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Survival Strategies of Finnish SMEs in the Time of Global Crisis

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Abstract

The onset of the COVID-19 pandemic has resulted in a crisis that has impacted international business and entrepreneurship globally. Many small- and medium-sized enterprises (SMEs) have been particularly hard hit, yet many are also finding strategies to survive and even thrive in this “new normal”. This chapter highlights the survival strategies of SMEs in the small open economy context of Finland where, alike most European countries, international trade has been restricted due to the pandemic. We conduct a qualitative case analysis of five Finnish SMEs across different industry sectors, describing the internal and external changes they have undergone during the crisis, and we also shed light on the strategies and contingency planning they have been employing in order to survive. From the results, it is evident that internationalization remains an opportunity for Finnish SMEs. We conclude the chapter by summarizing our recommendations for SMEs dealing with the current and the next crisis, while also considering the generalizability of those recommendations in environments less stable and developed as the Finnish context.

Keywords: COVID-19, International Entrepreneurship, SMEs, Entrepreneurial Resilience, Survival Strategies, Finland

<a> Introduction

This chapter examines entrepreneurship during global crisis of COVID-19, with emphasis on Finnish small- and medium-sized enterprises (SMEs) and their survival strategies. Beyond the humanitarian emergencies of the COVID-19 pandemic, the virus is also having a considerable impact on international business (Caligiuri et al., 2020) and international entrepreneurship (Zahra, 2020), global economy and virtually all countries in the world, including Finland. The lockdown of the society and the resulting restrictions in the economy have had an immediate and extensive impact on Finnish companies, particularly small- and medium-sized enterprises (SMEs). As in most other European countries, our international trade has been largely restricted due to the travel bans, cancelled flights and closure of borders – and at the same time both

domestic and foreign demand have plummeted in most of the sectors. The CEO of our major Pension Insurance company Varma worried during the spring lockdown stating that “this won’t end well” and that the coronavirus outbreak could wipe out 20 years of growth from the Finnish economy (Teivainen, 2020). Towards the end of the year, however, it was estimated that the pandemic would perhaps have a bit milder impact on Finnish companies than was first predicted even if some fields have experienced very negative effects. *“The change is exceptional; we haven’t seen a change this quick and dramatic since the financial crisis. Fortunately, the slump is not quite as deep this time”* estimated Petri Malinen, the Economist at the Federation of Finnish Enterprises. (SME Barometer, 2020). It is evident, however, that not all small- and medium-sized enterprises (SMEs) will survive this crisis, only those which are able and willing to employ the survival strategies necessary to cope with such a global crisis. On the other hand, economic development is driven even in recessionary periods by firms seeking fast growth (Greene & Rosiello, 2020). It also argued that the underlying principles of governance in global value chains remain unchanged (Kano & Hoon Oh, 2020), even though covid-19 can be seen as ‘the acid test of global supply chains’ resilience’ (Trucco, 2020). Entrepreneurship is expected to have a major role in helping re-build increasingly resilient local economies (Korsgaard et al., 2020). In the international entrepreneurship domain, the speed with which international new ventures are able to learn can determine the difference between their survival and failure (Zahra, 2020). It is therefore important to shed light on how not only domestic but also international SMEs are being affected and are able to cope with the pandemic. This chapter contributes to this effect by examining the challenges faced by internationalizing SMEs, and their strategies and contingency plans with which they are looking to cope with the pandemic in the empirical home country context of Finland.

<a> Literature review

Earlier studies have analyzed the patterns and strategies of entrepreneurial activity in the time of crises. The importance of *resilience*, “an ability to go on with life, or to continue living a purposeful life after hardship or adversity” (Tedeschi & Calhoun, 2004) has been stressed in some studies (Bullogh & Renko, 2013; Bullough, Renko & Myatt, 2014), and the importance of firm’s *capabilities* to integrate resources in recognizing new opportunities in an environment characterized by high volatility and uncertainty are also highlighted (Battisti & Deakins, 2017). Resilience can be looked from the perspective, what is the managerial response to unexpected

event, disruption, or crisis. It can relate to a certain activities or functions, which threaten the firm’s performance or even existence. In the current COVID-19 crisis, the problems with supply chain have been highlighted, for example, as many factories and plants were shut down or have been operating under limited capacity, especially in the industries, which operate following Just-In-Time approach like automotive and electronics industries (Trucco, 2020). This has led to calls for companies proactively to prepare for unexpected events and build supply chain resilience, which can be defined as “the adaptive capability of the supply chain to prepare for unexpected events, respond to disruptions, and recover from them by maintaining continuity of operations at the desired level of connectedness and control over structure and function” (Ponomarov & Holcomb, 2009, p. 131). On the other hand, some industries, such as hotel and hospitality industries, have been hit with closures and nearly disappearing demand. Further, some industries and sectors have performed comparative better than others, as, for example food and beverage retailers have served as substitutes for the closed bars and restaurants, and services by financial planners and lawyers, helping people to survive through the tough times, have increased (Jackson, 2020).

