

COVID-19'S Impact on Malaysian SMEs: Supply Chain Risk Management Disruptions and Challenges for Business Recovery and Continuity

Suriana Ramli¹, Norzanah Mat Nor¹, Mohammad Nazri², Sharizan Sharkawi¹

¹Arshad Ayub Graduate Business School (AAGBS), Universiti Teknologi MARA (UiTM), Shah Alam, Malaysia

²Faculty of Business & Economics, University Malaya

DOI: <https://dx.doi.org/10.47772/IJRISS.2024.808014>

Received: 04 July 2024; Revised: 11 July 2024; Accepted: 17 July 2024; Published: 26 August 2024

ABSTRACT

This study aimed to identify the risks associated with the COVID-19 pandemic, analyse the supply chain risk management strategies entrepreneurs employ to ensure business recovery and continuity and propose preventive measures to mitigate interruptions caused by the virus. The study employed a qualitative research approach, notably utilising face-to-face in-depth interviews. The findings indicate that the epidemic impacted all the enterprises that participated in the study, encompassing various industries such as fashion, animation, broadcasting and media production, construction, printing, and trading. The abovementioned issue resulted in project completion delays and exceeded budgetary allocations. Organisations employ a combination of optimistic, aggressive, and neutral strategies to effectively mitigate supply chain risks despite the inherent difficulties they face. Based on the feedback provided by participants, it is imperative for a contingency strategy to incorporate multiple critical approaches. These strategies encompass diversifying suppliers, cultivating strong partnerships, seeking government assistance, drawing lessons from past events, and safeguarding customers.

Keywords: Supply Chain Risk Management, Covid-19 Disruption, SMEs Entrepreneurs

INTRODUCTION

The COVID-19 pandemic has profoundly impacted worldwide supply networks, causing significant disruptions and substantial damage to the global economy. As of June 25, 2020, the global epidemic, originating in Wuhan, China, in December 2019, had disseminated to 215 nations and territories, leading to a cumulative total of over 9.5 million confirmed cases and 485 thousand fatalities (Worldometers, 2020). The global supply chains faced unprecedented challenges, disrupting the flow of goods and services across industries worldwide. The sudden onset of lockdowns, travel restrictions, and shifts in consumer demand highlighted vulnerabilities in supply chain resilience, leading to delays in production, shortages of critical materials, and increased logistical costs. A study was conducted by Business Continuity Institute (BCI) in collaboration with Zurich Insurance Group on over 500 organizations globally in their “2020 Supply Chain Resilience Report”, had indicated that 68% of organizations experienced at least one supply chain disruption due to COVID-19. 71% of organizations reported that these disruptions had a moderate to severe impact on their operations. Among the primary causes of disruptions cited were supplier disclosure (63%) and transport restrictions (58%). This has resulted to production delay and interruptions, increased production costs, revenue lost, product quality issues which caused financial strain to the company. Hence, understanding and mitigating these disruptions became critical for businesses to maintain operational continuity and meet customer demands effectively. The necessity for efficient supply chain management (SCM) has become increasingly apparent since it plays a crucial role in attaining and maintaining an organisation's performance (Joshi & Sharma, 2022). An adequate supply chain risk plan is crucial for proactively identifying and addressing potential occurrences and mitigating disruptions in the supply chain, should they arise.

The anticipation of any risk, regardless of its magnitude, is vital for companies (Srivastava & Rogers, 2021). This anticipation is due to the potentially significant impact that can arise from the collective actions of numerous individuals within an extensive network. The supply chain encompasses two distinct categories of hazards, namely internal risks and external risks. Internal risks include delayed delivery, surplus inventory, inaccurate estimates, financial vulnerabilities, minor accidents, and similar occurrences. Among the various external dangers, notable examples encompass the COVID-19 epidemic, disruptions in the supply chain, seismic activities, tropical cyclones, and scarcity of essential raw materials. In the absence of an adequate business continuity plan, implementing COVID-19 restrictions, such as lockdowns and mobility limitations, may disrupt the supply chain (Fabeil et al., 2020). The potential outcome of a production standstill could lead to increased pricing for end-users and reduced earnings or potential losses for manufacturers. The proliferation of COVID-19 in Malaysia has profoundly affected small and medium-sized enterprises (SMEs) that heavily depend on their supply chains. This study aims to investigate the management of supply chain risks with the goal of recovery and continuity among small and medium enterprises (SMEs) in Malaysia amidst interruptions caused by the pandemic.

