

Problems faced by business sector and private schooling sectors during quarantine and business strategies after lockdown.

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It is not something new that this COVID-19 is bringing troubles to all the people around the globe. Our Indian government is taking apt actions to minimise the cons of this situation. This situation is not too much troublesome for the big businessmen but, what about the small and middle sized business owners.

“More than a quarter of India’s 63 million micro, small, medium firms may have to shut before summer’s end.”

They are the ones who will be facing big problems. Survivability of smaller firms is also threatened by challenges of working capital shortage and lack of manpower. Some of them are thinking about shutting down their businesses and move back to their villages while the other ones are thinking about shutting their old businesses and start afresh in the entrepreneurial work.

Let’s take a small example that will change our perspective towards private schooling sector. After this lockdown schools were asked not to charge any sought of fees for their annual charges and activity charges from the parents. Big private schools in the country would have no problem with it but the actual problems were faced by small scale private schools whose fees are low and their parents are unable to pay the tuition fee. April which is considered peak season of these educational sector faced nothing but downfall. According to the government they had to pay salary to the teachers even if they are not working.

To add fuel to this fire the school which were considering the money related to the EWS scheme as their hope has not been provided by the government for the past two years and there is not any hope that they will receive their dues this year also. If you consider this much well then it is the half of it. The school which was only running in losses in the last accounting year has to install various things for sanitisation after the

school reopens. For starters they have to install sanitisation tunnels that cost nearly 1,00,000 rupees and other expenses that could add up to almost 3,00,000 rupees.

In March, the government decided to bear the 24% contribution of both employee and employer combined to the Employees' Provident Fund for the next three months. EPF rules mandate a 12% contribution by both employee and employer from the monthly salary. "Though this comes as a relief to the MSME and SMEs but only businesses having up to 100 employees and 90% of them earning less than ₹15,000 per month would be able to avail this benefit," said Chetan Sangoi, member, Retailers Association of India.

Considering the market is changing every week (and for the worse), it is imperative to reconsider the business model and reassess where your business stands as per your assumptions concerning the revenue and cost. This is also a crucial time to track current financial metrics and cash flow.

What these people need is the ideas for their start after this lockdown as they not only employ themselves but plays a big role in feeding the stomachs of many other households by providing employment.

What the small business owners should do is to plan to diversify their business. This will help them in providing a strong footing in the country. They should not completely shut their earlier source of living but start to find new ways to increase their earning. One such example is that if they have a large number of unused area or building they should start a side business like opening a small store of something that is not easily available in the area. Some product for which people have to go to longer distances.

What else people can start doing is build an online standing of their organization. During this lockdown also most of the things were dependent on the digital world only. This will prove fruitful in the longer run. If they are engaged in retailing they should start making an online ordering service and since the shops will be near the residential area the delivery time will be reduced gradually so people would prefer it more instead of those services which take 2-3 hours to complete the delivery.

They can also adjust their product offerings to accommodate new consumer needs. One thing which we are seeing is that there is new demand for so many products which were not their earlier. They should keep up with the consumer trend to keep up their sales. We all know that nobody likes to go to a place where only half of the stuff is available.

The main thing which people tend to forget is to communicate with their employees. They forget that they are all in this in this together. If the business faces any hardships, then the employees will also be in trouble as it may affect their salaries and employment status. There's likely a hesitancy to establish a routine level of communication with the employees as the uncertainty of the crisis continues but we cannot leave people out of the loop. Phone calls are better than emails. Write down your bullet points, start dialling, and commit to routine communication.

Please do not forget that “It might be stormy now, but rain does not last forever.” This situation is troubling us all so do not be afraid the sun is going to shine soon.



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