Shownotes

Hello & Welcome to the shownotes of our podcast about SMEs*, resilience & strategies!

You can find all our sources, further readings and information about our podcast in this document. Although we have set high quality criteria for our research, it is still possible that errors might be found. All statements without guarantee.

First of all, we would like to thank Jennifer Rao-Wiliams, who coached us during our research process! She also introduced us to the TRANSFORM project – we are thankful that we were allowed to use and analyze their case studies. We hope that our podcast contributes to their work.

Check out TRANSFORM:
- Website: https://www.transformcities.ca
- Instagram: https://www.instagram.com/transform_sme/
- Twitter: https://twitter.com/TRANSFORM_SME

At the end of the shownotes you will find the transcription of our podcast.

Alicia, Tom, Lena, Sonia & Sophie

*SMEs= small and medium sized enterprises

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1) Introduction

Small and medium sized enterprises (SMEs):
Johnson, Matthew P. (2013): *Sustainability Management and Small and Medium- Sized Enterprises: Managers' Awareness and Implementation of Innovative Tools.* Wiley Online Library: 271-272 (also published in: Corporate Social Responsibility and Environmental Management 22, 271–285 (2015))

Research questions:
- How can SMEs build up resilience to be able to navigate through a crisis?
- How can they adapt their strategies and what can they change in their processes?
- How has the SME "Trust your food" dealt with the pandemic?

2) Our own case study: "Trust your food"
- A community based, regional, seasonal and digital approach to agriculture
- SME, founded in Lüneburg (Germany) during the pandemic
- Website: https://trust-your-food.de/

3.) Methodology
Cope, Meghan. (2010). *Coding qualitative data.* Qualitative Research Methods in Human Geography. 223-233.

4.) Literature review
Strategies:

Freeman, R. Edward. (1984). *Strategic Management: A Stakeholder Approach.* Boston, Mass. u.a.: Pitman

Klewitz, J.; Hansen, E.G. (2014). *Sustainability-oriented innovation of SMEs: a systematic review.* Journal of Cleaner Production, Volume 65, 15 February 2014, Pages 57-75

Schrader, Christian (2011). *Beiträge multinationaler Unternehmen zur nachhaltigen Entwicklung in Base of the Pyramid- Märkten.* München, Rainer- Hampp Verlag

Resilience:

Espiner S. et al (2017). *Resilience and sustainability: a complementary relationship? Towards a practical conceptual model for the sustainability-resilience nexus in tourism.* Journal of sustainable Tourism, Vol. 25, No. 10, 1385–1400

Knemeyer, A.M., T.M. Corsi and P.R. Murphy, *"Logistics Outsourcing Relationships: Customer Perspectives," Journal of Business Logistics*, Vol. 24, No. 1, (2003), pp. 77-109.

Rice James, J. and Caniato, F. (2003) *'Building a secure and resilient supply network', Supply Chain Management Review*, 7, pp. 22–30.

Schermer et al (2014). *Institutional impacts on the resilience of mountain grasslands: an analysis based on three European case studies.* Land use policy Vol. 52, March 2016, p. 382- 391

Sullivan-Taylor, B.; Branicki, L. (2011). *Creating Resilient SMEs: Why One Size Might Not Fit All,* International Journal of Production Research, Vol. 49, No.11, p. 5565-5579

Vargo, J.; Seville, E. (2011). *Crisis strategic Planning for SMEs: Finding the silver lining.* International Journal of Production Research

Walker, B., Holling, C. S., Carpenter, S. R., & Kinzig, A. (2004). *Resilience, Adaptability and Transformability in Social-Ecological Systems.* Ecology and society, 9, 5

5.) Case study analysis
Presented businesses:
1. "Trinkgenosse": A virtual bar in Cologne, Germany
   https://trink-genosse.de/
2. "Foodmesh": App to connect food surplus in Vancouver, Canada
   https://foodmesh.ca/
3. "Cafe Pyrus": A vegan cafe with a strong focus on sustainability in Kitchener, Canada
   https://www.cafepyrus.com/

A note on accessibility

We chose making a podcast because we wanted our outcome to be helpful for as many people as possible. While discussing the medium we realized that a scientific paper might not be as accessible to people outside of academia. Because we would like to reach civil society, people who are affected by the presented issue of resilience of SMEs, we decided to make a podcast. Therefore, we make the podcast available online for everyone interested in the topic.

Furthermore, we transcripted the audio to make it accessible for hearing and non-hearing people.