A qualitative methodology was employed to ascertain the supply chain risks encountered by entrepreneurs and to examine the implementation of supply chain risk strategies for business recovery and continuity. This objective was accomplished through face-to-face, in-depth interviews with six participants representing diverse industries, including fashion, animation, broadcasting and media production, construction, printing, and trading. The anticipated results of this study are poised to enhance comprehension of the challenges and strategies employed by diverse small and medium-sized enterprise (SME) sectors in the context of the pandemic.

LITERATURE REVIEW

Small and Medium Enterprises (SMEs)

In the Malaysian context, SMEs are defined as manufacturing businesses with fewer than 200 full-time employees and generate sales turnover not exceeding RM50 billion. Additionally, service sectors are considered SMEs if they employ fewer than 75 full-time employees and have sales turnover at most RM50 million (SME Corp, 2014). These enterprises are often overseen by their proprietor, who determines the management style and operates within the local market utilising internal financial resources. In Malaysia, the small and medium-sized enterprise (SME) sector is primarily characterised by the prevalence of micro-enterprises, which typically employ fewer than five individuals and generate annual sales turnover of less than RM300,000 (SME et al., 2016). The institution is perceived as a manifestation of the entrepreneurial ethos. Entrepreneurship is perceived as a strategic approach in developing nations to address societal issues arising from the increasing levels of unemployment among individuals who have completed their education. Not only does it eliminate unemployment for individual students, but it also generates work prospects for a more significant number of individuals. There are instances in which the individuals who establish the company have prior experience working for prominent enterprises. Individuals leverage the expertise and experience acquired at a prominent organisation as a foundation to establish their entrepreneurial ventures. Entrepreneurs may encounter economic instability due to financial, technological, and human resource constraints (Liu, 2020). The sustainability of several entities has been significantly affected by the COVID-19 pandemic, as an illustrative example. According to Tajudin et al. (2021) and Fabeil et al. (2020), individuals were found to encounter a decrease in their daily earnings as a result of the implementation of the movement control order. This decline was attributed to the closure of sectors that provided support, reduced available cash reserves, and a scarcity of demand. However, in addition to this, numerous small-scale enterprises managed to mitigate the adverse impact of the crisis. This outcome can be attributed to adopting a more decentralised organisational structure, which enables swift decision-making processes in their operations. Confident entrepreneurs have demonstrated a higher level of resilience by proactively adopting alternate strategies to ensure the continuity and recovery of their businesses. The authors, Rashid et al. (2021), have initiated the utilisation of social media platforms as a means to advertise their items.

Additionally, they have engaged part-time transporters to facilitate the delivery of these products to the final consumers. This scenario presents empirical support for the proposition that entrepreneurial enterprises.

However, facing constraints imposed by resource scarcity has the potential to effectively address supply chain risks and maintain competitiveness in the marketplace, contingent upon the presence of resilient capabilities.

Supply Chain Risk and Challenges

There remains to be more consensus over the universally acknowledged strategy to address supply chain risk, difficulties, and assurance within the existing discourse (Claire et al., 2022; Alexander et al., 2019; Piyal et al., 2021). Risk arises when disruptions inside an organisation's internal variables include inadequate information exchange, ineffective innovation plans, limited preparedness for adopting the Internet of Things (IoT), and a need for clarity regarding blockchain technologies. External factors such as national risk, political activities by the government, and bureaucratic behaviour can influence the efficiency of an organisation's supply chain and pose hurdles to reaching competitiveness. Maintaining uninterrupted supply chain operations, particularly in times of emergency and intricate circumstances such as the ongoing pandemic, is of utmost importance for enterprises regardless of the circumstances (Komal et al., 2022). Hence, it is imperative for practitioners to effectively implement the essential strategies across operational, tactical, and strategic levels in order to augment the level of maturity inside supply chains. Moreover, as stated by Alexander et al. (2022), the inadequate level of preparedness hindered the implementation of specific measures, highlighting the need for improved proactive risk management in the aftermath of the pandemic. The novel coronavirus disease (COVID-19) has emerged as a global health crisis.

