maintain all employees, this was limited to a 6-week period early in the pandemic and our revenue figures recovered in the latter stages of 2020. At a time when many micro business owners have had to cease trading, at least temporarily, we have taken on a new team member and proceeded with plans to move from a local enterprise centre [2] to a larger, dedicated office space to help respond to demand for our services.

A key aspect of the enterprise’s move from financial stability to growth emerged as the pandemic progressed. The micro-enterprise was beginning to gain traction on the transfer of training from a face-to-face model to an online one and therefore the costs associated with the business began to fall. The OM sought out external additional specialist resource (Goyal *et al.*, 2018; Kearney *et al.*, 2019) to leverage the benefits of this outcome.

We took the opportunity to work with a corporate financial specialist with funds from a Business Continuity Voucher offered by a Local Enterprise Office. The external financial resource proved to be an effective use of the voucher because they helped us to do a complete review of costs and profitability. We made small but impactful changes such as switching our mobile phone supplier for the six business phones and saved over one thousand euro on that alone. We examined all our software subscriptions, technology costs and sought a reduction on the cost of our office rent due to everyone working from home. Beyond that cost-reduction exercise, the natural cost base of the business was falling with no travel or hotel expenses to and from client offices for meetings and for training delivery. We began to realize that we could be significantly more profitable if we maintained this new business model that had been thrust upon us for survival.

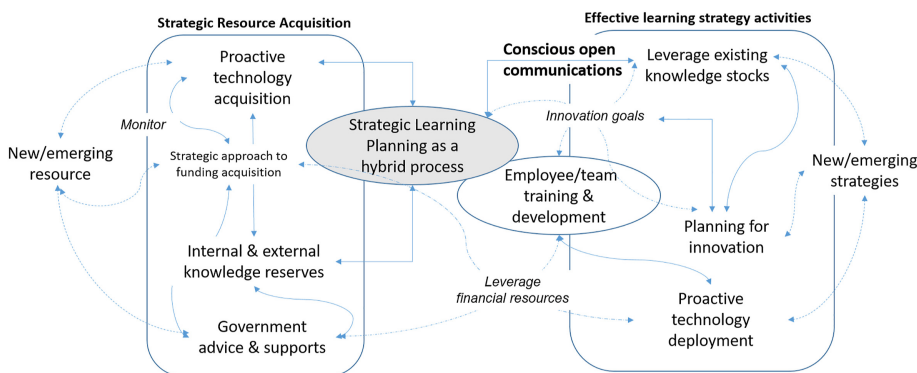
While at odds with existing literature, in which it is suggested that small enterprises have fewer resources available for business model innovation (Hock-Doepgen *et al.*, 2021), the strategy pursued in this case was received positively by the market and resulted in the micro-enterprise working with 40 new clients in 2020 as well as securing a key large customer.

In essence, we try to run the business insofar as in practicable resource-wise, as a much larger business might be run in order to maintain its market share, so for example, we try to bring innovation in learning and training to our clients and lead the way, despite our much larger competitors failing to do this. In this way, we have secured market share and in 2020, were successful in winning business with a key government financial institution. The previous training provider of that piece of business was one of the Big 4 Accounting and Consulting firms. This is a significant achievement and an example of what a micro-firm can achieve with limited resources that are used well.

One businessman, who became a client during the pandemic, asked recently how the observed enterprise had managed to survive when: “half of the training companies we usually deal with are gone” and it was his view that those enterprises with a proactive, “can-do” attitude, regardless of size, were those who were now taking a larger share of the market.

### 9. Learning strategy and survival insights from a micro-enterprise owner

As highlighted in the literature review, placing an organizational learning process at the heart of a micro-enterprise can help mitigate against external environment shocks (Odor, 2018; Ulku and Bektas, 2021). In the exhibited case, the OM had embedded strategic learning planning as a core internal activity (Dencker *et al.*, 2009; Odor, 2018), thereby focusing on the acquisition of strategic resource (Figure 1, left side). Drawing strategic resource into the organization is only one part of this process, as effective learning strategy activities (Figure 1, right side) are required to convert these resources to strategic learning capabilities within the micro-enterprise (Kelliher and Reindl, 2009; Murphy *et al.*, 2019). The pre-existing state of the



**Figure 1.**  
Adaptive strategic  
response to an  
external shock

studied business's organizational learning capabilities (Theodorakopoulos and Figueira, 2012) across 5 themes are found to have had an impact on the readiness of the micro-enterprise to respond proactively to this external shock (Cowling *et al.*, 2020). These are (1) the existence of strategic learning planning as a hybrid formal-emergent process, (2) an embedded team training and development infrastructure, (3) risk-mitigated investment in advanced information communication technology (ICT), (4) flexible access to external expertise and financial resources and (5) a culture and ethos of "conscious" open internal and customer communications. This mix of the strategic intent of the owner, coupled with the exhibited learning activities ensured adaptive strategic response to the pandemic. At the core of this enterprise is an opportunity-based management approach, built up the OM's entrepreneurial orientation (Asad *et al.*, 2018), which consists of the dimensions of innovativeness, proactiveness and a willingness to take risks.

