St. Petersburg University

Graduate School of Management

Master in Management Program

SMEs Stakeholder Management during COVID-19 Pandemic Crisis: The Case of
Russian catering industry

Master's Thesis by the 2nd year student

Concentration — MIM

Valeriia Guseva

Research advisor:

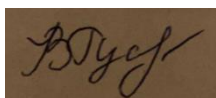Anastasia A. Petrova-Savchenko,

Associate Professor

St. Petersburg

2021

ЗАЯВЛЕНИЕ О САМОСТОЯТЕЛЬНОМ ХАРАКТЕРЕ ВЫПОЛНЕНИЯ ВЫПУСКНОЙ КВАЛИФИКАЦИОННОЙ РАБОТЫ

Я, Гусева Валерия Сергеевна, студент второго курса магистратуры направления «Менеджмент», заявляю, что в моей магистерской диссертации на тему «Управление заинтересованными сторонами в малом и среднем бизнесе в эпоху кризиса пандемии COVID-19 на примере российской индустрии общественного питания», представленной в службу обеспечения программ магистратуры для последующей передачи в государственную аттестационную комиссию для публичной защиты, не содержится элементов плагиата.

Все прямые заимствования из печатных и электронных источников, а также из защищенных ранее выпускных квалификационных работ, кандидатских и докторских диссертаций имеют соответствующие ссылки.

Мне известно содержание п. 9.7.1 Правил обучения по основным образовательным программам высшего и среднего профессионального образования в СПбГУ о том, что «ВКР выполняется индивидуально каждым студентом под руководством назначенного ему научного руководителя», и п. 51 Устава федерального государственного бюджетного образовательного учреждения высшего образования «Санкт-Петербургский государственный университет» о том, что «студент подлежит отчислению из Санкт-Петербургского университета за представление курсовой или выпускной квалификационной работы, выполненной другим лицом (лицами)».
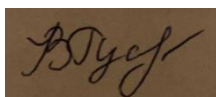
 (Подпись студента)

06 июня 2021 года (Дата)

STATEMENT ABOUT THE INDEPENDENT CHARACTER OF THE MASTER THESIS

I, Guseva Valeriia, second year master student, MIM program «Management», state that my master thesis on the topic « SMEs Stakeholder Management during COVID-19 Pandemic Crisis: The Case of Russian catering industry», which is presented to the Master Office to be submitted to the Official Defense Committee for the public defense, does not contain any elements of plagiarism.

All direct borrowings from printed and electronic sources, as well as from master theses, PhD and doctorate theses which were defended earlier, have appropriate references.

I am aware that according to paragraph 9.7.1. of Guidelines for instruction in major curriculum programs of higher and secondary professional education at St.Petersburg University «A master thesis must be completed by each of the degree candidates individually under the supervision of his or her advisor», and according to paragraph 51 of Charter of the Federal State Institution of Higher Education Saint-Petersburg State University «a student can be expelled from St.Petersburg University for submitting of the course or graduation qualification work developed by other person (persons)».

 (Student's signature)

June, 06, 2021 (Date)

ABSTRACT

Master Student's Name	Valeriia Guseva
Master Thesis Title	SMEs Stakeholder Management during COVID-19 Pandemic Crisis: The Case of Russian catering industry
Faculty	Graduate School of Management
Major Subject	MIM
Year	2021
Academic Advisor's Name	Candidate of Economics, Senior Lecturer Anastasia A. Petrova-Savchenko
Description of the goal, tasks and main results	The goal of this research is to make recommendations for stakeholder management adaptation to pandemic crisis in Russia SME's catering sector. Literature review of existing studies on the topic is conducted to identify research gaps, which are fulfilled by the case-study of 5 Russian catering SMEs. Data gathered through in-depth semi-structured interviews, statistical data and benchmarking showed that crisis had a serious impact on Russian catering SMEs, changed expectations, fears and demands of their stakeholders and forced SMEs to adapt to new reality. The study contributes to theory by adding to existing discussion regarding unique features of COVID-19 crisis and stakeholder management as a strategy for adaptation to crises. The findings might be helpful for owners and managers of SMEs when defining strategy during such unique crisis as COVID-19.
Keywords	Управление заинтересованными сторонами, отношения с заинтересованными сторонами, МСП, COVID-19, Россия

АННОТАЦИЯ

Автор	Гусева Валерия Сергеевна
Название магистерской диссертации	Управление заинтересованными сторонами в малом и среднем бизнесе в эпоху кризиса пандемии COVID-19 на примере российской индустрии общественного питания
Факультет	Высшая Школа Менеджмента
Специальность	Менеджмент
Год	2020
Научный руководитель	Кандидат экономических наук, старший преподаватель Анастасия Андреевна Петрова-Савченко
Описание цели, задач и основных результатов	Целью данного исследования является разработка рекомендаций по адаптации управления заинтересованными сторонами к пандемическому кризису в секторе общественного питания малого и среднего бизнеса России. Обзор литературы существующих исследований по данной теме проводится с целью выявления пробелов в исследованиях, которые выполняются на примере 5 российских предприятий общественного питания. Данные, собранные в ходе углубленных полуструктурированных интервью, статистических данных и сравнительного анализа, показали, что кризис оказал серьезное влияние на российские предприятия общественного питания, изменил ожидания, страхи и требования заинтересованных сторон и заставил МСП адаптироваться к новой реальности. Исследование вносит вклад в теорию, дополняя существующую дискуссию об уникальности кризиса пандемии COVID-19 и об управлении заинтересованными сторонами как стратегии адаптации к кризисам Полученные результаты могут быть полезны владельцам и менеджерам МСП при определении стратегии во время такого уникального кризиса, как COVID-19.
Ключевые слова	Конкурентная стратегия, стратегия "поиска нового", стратегия "использования существующего", малый и средний бизнес, экономический кризис, Россия

TABLE OF CONTENTS

INTRODUCTION

Research Motivation

COVID-19, which has become a global pandemic, has affected all areas of life in all countries - education, trade, the functioning of corporations, etc. The lockdown caused by the unprecedented spread of the coronavirus has caused huge damage to large companies and productions, but small and medium enterprises became the most vulnerable part of businesses – 70% of SMEs in Europe argue that in 2020 their revenues severely declined (McKinsey 2020). The reason to that is that SMEs are overrepresented in the most suffering business spheres, such as catering, services, etc. Also, SMEs employ 45 percent in emerging countries and about 70 percent in OECD countries (Albaz et al. 2020).

The Russian economy has also suffered - according to Rosstat, in 2020, GDP decreased by 3.1% - this is due to the introduced restrictive measures aimed at combating coronavirus infection, and the fall in global demand for energy resources. Significantly reduced value added in industries focused on serving the population: hotels and restaurants (-24.1%), cultural and sports institutions (-11.4%), transport enterprises (-10.3%), organizations that provide other services to the population (-6.8%) (Rosstat 2020). Most universities have switched to distance learning; most regions have closed trade and service enterprises and restaurants. There are still no data on the share of SMEs in Russia's GDP, but according to data from previous years, this figure was about 20%. Since the share of SMEs is 1/5 of all enterprises, it is obvious that they have a huge impact on GDP and the economy as a whole.

Most of the spheres, which are mainly represented by SMEs, were included in the state list of those most affected by the coronavirus: culture, hotel business, catering, consumer services, retail. This list was approved by the Resolution of the Government of the Russian Federation of 03.04.2020 No. 434, as amended: Government Resolutions of 10.04.2020 No. 479, of 18.04.2020 No. 540, of 12.05.2020 No. 657, of 26.05.2020 No. 745, of 26.06.2020 N927 (Consultant Plus 2020).

As coronavirus became a crisis situation, business representatives began to change their strategy and, in particular, their relations with stakeholders (with the government, employees, clients, etc.). The situation with the coronavirus is unique in its way because the pandemic has closed the doors of those enterprises that have been operating for many decades, some of them even during wars or other epidemics, so businesses had to transform and change their relationships with stakeholders. Especially this crisis affected relationships in Russian SMEs, as they are usually

more dependent on their stakeholders and have closer relations with some groups of stakeholders a priori.

The object of the research is Russian catering SMEs that survived crisis of COVID-19. The subject of the research is stakeholder management as a crisis adaptation strategy.

Research goal

The **goal** of this research is to make proposals for stakeholder management adaptation to pandemic crisis in Russia SME's catering sector. In order to achieve the goal, the following **research questions** were raised:

- What impact had coronavirus pandemic crisis on catering industry in SMEs sector in Russia?

- How this crisis affected relationships of Russian catering SMEs with their stakeholders?

- How Russian catering SMEs should behave in crises like COVID-19 pandemic?

To attain the research goal, the following **objectives** are set:

- Define theoretical and methodological foundation of stakeholder management.

- Analyze COVID-19 pandemics crisis impact on Russian catering SMEs.

- Define relationships between stakeholder management and firm performance during COVID-19 crisis situation.

- Compile qualitative data in cases and conduct comparative analysis.

- Propose recommendations for Russian catering SMEs in future crisis situations.

Theoretical framework

As the theoretical framework for our study, we use classical and contemporary researches on the questions of stakeholder and stakeholder management, crisis management and stakeholder management as crisis adaptation strategy. As a main stakeholder model, we used a framework by Mitchell (1997), where all stakeholders are divided through lenses of power, urgency and legitimacy. The organization should manage different stakeholder differently, according to the level of power, urgency and legitimacy in relation to the organization.

We also use more practice-oriented sources, such as stakeholder management plan, outlined in APMBoK (2012) and materiality matrix, outlined in Global Reporting Initiative and

brilliantly applied in Nestle reports. Materiality matrix is a very important framework for our work, as it shows the expectations of stakeholders from the organization and the impact of these expectations on the success of the organization.

As a basis for stakeholder management plan, we use report by Deloitte (2014), recommendations by APMBoK (2012), the work on stakeholder engagement by Neil Jeffrey (2009) and the work of Carroll and Buchholtz (2009). This plan let us understand how to define stakeholders, interact with them and engage them into the processes of the organization.

We also studied application of stakeholder management in crisis situations with the help of works by different authors. The most impact has the study by Crandall, Parnell and Spillan (2009) which describes crisis management framework and includes stakeholder management into it.

Research methodology

In the literature review we look for the correct definition of stakeholder and stakeholder management in order to clearly understand the process of communication between organization and its stakeholders. We also analyze sources on stakeholder management plan, materiality matrix and crisis management strategies in order to implement these frameworks for practical recommendations. In the second part of the research, we focus on small and medium enterprises from catering sphere that exist on a market at least for five years and were functioning during COVID-19 pandemic crisis and lockdowns. The results of this study should help SMEs from catering sphere to build more efficient crisis adaptation strategies through the lens of relationships with their stakeholders.

In order to solve the research goal and to answer research questions, we turned to the scientific literature. We studied the stakeholder model on the example of Mitchell (1997) work "*Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What Really Counts*", as well as stakeholder management on the example of *"Stakeholder engagement: A road map to meaningful engagement"* by Neil Jeffery (2009) and "*Business and society: Ethics and stakeholder management*" by Carroll, A. B., & Buchholtz, A. K. (2009). Also, in the course of our research we studied crisis and crisis management on the example of works *"Crisis Management in the New Strategy Landscape"* by Crandall, W., Parnell, J.A., & Spillan, J.E. (2009), *"The crisis manager: Facing risk and responsibility"* by Lerbinger, O. (1997) and *"Black Swans and the Domains of Statistics"* by Taleb, Nassim Nicholas (2007).

Also, for the purpose of solving the research goal and answering research questions, we need to collect data ourselves. In order to do this, we use qualitative methods of research. The

reason to this is that we need to know about the situation directly from its epicenter – from the representatives of Russian SMEs – and to use their real experiences and advices to formulate recommendations.

For this research we need to collect primary data, due to the reason that only by reaching real representatives of businesses and by exploring real-life experience, we could receive extensive up-to-date information on the situation in the catering SMEs during pandemic crisis.

