

Small Business Pivots in the COVID Economy

SharedTEAMS



The background of the page features a white rectangular box on the left containing text, and a hand-drawn menu on the right. The menu is titled "Menu" and has several horizontal lines representing items. The word "Description" is written at the bottom left. The word "Email" is written in a box at the top right. The word "1-Headline" is written at the top right. The word "Menu" is written at the top right. The word "Description" is written at the bottom left.

Introduction

According to the [New York Times](#), 92% of small businesses surveyed in April 2020 reported that COVID-19 had negatively affected their operations.

More than [100,000 small businesses have permanently closed](#) since the start of the pandemic. The industries hardest hit by this pandemic include retail, restaurants, and bars. Thousands of businesses have spent the last few months preparing to reopen, or changing their services and products to be more marketable in the current business climate, and many owners also believe they should [prepare for a second wave](#) of the virus this fall.

Knowing what changes and tough choices are necessary in this ever-changing climate is exceedingly difficult, but after months of living in this COVID crisis, small businesses are finding new and innovative ways to pay the bills and keep their lights on.

We have broken down COVID-era trends and case studies of small businesses by industry to discuss how specific companies are adapting successfully and others are failing to survive. These insights could hold the key to maintaining or growing your own business this year.

In the studies below, expanding a business's reach through online offerings and innovative or creative products and services seems to be a trend many embraced to survive and continue to be successful through the ups and downs of this pandemic economy.

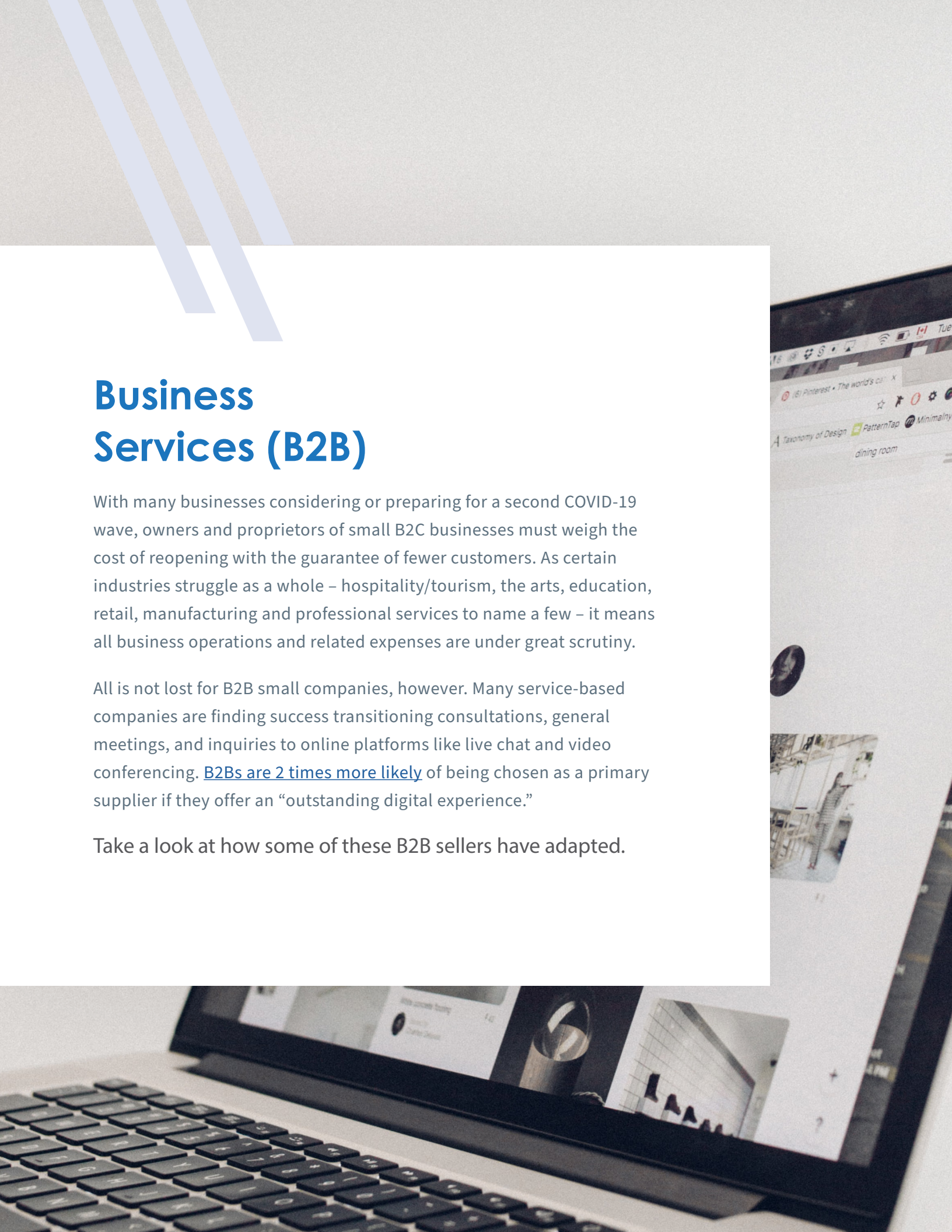
For more information about the businesses used in the case studies, each title includes a link to the original content in which the business was featured.

