

Impact of Covid-19 On the Supply Chain of Big Companies VS Its Effect on the Supply Chain of Small Companies

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Abstract: The COVID-19 pandemic, which began in 2020, sent shockwaves through global supply networks, interrupting operations and testing the resilience of enterprises in many industries. This research investigates the differing effects of COVID-19 on the supply networks of large enterprises and small businesses. This paper examines how the pandemic exacerbated existing supply chain vulnerabilities and inequities through the use of case studies, industry reports, and academic research. While large organisations frequently have more resources and leverage to prevent disruptions, they also confront complex global dependencies and more scrutiny from stakeholders. Small businesses, on the other hand, with their agility and localised operations, faced distinct obstacles due to limited resources, access to finance, and reliance on larger partners. This study uses a comparative analysis to offer insight on the differential effects of COVID-19 on supply chains, highlighting the need for tailored strategies to enhance resilience and adaptability across all tiers of the supply chain ecosystem.

Index Terms (keywords) - Impact of covid19, the supply chain, big companies, effects, supply chain, small companies.

I. INTRODUCTION

The commencement of the COVID-19 pandemic in 2020 marked a watershed moment for global supply chains, providing a slew of difficulties and opportunities for organisations of all kinds. From big corporations to small businesses, the epidemic disrupted operations, highlighted flaws, and challenged organisations to adjust quickly to an ever-changing environment. In this research, we investigate the subtle effects of COVID-19 on the supply chains of large and small enterprises, with the goal of identifying the underlying factors that moulded their varied experiences.

Large firms, with their massive resources and wide global networks, appeared to be better positioned to withstand the supply chain disruptions. However, the pandemic showed the vulnerability of their sophisticated supply chain arrangements, which are characterised by tight dependence on suppliers, manufacturers, and distributors.

As lockdowns and border restrictions were implemented, huge businesses struggled to secure raw materials, manage inventory levels, and coordinate logistics in the face of enormous demand variations. Furthermore, increased scrutiny from stakeholders, such as customers, investors, and regulatory agencies, put further pressure on these companies to demonstrate openness and resilience in their supply chain operations.

Small businesses, on the other hand, were especially exposed to the pandemic's shockwaves, while being more flexible and adaptable. Many small firms failed to survive the sudden changes to their supply networks due to a lack of financial reserves and capital. Supply chain disruptions have ripple effects in local economies, disproportionately affecting small suppliers, manufacturers, and retailers.

Furthermore, in the context of increased uncertainty, small businesses struggled to navigate government laws, gain access to relief programmes, and compete with larger competitors for scarce resources.

This paper examines the divergent consequences of COVID-19 on large corporations and small enterprises in order to identify the underlying elements that influenced their resilience and vulnerability in the face of supply chain disruptions. Through case studies, industry analysis, and academic research, we hope to shed light on the techniques used by businesses of all kinds to limit the pandemic's impact on their supply

chains. Understanding these dynamics is critical for informing policy decisions, directing business strategies, and encouraging collaboration across the supply chain ecosystem to build resilience and sustainability in the post-pandemic era.

II. LITERATURE REVIEW

The COVID-19 pandemic caused unprecedented disruptions in global supply networks, resulting in an increase in scholarly study targeted at understanding the complex effects on enterprises of all kinds. This literature review synthesises key findings and insights from existing studies, illustrating the pandemic's unequal effects on major and small business supply networks.

Numerous studies have explored the resilience and vulnerabilities of supply networks, focusing on how various elements impact organisations' ability to react to disturbances. While large firms often have more financial resources and sophisticated risk management methods, they are nonetheless vulnerable to the knock-on consequences of disruptions throughout interconnected global supply networks (Christopher et al., 2020). Small enterprises, on the other hand, may be more agile and flexible, but they encounter difficulty in acquiring finance, diversifying suppliers, and establishing strong contingency plans (Ponomarev & Holcomb, 2009).

The impact of COVID-19 on large corporations:

According to research, the pandemic showed weaknesses in large firms' supply chains, particularly those with significant worldwide footprints and sophisticated sourcing methods. Studies have found disruptions in industries like automotive, electronics, and textiles, where reliance on offshore production and just-in-time inventory management worsened supply chain vulnerabilities (Ivanov, 2020). Scholars have also emphasised the need of digital technology and data analytics in assisting large firms in improving visibility, agility, and collaboration within their supply chains in order to offset the effects of COVID-19 (Ivanov and Dolgui, 2020). Research has focused on how the pandemic affects small companies and local economies, with disproportionate impacts on vulnerable individuals and marginalised groups. Small firms in retail, hotels, and services have faced existential threats as a result of mandated closures, decreased consumer spending, and supply chain

disruptions (Bartik et al., 2020). Research has shown that targeted legislative measures, access to financial aid, and support networks are critical in assisting small companies in navigating the pandemic's problems (Fairlie, 2020). Scholars have examined how corporations improved supply chain resilience and adaptability in response to the pandemic. These measures include diversifying sourcing locations, reshoring production capabilities, enhancing supplier relationships, and investing in digitalization and automation (Sarkis et al., 2020). Case studies and empirical research have shed light on the efficacy of these techniques in minimising the short-term effects of COVID-19 and establishing long-term resilience to future disruptions (Srinivasan et al., 2021).

