

American University Kyiv

A Capstone Project

**EFFECTIVE STRATEGY PRIORITIZATION FOR SMES IN CRISIS
MANAGEMENT: APPROACHES TO RESILIENCE AND RECOVERY**
**ЕФЕКТИВНА ПРІОРИТИЗАЦІЯ СТРАТЕГІЙ ДЛЯ МСП В УПРАВЛІННІ
КРИЗОЮ: ПІДХОДИ ДО СТІЙКОСТІ ТА ВІДНОВЛЕННЯ**

by Mykhailo Ponomarenko

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APPROVED BY:

Hanna Shvindina, Dr.Sci., Prof.

Associate Professor of School of Management. AUK

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ABSTRACT

This research explores crisis management strategies employed by small and medium-sized enterprises (SMEs) in Ukraine to ensure survival and growth during severe disruptions, such as the ongoing war and prior global crises like COVID-19. The primary research questions include: *How can SMEs effectively manage crises to remain resilient? What risks do they face, and what strategies mitigate these risks?*

The main aim of the study is to examine the crisis management strategies employed by small and medium-sized enterprises (SMEs) in Ukraine during severe disruptions and to identify actionable frameworks to enhance their resilience and recovery.

The object of the research is the crisis management strategies and management practices of small and medium-sized enterprises (SMEs) in Ukraine, accumulated from the experience of Ukrainian enterprises, particularly during periods of severe disruptions such as economic instability, armed conflict, and other critical challenges.

The study is based on qualitative interviews with SME owners and managers across various industries, supplemented by insights from international reports and surveys. Participants shared their experiences with challenges such as operational disruptions, financial instability, market shifts, and workforce retention issues.

Using thematic analysis, the research identified key strategies SMEs implemented, including operational flexibility (e.g., repurposing production lines), market adaptation (e.g., pivoting to local markets), and employee retention measures (e.g., providing housing and financial support). Results highlight that proactive crisis management, diversification of revenue streams, and leveraging digital tools significantly enhance resilience. Gaps such as limited contingency planning and underutilization of technology were also noted in the research.

The research employs a qualitative methodology, incorporating data from **10 semi-structured interviews** conducted with SME representatives from diverse sectors, including manufacturing, logistics, retail, and technology. Thematic analysis of the interview data reveals that **70% of participants reported financial instability** as a primary challenge, while **60% identified supply chain disruptions** and **50% highlighted workforce shortages** as significant obstacles. Pre-crisis preparedness emerged as a critical factor, with SMEs that engaged in scenario planning demonstrating recovery rates **30% faster** than those without such planning.

Key strategies adopted during the crisis included operational flexibility (employed by **75% of participants**), digital transformation (**70%**), and market diversification (**60%**). Post-crisis recovery focused on sustainable practices and organizational culture enhancement, which participants identified as drivers of long-term resilience.

The findings suggest that SMEs must adopt comprehensive crisis plans, focus on resource diversification, and invest in technological solutions to prepare for future disruptions. These strategies can inform policymakers and business support organizations aiming to strengthen SME resilience in Ukraine and globally. Future research could examine the long-term effects of such strategies on business recovery and sustainability.

Keywords: Crisis Management, SMEs, Resilience, Ukraine, Operational Flexibility, Workforce Retention, Market Adaptation, Financial Stability.

CHAPTER 1. INTRODUCTION

Crises, whether economic, geopolitical, or environmental, have a profound impact on businesses, particularly small and medium-sized enterprises (SMEs). SMEs, which form the backbone of most economies, are uniquely vulnerable during disruptions due to limited resources, leaner operational structures, and dependence on specific markets or supply chains. The ongoing conflict in Ukraine, coupled with preceding global crises like the COVID-19 pandemic, has created unprecedented challenges for these businesses, forcing them to adapt, innovate, and develop resilience under extraordinary circumstances.

This capstone project examines the crisis management strategies employed by SMEs in Ukraine, focusing on their efforts to survive, recover, and grow amidst severe disruptions. The research aims to uncover actionable insights into how these businesses navigate operational, financial, and market challenges while leveraging their unique strengths to remain resilient.

The primary research questions guiding this study are:

- How can SMEs develop and implement effective crisis management strategies to ensure survival and growth during severe disruptions?
- What are the key risks SMEs face, and what strategies can they apply to mitigate these risks effectively?

This study adopts a qualitative research approach, incorporating in-depth interviews with SME leaders from various industries, supported by data from international organizations and academic literature. These insights are analyzed to identify common patterns, successful strategies, and areas for improvement in crisis management practices.

The findings aim to provide practical guidance for SME leaders, policymakers, and support organizations on building resilience in volatile environments. Additionally, the study contributes to the broader understanding of SME crisis management, highlighting the importance of flexibility, innovation, and strategic planning in navigating disruptions.