In general, there are different types of shocks. Some can be seen as foreseeable and some are more or less unanticipated disruptions, e.g., natural disasters. Even though pandemics like COVID-19 could be anticipated, they occur less frequently, and the companies may be less prepared, which could inflict even bigger losses on them (McKinsey Global Institute, 2020). The extant literature has framed the above as *strategic responses* to the crises and recession. Consequently, the managers need to build such anticipations into their decision-making. For example, Hofer (1980) posits that suffering firms decline due to internal and external causes may adopt *three distinct strategic responses: asset reduction, cost reduction, and revenue generation*. From a slightly different perspective, Wenzel et al. (2020) suggests that there could be four types of strategies for *responding to crises, i.e., retrenchment, persevering, innovating, and exit*. Retrenchment is a way to cut down costs and reduce complexity of firms’ operations, whereas in the case of persevering, the focus is on maintaining the firm’s current operations, which can hit firms’ financial resources if the crisis lasts (Kraus et al., 2020). Making sure SMEs can survive the COVID-19 pandemic *will require policy measures to support startups with both short-term cash flow, as well as long-term measures aimed at strengthening the entrepreneurial ecosystem* in their home country (Kuckertz et al., 2020).

In this context innovating can be described as ‘the realization of strategic renewal in response to crisis’ (Wenzel et al. 2020, p. V11). Entrepreneurial firms can look for new opportunities, sometimes stemming from a crisis. If there were new ways to generate revenue, for example via business model innovation (Clauss et al., 2019; Breier et al., 2021), this could be a way for sustainability, especially if the crisis lasts for a long period (Wenzel et al., 2020). Specific strategies like co-opetition (co-operation with competitors) have also been suggested as a strategy to overcome the negative effects of COVID-19 (Crick and Crick, 2020). However, more research is needed, as the ways in which entrepreneurs respond to a crisis, such as the present one, may depend on several factors including their *experience*, the stage of their *business development* and of the *severity of the crisis*, as well as on the utilization and suitability of their *resources* (Doern et al., 2019). For example, Eggers (2020), in his review on papers looking for responses of SMEs to earlier crises, points out that several studies have found an interconnectedness between finance and strategy – viewed as innovation for creating new offerings requires financial resources. SMEs might also be hit harder as they are often dependent on institutional support and networks in their international operations, which might be disrupted due to a crisis such as a pandemic (Zahra, 2020).

<a> Research design

To shed light on how Finnish SMEs are challenged in their internationalization and survival by the COVID-19 pandemic, we applied a qualitative case study approach. Qualitative methods are called for when an in-depth understanding of the research phenomenon is sought (Eriksson & Kovalainen, 2015), as they allow for empirical richness and detailed descriptions when answering "how" questions in particular (Eisenhardt, 1989; Yin, 2015). The appropriateness of the empirical cases is for these purposes more important than the absolute number of cases (case organizations) themselves (Siggelkow, 2007).

Our empirical research is based on an in-depth analysis of the survival strategies of Finnish SMEs in the time of global crisis and is illustrated by a case study of five Finnish internationally operating SMEs. We interviewed key individuals in a sample of five Finnish SMEs, four of which have received an immediate financial support from Business Finland - the public organization for innovation funding and trade, travel and investment promotion in the country - to mitigate the economic impact of the COVID-19 pandemic. The key criterion for funding

is innovation. The pandemic and the lockdowns of economies create a unprecedented situation for these firms and we examined the impact of crisis on the companies’ internal factors (staff, resources, etc.), external environment (customers, suppliers, competitors), where we also examined the focal firm’s primary coping mechanisms and survival strategies, their potential contingency plans and how their entrepreneurs found to better cope with the potential future shocks; as well as the major lessons the crisis has taught about international entrepreneurship. We then compared these results with an enterprise that had not sought or received – indeed, not even applied for the Business Finland funding.