Business Services (B2B)

With many businesses considering or preparing for a second COVID-19 wave, owners and proprietors of small B2C businesses must weigh the cost of reopening with the guarantee of fewer customers. As certain industries struggle as a whole – hospitality/tourism, the arts, education, retail, manufacturing and professional services to name a few – it means all business operations and related expenses are under great scrutiny.

All is not lost for B2B small companies, however. Many service-based companies are finding success transitioning consultations, general meetings, and inquiries to online platforms like live chat and video conferencing. [B2Bs are 2 times more likely](#) of being chosen as a primary supplier if they offer an “outstanding digital experience.”

Take a look at how some of these B2B sellers have adapted.



Successful Cases

FAMILIAR CREATURES

Familiar Creatures – ad agency

A Richmond, Virginia-based advertising agency saw an opportunity during shutdowns: as many eateries closed or scaled back to takeout-only, Familiar Creatures stepped up to [create a website](#) where customers could support local businesses by purchasing merchandise, gift cards, and takeout from their favorite restaurants and breweries.

This standout approach was not only a great way for Familiar Creatures to give back to other local businesses, but it also created trust in their brand. It is a great showcase of their skill and dimension in advertising and marketing, which could ultimately lead to new customers of their own, during and after the pandemic.



Majestic Meat Co. – restaurant meat provider

Majestic Meat Co. is a Utah business that provides many restaurants with fine cuts of meat using a per-order delivery model. When COVID hit and restaurants closed in droves, management had to send home delivery drivers and figure out what to do with their surplus of meat.

Raymond Zaelit, owner, decided to add an online ordering system for selling the excess meat to any and all customers in the United



States, not just restaurants. They made the change in a single weekend and saved their meat – and their business – from going bad.

Majestic Meats Co.'s move to online ordering meant they could hire their entire workforce back. Those sales supported the local economy and also created a new avenue for business that will likely continue even after the pandemic runs its course. By adapting their target audience and online offerings, this meat business is a great example of how a little innovation can go a long way.



Reid-Rodell – event planning firm

Reid-Rodell is a full-service event planning firm that operates in the U.S. and worldwide. These events range from business receptions to family reunions, brand launches, non-profit galas, and weddings. Their business is 100% dependent on the ability to have large, in-person gatherings, which is difficult to do amidst the changing mandates and regulations at the local, state, and national levels.

After losing 95% of their scheduled events, co-founder Charlotte Reid says her team immediately started drawing up plans to transition their offerings to a virtual event model. Their value proposition stems from the idea that while anyone can host a meeting or event over Zoom, Reid-Rodell can plan and execute all aspects of each virtual event so they go off without a hitch.