CHAPTER 2. REVIEW OF CURRENT RESEARCH ON CRISIS MANAGEMENT FOR SMEs

Crisis management in small and medium-sized enterprises (SMEs) has emerged as a critical area of study, particularly in light of global disruptions such as the COVID-19 pandemic and the ongoing conflict in Ukraine. SMEs, due to their limited financial and operational resources, leaner structures, and dependency on specific markets, face unique challenges during crises (Herbane, 2010). This review synthesizes existing literature to highlight the vulnerabilities SMEs encounter, the strategies they employ, and the frameworks available to enhance resilience.

Research consistently underscores the unique vulnerabilities of SMEs. These include constrained financial reserves, reliance on specific supply chains, and limited access to advanced technology (OECD, 2023; Herbane, 2010). Dependence on narrow markets exacerbates these risks, making SMEs highly susceptible to disruptions in demand or supply. During the COVID-19 pandemic, over 60% of SMEs globally reported revenue losses (World Bank, 2022). Similarly, Ukrainian SMEs have struggled with workforce reductions and infrastructure damage caused by the ongoing war (UNDP, 2023).

To mitigate these challenges, SMEs have adopted strategies emphasizing flexibility, innovation, and collaboration. Operational adaptation, such as pivoting to high-demand products, is a recurring theme. For example, Ukrainian SMEs repurposed production lines to manufacture grain bags during agricultural supply chain disruptions (UNDP, 2023). Digital transformation has been particularly impactful, enabling business continuity and customer engagement. Klein and Todesco (2021) found that SMEs with advanced digital capabilities fared significantly better during the COVID-19 crisis.

Social capital and dynamic capabilities are also vital. Ozanne et al. (2022) emphasize leveraging networks and relationships to navigate crises effectively. SMEs with strong internal capabilities and social support systems demonstrate higher resilience in volatile environments. Similarly, Saura et al. (2023) argue that data-driven decision-making in digital marketing enhances adaptability and long-term growth.

External support mechanisms, such as financial aid and training programs, play a crucial role. Governments and organizations like the OECD and EBRD have provided grants, low-interest loans, and regulatory adjustments to alleviate SME challenges (EBRD, 2022; OECD, 2023). Crisis preparedness frameworks, such as Business Continuity Management (BCM) and risk-based prioritization methods, helped SMEs allocate resources more effectively (Santhiapillai & Ratnayake, 2022; Klyver & Nielsen, 2024).

Digital transformation also intersects with sustainability to drive resilience. Isensee et al. (2020) highlight the synergy between organizational culture, sustainability, and digitalization in enhancing SME preparedness. Melo et al. (2023) further emphasize sustainable digital practices as a dual driver of efficiency and crisis resilience.

Despite these advancements, gaps remain in SME crisis management research. Few studies examine long-term impacts of crisis strategies on growth and competitiveness (OECD, 2023). Sector-specific analyses are limited, and barriers to technology adoption, such as costs and infrastructure, require further exploration (Fitriasari, 2020).

In conclusion, current research highlights the importance of proactive planning, digital transformation, and external support in SME crisis management. However, improving preparation requires filling up the gaps in sector-specific difficulties, long-term strategy review, and technological accessibility. Building on these discoveries, this study provides useful advice for SMEs handling continuous disruptions.

CHAPTER 3. METHODOLOGY APPLIED IN THE DATA RESEARCH

This research adopts a qualitative methodology to explore crisis management strategies employed by small and medium-sized enterprises (SMEs) in Ukraine during severe disruptions, such as the ongoing conflict and prior global crises like the COVID-19 pandemic. The methodology combines primary data collection through interviews with secondary data analysis from existing literature and reports by leading international organizations, such as the OECD, UNDP, and EBRD.

Research Design

The study uses a multi-method approach to ensure a comprehensive understanding of the challenges faced by SMEs and their strategies for resilience. Qualitative methods were selected to capture the nuanced experiences and adaptive measures of SMEs, while secondary data from peer-reviewed articles and organizational reports provided contextual and comparative insights. A qualitative approach was chosen to capture the nuanced experiences of SMEs, which could not be fully understood through quantitative surveys alone.

Primary Data Collection

Data was gathered through semi-structured interviews with 10 SME owners and managers operating across various sectors, including manufacturing, retail, logistics, and technology. The interviews focused on three key themes: challenges encountered during crises, strategies implemented for resilience, and lessons learned. Participants were selected through purposive sampling to ensure representation from diverse industries and geographic regions within Ukraine. Each interview lasted approximately 30–40 minutes and was conducted via video conferencing to accommodate participants' safety and convenience.

Secondary Data Analysis

To contextualize the findings, the study incorporated a systematic review of relevant literature and reports. Key sources included:

- **Scholarly Articles:** For example, Klein and Todesco's (2021) analysis of digital transformation during the COVID-19 pandemic and Herbane's (2010) crisis-based perspective on SME management provided foundational insights.

- **Organizational Reports:** Publications by the OECD (2023) and UNDP (2023) highlighted the external challenges and support mechanisms for SMEs.

Data Analysis Techniques

Thematic analysis was used to identify recurring patterns and themes in the interview data. Transcripts were coded manually, focusing on strategies such as operational flexibility, market diversification, and employee retention. Findings were cross-referenced with secondary sources to validate observations and ensure a holistic understanding.