Resilient Capabilities and Supply Chain Risks Management

Concerning the matter mentioned above, it has been widely acknowledged that for an organisation to address disruptions effectively, it is imperative to establish a robust supply chain that possesses the capacity to adapt and recover swiftly from disturbances (Ghavamifar et al., 2018; Jabbarzadeh et al., 2018). Firms with a robust supply chain are anticipated to exhibit enhanced capabilities in preparation, adaptation, and response to unanticipated events. However, for an organisation to exhibit resilience, it must effectively handle and manage the risks associated with its supply chain (Ivanov et al., 2021). The significance of risk management in the supply chain is exemplified by the case of two prominent companies, Nokia and Ericsson, as discussed by Namdar et al. (2018). The disparate reactions exhibited by these two technical enterprises have resulted in divergent consequences. Nokia's capacity to swiftly acquire alternative raw materials from other sources following the disruption caused by a fire that ravaged their primary electronic supplier in New Mexico has facilitated the company in maintaining its market position.

On the contrary, Ericsson, who seemed ill-prepared, needed a more adequate response to this risk. The disruption not only resulted in a significant loss of sales amounting to several hundred million dollars for Ericsson but also led to its exclusion from the supply chain of wireless phones. This case shows that a lack of existing risk management potentially leads to losing supply chain control. This text analyses the importance of supply chain risk management for organisations, particularly entrepreneurial ones.

The significance of risk management in supply chains is widely recognised in scholarly literature. However, it has been observed that numerous small and medium-sized enterprises (SMEs), particularly entrepreneurial organisations worldwide, need to be equipped to manage these risks effectively (Deloitte, 2020). In light of this, organisations should identify significant risks by evaluating their value chain nodes. Subsequently, they should formulate and implement appropriate mitigation strategies to effectively manage these risks. Despite the existence of prior research (Alora & Barua, 2020; Sreedharan et al., 2019; Cole & Watkins, 2015) that has endeavoured to tackle this matter, it is essential to note that these studies primarily concentrate on more giant corporations, different geographical locations, and diverse industrial sectors.

Consequently, their findings may not be directly transferable or relevant to the specific context of entrepreneurial enterprises in Malaysia. In contrast to larger organisations, smaller firms exhibit limitations such as their reduced scale, limited financial resources, dependence on government assistance, less formalised structure, smaller management teams, and unsuitable organisational arrangements. Given the increasing breadth of hazards, it is crucial to undertake a study that specifically examines the management of supply chain risks by entrepreneurs.

METHODS

The research design of this study was based on an interpretive paradigm, as described by Creswell (2007), and utilised a basic qualitative approach, as outlined by Merriam (2015). The study examined supply chain risk management for recovery and continuity among small and medium-sized enterprises (SMEs) in Malaysia amidst the disruptions caused by the COVID-19 pandemic. The participants were purposefully selected and comprised of individuals with expertise, extensive experience, and direct involvement in the research topics, specifically entrepreneurs or business owners. The research was conducted inside the geographical region known as the Klang Valley, situated in Malaysia. A total of six participants were involved in the individual in-depth interviews, representing diverse industries, genders, and races. Table 1 presents an overview of the background and demographic characteristics of the participants in the sample. The interviews were carried out at a mutually agreed upon time and location, with participants having the option to choose between face-to-face interactions or online sessions facilitated by the Microsoft Teams platform.

Table 1: List of Participants and Demography

Participant No.	Race	Age	Gender	Industry
P1	Malay	33	Male	Fashion
P2	Malay	42	Male	Animation
P3	Malay	42	Male	Broadcasting & Media Production
P4	Malay	30	Male	Printing
P5	Malay	42	Female	Outdoor Advertising & Merchandising
P6	Chinese	51	Male	Construction

Data Collection

Three research questions were posed to the participants and were the main highlights of the study:

1. What are the supply chain risks entrepreneurs face during the Covid-19 disruptions?
2. What supply chain risk plans exist for business recovery and continuity amongst the entrepreneurs?
3. What recommendations and appropriate strategies to overcome the impact of Covid-19 disruptions?