In order to gain better insights into adaptation of catering SMEs into crisis situations, 5 in-depth semi-structured interviews were conducted. We chose such representatives as owners, co-owners, and managers of SMEs, as only real business leaders could give us full understanding of crisis situation in their business and explain strategies and actions applied to deal with the crisis.

After collecting the data, we use the method of multiple cross-case analysis, as this method allows us put each unique situation in a separate case and after that compare the situations and behavior of businesses in crisis. This analysis allows us to formulate recommendations that could be used by catering SMEs for better adapting in future crisis situations.

Thesis structure

The thesis contains 3 parts. The first chapter is a literature review which helps to understand a conceptual base for the research. This chapter discusses main concept of stakeholder model, stakeholder engagement and stakeholder management as a whole, as well as reveals crisis and crisis management, COVID-19 crisis peculiarities and its impact on the Russian SMEs, identifies research gap. The second chapter describes the methodology of research, and shows the results of empirical research. The third part, conclusion, includes findings, theoretical contribution, managerial implications and limitations for future research.

CHAPTER 1: STAKEHOLDER MANAGEMENT AND ITS APPLICATION TO CRISIS MANAGEMENT

1.1 Stakeholders: major approaches to definition

Prior to studying the relations of an organization with stakeholders, it is necessary to define what a stakeholder is, as well as explore various classifications of stakeholders and theories of their management.

There are several definitions of the concept of "stakeholder", and several papers are devoted to the issue of the diversity of definitions of the concept of stakeholder and their classification, in which the authors used various methods, such as mathematical models, definitive refining, to classify and/or identify the most successful, in their opinion, definitions (Freeman et al. 2010; Miles 2015; McGrath et al. 2017).

It is very important to define clearly what is a stakeholder, as the fullest definition allows us to understand who and what really counts, and why. We give some examples of such definitions in the table below.

Source	Stakeholder definition
Phillips et al. (2003, p.481)	"those who can assist or hinder the achievements of the organization's objectives"
Freeman (1994, p. 415)	"Participants in the human process of joint value creation"
Clarkson (1994, p. 5)	"bear some form of risk as a result of having invested some sort of capital, human or financial, something of value, in a firm"
Freeman (1984, p. 54)	"any group or individual who can affect, or be affected by, the achievements of an organization's purpose"
Nuti (1997, p. 14)	"holders of legitimate interest or stakes in company activities, directly through market transactions or indirectly through exposure to external effects"
Post et al. (2002, p. 8)	"individuals and constituencies that contribute, either voluntarily or involuntarily, to its wealth-creating capacity and activities, and who are therefore its potential beneficiaries and/or risk bearers"

Table 1. Approaches to stakeholder definitions. Source: made by author

Before analyzing these definitions, we define the concept of "stake". Stake, according to Carroll and Buchholtz (2009, p. 83) "is an interest in or a share in an undertaking". Also, according to authors, the stake could be of three types – an interest, a right – legal and moral – and ownership. An interest means that a stakeholder will be affected by the organization's decision. Right means that a stakeholder has either a legal claim to an organization, or a moral "claim" to be treated in a particular way. Ownership means that a stakeholder has a legal title to an asset (Carroll and Buchholtz 2009). So, from the analysis of definition of stake it could be concluded that stakeholder is a holder of some interest, right or ownership. We check this assumption below.

Analyzing and comparing the definitions of stakeholder, we could say that they all have similarities, still they are approaching the concept of a stakeholder from different sides and not all show the full set of the characteristics of stakeholder: some of them speak only about social part, such as "human process of value creation" in the definition of Freeman (1994, p. 415), some of the definitions cover only one side of stakeholder roles, such as bearing of risk in the definition of Clarkson (1994, p. 4) or "holding interest or stakes" in the definition by Nuti (1997, p. 14). Some of the definitions are too vague and simplistic, such as definitions of Philipp et al. (2003, p. 481) and Freeman (1984, p. 54). So, as a result of our analysis of all chosen definitions, we decided to use as a core definition a definition by Post et al. (2002), as it fully reveals to us the concept of a stakeholder, which is broader than just holding a stake. It also shows all roles of a stakeholder, and also speaks about bearing risks, which is important part of stakeholder management for our research.

Having examined the definition by Post (2002), we can conclude about the roles of the stakeholder in the life of the organization. A stakeholder takes part in the life of the organization, consciously or unconsciously. They create value for the organization by their actions, also they themselves receive value from the organization, or bear certain kinds of risks. Having defined the core concepts, as "stake" and "stakeholder", we move to the definition of stakeholder management.

The Association for Project Management (2012) gives the following definition of stakeholder management: "the systematic identification, analysis, planning and implementation of actions designed to engage with stakeholders." We agree with this definition, as it fully reveals what we consider to be this process, so it is the following:

1. Identifying stakeholders
2. Analyzing and classifying stakeholders
3. Creating an action plan
4. Engaging with stakeholders

5. Adapting an action plan

This judgment leads us to another concept that needs to be precisely defined – stakeholder engagement. Stakeholder engagement is not equal to stakeholder management, as it is the part of this strategic process. Stakeholder engagement is defined as "… the process used by an organization to engage relevant stakeholders for a purpose to achieve accepted outcomes" (AA 1000 AccountAbility Principles Standard 2008; AA 1000 Stakeholder Engagement Standard 2011). We supplement this definition and, in this paper, we understand stakeholder involvement as the process used by an organization to engage relevant stakeholder for mutual value creation.

Thus, we can conclude from the definitions that stakeholder management has four main objectives: to maximize the value received by stakeholder from the organization, to maximize the stakeholder's contribution to the organization's activities, and to minimize the risks that both the stakeholder and the organization itself can incur from their relationships. We continue to explore the theory of stakeholders in order to fully understand the roles and the importance of stakeholders and stakeholder management.

The role of stakeholder management was discussed by several authors, starting with Edward Freeman and his 1984 monograph "Strategic Management: A Stakeholder Approach". In his work, Freeman argued that the company's activities should not meet the needs and bring profit to only one interested group – shareholders or investors, but take into account the interests of all concerned parties, or stakeholders. The author defined a stakeholder as "Any group or individual who can affect or is affected by the achievement of the firm's objectives" (Freeman 1984, p. 54). Freeman saw stakeholder management as the part of successful strategic management of an organization. Thorough stakeholder analysis, according to Freeman, helps to create adequate enterprise strategy, as through the analysis of stakeholders an organization could analyze itself and its place and role in the society. Freeman concludes that stakeholder management is an important instrument for an organization, as it helps to see the managers the big ta and define the place of the organization in the society. This understanding should lead to creating strategies for managing relations with stakeholder as a part of strategic management of an organization.

The analysis of Freeman's work brings us to the same conclusions, as the analysis of the definitions of stakeholder: stakeholder management has four main goals – value maximization and risks minimization for both organization and stakeholder. However, the value and risks must include not only economic side of the performance of the organization, it is also vital to consider social side.

Clarkson (1995) concludes that an organization necessarily enters into relationships with stakeholders, and these relationships should bring value to both sides of the relationship. These relationships include rights, interests and results of transactions. Also, stakeholder management

encourages the organization to make independent informed decisions, relying not on the "invisible hand", but taking into account the stakeholders, and acting in their interests, base the decisions of organizations not only on economic profitability, but also on moral and social aspects.

Freeman in his work "Stakeholder Theory: The State of the Art" also connects the concept of CSR and stakeholder management, explaining that by the fact that any business interaction with stakeholders and any management decision is supported not only by financial concerns, but also by social ones. The process of stakeholder management, according to Freeman, should combine "a concern for moral conduct with the process of value creation". (Freeman, 2010) This process is closely connected with one of core concepts of sustainable strategy – shared value, which was created and developed by M.E. Porter and M.R. Kramer. They define shared value as "policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates" (Porter and Kramer, 2011). Shared value is also connecting economic value for the company with non-economic, societal and environmental. The authors conjoin competitive advantage with such factors as environmental impact, energy and water use, employee health, worker safety, employee skills, supplier access and viability, thereby combining strategy and sustainability. The concept of shared value is important for managers who want to implement stakeholder management into strategy of the organization, as it explains, how economic and non-economic could be connected and, most important, why an organization needs this. Also, it is important to mention that different researches show that efficient stakeholder management brings additional financial profit to an organization, proving the concept of shared value. (Hillman et al. 2001; Berman et al. 1999)

Having defined the concept of stakeholder and the importance and role of stakeholder management in the strategy of an organization, we can conclude that the role of stakeholder management is to define which stakeholders does an organization have, what peculiarities they have and what strategy should be applied to them for the most valuable and efficient collaboration. In the next part of our literature review we discuss stakeholder management and its steps.

1.2 Stakeholder management

In order to apply the theory of stakeholders in data analysis, it is necessary to describe stakeholder management according to its steps (Stakeholdermap 2021)

1. Identifying stakeholders
2. Analyzing and classifying stakeholders
3. Creating an action plan
4. Engaging with stakeholders
5. Adapting an action plan

Moving along the steps of stakeholder management, an organization should answer the following questions, as these questions will help to understand stakeholders and relations with them (Carroll and Buchholtz 2009).

1. Who are our stakeholders?

2. What are our stakeholders' stakes?

3. What opportunities and challenges do our stakeholders present to the firm?

4. What responsibilities (economic, legal, ethical, and philanthropic) does the firm have to its stakeholders?

5. What strategies or actions should the firm take to best address stakeholder challenges and opportunities?

Answers to these questions will help to create a balanced classification and elaborate healthy, ethical and efficient stakeholder management strategies.

Before starting working with stakeholders, the organization needs to develop the correct approach to their management and to understand why it is important. Historically, there are three approaches: strategic, multifiduciary and stakeholder synthesis approach (Carroll and Buchholtz 2009).

Strategic approach views stakeholders as factors that may help an organization to bring value to their shareholders or owners, or as risky factors, that need to be resisted. Multifiduciary approach does not see stakeholders as a way to shareholder value and makes an organization spread its fiduciary, or duty, to all stakeholders. The third approach, stakeholder synthesis approach also sees organization responsible to all stakeholders, but it also takes into account balance in management of the stakeholder. Also, the concept of ethical responsibility is added, which means being ethical to other stakeholders while managing shareholders' needs.

As a conclusion we could say that organizations should use the stakeholder synthesis approach, as it brings balance and ethics into stakeholder management. And the most useful instrument for efficient stakeholder management are different stakeholder models.

In order to understand what stakeholders organization is working with and to classify these stakeholders, such instrument as stakeholder model is used. Stakeholder model, according to Carroll and Buchholtz (2009), is a model which ranks stakeholders according to certain features and forms them into groups which usually are treated according to certain strategies. We review some of the classical stakeholder models later in the literature review.

In order to understand why it is necessary to use stakeholder model in recognizing and managing stakeholder, it is vital to speak about values that the model brings to an organization. The stakeholder model of an organization is valuable in three aspects: descriptive, instrumental and normative.

The first value of the stakeholder model is descriptive. It provides us the concepts to describe an organization and understand how it is functioning, which helps to understand how to manage it in a more efficient way. The stakeholder model also has instrumental value, due to the reason that efficient application of stakeholder management can help to achieve performance goals of an organization. Normative value of the stakeholder model is in adding ethical side to the stakeholder management, because the model shows that stakeholders should be treated not only according to economic value or risk they bring, but also according what social and moral value could be created in stakeholder relations.

The first step in stakeholder management is to identify the stakeholders of organization. It is a very important step, as it is the core of stakeholder management – if the organization will not succeed in identifying with which people, groups of people they interact, it will not be able to analyze them, create adequate engagement strategies and therefore will not perform as efficient as it could do. In order to identify the stakeholders, the organization should understand what people, groups of people and organization it is working with, who it is affecting and who is affecting the organization itself.

An organization treats different stakeholders in a different way, depending on the importance of the stakeholder to the organization. However, it is vital to remember that all relationships with all stakeholders are valuable to an organization, though a different amount of time and effort could be put into establishing and maintaining these relations. (Mainard et al. 2012; Jones and Wicks 1999; Savage et al. 2004; Belousov 2013).