Their success comes from their willingness to constantly seek out newer, more seamless technology to better serve each client's needs. A hidden benefit to this pivot into the virtual event world is lower overhead costs and expanded reach for clients. By hosting fundraisers and corporate events online, the cost and constraints of a physical location decrease drastically.

They also offer free guidance for clients and partners as a demonstration of their efforts to work collectively so more businesses in their industry survive this pandemic. That generosity "will serve us all in the long run," Reid says.



Unsuccessful Case



Teacher Heaven Closes – school supply store

Austin, Texas-based Teacher Heaven, a school supply store for teachers and students, is permanently closing after 24 years in business. Though the onset of the coronavirus pandemic was the final nail in the coffin, this small franchise that once boasted 8 locations had been on its way out for a long while.

Teacher Heaven's lack of online presence, coupled with the possibility that many schools may return to virtual classrooms this fall, means fewer customers and less profit.

Rather than try and adapt the business to an online platform, owner Susan Savoy chose to close her store. With much of in-class learning during a normal year being done online and teachers putting less and less on their walls, the emergence of COVID-19 accelerated the inevitable for this small business.



Local Services

Local services are vital to their community's economy, but promoting neighborhood service and retail businesses when social distancing mandates are in place makes for a unique challenge.

A [poll from the U.S. Chamber of Commerce](#) shows that businesses in the services and retail sectors are more likely to stay closed during this time. Because many businesses in the service industry require personal contact or contact within different homes, buildings, or areas, finding easy ways to adapt these operations to be more socially distant and/or e-commerce friendly is no small task.

Successful Cases



Capitals Ice Cream

As the owners of Capitals Ice Cream in Oklahoma City, Oklahoma lost business due to shutdowns, they noticed many other local businesses struggling. They reached out to area proprietors and came up with a new offering, City Box, to help OKC residents “[experience your favorite local businesses in your living room.](#)”

City Box creates different boxes, some based on specific areas of the city, others based on a theme, and includes 5-10 items or services sourced from more than 12 local establishments. The boxes are a great way for customers to continue their patronage from home, a welcome income for OKC businesses unable to reopen fully.



Let's Walk Chicago – dog walking

Let's Walk Chicago is a dog-walking and pet-sitting business that saw a 90% decrease in business when the pandemic hit in March. To combat these losses, owner Gina D'Anna and her family first gave up their salaries to make sure that none of their employees ever lost wages, and then they started thinking outside the box.

They marketed their services to essential and front-line workers, whose long and exhausting hours meant their time with family and pets dwindled. They also created a low-contact walk option, where the walkers wear masks and gloves on the walk and never enter a pet owner's house for pick-up or drop-off. On their Facebook page, they also created a campaign to appeal to those who are working from home: if your furry coworker is a distraction, they can help.

These tweaks to their business model and offerings have kept all of their dog walkers employed and busy throughout the pandemic.



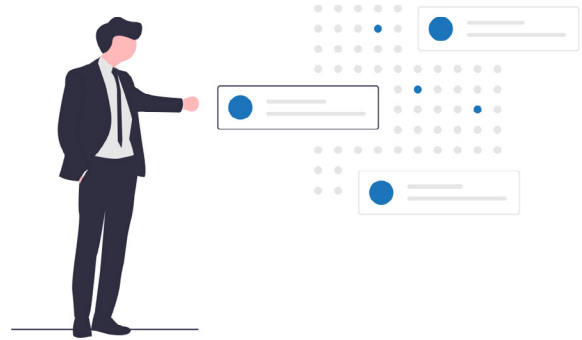
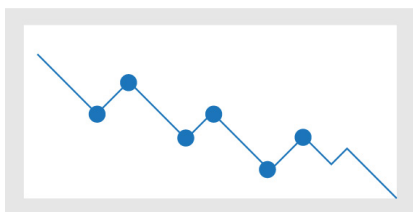


MOVEMENTX

MovementX – mobile physical therapy

Dr. Fred Gilbert, co-owner of MovementX, a “mobile, one-on-one, hands-on physical therapy” company, brought movement therapy to those in need by offering to bring services to the patients, rather than having them travel to a clinic. But as physical distancing measures went into effect, this therapy on wheels business had to rethink their strategies.