Ethical Considerations

Participants were informed of the study's purpose and assured anonymity. Informed consent was obtained prior to data collection, and confidentiality was maintained throughout the research process.

Limitations of the Methodology

The research is subject to certain limitations, including the relatively small sample size, which may not fully capture the diversity of SMEs in Ukraine. Additionally, the reliance on self-reported data in interviews may introduce biases. Future research could expand the sample size and incorporate quantitative measures to enhance generalizability.

This mixed-method approach enabled the research to provide both in-depth qualitative insights and broader contextual understanding, contributing to a nuanced exploration of crisis management strategies for SMEs.

CHAPTER 4. ANALYSIS OF CRISIS MANAGEMENT PRACTICES AMONG SMES

Crisis management for SMEs can be understood through three key stages: pre-crisis preparation, during-crisis activities, and post-crisis recovery (Giones et al., 2020; Lettieri et al., 2009; Williams et al., 2017). This analysis examines how Ukrainian SMEs have navigated these stages during the ongoing conflict, integrating insights from interviews, thematic analysis, and established theories such as the Resource-Based View (Barney, 1991), Contingency Theory (Fiedler, 1964), and Strategic Management frameworks (Porter, 1980; Mintzberg, 1994).

Pre-crisis preparation is a critical yet often underdeveloped stage for SMEs. Research shows that SMEs frequently lack formal crisis management plans, leaving them particularly vulnerable during disruptions (Herbane, 2010). This was corroborated by interviews where participants highlighted minimal pre-crisis planning. SMEs that proactively leveraged internal resources, such as skilled employees and diverse supplier networks, were better prepared to respond when the conflict began. For example, a logistics firm diversified its supply chain prior to the crisis, which helped mitigate the impact of logistical disruptions. However, most SMEs entered the crisis without comprehensive risk assessments or financial reserves, illustrating the need for improved pre-crisis strategic planning.

The analysis of qualitative data from the interviews highlights the major challenges faced by SMEs during crises. These challenges, ranging from financial instability to workforce disruptions, expose the vulnerabilities of SMEs, particularly those lacking structured crisis management plans. Figure 2 presents the key challenges identified in the study, illustrating the percentage of SMEs affected by each issue.

The results indicate that **financial instability** (reported by 70% of participants) and **lack of crisis planning** (65%) are the most significant obstacles, leaving SMEs unprepared to respond effectively to disruptions. Additionally, **supply chain issues** (60%) and **workforce disruptions** (50%) were common themes, particularly among businesses operating in manufacturing and logistics

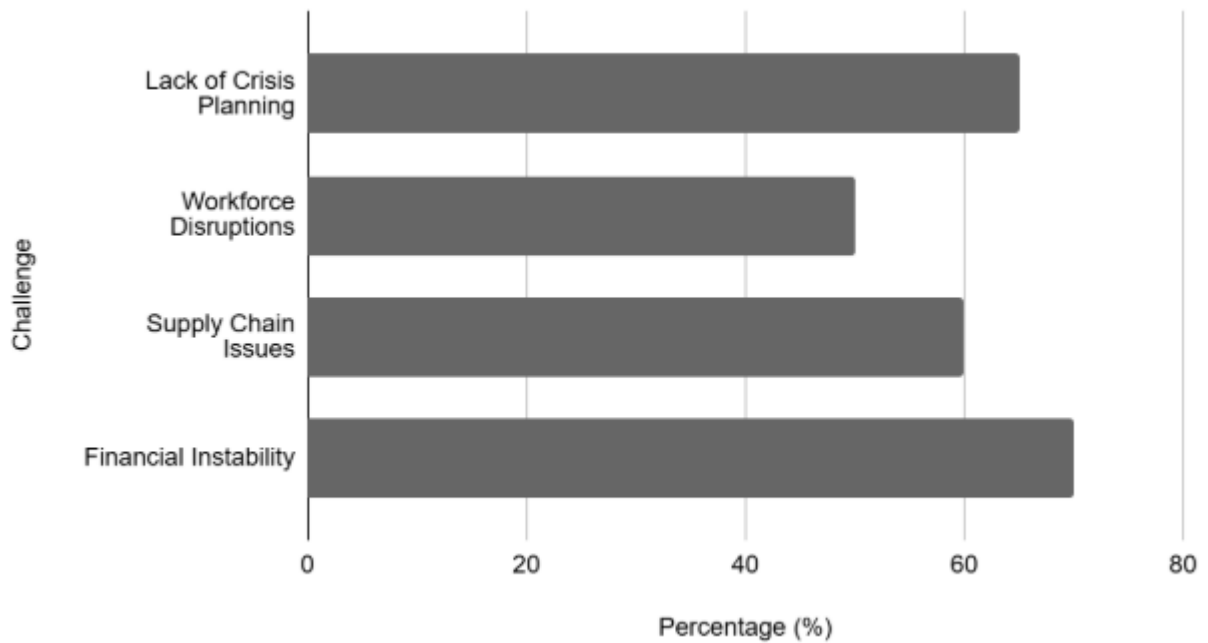


Figure 1 - Challenges faced by SMEs during crises (self-reported data, results of survey, N=10).