The second step in stakeholder management is analyzing and classifying stakeholder. This step is no less important, than identifying the stakeholders, as different stakeholders may have different level of contribution to the organization, different frequency of communication, different level of risk bearing, different level importance. And dividing stakeholders into groups help to manage them more efficiently, as the engagement strategy would be evolved from the characteristics of stakeholders and level of value creation and risk bearing.

Below we give an overview of several classical classifications of stakeholders. These classifications help to identify and analyze stakeholders in order to move to the step of planning and engagement.

Savage et al. (1991) classified stakeholders in the means of potential for threat or potential for cooperation with an organization, and divided them into four groups:
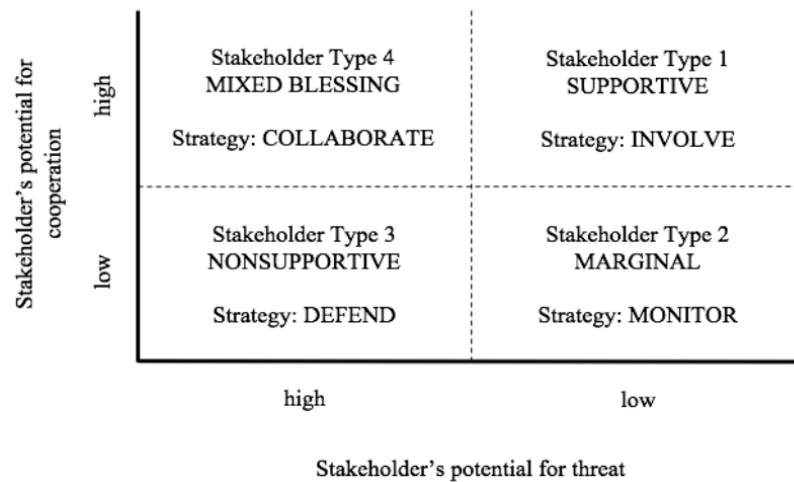
Picture 1. Savage's stakeholder model. Source: Savage et al. (1991), p.65

1) Supportive (potential for threat – low, potential for cooperation – high). These stakeholders usually support the organization and do not pose any threat. This group may include managers, employees, parent company, suppliers, service providers and non-profit organizations. Management strategy – to involve these stakeholders in the processes of the organization and constantly cooperate with them.

2) Marginal (potential for threat – low, potential for cooperation – low). These stakeholders usually are not concerned about most issues of the organization. This group may include consumer interest groups, stockholders and professional association for employees. Management strategy – monitor, not ignoring the stakeholders, but constantly check the situation with these stakeholders, and take measures, if these stakeholders start posing threat.

3) Nonsupportive (potential for threat – high, potential for cooperation – low). These stakeholders could pose threat for an organization and usually are not really willing to cooperate. This group may include competitors, employee unions, government and sometimes mass media. Management strategy – defend against this group of stakeholders, reducing their potential for threat.

4) Mixed blessing (potential for threat – high, potential for cooperation – high). These stakeholders usually have the same level of possible threat and willingness to cooperate. This group may include rare employees, clients or customers, organizations with complementary products or services. Management strategy – cooperate with such stakeholders, trying to increase potential for cooperation and to reduce potential for threat, as these stakeholders could pose big harm to an organization or bring value, if properly managed.

This model shows the relationship with stakeholders in a rather one-sided way and speaks of the impact of stakeholders on the organization only from the perspective of threat or cooperation, but does not talk about the value that certain stakeholders can bring to the organization. The model is presented in the form of a matrix and is simple enough to understand, but in our opinion, it is not able to give the manager a complete understanding of why he/she needs to manage stakeholders, what value this action brings to the organization and its strategy.

Mitchell et al., (1997) used salience model to classify stakeholders according to possession of one, two or all three of the attributes, such as:

1) the power to influence the organization;
2) legitimacy of the stakeholder's relationships with the organization;
3) urgency of the stakeholders claims on the firm.

Salience, according to the Oxford dictionary, means "the quality of being particularly noticeable or important; prominence" (Oxford dictionary). So, this model measures the stakeholder's level of importance to an organization.
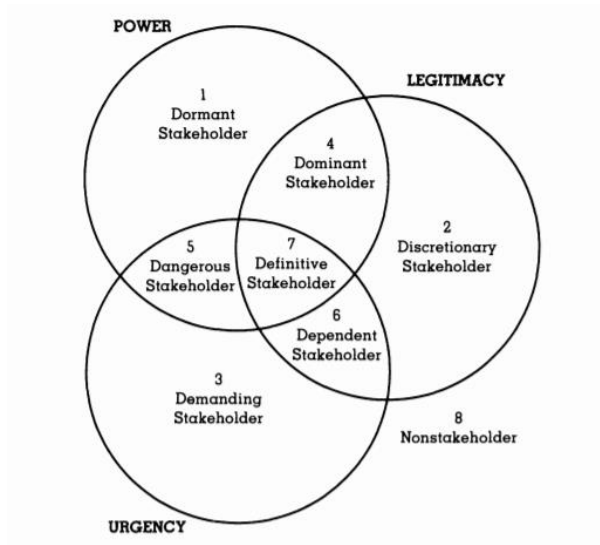
The authors also explain the terms "power", "legitimacy" and "urgency". Power is explained as the way one social actor could make another social actor make an action that would not be otherwise done.

There are several bases of power. Positional power is divided into coercive, legitimate, reward and informational types of power. Coercive power "refers to the extent to which an agent is believed to have authority to coerce other stakeholders to take certain actions". (Saito et al. 2017) It is also known as political power, as it is usually used by the government through laws and regulations (Bussya and Kelly 2010; Wrong 1979). Legitimate power refers to the concept of legitimacy, on the basis of which one agent may force other agent to execute an action, meaning that an agent has a right to force another agent. This type of power is usually based on social norms or the agent's position within the society (French and Raven 1959; Astley and Sachdeva 1984). Reward power use a remuneration, financial or non-financial, to influence the agent (Raven 1990). Informational power is based on logical argument or persuasion and ability to give or limit information (Raven 1990).

Personal power includes expert power and referent power. Expert power uses agent's special skills, knowledge and experiences that are limited to particular organizations or stakeholders to influence on an agent (Timur and Getz 2008). Referent power is based on trust, respect and credibility with an agent and is mostly a personal power (Raven 1990).

Legitimacy is explained as "a generalized perception or assumption that the actions of an entity are desirable, proper or appropriate within some socially constructed system of norms, values, beliefs, definitions" (Suchman 1995).

Urgency is explained as "the degree to which stakeholder claims call for immediate attention" (Mitchell 1997).

POWER

LEGITIMACY

1
Dormant
Stakeholder

4
Dominant
Stakeholder

2
Discretionary
Stakeholder

5
Dangerous
Stakeholder

7
Definitive
Stakeholder

6
Dependent
Stakeholder

3
Demanding
Stakeholder

8
Nonstakeholder

URGENCY

Picture 2. Mitchell's stakeholder model. Source: Mitchell (1997), p.874

According to salience model, all stakeholders of organizations could be divided into four big groups:

a) Latent – stakeholders which possess only one attribute. Managers usually do not manage such stakeholders closely, as they have low salience. However, in some situations stakeholder could pose threat to an organization, so manager still should monitor such stakeholders in order to see crisis situation or an opportunity to cooperate in time and use it. Latent group consists of three subgroups:

1) Dormant stakeholder – is a stakeholder with relevant attribute of power, however, without legitimacy or urgency, they rarely use their power. One of the examples of such stakeholders could be fired employees – they have an opportunity to bring risks to an organization, but not willing to. Managers should be aware of them, but it is not needed to pay them extra attention.

2) Discretionary stakeholder – is a stakeholder with relevant attribute of legitimacy, but without attributes of power or urgency. Examples of such stakeholders are NGOs or charitable organizations. They may receive sponsorship for or support from an organization, but the interaction is limited by giving support.

3) Demanding stakeholder – is a stakeholder with relevant attribute of urgency, but without attributes of power or legitimacy. Examples of such stakeholder could be local communities, or activists. As they do not have power or legitimacy, such stakeholders do not bring risks to an organization and rarely bring value, so an organization should

just monitor them without extra attention.

b) Expectant - stakeholders with higher level of salience, as they possess two of three attributes. Managers pay more attention to stakeholders in this group, which also consists of three subgroups:

   1) Dominant stakeholder – this stakeholder acquires two of three attributes – power and legitimacy. Examples – board of directors, government, employees. These stakeholders matter for an organization, as they bring value and/or risk to it. An organization should engage these stakeholders into its activities and collaborate with them.

   2) Dangerous stakeholder is a stakeholder with attributes of urgency and power. They tend to use coercive strategy to put pressure on the organization. Examples of such stakeholders could be terrorists or aggressive employees who can sabotage the performance of the organization. An organization should recognize these stakeholders and their threat and have a plan how to mitigate risks connected to these stakeholders.

   3) Dependent stakeholder is a stakeholder with attributes of urgency and legitimacy. The example of such stakeholder could also become local community or local activists, if the activities of an organization overlap with the interests of these groups. An organization should recognize such stakeholders and interact with them in case they could bring value or harm to an organization.

c) Definitive stakeholder – a stakeholder which possess all three attributes and has maximum salience. Any expectant stakeholder may become a definitive one, if they acquire missing attribute. Managers should pay the most degree of attention to such stakeholders and usually in an urgent manner.

d) Nonstakeholder – does not take part in the life cycle of the organization. No interaction needed.

It also should be noted that this model is dynamic, as the attributes of stakeholders could change, increase or decrease in number. So, it is important to constantly revise an organization's position and relations with all its stakeholders.

This model shows strategies for engaging with stakeholders depending on their salience, that is, depending on how much value and/or risk this stakeholder can bring to the organization. It is a well-organized, logical model and shows, in our opinion, the fullest scope of criteria to classify the stakeholders.

Clarkson (1995) divided all stakeholders of an organization into two main groups:

1) Primary stakeholders. This group includes stakeholders which have influence on the

survival of the organization – without these stakeholders, organization would not exist. This group usually includes shareholders and investors, employees, customers, suppliers, government and communities that provide conditions for existence of an organization – laws, markets, infrastructure. The organization should manage these stakeholders closely, as, according to the author, they are essential for the survival of the organization.

2) Secondary stakeholders. This group includes stakeholders which also have influence on the organization, but are not essential for its survival – mass media, special interest groups (trade unions, social activists). However, an organization still should pay attention to these stakeholders, as they could bring harm or want to cooperate with an organization, and these relations should also be managed in a proper way.

This is a fairly simple and straightforward model with simple criteria, however, in our understanding, the division into primary and secondary stakeholders oversimplifies the strategies for interacting with them. However, this framework can be applied to SMEs, since they have less stakeholders than big corporation, and interact with many stakeholders on a more personal level.

Mendelow (1991) examines the organization's relationship with stakeholders from the point of view of power and the interests of stakeholders in relation to the organization.
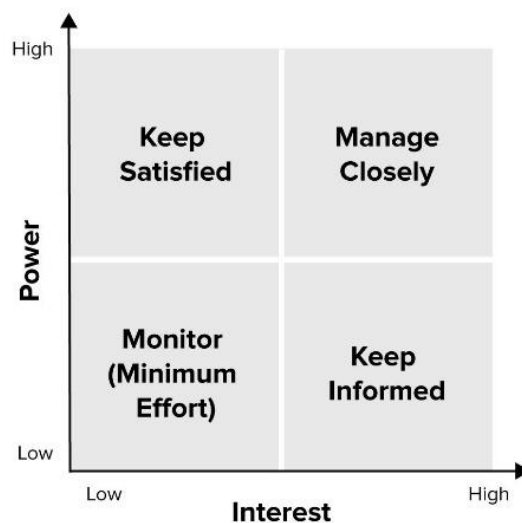
Picture 3. Mendelow power/interest grid. Source: Mendelow (1991)

Power/interest grid is divided into four quadrants:

1) High level of power, high level of interest: these stakeholders have the most crucial impact on an organization. Examples of such stakeholders – customers, top-managers, rare employees. These stakeholders should be thoroughly managed, as they have direct impact on well-being of an organization. Well-built relationships with such

stakeholders can bring value to both parties, as well as reduce the risks of interaction.