Individually semi-structured interviews were done to acquire the data. The interviews commenced with the use of open-ended questions, followed by the utilisation of probing inquiries to extract more comprehensive and detailed information. According to Guest et al. (2020), the interview questions were organised to enable consistent questioning of multiple participants. Each interview had a duration ranging from 45 minutes to one hour and was recorded. Before conducting the interviews, ethical concerns were implemented by providing a comprehensive explanation and description of the study's objectives and obtaining consent from the participants.

Data Analysis

Each interview response was transcribed, and further data analysis was carried out. In qualitative investigations, researchers must actively engage in the data analysis process throughout the study. Consequently, each researcher meticulously transcribed and manually analysed the data, refraining from utilising any software. The data was analysed using thematic analysis, adapted from Braun and Clarke (2006). The analysis followed a six-phase process: Phase 1 involved becoming familiar with the data, Phase 2 included creating initial codes and

categories, Phase 3 focused on searching for themes, Phase 4 involved reviewing the identified themes, Phase 5 entailed defining and naming the themes, and finally, Phase 6 consisted of producing the report based on the transcribed verbatim.

In order to initiate the process of data analysis, the researchers have defined three primary categories that align with the principal research objectives of this study. The objectives of this study are to 1) ascertain the various risks associated with supply chains, 2) analyse the implementation of supply chain risk plans, and 3) propose solutions to mitigate the adverse effects of disruptions caused by the COVID-19 pandemic. Themes were derived for each category by analysing the most frequently occurring codes. The subsequent section on findings and outcomes provides supporting evidence from the quotes, illustrating the raw findings.

RESULTS AND DISCUSSION

The qualitative study aims to investigate the phenomenon of supply chain risk management. This study aims to gain insights into the business recovery risk encountered by small and medium enterprises (SMEs) in Malaysia amidst the COVID-19 pandemic. All participants supplied responses for the comprehensive interview pertaining to the research goals.

Research Objective 1: To identify the supply chain risks faced by entrepreneurs during the Covid-19 disruptions

The analysis of the qualitative data obtained from the interviews yielded three distinct themes: significant interruption to the supply chain, moderate disruption to the supply chain, and minimum disruption to the supply chain. Based on the conducted analysis, it was seen that all six participants provided replies linked with the themes given. The subject of the analysis reveals a varied response to the recognition of supply chain risk. Based on the comments received, the entrepreneurs have underlined the presence of supply chain risk as a hindrance to the recovery and continuity of operations. Table 1 presents a concise overview of the responses in relation to the theme mentioned above.

Table 1: Count of participants for each theme

Theme	Participants
Major supply chain disruption	P6
Minor supply chain disruption	P1, P2, P3, P4
Minimal supply chain disruption	P5

Theme 1: Major supply chain disruption resulting in cost overrun

One of the dangers identified in this study is the scenario in which organisations experience disruptions and incur excessive costs. The unaccounted cost can be attributed mainly to increasing the budget allocation to sustain the existing fixed cost, even though the operation has been halted. In this particular scenario, it is imperative to implement a radical course of action to secure the business's continuity and viability. A solitary participant, P6, emphasised that their company ceased operations during the Movement Control Order (MCO) period, as building activities were deemed non-essential.

As a participant in the construction industry, P6 was compelled to suspend its operations in response to implementing a movement control order during the epidemic. The construction company was not an essential business; therefore, it was one of the businesses that had to stop operation. The abovementioned circumstances have resulted in substantial financial losses for the corporation, mainly due to exceeding budgeted costs and the subsequent disruption of the organisation's general business operations.

Theme 2: Minor supply chain disruption on the supply chain in terms of longer delivery time, inconsistent product quality and difficulty in retaining talent.

The acceptance of medium risk is deemed somewhat tolerable, yet it necessitates the implementation of appropriate readjustments or modifications within the capacity of the firm proprietors. In the context of this study, the term "it" denotes a scenario in which enterprises encounter extended waiting periods, subpar or variable product quality, and difficulties in retaining their valuable personnel. The majority of the participants expressed that the scenarios outlined here affected their supply chain.