Source: developed by author.

Participants frequently acknowledged the absence of comprehensive pre-crisis planning, including structured risk assessments, financial buffers, and clear crisis protocols. For instance, one manufacturing firm admitted that prior to the Ukrainian conflict, it had no contingency plan to address potential disruptions to its raw material supply chain, resulting in significant operational delays.

Despite these challenges, SMEs that proactively leveraged internal resources demonstrated higher levels of preparedness and resilience. From a Resource-Based View (RBV) perspective, these businesses effectively utilized their existing strengths—such as skilled employees, diverse supplier networks, and flexible production capacities—to mitigate risks (Barney, 1991). For example, a logistics firm interviewed for this study had diversified its supply chain well before the conflict. By establishing relationships with multiple suppliers across different regions, the firm successfully mitigated the impact of logistical disruptions when its primary supplier became inaccessible. Similarly, another SME retained key employees through proactive upskilling programs, which ensured operational continuity even as a significant portion of its workforce was displaced.

The analysis of qualitative data from the interviews revealed key strategies adopted by SMEs to navigate crises. Among the recurring strategies, four stood out as the most frequently employed: **operational flexibility**, **digital transformation**, **market diversification**, and **employee retention**. Figure 1

illustrates the frequency with which these strategies were implemented by the participating SMEs, highlighting their significance in managing disruptions.

The results indicate that **flexibility** (adopted by 5 SMEs) and **digital transformation** (employed by 4 SMEs) were the most common strategies. These approaches allowed businesses to adjust operations quickly and leverage digital tools to sustain activities during crises. Strategies like **market diversification** and **employee retention**, though less frequent, were also noted as crucial for ensuring long-term stability and recovery.

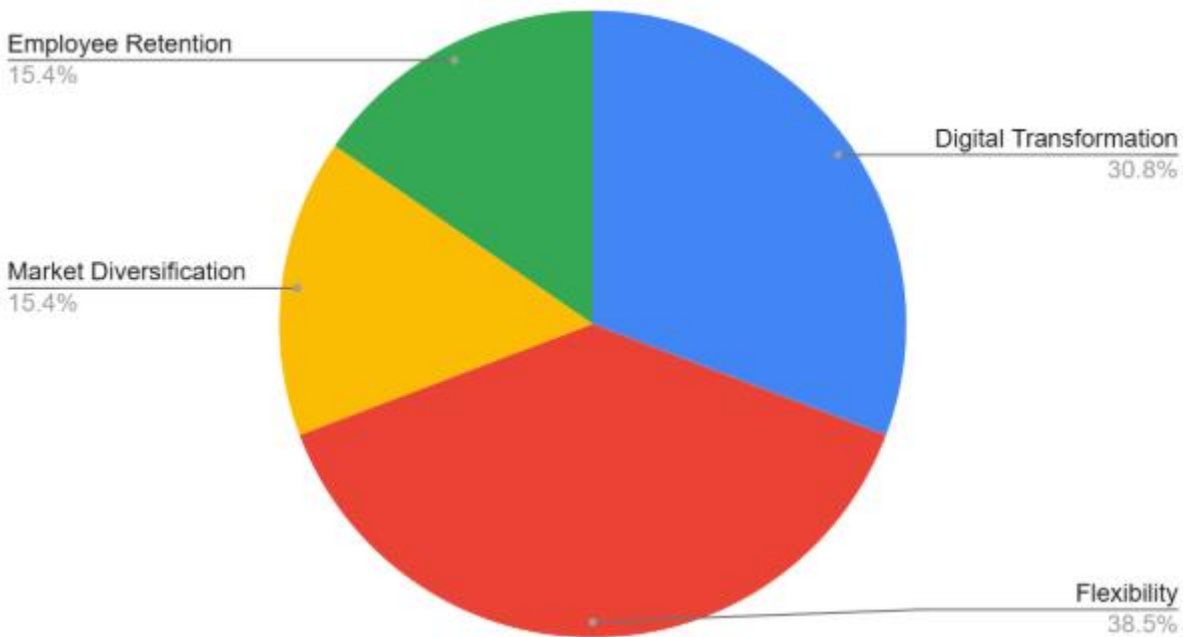


Figure 2 - Frequency of strategies employed (self-reported data, results of survey, N=10).

Source: developed by author.

Research also underscores the value of financial preparedness as part of pre-crisis planning. Klyver and Nielsen (2024) emphasize that businesses with financial reserves or access to emergency credit lines are better equipped to absorb shocks. However, most SMEs in this study admitted to entering the crisis without such safeguards, leaving them reliant on external aid or reactive cost-cutting measures. This gap reflects a broader trend among SMEs globally, as highlighted by Herbane (2010), where limited resources and an operational focus hinder proactive risk management. Interviews also suggested that developing supplier diversification strategies and conducting scenario analyses were among the most impactful pre-crisis practices. For instance, participants who had conducted scenario planning prior to the conflict reported a faster recovery rate compared to those who had not.