The five selected cases present a range of different industry types, including born digitals (Vadana et al., 2019), restaurant and hotel services, a cleantech SME and an entrepreneur running a franchising type management consulting business. We conducted interviews between June and early August 2020 in English. The interviews were taped and subsequently transcribed verbatim. The cases were analyzed first individually, after which we conducted further cross-case comparisons to reach a synthesis of conclusions.

<a> Case Companies

The case companies and their descriptions are outlined in Table 1, below. The companies were all founded since late 1990s, with the most recent one established only in 2016. They employ between 7 to 44 employees and they all have some degree of international operations, ranging from what is called traditionally internationalizing firms (cf. Johanson & Vahlne, 1977; 2009) to born globals (Rennie, 1993) and born digitals (Vadana et al., 2019; Monaghan et al., 2020).

Company A was founded in 2006 and is a highly internationalized SME (90% of revenue from abroad) operating in software business; Company B is in contrast only starting to expand its international operations (<10% of revenue from abroad). Company B was founded 2014, employs 18 and has as its main-product line is air purifier products. Company C is the oldest case company in the sample and was founded in 1997. Company C operates multiple restaurants and hotels in the Eastern Finland area. Hospitality industries are some the most hard-hit globally due to the pandemic (e.g., Kumar, 2020) and presents a distinct empirical case context of “inward internationalization” (Welch & Luostarinen, 1993), the type of

internationalization that company C also is engaged in. Company D is a management consulting SME that is a part of a multinational franchise and is currently employing the entrepreneur and “5-10 people in projects” (CEO of D). It has concentrated its operations heavily to domestic markets. Its customers are mainly Finnish companies, some of which have domestic operations only. There are however also cases where the company collaborates with their customers in selected foreign markets in which the customer operates. Finally, company E is a born digital and its offering is an online image sharing service. It was founded in 2016. Company E is a Finnish SME that *has not received Business Finland assistance or funding*. It was included in the sample to enable a comparison with the other four case companies that had received Business Finland funding.

Table 1. The case companies.

Company	Established	Number of employees	Product	Degree of Internationalization
A	2006	36	Cloud based device management software	90% of revenue from abroad
B	2014	18	Air purifier	Less than 10% of revenue from abroad
C	1997	44	Restaurants and hotels	Inward internationalization (premises in Finland only)
D	2008	25 (5-10 in the interviewed franchisee)	Management Consulting Franchise	20-30% of business from abroad
E	2016	7	Digital image sharing and selling	The majority of user base / customers abroad (no revenue yet)

<a> Findings

** *Internal changes during the COVID-19 pandemic in the focal SMEs***

From the data, a common pattern regarding internal changes emerged: **Those SMEs with the most international orientation and outlook were having the least pressure for internal changes** during the early stages of the pandemic in Finland (March-August 2020). Their “degree of digitalization” not only helped SMEs to avoid arising restrictions on personal meetings and movement from, to and within the country, not only by lessening the effect of the pandemic-related restrictions in the country on their overall business, but also by enabling them

to be agile in moving their daily company interaction towards virtual online processes. For instance, the CEO of company A noted:

“We were able to start working from home quite rapidly after we kind of realized that this is going to hit harder than we initially thought. So, we started to slowly move towards remote working in the beginning of March. And from there, I think the 17th of March, everyone has been working from home and of course that affects somewhat the communication between individuals and teams and so on. But I think, like staff wise, everything has gone quite smoothly.” (Company A)

Company A did not have to lay off anyone; instead they actually recruited one additional employee during the crisis. According to the CEO of A, they have since postponed new recruitments; but are following the development of the pandemic in their business and looking to start additional recruitments of employees as soon as the situation allows for starting the process. The situation with company E has been similar, as E was already a virtual team organization:

“We have been like a virtual team-based company. We all come to work online, so it didn't impact in our case.” (Company E)

Both A and E are fully digital companies, however the other case companies are less so have been affected by the crisis. Company B has mainly been continuing their operations normally, but noted that their demand has decreased during the pandemic by “15-20%”:

“We have our sales staff who are mainly working from their home, obviously from any case because they are in different parts of Finland... We have had some people working remotely, some people in the office as earlier. Production we have been running normally but even though we have only few guys in the Production we have split it into two shifts which did not meet each other, so we have tried to guarantee that we have a possibility to continue production in any case.” (Company B)