P1 stated, "There was a difficulty in getting deliveries on time from the suppliers. Sometimes the suppliers have no stock to deliver, and sometimes they increase the price".

P4 further shared, "Normally, we will get a sample from our local supplier before we make the bulk order. Before COVID-19, what we ordered in bulk was very similar to the sample given to us. Nevertheless, during COVID-19, what we ordered differed greatly from the sample given. The material was different, and the colour was different. This problem was caused by the local supplier being unable to travel to China during COVID-19 to check on the quality of the material". Other than that, P3 also mentioned, "Petronas was not willing to invest in commercials like before.

Moreover, the dilemma we are facing now is whether we will go down in terms of costs, thus affecting the quality of our work. We can see that for the last Chinese New Year, many ads came out with various visuals. However, the quality is poor". Finally, P2 informed, "During the Covid-19 pandemic, I had to take drastic measures by reducing the workforce from 45 to 10 talents. Currently, the workforce is down to 5 only because the long-term projects have all been concluded. The talents could not be retained due to high cost and no project".

Theme 3: Minimal supply chain disruption

Lastly, minimal disruption to the supply chain refers to a situation where no further measures are required to reduce the risk. From the feedback, P5 reported that they faced no significant risk in the supply chain. P5 shared, *"I faced no significant risk on the supply chain. There was almost no impact on the business as the business operation did not require my company to store materials. In addition, there were enough local supplies for my outdoor advertising business. I did not have a problem getting the supplies from the suppliers. Furthermore, I maintained a good relationship with several key suppliers"*.

According to the interview, P5 noted no business disturbance throughout the Movement Control Order (MCO) period. Additionally, she indicated that the company's cash flow was hardly affected due to her efforts in mitigating risk by implementing cost-cutting measures, resulting in reduced operational expenses. The individual indicated that the organisation have sufficient financial resources to maintain operations until the firm is restored to a favourable trajectory.

Research Objective 2: To investigate the supply chain risk plan that is in place for business recovery and continuity amongst entrepreneurs.

Table 2: Count of participants for each theme

Theme	Participants
1. Positive Attitude and Alternative Source	P1, P3 P5 and P6
2. Build up a good relationship	P2 and P3
3. Government assistance	P4
4. Learn from others mistake	P3 and P6
5. Keep guarding the client pool	P4 and P5

Theme 1: Positive Attitude and Alternative Source

The result revealed that most respondents (P2, P3, P5 and P6) were positive and proactive towards the risk they had faced during the supply chain disruptions during the pandemic. For example, a Chinese Businessman (P6) stated that...

"My company will always plan for alternative sources." This input is supported by a Malay Businessman (P1) saying that... "We need also to understand the issues faced by the supplier. So, we need to work alongside our supplier and at the same time, we need to have other backup plans and not just depend only on a few suppliers". This is again very much consistent with another Malay Businessman (P4) who said that ... "I always try to look at things from a positive point of view. For me, I need to figure out the business I can do to survive during the pandemic".

However, for the 'neutral' response from the other respondents, they were saying that... P3 " I... [] ...neutral- because the nature of our business back then was already risky, with a negative outcome. Whoever is in the creative industry they are risk taker '. P5 further stated ... "My attitude towards risk would say neutral... [] ...but we are not like that; we are more like neither seeing it as a big problem or a negative problem. We just took the middle line..."

Theme 2: Build Up Good Relationship

Apart from being positive and having a few alternative sources, the participants did mention that building up a good relationship with the sources and suppliers is also one of the critical plans of survival as endorsed by the following statements: P1 "*... simple approach, always prepare a few source supplies and have good relationships...*".

This approach is supported further by P2: "We engage and order from more suppliers. Before MCO, we worked with only three suppliers, but during MCO, we had seven suppliers that we ordered from..."

Also, according to P3 "...by building good rapport with current suppliers and their staff ...I always try to have good chemistry and build good relationships with my suppliers. Besides that, I treat the workers there with great respect, and sometimes I treat them to drinks. [] ...To ensure a steady supply of products, I also try to find new suppliers and products to sell..."

Theme 3: Government Assistance

There was also one participant who highlighted the government assistance that they gained during the crisis, which has helped them to become more resilient.