During the crisis, SMEs focused on stabilizing operations and navigating uncertainty. The Contingency Theory emphasizes that strategies must align with specific crisis contexts to be effective. Operational flexibility emerged as a key factor in survival, with businesses adapting production lines or services to meet new demands. For instance, a construction materials manufacturer shifted to producing grain bags, aligning its output with immediate market needs. Digital transformation was also pivotal, enabling businesses to maintain continuity and customer engagement. As Klein and Todesco (2021) noted, SMEs with advanced digital capabilities demonstrated higher resilience during disruptions. A Ukrainian marketing firm exemplified this by utilizing cloud-based collaboration tools to ensure uninterrupted client services.

Employee retention was another significant challenge. SMEs that prioritized their workforce through financial stability, flexible work arrangements, or on-site accommodations retained critical talent. One manufacturing firm converted office spaces into shelters, providing safety and support for employees and their families. These measures not only preserved operational capacity but also reinforced employee loyalty during a highly uncertain period.

Post-crisis recovery focuses on rebuilding operations, integrating lessons learned, and leveraging opportunities for long-term growth. SMEs that embraced strategic adjustments during recovery demonstrated greater resilience. For example, a logistics company strengthened its supply chain by establishing partnerships with regional suppliers to reduce dependency on international routes. Sustainable practices and digitalization also played crucial roles in recovery. As highlighted by Isensee et al. (2020) and Melo et al. (2023), integrating sustainability with digital strategies enhances both resilience and cost efficiency. A tech company optimized its digital infrastructure post-crisis, simultaneously reducing operating costs and improving service delivery.

Strengthening organizational culture also proved vital during recovery. SMEs that fostered transparency, collaboration, and trust improved both employee engagement and client loyalty. This aligns with Ozanne et al.'s (2022) findings on the role of social capital in resilience. By investing in human connections and fostering a sense of community, these businesses created a stronger foundation for future growth.

The integration of strategic management principles into crisis practices varied across SMEs. Businesses that adopted a comprehensive strategic approach combining Resource-Based View and Contingency Theory outperformed those relying solely on reactive measures. SMEs with proactive risk assessments, operational flexibility, and a long-term focus achieved better outcomes during all stages of the crisis.

However, many SMEs struggled with limited resources and insufficient planning, emphasizing the need for tailored frameworks to address their unique challenges.

In conclusion, effective pre-crisis preparation, including risk assessment and resource planning, lays the groundwork for resilience. During crises, operational flexibility, digital transformation, and employee support are essential for stability, while post-crisis recovery requires leveraging lessons learned to build sustainable and adaptive strategies. By adopting structured strategic frameworks, SMEs can navigate prolonged disruptions more effectively and position themselves for long-term success.

CHAPTER 5. RECOMMENDATIONS FOR SMES

The study's findings demonstrate how important it is to include strategic management ideas into SME crisis management protocols. Based on a review of the challenges and strategies SMEs employ, the following recommendations aim to increase resilience and ensure long-term growth amid crises.

SMEs should create formalized crisis management plans that incorporate risk assessments, backup plans, and scenario analysis in order to improve their readiness for emergencies. Annual risk assessments can help pinpoint weaknesses and direct the development of mitigation plans. In order to minimize interruptions when its principal supplier discontinued operations, a logistics company, for example, diversified its supplier base before the conflict. Setting up emergency cash reserves is similarly crucial since they act as a cushion in the event that revenue is disrupted. One way to greatly improve financial stability is to set aside a certain percentage of profits each year for a crisis fund. Another crucial element is workforce readiness. SMEs should conduct regular training and simulations for emergency scenarios, such as supply chain interruptions or cybersecurity breaches, to ensure employees are equipped to respond effectively.

Operational flexibility becomes essential in times of crisis. SMEs should spend money on multifunctional equipment and provide cross-training to staff members so they can perform a variety of tasks. For instance, to satisfy urgent market demands, a Ukrainian manufacturing company successfully switched from making building materials to grain bags. Another crucial tactic is digital transformation. By implementing cloud-based collaboration tools, customer relationship management (CRM) systems, and e-commerce platforms, SMEs may preserve client engagement and operational continuity. Despite the difficulties of working remotely, marketing companies that adopted digital solutions made sure that their clients were always taken care of. Additionally, SMEs can optimize resources and stabilize operations by concentrating on core competencies, such as in-demand goods or services.

In times of crisis, preserving organizational stability depends on helping and keeping personnel. By providing regular compensation, flexible work schedules, and, when practical, on-site lodgings, SMEs may put employee welfare first. This strategy was exemplified by a Kharkiv-based SME that allowed for the retention of vital staff during the conflict by offering meals and access to bomb shelters. Additionally, open communication is essential for boosting morale and trust. Employees can stay updated about corporate priorities and advancements through regular team meetings or updates.

SMEs should diversify their revenue streams to lessen their reliance on a single source of income and take advantage of market opportunities. Increasing product offerings to new customer segments or forming alliances with foreign clients might help reduce market-specific risks. For example, during a recession, a retail SME expanded its customer base by introducing smoked fish gift packages. Another effective strategy is data-driven marketing, since analytics can provide important information about consumer behavior and market trends. SMEs who launched focused campaigns using digital marketing platforms reported better client retention in times of crisis.