To combat these challenges, MovementX shifted to telehealth as a primary service, and incorporated socially distant sessions when necessary. They also created virtual exercise classes to serve those most vulnerable in the pandemic – the elderly. All proceeds from the classes go to charities that are helping fight the pandemic.



Unsuccessful Case



Tamales y Tacos Puebla – catering

Ricardo Aguirre owns Tamales y Tacos Puebla, a small catering business in Arizona. He issued refunds for 30 events as the pandemic started to spread in the U.S. While many businesses failed to adapt during this time, others (like Aguirre) applied for government and other forms of aid. The sheer magnitude of applications for loans from the Small Business Applications meant that relief was first come, first serve, and it was gone by the time Aguirre applied.

Now, Aguirre is unsure how or if his business will withstand the shutdowns, and part of the difficulty was due to the confusion surrounding where and how to apply for the different aid programs that are available. Aguirre also pays his employees in cash, which means some of the aid was unavailable to him because he could not provide all of the proper paperwork. Keeping good records is a tedious but fundamental aspect of any small business.



Restaurants

Restaurants and bars are some of the most affected by this pandemic. For indoor bars, the future is even bleaker as these establishments have become hotbeds for [spreading COVID-19](#) through a crowd. Another [blow to the success of these businesses](#) is the whiplash caused by reopenings followed by hasty reclosing mandates in many states.

Take-out and delivery options have been expanded in an effort to continue business while dining rooms are closed or restricted to 50% capacity, and many places have seen great results with [these and other clever adaptations](#). People still want to eat out, even if they can't dine in.



Successful Cases

KOLKATA CHAI CO.

Kolkata Chai Co.

Kolkata Chai opened six months before the pandemic hit. To stay in business, owners Ani and Ayal Sanyal converted their coffee shop-style business into an online takeout-and-delivery establishment in 48 hours.

The brothers brought on help to coordinate and map deliveries of chai, store delicacies, samosas, and Indian biscuits. Weekly revenue rose due to the new online ordering and delivery, gift card purchases, and generous tips. In late March, the owners were planning on offering at-home chai-making kits.



Chaia Taco

Bettina Stern is co-owner of Chaia Taco, two restaurants in Washington, D.C. that specialize in fresh vegetable-only tacos with fast casual service. As the shutdowns began, Stern and her team simplified their menu and transitioned to processing only pick-up and delivery orders. In a show of solidarity, Chaia Taco also teamed up with some community charities to deliver meals to essential healthcare workers. This is another example of success stemming from innovation and a clear focus on building up the community in which a business resides.



Unsuccessful Case



Krank It Karaoke

Mick Larkin of Texas closed the Krank It Karaoke bar in Wichita Falls for good in June 2020. This unsuccessful case can be attributed to bad timing and even worse luck.

Larkin and his staff had redone the business after the first shutdown to comply with all guidelines, from local to state level, but just days before he planned to host his big weekend reopening, and had bought and prepared the inventory to do so (including \$1,000 in masks and hand sanitizer), cases swelled in his county, prompting a second shutdown and leaving him no choice but to throw away all the perishables he'd just bought and close his doors for good.



Tastebuds

Tastebuds, a popular Cleveland lunch spot, closed permanently after the Paycheck Protection Program from the Small Business Administration wasn't enough to cover expenses while the downtown area where Tastebuds sits is still largely deserted. The lack of funds, coupled with low business traffic and the cost to replace all the food that had gone bad in March and April was too much for the small restaurant with only 6 employees.





Products

Retail and product-based small businesses are second only to the restaurant industry in terms of COVID-19 drastically affecting operations and sales. Practically overnight, brick and mortar stores have become almost obsolete, in favor of a socially distanced, shelter in place, online shopping experience.

One change across the board that seems to help businesses in the retail sector is to add face masks, hand sanitizer, and other pandemic-popular products to the inventory, assuming the business already has an online presence and shipping methods in place.