P4 said, "Our industry is unique; we make content, then sell it. The question is how we make money. We depend very much on government help through grants like those done by Upin Ipin and Boboy., especially at the beginning, millions. The expansion was so abrupt that you would not have time to think about how to consolidate and how things work. It was challenging, so we changed our approach. More to products..."

Theme 4: Learn from others mistake

Another derived from the interview was the learning process gained by the participants during the pandemic challenge. P3 has emphasised that "*...by doing your study, observation and learning from experience when dealing with various suppliers... [] ... I can sense the reliability*".

However, not much knowledge transfer has been made about knowledge sharing amongst the companies. P6 has also noted, "*So now we have feedback from the coaching class, but we are not taught everything. We need to make a mistake, and then the coaches will come in to advise a little. The industry is unique because we are dealing with content creators who are artists. Artists are gamblers, hoping to make it big on the first attempt. In this industry, knowledge sharing is not common in Malaysia because of fear of their ideas being stolen by*

competitors. People are not willing to share their experiences and ideas. It is expensive to make mistakes. I don't mind learning from other people's mistakes. In the U.S., everyone is very open about knowledge transfer."

Theme 5: Keep guarding the client pool

The last theme found was guarding the client pool, which could have become one of the supply chain risk plans that are in place for business recovery and continuity amongst the entrepreneurs.

P2 voiced out that "...being transparent ... [] ...we had to tell the whole story to the customers and tell them the truth about the problems we are facing with the products/supplier from China. That is how we manage our customers: no secrets and be transparent". Also, P4 stated, " Not many clients can afford the service, so you would want to guard the clientele. You are giving out free money if you refer them to someone else. It took me years to acquire the trust of these clients..."

P5 further shared with his company how to guard this client pool by saying, "In our company, there are 3 of us. We constantly make decisions together. One person is more business savvy and strategic-minded. One more person who is very practical and understands the work drives creativity. So, the three of us assessed it as going to be [worst]". P3 supported by sharing his own experience "...doing it on his own, such as by monitoring Shopee and Lazada analytical tools [] ..." The structure of my business is simple I am the one who will decide because I am running it all alone. I will use analytical tools provided by Shopee and Lazada to monitor potential risks and opportunities". Surprisingly, P6 said, "One person is wearing many hats because of the small team..."

Research Objective 3: Recommendation of appropriate strategies to overcome the impact of COVID-19 disruptions.

Based on the earlier two questions, it is more apt to delve into the participants' minds on what they would recommend for better strategies in overcoming the impact of COVID-19 or any similar disruptions. Several main themes have emerged as the participants repeatedly mentioned the following recommendations.

Table 3: Count of participants for each theme

Theme	Participants
1. Diversify Business	P1, P3, P4 and P5
2. Upgrading Digital Skills	P2, P4 and P5
3. Reduce Liabilities	P1, P3 and P6
4. Hiring and Engaging Proper Talent	P2 and P4

Theme 1: Diversify Businesses

Most participants felt that they should diversify into a variety of products and different businesses in demand in various sizes and sourcing it from many different suppliers. The participants from various industries have mentioned this input.

P1 stated, "I need to always be on the lookout to find new popular products to sell online."

P4 shared, "We must not depend on only one supplier; we will find other suppliers that can offer lower prices but similar or better quality products."

P3 highlighted, "Maybe I might leverage on other markets such as countries like Vietnam and Indonesia. They are always hungry for creative people, directors like me. Take outside jobs and work from here."

P5 responded, "When times are bad, one must always diversify into other types of business. As for us, our core business, which was outdoor advertising, was badly affected during the COVID-19 pandemic. We had to find other alternatives and managed to get into the merchandising business."

Theme 2: Upgrading Digital Skills

To diversify businesses, participants believed that technology and digitalisation would be the catalyst in realising this. Employees in the organisation must be instilled with up-to-date technology and digital skills.

P2 highlighted, "... We must lean more towards technology; technology can cut down a person's workload and even save cost."

P4 mentioned, "These few years, we learned many things. We try to analyse trends, what are the reasons why our sales increased or dropped. Our finance team will come out with the financial data, and we look at other data from the perspective of the suppliers and customers. We have a dedicated person to look into analysing this data. From these analyses, we can plan and strategise better."