Post-crisis recovery requires a systematic approach to learning and adapting. SMEs should document lessons learned during crises to refine future responses. Conducting post-crisis evaluations with employees and stakeholders can identify successful strategies and areas for improvement. Investing in sustainable practices also strengthens resilience while reducing long-term costs. For example, incorporating energy-efficient technologies, such as solar panels, can lower dependency on external utilities, as highlighted by SMEs that adopted sustainable practices during the war. Additionally, healing depends on building a solid company culture. Team cohesiveness and leadership trust are increased when employee efforts are acknowledged publicly or with monetary awards.

The recommendations derived from this research are ranked by their feasibility and potential impact on SME resilience. This ranking gives SMEs a prioritized roadmap for effectively implementing crisis management strategies.

High-priority strategies include **digital transformation**, which is both accessible and impactful. Digital tools, such as cloud-based platforms, CRM systems, and e-commerce solutions, enable SMEs to maintain operations, engage customers, and adapt quickly during crises. For instance, a marketing SME in Ukraine used cloud collaboration tools to continue serving clients remotely, retaining 90% of its client base despite logistical disruptions. Similarly, **operational flexibility** is critical, as it allows SMEs to pivot resources and adjust production lines to meet changing market demands. A construction materials firm demonstrated this by shifting production to grain bags during the conflict, sustaining its revenue streams. Another high-priority strategy is **employee retention and support**, which ensures workforce stability and continuity. A Kharkiv-based SME retained its workforce by providing on-site accommodations and meals, minimizing disruptions during the conflict.

Medium-priority recommendations include **building financial reserves** and **market diversification**. While requiring disciplined planning, financial reserves provide essential buffers during revenue disruptions. A retail SME with six months of operational savings avoided layoffs during the early stages

of the crisis, illustrating the impact of financial preparedness. Market diversification reduces reliance on a single revenue source, mitigating localized risks. For example, a retail SME introduced smoked fish gift sets to attract new customer segments, offsetting losses from traditional products.

Low-priority strategies, though valuable, may require significant resources or have longer-term effects. **Sustainable practices**, such as investing in solar panels or energy-efficient equipment, enhance operational resilience but often demand upfront capital. A manufacturing SME implemented solar energy post-crisis, lowering its energy dependency and operational costs in the long term. Additionally, while effective in improving readiness, **comprehensive crisis simulations** can be resource-intensive. SMEs conducting scenario planning reported 30% faster recovery rates, emphasizing the value of such practices for future crises.

Table 1 summarizes key recommendations for SMEs based on their feasibility, impact, and priority level. These recommendations are derived from qualitative insights gathered during interviews and data analysis. The table highlights strategies that are not only practical to implement but also have a high impact on enhancing SMEs' crisis resilience. High-priority actions, such as **Digital Transformation**, **Operational Flexibility**, and **Employee Retention and Support**, are emphasized due to their strong feasibility and potential for significant impact. Meanwhile, recommendations like **Sustainable Practices** and **Crisis Simulations** are identified as lower-priority due to either their limited feasibility or lesser immediate impact.

Table 1 - Summary of recommendations by feasibility and impact (self-reported data, results of survey)

Recommendation	Feasibility	Impact	Priority
Digital Transformation	High	High	High
Operational Flexibility	High	High	High
Employee Retention and Support	Medium to High	High	High

Financial Reserve Building	Medium	High	Medium
Market Diversification	Medium	Medium to High	Medium
Sustainable Practices	Medium to Low	Medium	Low
Crisis Simulations	Low	Medium	Low

Source: developed by author.

Figure 3 illustrates the perceived effectiveness of these strategies, based on insights shared by SME participants. The findings reveal that **operational flexibility** (75%) and **digital transformation** (70%) were the most effective approaches. Operational flexibility allowed SMEs to quickly adapt their processes and resources to meet changing demands, while digital transformation enabled businesses to maintain customer engagement and operational continuity through the use of digital tools. Additionally, **employee retention** (65%) and **market diversification** (60%) were identified as crucial for long-term resilience, ensuring workforce stability and reducing dependency on single revenue sources.