The SME that has had to deal with the most turmoil within their organization turned out to be, in no great surprise, Company C: They are offering restaurant and accommodation services in Finland – thus engaging in inward internationalization (see Welch & Luostarinen, 1993). Their business has been affected a great deal as the Finnish government has placed restrictions to hospitality businesses and travel:

“One of our premises was closed down and 20 employees fired. 95% of our employees were laid off for a period of time. Three employees have worked remotely this whole time. The

crisis has thus had a large impact. All our good growth was changed by the crisis to a battle of survival. All our R&D is currently on hold and we are just concentrating on keeping the company operating somehow.” (Company C)

Conversely, in company D, even as business has suffered, and the company has moved almost all internal meetings to virtual meetings, layoffs have been avoided:

“We have had less projects than was budgeted. Without the corona crisis, we would have more resources and we would have grown more. On the other hand, I think that once the crisis subsides, we can have more demand...So far, the crisis has not resulted in employee reductions, but growth yes, and without the crisis we might have more people [recruited].” (Company D)

** External changes during the COVID-19 pandemic in the focal SMEs**

As noted earlier, the internal changes and changes in the external environment (customers, competition, relevant stakeholders of the SMEs) have varied amongst the companies. In particular, it was clear from the data that the different measures taken by national governments across the globe had an impact on the foreign market operations of the SMEs – as the CEO of company A pointed out:

“there has been quite a lot of difference in different regions. For some regions, there has been initiatives from the government perspective to even kind of help the business. For example, in Germany in some regions, the government has been offering some kind of aid to the companies...But for example our main markets in the US and the UK have suffered quite a lot in terms of getting infections and so on so there is quite a few customers of ours that are struggling with their payments.” (Company A)

Similarly, some of the more **manufacturing-oriented SMEs have been faced with global supply issues**, depending on the geographic distribution of their particular supply chains. For instance, in Company B, although they were not faced with the necessity of making drastic changes to their supply chain relationships abroad, still noted that:

“We have had some problems in getting components from sub-contractors, especially those who have their production in Asia. Even though we are dealing with European companies, some of them have or are using Asian factories, so there were some problems with, let’s say March/April, but I think those are pretty much over now.” (Company B)

Company D echoed similar sentiments:

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"Some of our suppliers have had issues with components delivery for example from China. Supply issues have been around at times. In theory we would have been able to join the mask trade, but we decided against joining it, because we considered it a bit too much of a sensitive topic. We could have gone ahead and sought those projects globally." (Company D)

The issues with other types of foreign partners were similarly dependent on the foreign market in question, with especially foreign partners located mainly in the developed western world were less affected:

"[the impact] was mainly limited to our customer base. The technology partners that we have, like Google, Microsoft and Apple, they are so huge that at least to us it didn't seem to affect their operations too heavily." (Company A)

Domestically, the business and networking activities requiring face-to-face meetings and service were heavily curtailed due to the pandemic restrictions, and had a major impact on the customer base on those SMEs dependent on such:

"we have had quite a lot of customers from restaurants and movie theaters and so on that basically have stopped their operations. So of course, that has affected our operations as well. When the crisis first started there was a decrease in our lead amounts. The cloud product works where people go to our webpage and they register to the product, and every registration is a lead to our sales. But we saw quite rapid changes in the amount of leads that came in, especially in the first weeks after this started." (Company A)

"we also got definitely some hit, because we were expecting to use, like the universities as a platform to promote our app. So now as the universities are closed and no kind of events are allowed, so for us, it became a barrier to interact with the, for us customer is the user. So that's the problem. And, when it's about interacting with investors, we are also suffering from funding as a source because now I think many investors are not so willing to invest at the moment." (Company E)

"Restaurants have received their own limitations due to the crisis and the loss of customers has been remarkable. The customer profile in Savonlinna has also changed. The more affluent people have changed into basic Finns type of visitors. There have not been changes in suppliers and nothing bigger has happened with competitors either." (Company D)

Surprisingly, the tightening market space has also resulted in some cases facing increased competitive aggressiveness:

"Our competitors have during the crisis been pretty aggressive and sought to position themselves in a new way and to be active. The competition has tightened some and everyone has tried to maintain the positions...This crisis has also hit consulting, because there are no longer any meetings but instead other priorities that have delayed projects." (Company D)

Finally, the SMEs have also faced some specific challenges in their international expansion:

"Well, the difficulty comes because we haven't been able to travel there. And, always, especially when starting in a new market, you should be there. And that of course has made it more difficult... building up a sales network or distribution needs quite a lot of contact and exchange of information and this kind of things so it's been harder to get grip of the market in the way we would have liked. " (Company B)

** Strategies and Contingency Plans of Finnish SMEs During the COVID-19 Pandemic**

The data yielded **different extents of strategizing and contingency planning** by the Finnish SMEs. Company A considered different scenarios: *"so we could follow on which curve we are on at like different stages of this crisis and we have established steps to take, if for example we would see a rapid decrease in revenue or something like that... whole spring was kind of just waiting and seeing what's going to happen so there wasn't much forecasting that we could do. We were of course thinking of these scenarios, like what if our revenue is at level A, B or C and what should be done." (Company A)*

Conversely, company B did not have any clear contingency plan, but did not need for such plans, pointing out that *"we need to put more efforts into international business, because if some area is suffering more from a recession or pandemic, or whatsoever, then having a strong position in different areas would of course help in keeping alive". (Company B)*

For Company C, clearly the most hard-hit by the crisis due to the nature of their industry and type of business, the “strategizing” and “contingency planning” was rather simple:

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"We have discussed with our financiers about extending our short-term loan repayments. The loans are on hold for six months. We have also laid off or fired our employees, thus we have sought to minimize fixed costs." (Company C)

For companies B, D and E, the crisis has proven to be an impetus for reconsidering their marketing strategies in particular:

"we just try to work as normal as possible and put more efforts to marketing and try to figure out new customer groups, like pharmacies for example, who, these are places where they still take customers in, and actually they never have healthy customers because when somebody goes to pharmacy, he is some kind of sick or unwell. So that kind of places, or banks, where the cash operations must work still, and they take in customers, so we have been putting in more efforts on customers like that." (Company B)

"We have agreed on our marketing strategy with the main HQ. We have sought to adapt our activities to fit this crisis. We have acted in line with the [governmental] recommendations and moved everything to digital and handled projects and meetings in that way. It has worked out ok and we have even gotten a few new customers during the crisis." (Company D)

"we have now heavily focused on digital marketing in terms of reaching our users. So, we have kind of like totally shifted our budget for offline marketing to online marketing and also, we are now contacting kind of our target market focus also we have partially changed which was previously heavily towards Finland, because we could do offline marketing, but as we cannot do it now. So, we have expanded the horizon to other countries. And, for investors, we are also now looking to investors outside of Finland, as we cannot meet anybody face to face anyways." (Company E)

Company D also is looking to digitalize their business to the most extent possible:

"The online sales of food is one of the main ways [of contingency planning] and we are trying to develop business that does not require human contact. We have a small task force that engages in this developmental work, in addition to their own work." (Company D)

** COVID-19 as an international opportunity for Finnish SMEs**

Finally, an interesting point that arose during the interviews organically was how many of the Finnish SMEs see the COVID-19 pandemic, and its accompanying global crisis, as a source of new international opportunities:

“it is highlighting the importance of having, let’s say not being stuck in Finland. To be able to increase or grow we need to go to international markets and actually we have been pretty happy that we have started early enough so that we could now benefit a bit of that instead of just suffering here... in some places it is helping us in finding new customers.” (Company B)

“I think one of the advantages of ours has been for a long time that this is global operations, so if something happened in one region, we can always focus a bit more on the others. So that has been a really good factor in our survival with this situation.” (Company A)

<a> Discussion

Our findings show that internationally operating SMEs have considered and eventually made several responses to the shock and subsequent crisis the COVID-19 pandemic has caused so far. One clear example is that Finnish firms rather easily moved to the distance working mode online – which is evident from our cases. Literature has pointed out number of issues, which support the transformation to the distant and online working modes. Similarly, organization’s digital maturity and technology aligned strategy’ and ‘importance to maintain social interaction’ for employees’ wellbeing (Dwivedi et al., 2020) have been also discussed. It seems that this was not a problem in Finland, to a certain extent due to good institutional infrastructure; but also due to earlier support for virtual work (evident in companies A, B, E, for example). One further explanation is that the highly digitized Finnish society made it relatively easy to switch to distance working – which has also helped in keeping the number of COVID-19 cases comparatively low (Hanlon, 2020).