2) High level of power, low level of interest: these stakeholders still have power, but not really interested in having impact on an organization. Examples of such stakeholders – employees, suppliers, financial institutions, sponsors and investors. These stakeholders should be satisfied by the organization, in order to avoid situation of posing threat. These stakeholders also bring value to the organization, and it should attract their attention, increase their interest in order to make the stakeholder-organization relations as meaningful as possible.

3) Low level of power, high level of interest: these stakeholders are interested in an organization, but do not have power to have an impact on it. Examples of such stakeholders - shareholders, competitors. These stakeholders should receive information from the organization that may concern them, organization should also monitor, if there are no major issues in their relations, as this could bring risks to both sides.

4) Low level of power, low level of interest: these stakeholders still have relations with an organization, but do not need to be closely managed. Examples of such stakeholders – mass media, local society or trade unions. The best strategy is to monitor these stakeholders and not to bore them with excessive communication, but make every interaction as valuable as possible.

While managing all stakeholders from all four quadrants, it is important to remember that this model is dynamic, and stakeholders could move between quadrants. For example, in some companies, employees could move to the high interest/high power quadrant, because they are inspired by the company mission and ready to contribute to the prosperity of the company.

This classification is also rather simple and easy to understand. It is not oversimplified, as the classification by Clarkson, and not very complex, either, like model by Mitchell, and still shows the variety of relations between organization and stakeholders, dividing them into four groups. This model, in our opinion, is quite logical and is a good tool to identify stakeholders and apply appropriate strategies.

However, in the second part of our research we use the stakeholder model by Mitchell (1997), as this model, in our opinion, is allow us to most fully and most logically classify the stakeholders of the enterprises, on the basis of which the research is carried out.

After classifying stakeholders, it is time for an organization to move to the next step of stakeholder management – to create an action plan. We repeat Mitchell's strategical recommendations, as these recommendations, in our opinion, fully reveal actions that can be applied to stakeholder groups.

Stakeholder	Action
Dormant	Be aware of these stakeholders' existence
Discretionary	Give support, if it is feasible
Demanding	Monitor
Dominant	Engage
Dangerous	Recognize and have an action plan to mitigate risks
Dependent	Recognize and engage if feasible
Definitive	Urgent actions – risk management or engagement

Table 2. Action plan for different stakeholder types. Source: Mitchell (1997)

Action plan is also closely connected to engagement plan, as engagement is the part of the whole plan. Stakeholder engagement is "the process used by an organization to engage relevant stakeholders for a clear purpose to achieve agreed outcomes" (AA 1000 Stakeholder Engagement Standard 2011).

In order to make stakeholder engagement successful, it is also necessary to understand what the stakeholder wants, what value or risk they could bring to the organization, and what value or risk the stakeholder could receive from the organization. For example, an employee of a small restaurant brings its customer good service, cooks good food and receives money, praise from the employer and different social benefits. If the relations between this employee and the restaurant is worsening, the quality of his work is worsening as well, lowering the level of customer service and therefore worsening the relations with another stakeholder, a customer. If an organization understands on what level of importance stands the stakeholder, it will be able to implement the right actions to communicate with them or even will choose not to communicate with them at all.

After combining different researches, we could proceed with the following stakeholder engagement plan:

0. Know and classify stakeholders, understand their needs, what value and what risk they bring (it should already be done at the moment of stakeholder engagement plan preparation).

1. Define possible and preferable communication channels.

2. Engage stakeholders into the processes of the organization.

3. Monitor feedback and correct the communication and interaction process if needed.

An excellent example of ranging stakeholders and the issues that need to be solved is a materiality matrix. With this matrix an organization can show what economic, social and environmental issues are most important for stakeholders and the organization itself. This matrix does not divide stakeholder into special classes; however, it ranks the significance of the social

and environmental issues for stakeholders and the organization, therefore connecting them.

This matrix is a form of sustainability reporting – it was developed by GRI 4 standard. However, materiality matrix could be useful even for the organizations that do not disclose their CSR results, as it is also a very powerful tool to understand who and what really counts, and in what degree. And this instrument can be useful even for SMEs, as it helps managers and/or owners to understand, what expectations of stakeholders can influence the business, and how big is that influence.

Picture 4. Materiality matrix. Source: Nestle (2020)

Having ranged all stakeholders and their social, environmental and economic expectations in the matrix, an organization now needs to understand, how to meet them and how to communicate about these expectations with the stakeholders. For this an organization also needs to know what channels of communications the stakeholders prefer to use or have to use. For example, an employee may prefer personal communication, but have to use corporate e-mails, and the manager of the organization should choose how to influence the employee, does the communication need to be personal, or more formal. Or customers may like to chat in the social media community – they the business should create this community and attract customers there.

Also, an organization should know what kind of information may be needed for communication, how to provide this information, and how often to do it.

The goal of the engagement process is to build trust and to receive feedback about activities of an organization. In order to build trust and to receive real, truthful feedback, an organization need to understand, what level of trust is between stakeholders and organization, and also the ways how to create more truthful relations.

The last stage (and the first stage of a new stakeholder management cycle) is a stage of monitoring and evaluation. At this stage an organization should overview the relations with the stakeholders and realize what improvements need to be done. After that, a new cycle of stakeholder management starts.

We described stakeholder management in normal situations. However, modern world is full of crises, moderate and severe, as, for example, COVID-19 crisis or economic crisis of 2007. Do the stakeholder relations and stakeholder management change in the crisis situation? What role does the crisis play in the stakeholder relations? And could these relations help the organization to adapt to the crisis, or, on the contrary, make the crisis more severe?

For example, small Chinese restaurant was performing quite well – they had regular customers, tourists liked to visit their place, who enjoyed genuine Chinese cuisine and dishes made from authentic products. Employees were doing their work, received salaries and had good relations with their employer and with the customers. The owner paid his taxes, paid salaries, was thinking about future opening of the second restaurant. But then the pandemic came, and the government closed the restaurant, the tourists returned home, clients became afraid to get sick in the small space of restaurant. However, employees still wanted to receive their salaries, they did not want to lose their job. The owner did not want to pay extra taxes and rent for the empty restaurant. Crisis came, and the relations changed.

In the next part of the literature review, we would move to discussing crisis management and application of stakeholder management in crisis situations, as we suppose that thorough stakeholder management could make crisis adaptation a more efficient process.

1.3 Application of stakeholder management to crisis situations

Before proceeding to the application of stakeholder management in crisis situations, it is necessary to understand core strategies of crisis management and to define its core concepts.

Merriam-Webster dictionary provides the following definition of crisis: "Crisis is an unstable or crucial time or state of affairs in which a decisive change is impending, especially one with the distinct possibility of a highly undesirable outcome" (Merriam-Webster Dictionary Online).

Pearson and Clair (1998, p. 60) gave the following definition of crisis: "an organizational crisis is a low-probability, high-impact event that threatens the viability of the organization and is characterized by ambiguity of cause, effect, and means of resolution, as well as by a belief that decisions must be made swiftly".

So, from the definitions we can conclude that crisis is a low-probable unstable time or event which needs fast management reaction and decisions.

Crises are considered in the framework of two typologies: time perspective and content perspective (Thessen 2008).

Time perspective sees crisis in a time frame. Coombs (2012) distinguished three stages of crises: pre-crisis, crisis and post-crisis. Pre-crisis covers the time before the crisis and the stage of crisis preparation. This stage includes external and internal environment analysis, training of spokespersons and communication with stakeholders about possible risks. The stage of crisis covers the crisis itself as the event, and the actions of the organization to resolve it. The stage of post-crisis is the stage of learning the lessons and dealing with consequences. It is a quite simple and straightforward classification, however it is difficult for manager to understand when the one stage ends and the next starts, so the crisis management measures could be premature or, on the contrary, delayed in relation to events. It could lead to crisis management delays and make it less sufficient.

Content perspective is divided into one-dimensional and two-dimensional typologies. One-dimensional typology means that it is simple and includes only one dimension, e.g., the nature of the crisis. According to this dimension, Rosenthal and Kouzmin (1993) distinguish between intentional man-made and natural external crises. James and Wooten (2005) speak about sudden and smoldering, meaning structural or slowly developing crises.

Steinberg (2006) distinguishes between several types of crisis: strategy crisis, which affects the fulfillment of organizational goals, success crisis, which threats the achieving such goals, as

sales or profits, and crisis of liquidity, which is about high level of debt or depletion of capital resources.

Lerbinger (1997), distinguished 7 types of crisis, according to the source of the crisis.

1. Natural disaster
2. Technological crises
3. Confrontation
4. Malevolence
5. Crisis of skewed management value
6. Crisis of deception
7. Crisis of management misconduct

Two-dimensional typologies include two dimensions to consider a crisis at – e.g., predictability and influence of a crisis. Gundel (2005) offers the classification based on these two variables.

PREDICTABLE		
HARD	Unexpected crises (2) Measures: Emergency response	Fundamental crises (4) Measures: no preparation possible
EASY	Conventional crises (1) Measures: quality control and crisis planning	Intractable crises (2) Measures: Reduce complexity and conflict of interest
	EASY	HARD INFLUENCABLE

Picture 5. Types of risk. Source: Gundel (2005)

Each variable, predictability and influence, divided into easy and hard subdimensions. Combining each subdimensions in a matrix, author distinguishes among four types of crisis: conventional, unexpected, fundamental and intractable.

Conventional crisis is easy to predict and easy to deal with. This type of crisis includes, for example, accidents on plants. These crises could be tracked and prevented, for example, with quality and safety control and crisis planning in order to have a scenario to deal with such crises.

Unexpected crisis is hard to predict and easy to deal with. This type of crisis usually includes accidents which happened because some factors were hidden from management. For example, the Kaprun tunnel blaze, where funicular railway, which was supposed to be fireproof,

burnt down in a tunnel. These crises are hard to track and prevent, but pretty easy to control with emergency response.

Intractable crisis is easy to predict and hard to deal with. The example of such crisis is Chernobyl incident, as nuclear plants bring high level of risk, also Soviet plants were in a bad state, so this crisis was predictable, but the consequences were very hard to deal with. In order to prevent this crisis, safety culture is needed in the organization and in the society as a whole, as these crises are huge and have severe impact on the whole society.

Fundamental crisis is hard to predict and hard to deal with. This is the most severe type of crisis, and we think that COVID-19 is this type of crisis. It was really hard to predict, as pandemics did not happen for many years and nobody believed that in 21st century that a disease can be that contagious and that people will have to sit at home, and cafes and restaurants and all other businesses will have to close their doors. And, unfortunately, is also very hard to deal with such type of crisis, because it is completely new and the society has to invent new ways to live in new reality, which the reality of COVID-19 became.

Taleb (2007) distinguished four types of crisis according to two dimensions: probability of occurrence and crisis impact. These types are highly probable affordable crisis (car crash), highly probable not affordable (airplane crash), low probable affordable crisis (casino loses jackpot to a player) and a black swan (not predictable event which has severe impact – for example, COVID-19 crisis). Black swan is highly improbable event, which has a huge impact to a society. And that is what happened with the pandemic of COVID-19 – nobody was prepared to this crisis and nobody knew what to do.