Transcription

Sophie 0:01
Hello and welcome to our first and only podcast. This podcast is the result of a seminar and we would like to present our research results to you. Those who know us already will know us under the name "The rapid assessment group", and my name is Sophie and the other ones

Alicia 0:17
My name is Alicia.

Lena 0:19
My name is Lena.

Sonia 0:21
My name is Sonia.

Tom 0:22
And my name is Tom.

Sophie 0:23
We are five students of environmental and sustainability studies. And last semester, we've been working on an inter- and transdisciplinary research project. The seminar was concerned with the questions of how stakeholders or civil society can deal with crisis, like the covid 19 pandemic, and what we can take away from it to learn for the future and make communities and cities become less vulnerable to crises. So what did we do? We looked at small and medium sized enterprises to which we will refer to as SMEs. Those are companies with less than 500 employees. They have great importance though as small businesses with less than 250 employees make up the majority of companies in industrialized and developing nations, according to Johnson (2013). They have, thus, a huge impact on the environment and society, but at the same time, they are more vulnerable due to their small size. So we looked at the question, how can SMEs build up resilience to be able to navigate through a crisis? And we asked ourselves the question, how can they adapt their strategies and what can they change in their processes? In the last year, there was a small enterprise that falls in this category that was created in Lüneburg, which is called "Trust your food". We

are really lucky to have Lena, one of the founders here with us today to find out how Trust your food has dealt with the pandemic. Welcome, Lena, and thanks for being here.

Lena 1:55
Thank you very much for the introduction, Sophie! Together with my team, I found out that community supported agriculture is one of the most sustainable concepts in this sector. Therefore, we came up with an innovative concept to make agriculture and nutrition as sustainable as possible. We've founded Trust your food, which is basically a network of farmers and consumers who share the farmer's yield over one year. The consumer gets a weekly delivery of "their" harvest, and information of farmers, products, as well as recipes and so on. The farmers, on the other hand, can focus on producing organic food and can be sure to get paid a fair wage. Hence, Trust your food is a digital based company, which focuses on sustainability in the agriculture and food sector.

Sophie 2:41
Thank you Lena for those insights into your project. Later we'll talk about the measures Trust your food has taken to adapt to the crisis and how it has changed the company. To be able to investigate the impact of COVID-19 on SMEs, we got the opportunity to work together with the TRANSFORM project. The TRANSFORM project is a global project consisting of five research hubs around the world where data is gathered and compared. They combine different approaches of sustainability research. First of all the descriptive analytical foresight approach and second of all the normative back casting approach. The TRANSFORM project provided us with internet based data put together into case studies from all over the world but also from Hamburg and the Lüneburg area. We were able to use those for our research. After getting the thematic overview through the literature, we use those case studies to look at how the different SMEs have changed their strategies as a reaction to COVID-19. At first, we wanted to write a paper as this is the conventional approach to gather your data and to talk about what you've learned from a research. But, very spontaneously, we decided to do a podcast as we're doing it now because through the pandemic and the seminar we learned to be open to new approaches and methods and we felt like a podcast was most suitable to reach SMEs, people in academia, but the civil society as well. To get started, Sonia will give us an overview of our methodology and how exactly we approach the topic.

Sonia 4:15
Yeah, thank you very much, Sophie! I'm gonna just quickly run you through our methodology section. I'm first going to tell you about our coding framework, and then about our literature review with MAXQDA. So when we decided that we wanted to do literature analysis, Jennifer told us that coding literature is a really good way to get a good overview over the literature and she told us that starting a process is best done by doing a coding framework, which generally means that you visualize what you would like to ask the data and how you'd like to approach it. It also gives you the opportunity to prioritize certain aspects within the literature and you can add those points through your coding framework. And it also shows you how everything is related to each other. So for our framework, that means starting off with our topic, which is understanding the consequences of COVID-19 for SMEs, and then going from there and developing our research questions, which slightly changed over time. And in the end we had these three research questions: the first one was "What are characteristics of sustainable SMEs?" The second one was: "How are food related SMEs changing the sustainability and resilience strategies due to the pandemic?" And the third one was: "How