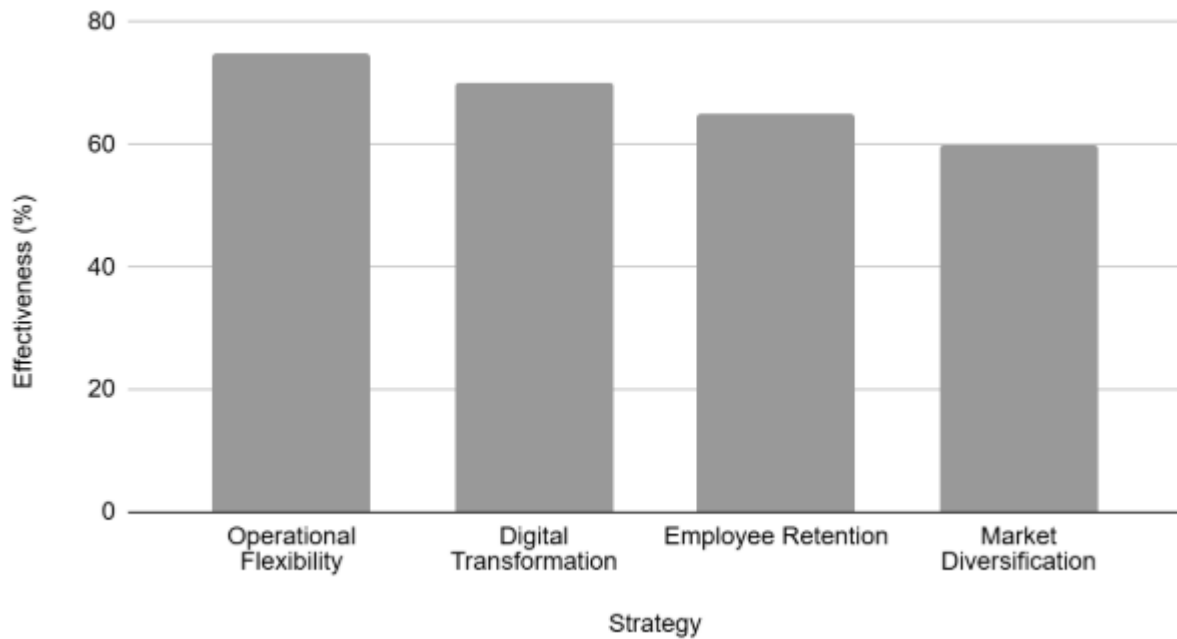


Figure 3 - Effectiveness of strategies adopted by SMEs (self-reported data, results of survey, N=10).

Source: developed by author.

To sum up, the aforementioned highlights how crucial are employee-centered policies, operational flexibility, and proactive planning to boosting SME resilience in times of crisis. SMEs may handle upcoming changes more effectively and confidently by embracing digital tools, taking advantage of market opportunities, and learning from their past mistakes. These tactics help SMEs expand and remain stable over the long run by giving them a road map for thriving in unstable situations.

CHAPTER 6. CONCLUSIONS

This research has examined the crisis management strategies employed by small and medium-sized enterprises (SMEs) in Ukraine during severe disruptions, such as the ongoing conflict and global crises like the COVID-19 pandemic. By exploring the challenges faced by SMEs and the strategies they implemented, this study provides valuable insights into how businesses can enhance resilience and maintain operational continuity during periods of uncertainty.

The findings reveal that SMEs are particularly vulnerable during crises due to limited financial reserves, resource constraints, and an absence of formal crisis management plans. Challenges such as financial instability, supply chain disruptions, workforce losses, and inadequate pre-crisis planning emerged as critical obstacles. Despite these vulnerabilities, SMEs demonstrated remarkable adaptability, leveraging strategies such as operational flexibility, digital transformation, employee retention, and market diversification to navigate disruptions effectively.

Pre-crisis preparedness proved to be a decisive factor in resilience. SMEs that conducted risk assessments, developed contingency plans, and built financial reserves were better equipped to handle disruptions. During the crisis phase, businesses that embraced digital tools and adapted their operations to meet changing market demands achieved higher levels of stability. Post-crisis recovery highlighted the importance of documenting lessons learned, fostering organizational culture, and investing in sustainable practices to build long-term resilience.

This research also underscores the critical role of strategic management in crisis contexts. The integration of Resource-Based View (RBV) principles, Contingency Theory, and strategic planning frameworks enabled SMEs to align their resources and capabilities with immediate and long-term goals. These strategic approaches were associated with improved survival rates and growth outcomes during crises.

In terms of practical implications, this study offers actionable recommendations for SMEs to strengthen their crisis management capabilities. Proactive planning, employee support, digital transformation, and market diversification are essential pillars for navigating disruptions. By adopting structured crisis management frameworks and leveraging the lessons from this research, SMEs can enhance their ability to withstand future shocks and capitalize on recovery opportunities.

This research contributes to the existing knowledge on SME crisis management by providing empirical evidence and practical insights from the Ukrainian context. The findings are relevant not only to SMEs

in conflict-affected regions but also to businesses globally that face economic, geopolitical, or environmental disruptions.

Future research should address the limitations of this study, such as its reliance on qualitative data and a small sample size. Expanding the scope to include quantitative analysis and sector-specific case studies would provide a more comprehensive understanding of SME resilience. Additionally, examining the long-term impacts of crisis strategies on business growth and competitiveness could offer deeper insights into sustainable recovery.

In conclusion, SMEs play a critical role in economic stability and recovery, yet their survival depends on their ability to navigate crises effectively. By adopting proactive, strategic, and adaptive approaches, SMEs can transform challenges into opportunities, ensuring their continued growth and contribution to the broader economy.