IMPACT / PAYOF		
NOT AFFORDABLE (VARIABLE PAY-OFF)	Event 2 Predictable Example: Airplane accident with severe death toll	Event 4: Black Swan Not predictable Example: 9/11, Subprime, System breakdown
AFFORDABLE (SIMPLE PAY-OFF)	Event 1: Predictable Example: Mean reversion, throwing a dice	Event 3: Predictable Example: Casino win over time
	HIGH / KNOWN (NORMAL)	LOW / UNKNOWN (RANDOM) PROBABILITY OF OCCURENCE

Picture 6. Types of risk. Source: Taleb (2007)

We think that there are two typologies that represent the concept of crisis in the best way. The first is typology by Lerbinger (1997), as it is covering different types of crisis – natural and man-made, and among the reasons of man-made crisis there is also a role for a manager. It is a very good point, as there are many cases when crises started due to a management decision – for example, Henry Ford for almost 20 years sold only one Model T and did not want to produce anything else, which eventually led to a deep crisis in company that was solved only after World War II by Ford's grandson.

The second typology is showing the probability and the impact of the crisis. The most interesting for us is Black Swan, as COVID-19 crisis, which we explore in the second part of our research, is a Black Swan, as no experts could predict that the virus will spread all over the world and paralyze lives of so many countries.

According to these two typologies, we would define COVID-19 as Black Swan Natural Disaster itself, but it leads to many different crises: economic, political, personal, etc. So, we can conclude that it is a complex crisis.

Having defined, what a crisis is, we move to the definition of crisis management. Oxford dictionary offers the following definition: crisis management is "the process by which a business or other organization deals with a sudden emergency situation."

Let us look through several different definitions by different authors.

Author	Defitnition
Mitroff 2004, p.	"crisis management...is primarily reactive. It addresses crises only after they have happened"
Regester and Larkin 2005, p.	Crisis management "is about recognizing you have one, taking the appropriate actions to remedy the situation, being seen to take them and being heard to say the right things"
Devlin 2007	Crisis management is "special measures taken to solve problems caused by a crisis. "to confine or minimize any damage to the organization's reputation or image"

Canyon 2020, p. 7	"The measures and methodologies used to recognize, control and limit the damage of a crisis, and its ripple effects."
Pearson et al. 1997, p.	"crisis management...is helping avert crises or more effectively managing those that do occur"
Luecke and Barton 2004, p.	"is part of a larger system of organizational risk management. ...ideally begins before a crisis actually occurs...with a thorough audit... [to identify] major problems [and] prioritize risks. ...is about crisis recognition [then] contain the problem"

Table 3. Approaches to crisis management definitions. Source: made by author

Analyzing these definitions, we see that most of them are describing the process of crisis management, not the nature of this concept. Definition by Devlin (2007) is explaining what the crisis management is, however is our work we decide to use the definition of Canyon (2020), as it is in the fullest reveals the concept of crisis management. Also, this is the most recent definition and is based on the analysis of all other definitions in the table, so the author of this definition used the opportunity to create a new, full, succinct and concise definition.

There are different frameworks of crisis management, but almost all framework that we studied were describing managing three stages of crisis by Coombs (2012) pre-crisis, crisis and post-crisis. For example, Smith 1990 distinguished three stages – crisis of management (pre-crisis), operational crisis (crisis) and crisis of legitimation (post-crisis). Myers (1993) split these three stages into four and represents crisis management process as normal operations stage, emergency response, interim processing and restoration stage. The crisis stage in his framework is divided into two – emergency response and interim processing. Fink (1996) also showed the framework with four stages of crisis management: prodromal crisis stage, acute crisis stage, chronic crisis stage and crisis resolution stage. And Crandall, Parnell and Spillan (2009) offered a framework with the stages of landscape survey, strategic planning, crisis management and organizational learning.

All these frameworks bring interesting incites to the theory of crisis management. Fink (1996), for example, is comparing crisis with a disease – at first, crisis, as a disease, shows some

symptoms. The key process of crisis management happens at this stage – crisis should be recognized and, if possible, resolved, or the organization should prepare for crisis. If the symptoms of crisis are not resolved, crisis goes to the next stage – acute. This is a mid-crisis stage, and in this stage an organization is solving the problem of crisis, "curing" the "disease". The organization should try to influence on the crisis or on the sources of the crisis, if possible. After this stage, crisis becomes "chronic" and reveals all the results of crisis management and crisis itself. The last stage is the crisis resolution – at this stage an organization, if it survives, exits from the crisis. Although this framework is one of the classical, it is quite vague, so we need to explore other ones.

Myers (1993) looks at the crisis management almost from the same angle, as Fink. He also distinguishes the first pre-crisis stage, normal operations stage, at which the organizations should prepare for the crisis, emergency response, which is the first hours of the crisis, where emergent actions to resolve the crisis are needed. The third stage, interim processing, is dealing with crisis after its critical stage, which ends with the last stage – restoration stage.

A very interesting approach to crisis management is in framework by Smith (1990). He shows the pre-crisis stage as crisis of management, meaning that the crisis is often lead by the actions of leaders and the lack of preparedness. The second stage, operational crisis, is also interesting for us, as it is mentioning the key players of crisis (which is, in our opinion, stakeholders), and the key for success in crisis stage is effective collaboration with these key players. The third stage also includes the stakeholders, mainly the external ones, where the organization is putting blame on its stakeholders, mainly on mass media and the government.

However, the most relevant in our research would be the framework by Crandall, Parnell and Spillan (2009). We conclude that this framework includes stakeholder management into crisis management process and make it the key to success. The authors divide crisis management into four stages – landscape survey, strategic planning, crisis management itself and organizational learning. There are also two landscapes – internal and external. In internal landscape, the organization works with internal environment, in external, respectfully, with the external – industry, government, mass media, etc.

TABLE 1.2	A Framework for Crisis Management			
	Landscape Survey	**Strategic Planning**	**Crisis Management**	**Organizational Learning**
The Internal Landscape	☐ Identify the organization's weaknesses ☐ Determine the enthusiasm for crisis management ☐ Overview the organizational culture ☐ Assess the ethical environment ☐ Evaluate company safety policies	☐ Form the crisis management team ☐ Develop worst-case scenarios ☐ Formulate crisis management plan ☐ Conduct mock disasters and training **Crisis**	☐ Return the organization to an operational status ☐ Manage the primary stakeholders	☐ Evaluate the success and failure outcomes of the crisis management process ☐ Strive for organizational learning ☐ Strive for organizational renewal
The External Landscape	☐ Determine the degree of industry vulnerability ☐ Determine the degree of political stability ☐ Assess the organization in relation to globalization implications ☐ Assess the technological implications	☐ Consider existing government regulations ☐ Consider current industry standards ☐ Develop working relationships with the media	☐ Manage reactions of external stakeholders ○ Negative media coverage ○ Public outcry ○ Web-based criticism and company hate Web sites ○ Impending government regulations	☐ Reap the benefits of industry renewal ☐ Be ready for new government regulations ☐ Be aware of new stakeholder outlooks

Picture 7. Crisis Management Framework. Source: Crandall, Parnell and Spillan (2009)

As in our stakeholder model we do not distinguish external and internal stakeholders, we do not need to divide crisis management strategies into external and internal ones, however, we need to consider these dimensions inside each stage.

The first stage of the framework by Crandall, Parnell and Spillan (2009), landscape survey, includes analysis of internal and external factors that influence the work of the organization. Technically, we can say that this is the first stage of stakeholder management – identification of the stakeholders of the organization. That is true, however, aside of the stakeholder identification, the organization should also understand the industry, political, economic, social, legal and technological trends.

The second stage is strategic planning, where the organization prepare a possible action plan in the case of crisis and people who will be responsible for crisis management. The third stage is crisis management itself, where the organization pays huge attention to managing key

stakeholders and returning the operation processes. The fourth stage is organizational learning. Here organization is analyzing the crisis and is getting ready for a new possible crisis.

This framework, in our opinion, is the most complete one. It is showing both external and internal factor for the organization, it pays a lot of attention, which we agree is very important is overcoming the crisis, and it is also very logical and plain. We use this framework of crisis management in the second part of our research.

Now, having analyzed the process of crisis management, we can assume that stakeholder management is a very important step in this process. Different authors also place a stakeholder management as important part of crisis management process. As was already mentioned, Crandall, Parnell and Spillan (2009) put managing stakeholders as two of three important stages during managing crisis. They discuss not only managing key stakeholders, such as employees, customers, shareholders, etc., but also mention managing reactions of stakeholders in the informational field. This means that the organization must communicate with the stakeholders actively for successful crisis management.

According to Kraus et al. (2013), one of the criteria of successful crisis management is involvement of stakeholders, as they can have an impact on a potential reorganization process. In order to obtain trust from stakeholders, an organization could include them into the crisis management process, as it would make them more interested and responsive to the problems of an organization. Also, if take into account SMEs, which are discussed in Kraus' work, it is obvious that SMEs have less resources, data and knowledge that large corporations, so they are more dependent from their stakeholders, especially in the crisis.

Based on the above reasoning, we can conclude that is very important to an organization to communicate with their stakeholders during crisis, as it cannot pass the crisis without the involvement of stakeholders. There are two ways of communicating in crisis: managing information and managing meaning. Managing information is about collecting information about crisis and communicating with stakeholders. Managing meaning is about trying to influence how stakeholders see the crisis itself and how the organization is involved in the crisis (Coombs 2010).

Usually, crisis response strategies use managing meaning as a way of communication and can be divided into three categories: instructing information, adjusting information, and reputation repair. Instructing information is delivering direct information about the crisis and warning stakeholders about harmful consequences of this crisis. (Sturges 1994) Adjusting information is about helping stakeholders to cope with crisis, as most crises create stressful situation. (Sturges 1994). Reputation repair is about reducing reputational harm from a crisis (Coombs 2015)

We could preliminarily conclude that crisis and good crisis management supposes that SMEs should connect with their key stakeholders – customers, employees and government – more closely, and check what expectations of these stakeholders has changed and how it may affect the business. It is also very important to manage meaning for customers very attentively and constantly communicate with key stakeholders with all possible ways.

1.4 Research gap, research questions and methodology

Summary of literature review

Stakeholder management is a vital part of healthy strategic management. A contemporary organization should understand that it is impossible to show maximal performance without involving internal and external stakeholders. In order to do that organization should understand what is a stakeholder, know its stakeholders and evaluate levels of risks and value these stakeholders can bring. After that an organization should understand how to communicate with their stakeholders and what are their expectation, hopes and fears that should be managed. With this understanding, an organization can establish connections with its stakeholders and make the communication and stakeholder engagement the most efficient to both sides.

In the first chapter of our study, we reviewed the literature on stakeholders and stakeholder management. As the core definition of stakeholder, we use the definition by Post et al. (2002, p.8): "individuals and constituencies that contribute, either voluntarily or involuntarily, to its wealth-creating capacity and activities, and who are therefore its potential beneficiaries and/or risk bearers". We review several stakeholder models and as the main stakeholder model, we use the salience model by Mitchell (1997). This model differentiates 8 groups of stakeholders, based on acquiring 1, 2 or 3 of the following features – power, urgency and legitimacy. This model helps to understand which stakeholders should be paid more attention and which stakeholders just need to be monitored and/or informed. We also reviewed sources on stakeholder management and stakeholder management plan, such as the book "Business and society: Ethics and stakeholder management" by Carroll and Buchholtz (2009) and practical source stakeholdermap.com (Stakeholdermap 2020), and formulated stakeholder management plan, following which it is possible to organize stakeholder management in an organization.

However, the object of our research, SMEs, may not have resources to go through the whole process. Despite this, every organization should understand with which people, groups of people and organization it is working, what are their expectations from the organization and how to manage them.

Also, in our study we review the literature on crisis and crisis management, in order to understand what is the crisis, how critical situation is different from the normal one and what strategy to choose in such situation. We review different definitions of crisis and as the main definition we use the definition by Canyon (2020, p.7): "The measures and methodologies used to recognize, control and limit the damage of a crisis, and its ripple effects." As the main framework for crisis management, we choose the framework by Crandall, Parnell and Spillan (2009), where crisis management is divided into four steps – preliminary research, strategic plan creation, managing the crisis, and dealing with consequences.

