Resilience of Business Models of Small and Medium Enterprises (SMEs)

Question
SMEs Vs Disaster

How did small businesses recover in the aftermath of the earthquakes of 2010 and 2011 in Christchurch?

The disasters are seen disruptive which ensnare negative perceptions. To see the practicality of this argument, this research was designed

Importance
SMEs in Economy

- 97 percent SMEs in New Zealand economy
- 30 percent Working population
- 26 percent Gross Domestic Product (GDP)

Methods and Analysis
Case Study

32 Cases
Christchurch, Rangiora, Kaiapoi Areas
Semi Structured Interviews
Grounded Theory Methods
Memoing, coding, theoretical sampling

Findings and Results
Assumptions Defied Growth

- 50% of the businesses in this study demonstrated the signs of improvement and betterment after six years of the series of earthquake
- Approaching the disaster is uniquely different among these businesses, saw it as a point for change; change for improvement and growth

Three Themes Fuel for Resilience

- Mindsets
- Adaptive Coping
- Social Capital

Learning Survival Stories

- Survival stories helped to understand the context, circumstances and the new environment
- Personal attributes of business owners were the determinants of business performance in the recovery from the aftermath of the earthquakes

Engagement
Determination
Grit
Optimism

Risk Taking
Resource Utilisation
Prompt Decisions

Family
Industry Partners
Neighbours
Business Consociates

Conclusion
Disaster Catastrophe or Catalyst

- Attitude towards a disaster makes a difference to how would a successful transformation be into a resilient business
- Time to rethink our approach and perception towards small businesses. Size does not matter as long as the key components are intact

Implications Outcome

- Policy Makers
- SMEs
- Academics & Researchers

Limitations & Future Research

- Non-surviving small businesses were not included in this research
- Findings can be applied to other scenarios because this study is more area specific