In this case, the pandemic response required a hybrid somewhere between planned and emergent approaches to strategy-making (Luederitz *et al.*, 2021), where existing stocks of knowledge served as a platform for the effectiveness of learning strategy activities (Denckler *et al.*, 2009; Theodorakopoulos and Figueira, 2012). As hybrid strategic learning planning seeks to improve the strategic capability of the organization (Keith *et al.*, 2016), Figure 1 exhibits the organic nature of this learning environment. By planning for innovation even in times of calm, the micro-enterprise was equipped to take a pro-active approach to strategic resource acquisition and dispersion within the organization during the pandemic. Proactive technology acquisition and deployment (Figure 1, left side) is coupled with employee engagement to help coordinate training and development to facilitate their own professional development goals and the innovation goals of the micro-enterprise (Figure 1, right side). Leverage of internal and external financial resources (Figure 1, center) offers a conduit approach to connect government advice and support to proactive technology deployment, training and development and strategic funding acquisition is an evolutionary approach to an optimized learning strategy. Thus, Figure 1 reinforces Eggers (2020) finding that crisis produces valuable market insight *while* a crisis unfolds, while planning as a process evidently led to faster and better decision making (Kevill *et al.*, 2020). By taking an adaptive strategic approach to an external shock, in this case the pandemic, the micro-enterprise has capacity to leverage these benefits due in part to their closeness to market (Kelliher, 2007; Murphy *et al.*, 2019), reinforcing the internal and external environment interplay at the heart of organizational learning theory (Odor, 2018). Finally, new and emerging resources (Figure 1, far left) and new and emerging learning strategies (Figure 1, far right) can act as catalysts for evolving strategic learning planning capabilities (Figure 1, center) that can help offset the risk of business model innovation (Hock-Doepgen *et al.*, 2021). By taking strategic value from all these resources, this micro-enterprise leveraged unanticipated pandemic opportunities to help secure its future success.

## 10. Conclusions and recommendations

This paper documents the experience of a single micro-enterprise in responding to the significant external shock (the COVID-19 pandemic, 2019–present), which resulted in the complete decimation of the organization's revenue stream in early 2020. It responds to the research question (does a hybrid learning strategy enhances a micro-enterprise's response to an extreme event?) and offers a template from which to consider the dynamics of an adaptive strategic response in a micro-enterprise setting (Figure 1). The paper contributes to the limited research on the impact of learning strategy plans on micro-enterprise crisis response strategies (Ulku and Bektas, 2021; Eggers, 2020). It informs the interplay between internal and external environment at the heart of organizational learning theory (Odor, 2018)

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and explores the differing environmental dynamism and complexity on organizational learning in the small firm setting (Theodorakopoulos and Figueira, 2012).

Recommendations that have emerged from this experience that may be of value to other micro enterprises include.

#### *10.1 The need to adopt a hybrid learning strategy*

The Covid-19 pandemic left micro enterprises operating in the services sector with two options in March 2020: (1) to “pause” the business until such time as it was acceptable to return to in-person learning events or (2) to transfer existing services to an online delivery model. As a micro enterprise, it is a distinct advantage to be able to continue trading, even in a limited capacity, throughout a challenging and unforeseen time. However, trading in an entirely new way can be difficult to maintain, as it requires non-structured thinking and has no process or procedures to follow. It can also be cognitively challenging as decision making happens in a market that is constantly shifting. Therefore, a hybrid learning strategy helps to hone the micro enterprise capacity to try a variety of approaches to facilitate progress even in extenuating circumstances.

#### *10.2 Engage with employees to coordinate training and development to facilitate their own professional development goals and the innovation goals of the micro-enterprise*

While the enterprise faced uncertainty when the Pandemic began, so too did employees and their families. While the enterprise described in this paper ultimately maintained all members of staff, the owner was honest with all employees about the likely impact on jobs if the planned response to the pandemic did not work. As documented in this paper, it was also beneficial to commit revised strategic approaches to paper and to share it with the team so that the micro enterprise could proceed in a cohesive and coordinated way. Underpinning this approach is the need for a consistently proactive and honest two-way communication strategy.

#### *10.3 Take a pro-active approach to technology acquisition and deployment*

Early adoption of technology offers protection from external economic shocks. While such investment is not always easy owing to micro enterprise resource limitations (Kelliher and Reini, 2009), it is cited as a cornerstone of small enterprise survival and growth during the on-going pandemic (Cowling *et al.*, 2020; Eggers, 2020). The exhibited micro enterprise had invested in online options for service delivery well in advance of March 2020, despite it being a “hard sell” to end users, resulting in a slow return on investment. This aspect of the enterprise’s hybrid learning strategy facilitated swift adaptation to the rapidly changing business landscape.

#### *10.4 Maintain proactive relationships with key stakeholders*

Key stakeholders could include debtors, creditors, staff, clients, landlords and business partners, who should be kept informed, even when the news is not necessary positive. In this case, the enterprise owner called each client and suggested cancelling the services as booked, instead of having them incur cancellation fees. This was particularly true of clients in the hospitality sector who themselves were suffering a major blow such that cancelling training services booked may not be a priority for them.

#### *10.5 Apply an adaptive strategic approach to business development*

A key finding is that micro enterprises need to rapidly revise their strategy and business model when faced with an unforeseen event. Capacity to align the strategy and business model in the direction of what is working is a delicate balancing act that requires some faith in the future and the evolving market, while also remaining aware and alert to what is changing in the immediate and short term.

From a practice perspective, these insights are of immediate potential value to the 70–95% of global business (OECD, 2017), as they pursue sustainable business success throughout and beyond this pandemic. They also offer a means through which micro-enterprises can plan for and respond to extreme events in the future. Further field studies could apply the proposed framework (Figure 1) in practice and observe the impact of an adaptive strategic response to an external shock among other micro enterprises.

### Notes

1. An external economic shock is an unexpected event that dramatically changes an entire economy's direction, either upward (value gains and job creation) or downward (value lost and job destruction), World Bank (2020).
2. The business continuity voucher scheme is administered by 31 Local Enterprise Offices on behalf of the Irish Government. Worth up to €2,500 in third party consultancy costs, it can be used to develop short-term and long-term strategies to respond to the Covid-19 pandemic ([www.localenterprise.ie](http://www.localenterprise.ie)).

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