can our findings help the SME Trust your food?", which you just heard about. And especially with the last question, we wanted to make sure that we really do have a transdisciplinary project and don't just do it about SMEs but also for an SME. Next, we talked about the topics we wanted to focus on especially in our research, which were, for example, sustainability strategies and the topic of resilience. And then we also included our methods, being literature review and case study analysis, and the tool we used, MAXQDA, which I'm going to talk about now in more detail. First of all, MAXQDA is a software which you can use to analyze qualitative data and texts. And when I first heard "coding", I thought about computer sciences and ones and zeros, but turns out with qualitative data, it means identifying and organizing teams and qualitative data, according to Meghan Cope, who wrote an article about this in 2010. And you basically decide before you start your research, what you'd like to focus on as we did in the coding framework beforehand, and then transfer that into codes inside of the software. So, for example, we had one code called "resilience" with different sub codes, and whenever we read something in the text that was related to resilience, we marked it and connected it to that code. And, in the end, MAXQDA gives you a really great overview over your research and you can click on one code and then see everything that you have coded in regard to that topic. And it makes it really easy to write and talk about. But it also helps you walk the fine line between on one hand getting lost in so much data and new information because you already have an idea of what you're looking for more specifically than just the research question. But on the other hand, you're also free to change your codes and adopt your codes as the research evolves further. So that was really helpful in getting organized. And we also did a case study analysis in which we try to connect and compare literature and the particular SMEs you already heard about. And you're going to hear about those later. But first, Tom will tell you about our findings of the literature review.

Tom 8:07
Yes, thank you very much Sonia for you for the methodology part. So I'm going to talk about the literature review or literature analysis. So the main purpose of literature analysis was to answer our first research question, which was: What are characteristics of sustainable SMEs? So we clustered this research question in two different aspects, so first of all, sustainability strategies and business and secondly, resilient SMEs. First of all, why have we or why did we focus on this aspect, so the literature suggests that the strategy builds the base of a company's pyramid. So this is Scharder et al. (2011) and also on this the influential work of Edward Freeman in 1984 includes the importance of strategy. Of course, sustainability strategy, the literature here is huge. So, there are a lot of different notions and a lot of different terms for the same strategies. And therefore, we use a very influential paper by Klewitz and Hansen from 2013. So, they include five different categories for SMEs, so, for small and medium enterprises, like already mentioned. Those different strategies are called (a) resistant, (b) reactive, (c) anticipatory, (d) innovation-based and (e) sustainability-rooted. So a resistant sustainability strategy means that the company is continuing the business as usual, no matter the external pressure. Then, the second notion of reactive or of a reactive sustainable strategy means that the company is only reacting to external pressure. So judicial pressure or something like that so they don't have an incentive to change something until there is internal or external pressure. Then the third sustainability strategy for SMEs is called anticipatory sustainability strategy, which means that the company anticipates opportunities for the business through sustainability. Fourth, we have innovation-based strategy, which means innovations lead to radical changes in companies. So the first three are more common for incremental changes in companies and the last two, so innovation

based and sustainability-rooted, include more radical changes for the company and for the business model. So this was the first branch and second branch and also the biggest branch is about resilience and business in general. There are a lot of different terms of resilience. And, of course, we have to mention that resilience is very hard to measure. So it is more a qualitative variable, which is why it fits very much to our kind of research. First of all, I'm using a definition by Walker et al. from 2004 and it says that resilience is the capacity of a system to absorb disturbance and reorganize itself, while undergoing change, so as to still retain essentially the same function, structure, identity and feedback. So this is a very or a rather classic or a rather classical definition of resilience, but our focus lies more on the type of organization resilience we reviewed a paper by Vargo and Seville (2011) which said that there are four different types of organizational resilience, so latent resilience, planned resilience, ad-hoc resilience and dynamic resilience. I won't explain all of these different terms, because we want to focus on small to medium enterprises, so on SMEs. And in the same paper, Vargo and Seville claimed that SME resilience is more related to ad-hoc resilience, so, organizations with higher levels of adaptability and low levels of planning. So, that means that SMEs are more acting agile, but unsystematically. So, let's come to crisis and resilience of SMEs. So this is, of course, a very important aspect for us because we did our research with regard to the COVID-19 crisis. And so, the literature here (and again we use the paper by Vargo and Seville) claims that SMEs are very vulnerable to crisis, since they are affected the strongest normally by changing markets. We already said that they have this kind of ad-hoc resilience, so they're acting very agile, so they are very vulnerable to these different changes. But, of course, we already said that SMEs are, of course, small and medium enterprises, which means they are kind of flexible and which means that crises can be both: opportunities and an issue (this is especially stressed by Darnhofer et al., 2014). So, there are, of course, different kinds of opportunities. One opportunity, for example, is the possibility of winning different customers in a crisis. So, for example, by changing your business model to acting in some kind of business niche or in some kind of sustainability niche. Yeah, and this is all stressed by Knemeyer, Corsim and Murphy in a paper from 2003. But, of course, there are different requirements they have to do. They have of course to adapt due to the new market circumstances to gain a competitive advantage and this can be very, very hard for SMEs like already said by Rice and Caniato in 2003, because, like already mentioned, SMEs normally don't plan in long term circumstances. They have this flexible day to day business view and they are not planning long term. Therefore, crises can be very hard for SMEs but of course, it depends very much also on the industry that was affected by the different crisis. Then we found an empirical study of tourism business in New Zealand 2017 by Espiner et al. from 2017 and this study has shown that periods of unforeseeable, low activity due to climate factors has also led to positive outcome. The businesses began, therefore, losing more flexibility into the systems and hereby achieve high adaptability to negative consequences of crises. So, they learn to take a bigger picture view on the business model. So, of course, like already said, crises can be a huge issue, especially for SMEs, but it can bear many opportunities. And then we have, of course, different strengths and weaknesses of SME resilience, which I already talked about (kind of, but not in detail). So here we are focusing mainly on the paper by Sullivan-Taylor and Branicki from 2011 and that said that SMEs have some kind of strategic advantage due to their fast and high ability to change so they can have a better, competitive advantage in comparison to big companies, to big "goliaths". And therefore, they have resilience on a much smaller scale than those big companies. And then there are of course, different weaknesses of SME resilience. So, for example, the lack of resources. So, like already said,