Different strategic responses, capabilities and resources to implement those responses were found as some firms were more focusing on survival and cost reduction and some have considered more innovation and new revenue-generation strategies (for generic response types, see again Wenzel et al., 2020). The case company C, which operated in the hospitality industry was most affected, which has also been evident globally due to restrictions to mobility taking

hold (Jackson, 2020). What seems to be evident, however, is that some firms have utilized a combination of different types of responses – in which our results support the findings of Kraus et al. (2020). For example, one could try to follow ‘perseverance’ (e.g. not recruiting more employees at the time being) in the current markets but also consider innovation and spread into new segments and markets. Company D, for example, considered a new business and new business model (online sales of food) to run on the side of its old businesses, which had lost revenues due to the pandemic crisis. Customer behavior had also changed and there was higher acceptance of digital communication by the customers, a similar finding to the study of family SMEs of Kraus et al. (2020).

The chapter concludes that the existence of alternative contingency plans is of paramount importance to the Finnish SMEs, especially during the time of crises. It seems that even though COVID-19 pandemic has created a global crisis, and as our cases prove, there have been obstacles and in some cases revenues have even plummeted, which led to more cost reduction and search for survival, as in Company C), several of our case firms were actively searching for new customers and customer segments and were also willing to enter new international markets. All in all, in our purposeful sample those SMEs with the highest international orientation and outlook had the least pressure for internal changes during the early stages of the pandemic in Finland. In that sense, internationalization was a risk diversification strategy even though in some cases the supply chain problems were also evident. However, in our sample “in shoring” was not a prevalent strategic response, even though calls for in shoring have increased (see e.g. Zahra, 2020).

Zahra (2020) expressed a rather pessimistic view of international new ventures in relation to the effects of the pandemic due to disruption of existing networks, ecosystems and platforms. This may be evident in some industries, and we could again refer to our case company C from the hospitality industry, but also our manufacturing companies (such as Company B) had had problems with their supply chain at least temporarily. We agree with Zahra (2020), however, with the idea that there are also opportunities and that internationally operating SMEs “need agility, resilience and speed to gain the advantages of their entrepreneurial orientation, which centers on taking calculated risks, innovativeness and proactiveness in making strategic moves” (Zahra 2020). Consequently, an area, which we consider important is the entrepreneurial resiliency. Even though we have mostly discussed the challenges and responses at the firm level in SMEs, the core actor in many SMEs is the entrepreneur. Bullough and Renko (2013) point out several ideas how to build self-efficacy and resilience (as an

entrepreneur), such as expanding one’s network, mentoring and benchmarking. We can see that one way the Finnish SMEs were coping with the COVID-19 pandemic was to look for new customers and investors, but also talking to your existing networks and adapting to new communication tools as distant workers – which fit to their thinking. However, to a certain extent the resilience seems to be stemming from the entrepreneurial traits and behaviours: *“I don't know if this crisis has particularly taught us anything. It's just part of being an entrepreneur that sometimes you go down and other times you rise up. Resilience has however grown during this crisis, and I have learnt better to tolerate disadvantageous situations.”* (Company D). This is an area, which could be studied in a more detailed manner in the future. Further research should also focus on short- and long-term responses to the crisis, as different responses might be more applicable in certain phases of the crisis. At the moment, it is not possible to conclude the final implications of the different strategic responses to the COVID-19 pandemic, but hopefully our study provides a platform for further research endeavors.

<a> Conclusion

After studying the survival strategies of several Finnish SMEs our study argues that there is no single recipe for survival. However, some actionable solutions can be suggested. First, internationalization is a risk diversification strategy. This is not a new finding per se, but it is evident that those firms who had international outlook and orientation were able to find more customers residing in different geographical areas and eventually sell more even when the home market demand was not there. Even in the case of pandemic there is a slightly different effect on demand in various locations and internationalization provides opportunities. Second, the innovation or a strategic renewal can enable new revenue generation. A product portfolio extension, based on new innovative solutions can increase the cash flow and revenues, although the restrictions shut down the old core business. For example, a Finnish traditional restaurant normally offering only a single lamb dish in their own premises started to sell dried lamb meat via a new channel i.e., grocery retailers – based on quick product development activities. Third, within the industry one is operating there might be segments which are less affected, and firms should try to tap in those segments more, e.g., how to operate a takeaway business instead of fine dining in the premises. There is no single cure against the consequences of the pandemic, but the solution could be a combination of *agility, resilience, and speed* (cf. Zahra, 2020) and both perseverance and innovation as well and cost cutting might be required.

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