Successful Cases



Moonrise Distillery

This Georgia-based distillery is one of many putting their alcohol to good use. Moonrise Distillery now produces a hand sanitizer made from botanical gin infused with aloe vera.

For more on how distilleries are diversifying during the pandemic, check out [CNN's article](#).

Capitol Hill Books

Capitol Hill Books

Right now, the only safe shopping is window shopping, but it's not good for business. Capitol Hill Books in Washington, D.C. has come up with a way to give book lovers their much-needed time to browse the stack while still keeping customers safe and socially distant.

The owners anticipated the shutdowns and started offering appointments: groups of up to four people could choose a day and time to spend one hour shopping in the three-story building. They came up with another creative way for customers to get their books as well: simply email your preferences and price range, and the employees will curate a customized list of titles and prices in the customer's preferred range, which can then be purchased and shipped or picked up via curbside service.

These changes have allowed Capitol Hill Books to keep all 5 of their employees with no layoffs.



Brownsboro Hardware & Paint

Though hardware stores were deemed essential in most areas, Jim Lehrer, owner of Brownsboro Hardware & Paint, has still made the most of these unprecedented times.

He integrated curbside pick-up and even expanded delivery options on a wide variety of items, so as not to turn away customers who feel uncomfortable coming into the shop.

One of their biggest sellers right now is paint. Since many people are still laid off or working from home, household projects that had been on the back burner are now getting done.

Unsuccessful Case

Two Fish boutique

A boutique in Maine closed after setbacks brought on by COVID-19. Owner Chris Hunt says the store was closed earlier in March to comply with non-essential business shutdowns, but after a full season went by, the rent was due and the shelves were still full of winter items. In order to replace them with in-season offerings, the current inventory needed to be sold – and that never happened.

Because rent was still being paid through the shutdown and the inventory wasn't updated, Two Fish was only open for a few days before closing permanently.

The background of the page features a blurred image of a desk setup. On the left, there are two potted plants: a larger one with green, pointed leaves in a dark blue pot, and a smaller succulent in a white pot. To the right, a laptop is visible, showing a webpage with a red smartphone graphic and the text 'start an e'. A person's hand is seen typing on the laptop keyboard at the bottom right. The overall lighting is soft and natural, suggesting a window nearby.

E-Commerce

Quality e-commerce offerings, while they were gaining popularity before the start of the COVID-19 pandemic, are even more beneficial to businesses of all sizes in the current state of the world. As nearly 95% of Americans were affected by stay-at-home orders this year, there's been a 129% year-over-year increase in online sales.

Many e-commerce businesses are thriving, not because of a change in operations, but because online shopping is safer than physical shopping, and masks are a profitable addition to any and all e-commerce businesses (and this is done to different ends – advertising, having part of the proceeds go to charity, taking advantage of another opportunity to market your branding and logo, etc.).

Because all large gatherings and purposeless shopping are either banned or highly discouraged, online shopping is a safe and effective way to get everything you need without being in contact with another person – and the [shipping time and process eliminates virtually all risk](#) of acquiring the virus secondhand.

The uncertainties that come with this pandemic don't feel like they would warrant large business model changes, but many businesses who scrambled to put together an e-commerce site in March are reporting much smaller losses than their competitors who chose to either shut down or remain open at a fraction of normal business.