they have more of a day to day survival focus. So, of course, I mean every company, every business is planning in long term and long term gains and numbers but the smaller the company the smaller the resources. Therefore, they have to really plan day to day survival. So, there is normally a strong focus on cash flow and corporate activity rather than the resilience aspect. Yes, and last but not least, there are some organizational capabilities. So, organization capabilities can be also a very nasty weakness of SME resilience. So, I mean, with this aspect more than balancing both the daily demands of running the business and planning for extreme events. So again, to conclude this literature analysis, a crisis can be fruitful for companies and they can be some opportunities. But of course, SMEs have to shift the focus more on long term business activities, rather than only the short term aspect to like, have this competitive advantage. Yes. So thank you very much. And I'm yielding my time to Alicia, who is talking about the case study. Thank you.

Alicia 17:33
Thanks very much, Tom. And, like he mentioned, I'm going to present the second big part of our research, which is the case study analysis. And just to give you some of the basics: we got provided a large amount of data by the TRANSFORM-team. Thanks for that! They gave us a huge array of examples of sustainable SMEs, their characteristics as well as their reactions to COVID-19. These examples were from all over the world, so it was a bit too much for us to handle. And basically, we narrowed it down to nine case studies, including our own case study: Trust your food. All of these chosen examples are food and drink related. And we specifically looked at their sustainability strategy, and also their adaptation to COVID-19. The first example that I want to give you is "Trinkgenosse". It was a bar in Cologne that was meant to open in March 2020. As you might have presumed, that didn't quite happen. It was meant as a cooperative concept and an open source bar and a cultural space. And instead of just giving up, they decided to start a virtual bar, which included various rooms and different events. So, they use this as an opportunity to create a meeting space for the community and also an event space for artists. Therefore, they benefited the local community in a big way and a real case of community building took place, as this whole virtual bar has such a participatory outset. A very different example is "Foodmesh". It's based in Vancouver, and it's basically an app to connect to food surplus from businesses to other businesses or nonprofits. Therefore, the aim was always to reduce waste and to share food in a very sustainable way. This core concept has always been digital, and they actually didn't have to adapt their sustainability strategy, they just kept going continuously. At the same time, they raised a lot of awareness about people in need of food during the pandemic and urged their clients to donate food to the nonprofits. The last interesting example is "Café Pyrus", also an example from Canada. This is a vegan cafe that has always put a strong focus on sustainability, fair trade, and also local sourcing of ingredients. And they took a very social and also economic approach: They started a delivery and pickup service to keep on supporting farmers and the local businesses. Additionally to that, they started a program to provide meals to frontline workers. Therefore, as a customer, you could buy lunch and order another lunch for a frontline worker as well, that will be delivered to them. Yeah, and we actually have another quite interesting example if you've already heard about: Trust your food. And I'm interested to hear what steps this company has taken to cope with the virus.