P5 shared, "Business owners must always keep up-to-date with the latest technology.... such as using new business applications and digital marketing tools. During the Covid-19 pandemic, we have seen a tremendous increase in reliance on online business and technology. So that is something every business must invest in both in terms of time and money."

Theme 3: Reduce Liabilities

From the lesson learned during COVID-19, the participants acknowledged that they must run their businesses with minimal liabilities. This finding was evident by the many responses gathered from the participants.

P6 recommended, "Perhaps reduce as many or zero liabilities when similar disruption repeated the damage will be minimal."

P1 echoed a similar response, "In the future, I think I should always maintain my strategy, which is not taking big risks in business. I can do that by reducing my operating and fixed costs. For example, maintaining my workplace in this rented house and not employing workers. Try to be as thrifty as possible by adding the cost of doing business (i.e. transportation, time) so that the cash can be used to keep more stocks."

P3 agrees, "We must streamline our financial resources and suppliers to be resilient. We did that during the pandemic, so we are not in trouble now. That is how we could survive."

Theme 4: Hiring and Engaging Proper Talent

Successful implementation of all the strategies recommended by the participants will not be materialised if not for the right and capable talent. Therefore, most participants expressed the importance of hiring and engaging proper talent in their organisations.

P2 mentioned, "Given our current circumstances, I understand the importance of that, as long as I can expedite generating sales immediately. The short answer to that is technology and hiring proper talent."

P4 also suggested that training is essential to engage his agents and continuously grow his business: "We also train our agents. Teach them words/sentences to close sales and create urgency for people to buy now. All sorts of marketing and promotion tips ensure agents can increase their sales and collection of payment. These would be some of the strategies with regards to sales agents."

Based on the findings and research, the study concludes that leaders' personal attributes play a crucial role in guiding the organisation through the crisis. Most respondents agree that maintaining a positive attitude and perseverance in finding alternative sources to ensure a continuous supply is crucial for their firm's sustainability. Small and medium-sized enterprises (SMEs) must establish and maintain strong relationships with customers

and suppliers. Lastly, ongoing learning is vital in the ever-changing business landscape. Learning from mistakes and making adjustments are crucial for the business's survival.

CONCLUSION

The empirical findings suggest that all six individuals encountered significant and challenging supply chain risks during the COVID-19 epidemic. It is crucial to conduct a thorough assessment of potential risks to ensure the long-term sustainability of the business. This method is crucial for developing a proactive and efficient strategy to address and minimise potential issues. The study employs a systematic approach to detect risks by categorising them into three unique classifications: high, medium, and low. The main hazards that require immediate action from entrepreneurs are business interruption and cost overruns. Entrepreneurs can rapidly gain success by immediately resolving challenges such as delays in delivery, inadequate quality, and high employee turnover. According to the data, the research has shown that specific organisations may avoid significant risks in their supply chain. Implementing their business model and having a risk management plan in place could alleviate some of the challenges that arise from crises, such as the COVID-19 pandemic.

Although facing problems, organisations face diverse attitudes in managing supply chain risks. These attitudes include optimism, taking aggressive steps, and maintaining a neutral approach. According to the feedback from the participants, it is crucial to develop a contingency plan that includes expanding the range of suppliers, fostering strong connections with suppliers, seeking government assistance, learning from previous experiences, and protecting the customer base. The details mentioned above illustrate the strong ability of Malaysian SME entrepreneurs to successfully handle and reduce supply chain risks, as suggested by Ivanov et al. (2021) and Deloitte (2020).

LIMITATION

The drawback of a qualitative study lies in the limited sample size and the potential for bias in the interpretation of findings. Despite the researchers' exhaustive efforts to mitigate bias, it is recommended that future researchers investigate this finding and apply it to a significantly larger sample. Continued research on supply chain risk for small entrepreneurs is crucial due to the dynamic nature of this subject in various settings and conditions. However, this research provides a foundation for future investigation on SMEs to incorporate supply chain risk and talent development aspects, namely in digitisation and sales and marketing, into their contingency plans.

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