Research gap

Analysis of literature review includes resources from different spheres of social and business sciences. We discuss different views on the stakeholder and stakeholder management, crisis and crisis management and also the application of stakeholder management in crisis situations. However, we see that very few researches are dedicated to applying stakeholder management as a method to adapt in crisis, which is the research goal of our study. Even less papers are applying stakeholder management as crisis adaptation strategy to SMEs, especially in developing countries like Russia. So, we can formulate research gap that we fill with our study as applying stakeholder management as crisis adaptation strategy for SMEs in the unique crisis of COVID-19.

In order to reach the research goal of the study and to contribute into filling the research gap, the following research questions were formed:

- What impact had coronavirus pandemic crisis on catering industry in SMEs sector in Russia?

- How this crisis affected relationships of Russian catering SMEs with their stakeholders?

- How Russian catering SMEs should behave in crises like COVID-19 pandemic?

Research design

The multiple case study strategy was chosen for this research. The reason to this is that our research questions are "why" questions, their goal is to explore the phenomenon, to receive extensive information about the situation. By compiling data into cases, we could show the real experience of the businesses, their process of adaptation to the crisis.

This study examines a contemporary phenomenon, stakeholder management of Russian catering SMEs, within the context of the COVID-19 pandemic crisis. It falls exactly into the definition of

case study by Yin (2014), as it says that case study strategy "investigates a contemporary phenomenon (the "case") in depth and within its real-world context".

As a plan for conducting a case study research we use recommendations by Creswell (2018):

1) Determine if the research problem is best examined using a case study approach.
2) Identify the intent and case (or cases) for the study as well as case sampling procedures.
3) Develop procedures for conducting the extensive data collection, drawing on multiple data sources.
4) Specify the analysis approach for developing case description(s) based on themes and contextual information.
5) Report the interpreted meaning of the case and lessons learned by using case assertions.

Data collection

In order to choose what enterprises to use in our research, we use purposeful sampling, as not every representative of catering industry fit into the sector of SMEs. This technique is widely used for sampling in qualitative research and involves identifying interviewees with special knowledge or experience about phenomenon of interest. (Cresswell and Plano Clark 2011)

We need to receive data from representatives of SMEs from catering sector that exist on the market for more than 5 years and that survived the pandemic crisis of 2020, because with these enterprises we have an opportunity research a mature business and its adaptation to a crisis situation without additional bias. Also, as the legislation on SMEs and the definitions of SMEs vary from country to country, we need to include into our sample only enterprises, that correspond with Russian definition of SMEs.

In order to explore various experiences, we take 5 restaurants from different subsectors and from two cities – Moscow and Saint-Petersburg. 4 of 5 restaurants were found in the restaurant ratings of Moscow and Saint-Petersburg, and the fifth, "Zh" was taken as a contrast to these four top restaurants. "Zh" does not have very high marks and very good reviews, as other representatives, however, it is still a decent restaurant with tasty food. We also want to compare these enterprises in order to understand, if there is a difference between high-rated and medium-rated catering businesses.

Depending on the average number of employees for a calendar year, enterprises according to Article 4 of the Federal Law "On the Development of SMEs in the Russian Federation" are divided into:

1) microenterprises — up to 15 employees inclusive;

2) small enterprises — up to 100 employees inclusive;

3) medium-sized enterprises — from 101 to 250 employees inclusive (Consultant Plus n.d.).

Small and medium-sized businesses are also classified according to their income. Since April 4, 2016, according to the Decree of the Government of the Russian Federation No. 265 of April 4, 2016, there are the following limit values of income received from business activities for the previous calendar year for the following categories of small and medium-sized businesses:

1) microenterprises — 120 million rubles;

2) small businesses — 800 million rubles;

3) medium-sized enterprises — 2 billion rubles (Consultant Plus n.d.).

Firstly, we conducted interviews with SMEs representatives. We collected data about SMEs performance during pandemic crisis, about relations with different stakeholders during this crisis, and about how situation and stakeholder relations of an SME changed due to the crisis. In addition to data obtained directly from interviewees, we used secondary data from different sources. We visited websites of the organizations to see additional data and websites with reviews about enterprises to see the general attitude of customers. Also, we have read articles by Henrik Winter in Forbes magazine, in order to deeply understand the philosophy of his business. YouTube channel by Vladimir Nikolaev and his team let us better understand situation in his business during spring lockdown, as we watched the videoblogs shot last spring.

Semi-structured in-depth interview were conducted for data collection. Semi-structured interview was used as a tool to collect primary data from sample SMEs about a particular experience – adaptation to the COVID-19 pandemic crisis. The method of in-depth interview is relevant for our research because the number of participants is small and our goal is to reveal their perspective on particular situation (Boyce and Neale, 2006).

The interview guide consists of elements of structured and unstructured interview and did not change for all respondents. During the interviews we asked the questions from the guide, however, sometimes additional questions were required to better understand the situation. Also, respondents sometimes while answering one question gave answers to some others.

Interview guide is divided into 7 parts:

1) Introduction
2) Overview of situation in pandemic
3) Government support

4) Customer relations

5) Employee relations

6) Relationships with suppliers and landlords

7) Other information

Interview guide can be found in Appendix 1.

This interview guide covers the questions about general situation in the company, how it survived the crisis and about relations with stakeholders before, during and after the pandemic crisis of COVID-19. These questions fully reveal the situation of pandemic crisis, the actions that were taken by the enterprises to survive, and change in the relations with the stakeholders.

In-depth interview method has several limitations as well. This method allows to collect data only from a very small sample, as the process of finding respondents and interviewing them is rather time consuming. This could lead to understanding the phenomenon not from all possible angles. Also, there is a problem of bias, as respondents may understand questions differently and eventually answer not the same question that was asked. However, this problem could be solved by asking clarifying questions or by rewording the question.

Our assumptions before conducting the interviews were that the crisis really changed the relationship of SMEs with key stakeholders, such as customers, employees and the government, and that one of the factors of adaptation to the crisis was the change in these relationships.

The process of acquiring the primary data was the following:

1) Creation of a list of possible respondents who were found through the personal network and with the help of the scientific advisor.

2) Establishing contact with respondents. We sent out requests for interviews, in which we told about the purpose of our research, about possible ways of conducting interviews. About 20 requests for interviews were sent, and 5 people responded and agreed for an interview. After that we made an appointment for a personal meeting or a call for an interview.

3) The interview itself. Personal meeting or phone call, the conversation during which was recorded with the permission of the respondent.

5 in-depth interviews with 5 representatives of catering SMEs were conducted. The respondents of these interviews represented different sectors of catering industry: Chinese restaurant in Saint-Petersburg, Japanese cuisine cafes in Saint-Petersburg, world cuisine restaurant

in Mytischi, Moscow region, restaurant holding in Moscow, and bars and noodle shop from Saint-Petersburg.

Interviews were conducted face-to-face, as in case with the owner of Chinese restaurant "A", via telephone, WhatsApp calls and Google Meet, as in all other cases. All interviews took from 30 to 50 minutes, depending on willingness of the respondents to share extensive information.

The overall process of our research could be described as the following:

1) Preparation: methods, sampling, interview questions, analysis of secondary data about companies.
2) Interviews: making arrangements, conducting interviews, writing transcription.
3) Analysis: analysis of findings, analysis of secondary data, compiling findings into cases, cross-case comparison.

Data analysis

After conducting interviews, collecting additional secondary data from different sources, we transcribed received interviews, combined them into 5 cases and after creating cases we analyzed what is different in the situations of these five businesses, and how all collected insights could answer our research questions, asked in the beginning of the research.

This empirical study is based on the case study of 5 representatives of Russian catering industry. As information sources, we used not only the transcripts of the interviews of the representatives of the business, but also additional sources, such as reviews in Yandex and Google maps, various articles about the businesses, the representatives whom we interviewed during the research, and the data that was generated by interviewees, such as articles of Henrik winter in Forbes, posts in social networks (restaurant "A" and cafe "Taiyaki") and video blog of the bar "One and a Half Room".

CHAPTER 2. STAKEHOLDER MANAGEMENT OF SMES DURING COVID-19 CRISIS: EVIDENCE FROM RUSSIAN CATERING INDUSTRY

2.1 COVID-19 pandemic: distinctive features and influence on Russian catering industry

In this subchapter we analyze the crisis of COVID-19 and define why this crisis may be called unique. We also discuss its impact on SMEs in Russia, the object of our research.

Officially, the incidence of coronavirus began at the end of December – when China announced an outbreak of the disease. In the following months, China was on a hard lockdown, which made it possible to stop the incidence in a fairly short time, but affected exports in January-February. Also, the support of the state and competent anti-aids measures allowed China to become the only country whose GDP grew against the background of the coronavirus crisis.

Then the coronavirus spread to other countries – Japan, Korea, the United States, Italy, France, Spain, Germany, etc. Countries began to ban mass events, introduce a mask regime and restrictions. These measures led to economic recession – in 2020, only China managed to have positive GDP. In many states, knockdowns are still observed, and many businesses, including restaurants, bars and other representatives, are closed.

The uniqueness of this crisis lies in the fact that not only consumers have partially lost their purchasing power due to the fact that many people have lost their jobs. The unemployment rate in Russia during the pandemic rose from 4.8% to 6.4%, according to Rosstat (Rosstat 2021), in the United States - from 3.5% to 10-13%, since the end of 2020 leveled at 6% (MFD 2021a). In Italy, the unemployment rate rose from 6.3% to 10% (MFD 2021b). This crisis is also unique in that many companies themselves temporarily lost the ability to provide services or sell their products, and found themselves in completely new conditions. Consequently, SMEs in this crisis have problems both from supply and demand side, which was also getting worse with lockdown and the fear of people to leave homes and to get infected. Such severe and unexpected crisis, which brought a lot of restrictions, including a partial restriction on movement, needs businesses to be creative and to adapt in the new world.

In Russia the virus began to spread at the end of January – it was imported from other countries. As a result, at the end of March, a lockdown was introduced in some regions, which lasted until the beginning of July. A little earlier, in May, information about the test of vaccines began, which were supposed to go into mass use a little later. As a result, the lockdown was lifted in July, and the vaccine began to appear starting in September. Mass vaccination began only in January 2021.

Separately, we should talk about the place of small and medium-sized businesses in the pandemic in Russia, as well as the role of the state in the life of SMEs in the pandemic.

In order to understand the situation with SMEs, we analyzed data from Federal Tax Service of the Russian Federation shown on the website of Unified Register of Small and Medium-sized Businesses. These data show the number of SMEs for a given period. For comparison, we took the beginning of April of each year - the most recent data available. We see that overall number of SMEs grew in the beginning of 2020 and in the beginning of 2021 became less than in the beginning of 2019 – it is logical, as the data shows situation for April 2020, when the lockdown just started. There is a trend in overall number and in the number of microenterprises – these numbers grew in 2018, but in 2019 and 2020 significantly decreased, especially in the period after COVID-19 started. We see that number of microenterprises decreased on 200 000. Small enterprises show the overall trend of decrease – their number decreases in the beginning of 2018, 2019, 2020 and 2021.

It is interesting that the number of small enterprises was decreasing every year even before the crisis started and in 2020 their number decreased less than in the previous year. The number of medium enterprises even grew in 2020. The reason to this paradox could be bankruptcy moratorium, which could save some enterprises from death, and also some enterprises could open their doors in the crisis period, as, for example, noodle shop "Ultramen" was open during this period, new restaurant from "Tigrus" holding were opened in 2020. Anastasia is also going to open a new "Tayaki" café.

Type of enterprise	As for April, 2018	As for April, 2019	As for April, 2020	As for April, 2021
Micro	5 832 415	5 874 543	5 740 777	5 547 563
Small	264 593	248 085	222 144	215 372
Medium	20 078	18 655	16 978	17 680
All	6 117 086	6 141 283	5 979 899	5 780 615

Table 4. Number of SMEs from April, 2018 to April, 2021. Source: Federal Tax Service (2021)

There is also another instrument which can help to understand the situation in SMEs – RSBI index. This index was created by "OPORA RUSSIA" and Promsvyazbank. The index is a regular measurement of business sentiment in the segment of micro, small and medium-sized enterprises. The results reflect the opinion of Russian entrepreneurs in general, as well as in the

context of industries, business size and individual regions of the study. All regions of Russia take part in the research from year 2019.