Successful Cases



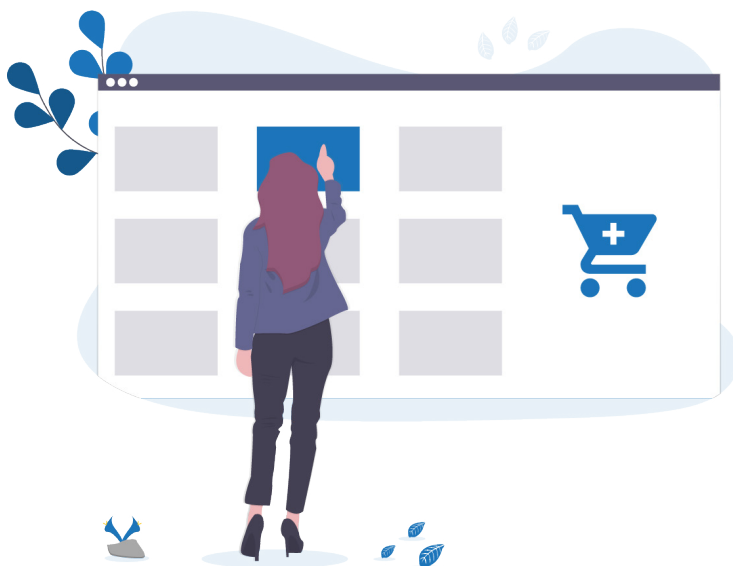
Malicious Women Co. – candles

Though this Washington business usually makes and sells candles, the owners of Malicious Women Co. created a kit for children to make their own candles during quarantine, and the kits were so popular that they sold out in just a few days.



Horderly - professional organization service

Horderly is a professional service that helps people organize their homes, and since this pandemic makes people wary of leaving their own house or having anyone other than family come over, owner Fillip Hord knew he needed to restructure and reinvent his company's processes to stay afloat this year.



In three days, Horderly created and launched a virtual organizing service to make sure their clients are safe and organized. His innovation allowed him to continue doing business instead of closing a unique company.

Etsy

Etsy shops – Stone House Crafts, Rosemarine Textiles, and Infusion

Today, cloth masks are on sale everywhere. You can find them at Walmart and on non-profit websites; even WWE (World Wrestling Entertainment) and the CBS show Survivor has them for sale online. Masks are this year's fidget spinners or pop sockets, and their popularity is not likely to wane soon.

Three Etsy shop owners, known for different craft items and trinkets, started making masks in the early days of the quarantine, and it's been gangbusters ever since.

For Amy Cassell of Stone House Crafts, 98% of her sales in April 2020 were face masks and ear protectors. Meghan Navoy of Rosemarine Textiles initially created masks for family and friends, but after posting photos of them on Instagram, she learned that there was a much larger demand for masks and decided to sell them. In one month, Abby Meadow of Infusion sold 400 masks, priced between \$20 and \$25.

For each seller, the mask material is a little different, either made from things their business is already using or made with materials and in styles that best compliment their shop's brand.

Conclusion

COVID-19 has rapidly changed the way small businesses operate in 2020. These changes will likely be commonplace in the coming months and years. Adaptability and unique pivot strategies are valuable assets during these uncertain times.

In order to adapt to lower demands in local areas, the most successful businesses leverage the internet and other creative e-commerce solutions by creating or increasing their online products and services, or by making virtual shopping and video/telephone consultations and meetings a main operation. They also implemented or expanded their pick-up and delivery protocols to encompass larger areas, and still others expanded into the B2B/B2C markets to increase their customer base.

In product-driven businesses, adding masks, hand sanitizer, or other pandemic-specific, hot ticket items to the inventory helped bridge the gap caused by fewer customer purchases. They used online avenues like websites and social media to market their pandemic-inspired business changes. Expanding delivery ranges and options (like creating a no-contact deliver or pick-up option) to make customers aware of a business's commitment to safe practices also boosted revenue. Small businesses also saw good results when they created "group" offerings based on theme or locale – giving customers a full at-home shopping or dining experience, while simultaneously creating income for multiple local businesses.

In service-based businesses, compliance and separation are key. Success came through restructuring physical spaces to accommodate social distancing and rethinking operations to maintain low- or no-contact services and incorporating digital solutions (e.g. Zoom consultations, telehealth appointments, creating a system for shoppers to "schedule" a time to browse).

Resources were gone by the time they applied for help. But many other businesses chose to simply close their doors rather than overhaul their inventory or expand services to meet the new COVID-19 safety criteria.

Strategies for surviving a global pandemic were likely not focus areas in your small business plan before, but we hope the case studies and insights included here will help you and your staff create a post-COVID strategy that allows you to continue to offer vital products and services for many years to come.