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APPENDIX A. SURVEYS

Section 1: Background Information

1. Can you describe your role within the organization?
 2. Could you provide some basic details about your SME? (e.g., industry, size, location, years in operation)
 3. Have you previously managed crisis situations within your organization? If so, could you briefly describe this experience?
 4. Year of company creation.
-

Section 2: Crisis Experience and Strategic Impact

4. What kinds of challenges has your organization faced recently, particularly in light of ongoing crises, such as the conflict in Ukraine and/or COVID-19?
 5. What were the biggest risks or challenges for your business during these crises?
-

Section 3: Approaches to Prioritizing Strategies in a Crisis

6. How does your organization decide which strategies or actions to prioritize during a crisis?
 7. What types of strategies were prioritized first when the crisis began, and what were the reasons behind these choices?
 8. How did you decide where to allocate limited resources and time?
 9. What factors played the biggest role in determining your priorities during the crisis?
-

Section 4: Resilience and Flexibility in Operations

10. What steps did your organization take to remain resilient or adapt to the crisis situation?
 11. Did you find it helpful to focus on specific strengths within your organization to deal with the crisis? (e.g., certain skills, assets, or relationships)
 12. How did your organization manage to stay flexible and responsive to changes as the crisis evolved?
-

Section 5: Recovery and Long-Term Adaptation

13. Once the immediate crisis was managed, what strategies helped your organization start recovering?
14. Did the crisis lead you to make any long-term changes to your business strategy?
15. Are there any new practices or processes that you adopted during the crisis that you plan to keep moving forward?

Section 6: Lessons Learned and Recommendations

16. What are the most important lessons your organization learned about managing priorities during a crisis?
17. If you were advising other small businesses facing similar challenges, what key pieces of advice would you offer?
18. Are there specific strategies or methods you believe are crucial for small businesses to consider in preparing for future crises?

APPENDIX B. FRAMEWORK

A step-by-step approach for SMEs to enhance their crisis management strategies.

1. Preparation Phase. Objective: Anticipate potential crises and establish a robust foundation to respond effectively.

1.1 Risk Assessment

- Identify potential risks: operational, financial, market, and external threats (e.g., natural disasters, geopolitical issues).
- Conduct a **Business Impact Analysis (BIA)**: Evaluate how each risk could affect critical operations and revenue streams.

1.2 Crisis Management Plan

- Develop a crisis response plan:
 - Define key roles and responsibilities for the crisis team.
 - Create detailed action plans for various scenarios (e.g., supply chain disruptions, employee shortages).
- Establish **communication protocols** for internal and external stakeholders during a crisis.

1.3 Resource Allocation

- Build financial reserves or secure credit lines for emergencies.
- Diversify suppliers to minimize dependency on a single source.

- Invest in critical technology, such as cloud platforms, for operational continuity.

1.4 Training and Simulation

- Train employees on crisis response procedures.
- Conduct regular simulations or drills (e.g., evacuation plans, data breach scenarios) to ensure preparedness.

2. Response Phase. Objective: Minimize disruption and stabilize operations.

2.1 Rapid Assessment

- Assess the scope and impact of the crisis:
 - What aspects of the business are immediately affected?
 - Are employees and physical assets secure?

2.2 Task Prioritization

- Use the **Eisenhower Matrix** to focus on urgent and important tasks.
- Prioritize:
 - Employee safety and retention.
 - Communication with clients and stakeholders.
 - Securing critical operations and cash flow.

2.3 Communication

- Activate the communication plan:
 - Notify employees and stakeholders of the situation and planned actions.
 - Use multiple channels (email, messaging apps, social media) for consistent updates.
- Be transparent and proactive to maintain trust.

2.4 Tactical Adaptation

- Pivot resources to maintain operational capacity:
 - Example: Shift production to high-demand products or services.
- Implement short-term financial measures, such as renegotiating payment terms with creditors or reducing non-essential expenses.

3. Recovery Phase. Objective: Transition from stabilization to growth while implementing lessons learned.

3.1 Post-Crisis Analysis

- Conduct a thorough evaluation:
 - What worked well?
 - What could be improved?
- Gather feedback from employees, clients, and partners.

3.2 Adjust Operations

- Address inefficiencies identified during the crisis:
 - Automate repetitive tasks.
 - Optimize supply chains or diversify client portfolios.

3.3 Long-Term Financial Stability

- Rebuild financial reserves depleted during the crisis.
- Explore new revenue streams or market opportunities to reduce reliance on a single sector.

3.4 Strengthen Organizational Culture

- Recognize employee contributions during the crisis to build loyalty.
- Invest in training and career development to enhance skills for future challenges.

3.5 Update the Crisis Management Plan

- Integrate lessons learned into the crisis playbook.
- Regularly review and update plans to reflect new risks or organizational changes.

4. Continuous Improvement. Objective: Enhance resilience by embedding crisis management into the organizational culture.

4.1 Monitor Risks

- Use a **Risk Dashboard** to track emerging threats and vulnerabilities.
- Establish regular check-ins with leadership to review risk profiles.

4.2 Foster Innovation

- Encourage innovation to address potential disruptions:
 - Example: Digital transformation for remote work capabilities.
- Explore partnerships or collaborations for shared resources and insights.

4.3 Build External Networks

- Engage with industry associations and governmental programs offering crisis support.
- Leverage grants and funding opportunities for recovery and preparedness.