Scholars have explored how COVID-19 may impact supply chain policy, governance, and sustainability. The pandemic has prompted calls for more collaboration among governments, corporations, and civil society players to address systemic weaknesses and increase resilience in supply chains.

III. OBJECTIVES

The primary goal of this paper is to examine and compare the effects of the COVID-19 pandemic on the supply networks of large organisations and small businesses. Specifically, the aims are the following:

1. To examine the amount and nature of interruptions to large and small enterprises' supply chains caused by the COVID-19 epidemic.
2. To understand the specific challenges and risks that large enterprises and small businesses confront when managing supply chain interruptions during the pandemic.
3. To investigate the tactics used by large and small firms to offset the effects of COVID-19 on their supply chains, including adaption measures, risk management practices, and collaborative effort.
4. To assess the efficacy of these solutions in improving resilience and ensuring continuity within supply chains of various organisational sizes.
5. To investigate the effects of uneven impacts on the overall resilience, sustainability, and future trajectory of global supply networks in the postpandemic period.
6. To give recommendations to policymakers, businesses, and stakeholders on how to improve

supply chain resilience, promote sustainability, and reduce risks in the face of future disruptions. By achieving these goals, this report hopes to contribute to a better understanding of the different effects of COVID-19 on supply chains, inform evidence-based decision-making, and facilitate the development of targeted interventions to improve supply chain resilience and adaptability at all levels of the supply chain ecosystem.

IV. METHODOLOGY

The study methodology is descriptive in nature. For the investigation, both primary and secondary data were employed. A survey was distributed to gather primary data, and information was obtained from 100 respondents. Secondary data has been gathered from numerous web resources, including academic journals, periodicals, webpages, etc. The selection of respondents was done using a random sampling method.

V. FINDINGS AND CONCLUSIONS

1. Differential effects of COVID-19 on supply chains: Border closures, lockdown measures, and fluctuations in customer demand caused severe disruptions to large firms' global supply lines. This caused production delays, raw material shortages, and logistical and distribution issues.

Small businesses faced significant hurdles, such as cash flow constraints, restricted access to funding, and interruptions in local supply chains. Many small firms battled to stay afloat as consumer spending fell and demand for nonessential goods dropped.

Large firms used various adaptation tactics, such as diversifying suppliers, reshoring production, and investing in digitalization and automation. These methods helped to reduce interruptions and strengthen supply chain resilience. To weather the economic slump, small firms concentrated on cost-cutting measures, contract negotiations, and government aid programmes. However, limited resources and reliance on larger partners hampered their capacity to implement effective adaptation methods.

2. Efforts to Build Resilience:

Both large enterprises and small businesses recognise the need of enhancing supply chain resilience. Collaboration among suppliers, customers, and other

stakeholders was critical in improving supply chain visibility, agility, and responsiveness. Investments in technology, data analytics, and risk management tools have emerged as critical enablers of resilience, helping organisations to predict and mitigate supply chain disruptions in real time.

3. Policy implications:

Policymakers must take a comprehensive strategy to promoting supply chain resilience, taking into account the demands and challenges of both large enterprises and small firms. This comprises targeted financial aid, regulatory flexibility, and incentives to promote innovation and sustainability.

Collaboration among governments, industry, and civil society is critical for addressing systemic weaknesses and promoting sustainable supply chain practices. Strengthening relationships and information-sharing networks can enable collaborative action to reduce risks and build long-term resilience.

4. Future Directions:

The COVID-19 epidemic has highlighted the need for agility, adaptability, and collaboration in supply chain management. To successfully handle future disruptions, businesses must continue to invest in resilience and flexibility.

Adopting digitalization, sustainability, and circular economy principles will be crucial for developing more robust and sustainable supply chains in the postpandemic period. Technology and business model innovations provide prospects for value creation, risk reduction, and positive social and environmental impacts.

Finally, the COVID-19 pandemic has had significant and varying effects on the supply chains of huge organisations and small businesses. While both groups experienced disruptions and challenges, their reactions and resilience-building initiatives differed according to their organisational size, resources, and dependencies. By understanding these processes and lessons learned allows businesses and policymakers to collaborate to improve supply chain resilience, promote sustainability, and develop a more resilient and inclusive global economy in the face of future uncertainties.

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