Lena 20:42
We actually planned on launching Trust your food in 2021 in Berlin and instead, we launched our startup in June 2020 in Lüneburg during a pandemic. So that was quite a lot for us and in

the beginning, we did everything ourselves and it was a lot of work. We had to think about so many things and we had to adjust everything, but our customers' and our producers' feedback helped us so much to learn new things every week. For us, it was totally worth it to start during such a yeah like, like a crisis. And for us, it was the right thing to start during a crisis, because we realized, no the customers realized, the people out there realize that food is not something that's just there in a supermarket but that it gets produced, that it needs to get shipped, that there are like actually people behind this food. And for us, it was the perfect way to teach the people that a short supply chain like a short regional food supply chain is one of the most sustainable things when it comes to food and agriculture. And the people were listening to us because they were realizing empty shelves in a supermarket- things they've never experienced before. And yeah, that's why it was so I wouldn't say easy, but what was so good for us to start during the crisis. For us, it was such a good feeling to be part of the change during the pandemic and that's definitely something that I'm taking away from this crisis. I don't know if I put my head above the parapet if I say this, but at least in our case, it's true that a sustainable business model can be really crisis-proof. And I've realized this with many other companies as well during the crisis. And I feel like if we would have had a more unsustainable business model, it wouldn't have been that successful in the beginning and it wouldn't have worked out to launch a startup during a pandemic. So I feel like a sustainable business model is really resilient to a crisis. And another thing that I can take away for the future is that done is better than perfect. If you have a concept and believe in it, you should just try if it's working out in real life practice, because all that can happen is that you learn what you could do better and that you can adapt your concept and so on. Yeah, so that's something that I've learned, that our team has learned during the crisis.

Alicia 23:18
So what we've just heard about Trust your food is a very new and different perspective of how a company can deal with COVID-19 and they definitely use this huge opportunity to start and kickstart their business. So our overall feedback that we could conclude from looking at these case studies is that many sustainable SMEs focused on a rather social approach. They benefit from these positive feedback loops by participating in community building and supporting community resilience. Economically, many food related SMEs switch to delivery as you might have noticed, and also go digital, just like Trust your food. It's also noticeable, that the more digital and remote they already worked, the less they had to change. I guess the same is also applicable for regionality. The more regional a business operates, the less that had to change due to the COVID situation.

Sophie 24:19
You have heard about our process and about how we approach this topic. You have learned about our methodology, about our thematic background and about our case studies. Now, we're going to discuss our results and talk about what we've taken away from this.

Sonia 24:34
We'd like to kick off the discussion by talking about our connection to the TRANSFORM-project. First of all, we'd like to thank the team that we got most of our case study analysis material from them. They plan on doing a toolkit for SMEs in times of crisis and we're really grateful that we got to be part of this project and we hope that we could contribute to it with our research

Alicia 24:59
And this also is to the notion of Building Back Better. The meaning of this is more than just bringing the economy and society back on their feet and going "back to normal" after COVID-19. Otherwise, we would be heading in a far worse crisis, like future climate crises, for example. Therefore, we're very happy that TRANSFORM is designing those economic recovery packages, because Building Back Better is all about designing economic recovery packages to build back better, and that's what TRANSFORM is aiming to do. And also, in a way, this is what we all aim to do in taking part in this seminar.

Sophie 25:39
Okay, guys, I think that sounds really good. Thank you all for the insights in our project. Now, I wanted to know of you all: What were your highs and lows in our research project, in the process, and in the making and what do you think of our results and what can you take away from it?

Tom 25:56
I think my highlight was actually the group constellation, because it was very interesting to see how the different individuals have worked together and how they approached different things. So we have definitely different kinds of thinkers. We're definitely these kinds of innovative thinkers, organized thinkers, and also the logical and emancipated thinkers. And it was interesting to see how this fitted together in this group constellation because I think we had a very, very good group constellation for this kind of project.

Alicia 26:27
For me, I noticed that we all had a huge learning curve during the semester, especially through our tutoring sessions that we had with Jennifer Rao-Williams, who was our coach for this entire project. And the whole thing was just a very good preparation for our bachelor thesis.

Sophie 26:45
For me, it was really nice to have such a long time you can spend on the project. So we were really able to engage with the topic and learn something about teamwork, because I've never worked in a team so closely before over such a long time. And it was really interesting to see how our approaches changed over time. And to learn about the different methods that you can use within a research project, because I've learned about many methods that I've never heard about before. And I think they can be really useful for the future.

Sonia 27:18
I am very grateful for the freedom that we were given. So we didn't have a certain task, but we had the opportunity to have a very dynamic research process. And changes along the way weren't problematic, but just part of the project and I thought that that was really good to see and a really good experience to have.

Lena 27:37
This module really motivated me to become active during the pandemic, and also to connect to peers.

Sophie 27:45

Okay, so this is the end of our podcast. Thank you very much for listening and we hope it was interesting for you. If you want to look at the sources and further readings, you can look into the shownotes and if you are interested in the topic, you should definitely check out the TRANSFORM project. Stay safe.

All 28:02
Bye!
Thank you