The measurement is carried out on 9 components: business expectations, sales and profits, sales prices, cost price, personnel, number of clients, availability of financing, inventory balance, investment. The value of the "RSBI Support Index" above 50 points is interpreted as an increase in business activity; below 50 points-a decrease in business activity. The index is based on data from a survey of SME managers and is an indicator of the economic situation, which is updated every month.

Dynamics of the RSBI index and GDP of the Russian Federation
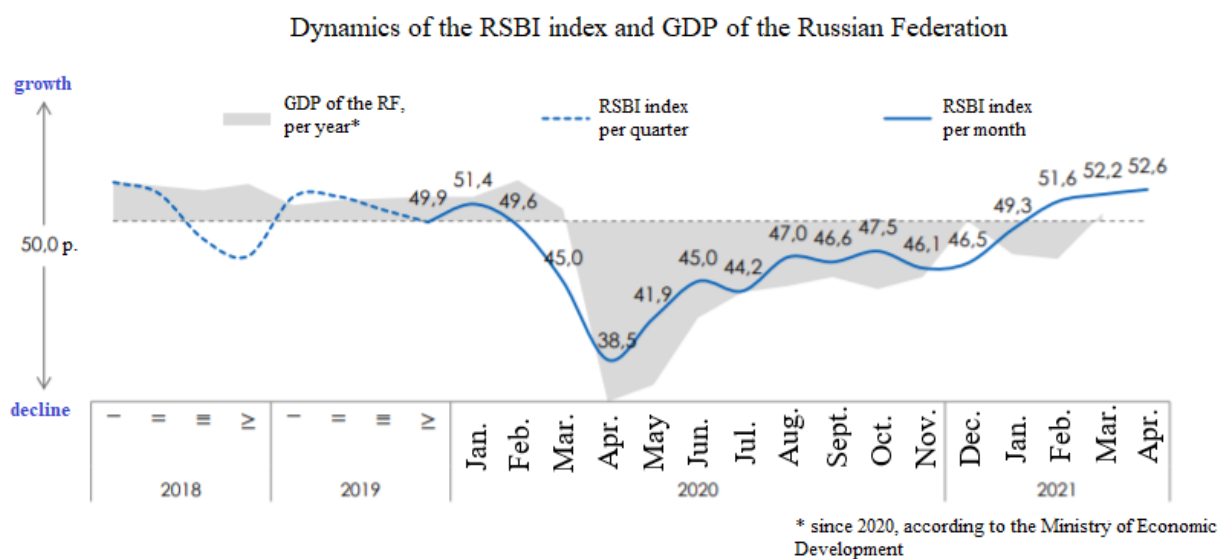
Picture 8. RSBI index in years 2020-2021. Source: PSBank (2021)

Here we can see the data from RSBI index, which shows that in April, 2021 this index equals 52.6 points. It shows the growth of business activity of SMEs.

Looking at this graph, we can what historically happened with the business activity of SMEs in Russia. It went down in the February, decreased till April, 2020, and then started growing, however, showed real growth of business activity (meaning the index higher than 50 points), only a year after start of the pandemic – in the February of 2021.

Dynamics of the RSBI index by type of activity
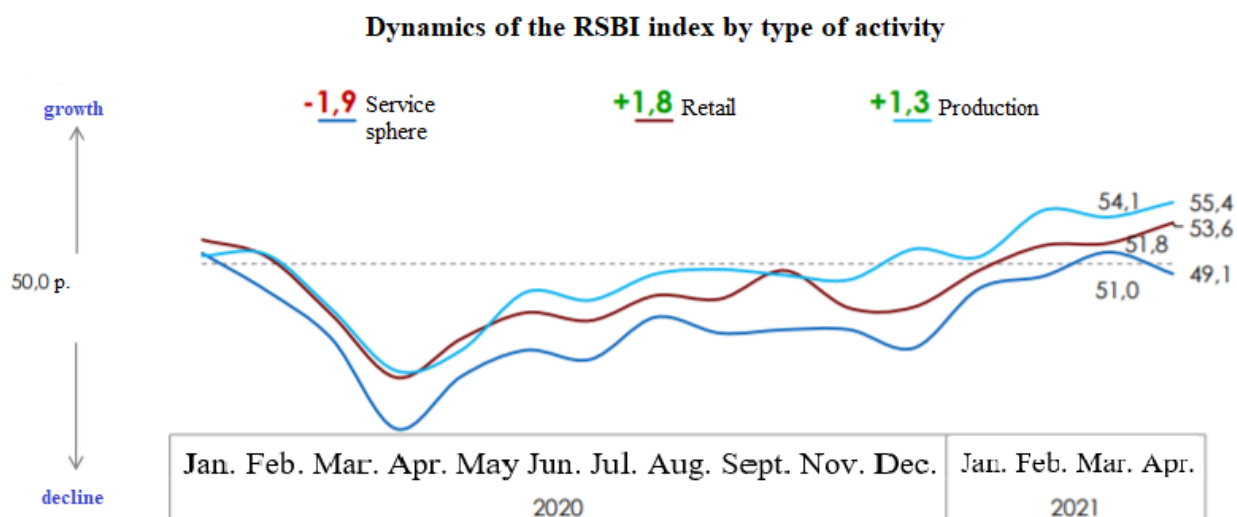
Picture 9. Dynamics of the RSBI index by type of activity. Source: PSBank (2021)

However, if we divide SMEs into three spheres, as was done for RSBI index, we can see that services spere, which includes catering, showed real growth only once since the start of the lockdown – in March, 2021. This graph shows that the service sphere suffered the most and needs much more time to revive than other spheres.

We collected evidences from different experts and agencies about situation in catering industry. After the lockdown almost 20% of cafes and restaurants did not open their doors, says Denis Manturov, head of Minpromtorg (Fontanka 2020). In 2020, St. Petersburg lost about a tenth of the public catering enterprises, according to SPARK data. If on January 1, 2020, there were 7.3 thousand legal entities with the corresponding type of activity in the Northern Capital, then on January 1, 2021 — 6.6 thousand. During the year, 1308 companies stopped working (in 2019 — 1105), 575 were re-registered (in 2019 — 675). (Fontanka 2021) According to the Moscow Consumer Market Department, after the end of the isolation period in June, 12,306 establishments resumed their activities – this is 84.6% of their number in March 2020 (14,462). As of the beginning of September 2020, 14,552 public catering establishments were operating in Moscow. (Vtimes 2020)

We see that the crisis is influencing businesses and hitting them really hard. Enterprises need support. Customers, as one of the core stakeholders, support their favorite business – at the peak of the pandemic, 41% of Russians deliberately made purchases to help out businesses that were affected by restrictive measures, experts from the consulting company Deloitte found. 18% of respondents supported food sellers, 16% - restaurateurs, 14% admitted to liking sellers of clothing and shoes, as well as household chemicals, according to Deloitte, RBC reports (RBC

43

2020). However, they do not have such power, as the government has – either in support, or in forcing to follow regulations.

The state announced the following measures to support small and medium-sized businesses, such as a moratorium on bankruptcy, a moratorium on inspections, credit holidays, interest-free salary loans, reduced insurance premiums, tax holidays, deferred rent payments, assistance to exporters, gratuitous subsidies, renewal of licenses if they expired during the lockdown, and non-returnable salary loans to employees of the most affected industries, if the employer retained more than 90% of the state. During cross-case analysis study we need to understand, if this support is sufficient for SMEs. We also need to compare government support from different countries and overall situation with SMEs in these countries.

2.2. Russian catering SMEs: cases description

General information

Small Chinese restaurant in Saint-Petersburg – "A"

"A" is a small Chinese restaurant that offers traditional Chinese dish – huoguo, or hot pot. The restaurant was founded in 2015. It is situated in the center of Saint-Petersburg, on Valsiliyevsky island, and it often has no tables available, especially on weekends. This restaurant also has high reviews on different websites and search engines and could be considered quite a popular institution among those who love Chinese cuisine. Before the pandemic, Chinese tourists or members of the local Chinese diaspora often visited the restaurants, but the pandemic changed the situation.

The owner of the business, B., also owns two branches of noodle soup places, "AA", in residential areas of Saint-Petersburg. The first branch of "AA" noodles delivery was founded in 2017 and the second – in 2020, just before the pandemic started. The organization employs 15 people.

World cuisine restaurant in Mytischi, Moscow oblast', "Zh"

"Zh" is a world cuisine restaurant, mostly middle western, situated in Mytischi. The restaurant was founded in 2011. It is situated in residential areas, near the railway station, quite a popular place, especially among those who wait for their train home. We would call this place a medium quality restaurant, without any outstanding features. This restaurant has two buildings.

The owners of the restaurant also have a small hotel and a hookah bar, located in the same building. The hotel was founded in 2001 and hookah bar was founded in 2016. The organization

employs 40 people. The situation with the business in COVID-19 was told us by the manager of the organization, S.

Chain of small Japanese cafés in Saint-Petersburg, "Taiyaki"

The themed Japanese cafe "Taiyaki" was founded in 2015, and it offers its consumers traditional Japanese waffle fishes with different fillings, as well as other Japanese dishes. The main audience of this cafe is fans of Japan and Japanese culture, as well as anime. The cafes have good reviews and a loyal audience.

At the moment of the interview, the owner of the business, Anastasia, has two cafes in St. Petersburg. The organization has 23 employees, all officially registered. Anastasia stands for "white" small business and is a very optimistic and strategically thinking person.

TigRus Holding

The activity of Henrik and Julia Winter's own company began in 2005 with the opening and management of franchise restaurants "Rosinter Restaurants" – for 5 years, 11 restaurants were opened in Moscow and the Moscow region, then the partners decided to completely abandon the use of these brands and began to develop their own, within the framework of the holding "Tigrus". The expansion of the Winter's holding began in 2015 and at the moment "Tigrus" is represented by 5 concepts and more than 30 restaurants: "Osteria Mario", Georgian bistro "Shvili", Bar "BQ Café", "ZEST" coffee house and bistro "Pizzeria Mario" – a mini-format based on the brand "Osteria Mario". In total, all the restaurants employed about 1,000 people.

The restaurants of the holding are highly appreciated by their guests, have high reviews and various awards. The goal of Henrik's restaurants is to give guests great emotions, because people come to the restaurant first of all not for food, but for emotions, says Henrik.

Henrik's business consists of several legal entities, so formally we can say that it belongs to the small and medium-sized business sector. However, we want to say that the subject of special interest in the case of Henrik Winter and his restaurant is his philosophy and approach to business.

Small bars in the center of Saint-Peterburg – One and a Half Room, Tsvetochky, Takty, "Ultramen" noodle shop

Vladimir Nikolaev is the co-founder and co-owner of several popular and iconic institutions in St. Petersburg – bars "One and a Half Room", "Tsvetochky", "Takty", and recently opened noodle shop "Ultramen".

Bar "Tsvetochky" was founded in 2012, and later was bought by Vladimir and his partners, bar "One and a Half Room" was founded in 2014, bar "Takty" in 2019, and noodle shop was opened during lockdown, in 2020. At the time of pandemic start there were 28 people in Vladimir's team.

The establishments of Vladimir and his team offer an interesting assortment of original cocktails and snacks, which attracts many young active people and brings variety to the nightlife of St. Petersburg.

Name	City	Year of foundation	Cuisine	Contact	# of employees
"A"	Saint-Petersburg	2015	Chinese	B., founder	15
"Zh"	Mytischi	2011	World	S., manager	40
"Tayaki"	Saint-Petersburg	2015	Japanese fast-food	Anastasia, founder	23
"Tigrus" Holding	Moscow	2015	Italian, Georgian, American	Henrik, founder	Almost 1000 in all branches
"Tsvetochky"	Saint-Petersburg	2012	Author	Vladimir, co-owner	28

Table 5. General information about cases SMEs. Source: made by author

2.3 Cross-case analysis

Business situation in pandemic

General situation in Moscow and Saint-Petersburg

The lockdown in St. Petersburg began at the end of March. All establishments in St. Petersburg and the Leningrad Region were forced to close their doors. The companies were ordered to stop their activities, and so-called "non-working days" began, in which employees had to stay at home with their wages saved. Many businesses have indeed closed their doors, especially catering establishments. Starting from the end of March, it was forbidden to visit restaurants, bars, cafes, canteens, and non-food stores that do not sell essential goods were closed. It was also forbidden to provide services to individuals that involve a full-time presence - for example, hairdressing or manicure. MFC's, churches, parks, and gardens were also closed, and commercial routes were canceled. The city was quarantined.

The beginning of the lockdown seriously frightened the residents of St. Petersburg, and indeed very few people took to the streets for the first month. Students and schoolchildren went to distance learning, and many employees were sent to work from home or on vacation. Some people have unfortunately lost their jobs.

The incidence in the city was growing every day, but if we compare the figures of last year and this, we can conclude that the incidence has increased this year.

In the summer, at the beginning of July, the self-isolation regime ended. Even earlier, in June, restaurants and cafes were allowed to open summer verandas.

Starting from the end of July to October, around 2 months, the businesses could work as usual, but in the fall new restrictions began, which, according to some businessmen, were even worse than a full lockdown - restaurants and bars had to close at 23: 00. From December 25 to December 29 and from January 4 to January 10, public catering establishments could not receive visitors in the evening and at night, namely from 19.00 to 6.00. From December 30 to January 3, the work of public catering establishments was completely suspended.

We see that the restrictions in Saint-Petersburg were really sharp, and this led to many bankruptcies and also to hard situations in the businesses that did not close.

In Moscow the situation was quite the same, however, the restaurants, cafes and bars did not close their door in December and January, as it was in Saint-Petersburg. They were allowed to open from 6:00 to 23:00. However, it is worth noticing that overall restrictions and safety measures – including wearing masks and gloves in public places – were observed by a large number of citizens and still in Moscow, the mask regime is observed by a much larger number of people than in St. Petersburg.

Now we proceed to quick incites into how 5 businesses we observed survived the pandemic crisis.

Small Chinese restaurant in Saint-Petersburg – "A"

A year ago, when the city closed for lockdown and the restaurants also closed their doors, the owner closed the restaurant first for a week. When the owner realized that the self-isolation regime would last longer than two weeks, he distributed the restaurant's employees to his other points - in noodle shops. Noodle shops, in principle, assumed a different format - not food in the hall, but work on delivery, so, according to B., in general, the profit did not fall much. During the lockdown, the restaurant almost did not work even for delivery, because the format of the restaurant does not involve delivery within Russia. According to B., they delivered huoguo several times to Chinese citizens who remained in St. Petersburg, but this format would not suit Russian citizens. Therefore, delivery from this restaurant was launched only two weeks before the opening of all establishments, but the menu duplicated the menu of noodle shops. Therefore, the main source of income was two noodle shops. And at the end of July, the main restaurant opened, and consumers began to book tables again. State decrees restricted the operation of establishments in St. Petersburg, but this affected the operation of the restaurant only in December, when they were

forced to close at 19: 00. According to B., this caused damage to the restaurant, but it was not so significant.

According to B., now (at the time of April 2021) in his business everything is good, no better and no worse than before the pandemic. The old customers were forced to leave - since the restaurant is really culturally specific, most of the consumers are Chinese tourists and representatives of the Chinese diaspora. After China was closed for quarantine, the flow of tourists stopped and has not resumed until now. However, during this year, the restaurant had new customers from among the local residents, the same situation happened with the noodle shops - old consumers left, new ones came. Regular customers contacted the restaurant on social media and asked when the restaurant would open.

World cuisine restaurant in Mytischi, Moscow oblast', "Zh"

After the lockdown has started, the business owners and the manager gathered all the employees, discussed the situation and sent everyone on vacation for a week. During this period, managers set up the second point of food delivery from the restaurant (the first was working before the lockdown), and also connected to the aggregators of food delivery, Yandex.Food and Delivery Club.

After the reopening, the restaurant was working in its common way. However, the number of customers did decrease to different reasons, which we discuss in the customer relations section.

Chain of small Japanese cafés in Saint-Petersburg, "Taiyaki"

Shortly before restaurants went to a lockdown a year ago, Anastasia and her management team realized that lockdown could not be avoided, and decided to change the business model from selling food in cafes to delivery. Anastasia managed to buy bags for couriers, as it was quite difficult, as after the lockdown started it was almost impossible to buy one, and launched the delivery with the help of her employees. Anastasia did not resort to delivery aggregators and solved the problem of possible overloading of couriers in an unusual for restaurants way - delivery was carried out not after the order was placed, but in certain time intervals, so that it was possible to prepare the maximum number of orders and take them away in one batch. This also allowed "Tayaki" to deliver on their own throughout the city, and, accordingly, increase the number of customers.

During the entire period of restrictions in the city, "Tayaki" worked in the delivery mode and, according to Anastasia, managed quite well. After the permission to open, the "Quarantine"

mode of delivery stopped working, and now the delivery is carried out by aggregators. The autumn and winter restrictions did not significantly affect the work of the restaurant.

TigRus Holding – European philosophy on the Russian catering market

All restaurants of holding were closed during the lockdown, still some restaurants were delivering food. No restaurants have closed for reasons related to the pandemic. In the summer, immediately after the opening of the restaurants, high demand began, which lasted until October. From October to January, there was a decline in demand. However, January, February and March show good demand from buyers, good profits, even better than before the crisis. Henrik attributes this partly to the fact that people who cannot go abroad in the current situation, come to restaurants, and partly to the fact that the brands of his restaurants are recognizable and popular and attract new customers. Despite such good results, Henrik believes that this is a temporary situation and that it is worth being on the alert.

Small bars in the center of Saint-Peterburg – One and a Half Room, Tsvetochky, Takty, "Ultramen" noodle shop

During the pandemic, the doors of all three bars were closed, as with all catering organizations in the city, but the owners did not give up and decided to develop from the creative side at this challenging time. First, Vladimir and his team were engaged in the delivery of food and soft drinks from their bar "Tsvetochky", then added more ready-made presets for homemade cocktails and food sets. They also hosted live broadcasts on Instagram, where they arranged readings of classical literature and performances. There also was another project, which was organized together with the DRINKHACKER.RU blog under the name "To the Other Side", which broadcasted about various psychological problems caused by the pandemic and the loss of jobs, businesses, and other things in the HoReCa industry. The broadcasts were also held in the Instagram account of the bar "One and a Half Rooms", and guests at this project at various times were a time management and recruitment specialists, a psychotherapist and other experts who shared their experience, useful for the HoReCa industry. Also, Vladimir and his team filmed a small series of videoblogs about pandemic in Saint-Petersburg and how it went for them and their business. Materials from this series were partially used in our research.

Vladimir believes that it was various educational and entertainment activities in social networks that bore fruit, and new guests coming to the establishments came as a result of the activity.

In the summer, in June, the delivery format became almost uninteresting to consumers, but the bars were allowed to work on takeaway, and visitors began to buy takeaway drinks and gather on the street in front of the bars on weekends.

Also, during the lockdown, Vladimir and his team opened new place, which is more related to the restaurant business than other businesses of these entrepreneurs - the "Ultramen" noodle shop. As Vladimir says in his video on the "One and a Half Room" YouTube channel, it is very profitable to open a business during a crisis - there is an opportunity to buy equipment at a very good price, get favorable rental conditions.

Vladimir also said that during the autumn and winter restrictions, his business suffered quite a lot, since the main audience comes to the bar at night, and because of the restrictions, the bars could not work at night.

Name of the organization	Pre-crisis (prior to lockdown)	Crisis (in lockdown and shortly after in 2020)	Post-crisis (after reopenings)
"A"	No specific actions	Started using the delivery from the second business as the main business model Distributed the restaurant's employees to noodle shops	Adjusted social media promotion, attracting more Russian customers – added more real reviews from customers and reduced information about Chinese culture. It is still a social media about traditional Chinese cuisine, but with targeting mostly Russians Added a promotion in afternoon hours to attract more customers – the restaurant is very small and, in the evening, and on weekend it is always sold out. Offering to come in the weekdays' afternoons is attracting

			new customers and old customers that just have no opportunity to come on weekends.
"Zh"	Opened one delivery point outside of the restaurant, as owners wanted to develop delivery	Opened second delivery point – in the restaurant, changed business model to delivery only. Optimized staff – dismissed everyone to whom was no work to do, others received minimal salaries. Closed doors of hookah bar, as it is prohibited in Moscow to serve food in hookah bars.	Hookah bar for a long time worked behind closed doors. New staff is hired instead of dismissed employees, as they already found new jobs, returned home or just did not want to return to "Zh".
"Tayaki"	A few days before the lockdown bought delivery bags in order to switch to delivery. Changed business model to delivery only.	Supported community in social medias by posting different content, connected with café, Japanese cuisine and culture, anime, etc. This was helping to promote the VK community in the social media and also was a way to support customers. Delivery worked as main business model and brought profits, as the loyal audience supported cafes and ordered a lot of delivery. The idea of Anastasia to offer small gifts from Japan with the order on the amount started from 1000 rubles brought a lot of profits. Also, the delivery	Returned to the pre-crisis condition – opened two cafes, started working. Part of the delivery crisis staff stayed with the organization. Delivery business model stayed afloat, but brings about 30% profits. Continued communicating with customers in social media very actively – several posts a day in VK community, which is very alive and has a lot of fans of café.

		system was very interesting – they did not deliver like in classical variant, after the order. "Tayaki" offered time slots, and customers chose the most convenient. The courier waited for his time slot, took all orders for this slot and delivered. This let "Tayaki" save money on couriers and to optimize the process of delivery, as customers were ordering from all Saint-Petersburg	
"Tigrus" Holding	Optimized business and its processes (long before the crisis)	Closed restaurants, switched to the delivery where possible without quality reduce. Created new format of food for eating at home. Part of employees left home	Hired new staff instead of those who returned home. Continued to grow and open new restaurants
"Tsvetochky" and other bars	Saved money for force majeures	Closed bars, tried to deliver drinks and drink sets. Collaborated with social media community and influencers in the web space	Opened new place thanks to low prices. Opened all bars, continued to work and grow

Table 6. Actions of the case SMEs through the crisis. Source: made by author

2.3.1 Analysis of government support

Small Chinese restaurant in Saint-Petersburg – "A"

Businesses were supported by the state - payments for employees and tax relief as part of a package of support for the most affected industries. The business received two payments B., the owner, thinks that this support is sufficient and is not used to rely on the government in these issues. However, the restrictions imposed by the government of St. Petersburg, especially in the autumn and winter, have greatly affected its business. In addition, Vladimir does not believe that

these restrictions were necessary - at night there are much fewer people on the street than, for example, during the day on public transport, and bars are a safer place, moreover, in compliance with all security measures.

World cuisine restaurant in Mytischi, Moscow oblast', "Zh"

"Zh." received support from the state in the form of salary payments to employees and subsidized loans, but the manager expressed his dissatisfaction with the state's measures, both in the pandemic and in relation to small businesses in general. His position is that the state makes too many demands on small businesses, collects too many taxes, but at the same time does not provide the required support and is not interested in business problems. This explains why so few people are officially employed in their business - to be able to pay everyone else a high salary without paying "extra taxes", as was told by S.

An interesting case of disobedience to the state is the work of a part of the business - a hookah shop-in the "black" zone. There was a law banning hookah bars, and since then the hookah bar only works for regular customers who are registered in a special system. To enter, a customer needs to call the intercom, state the card number, and if the client is in the system, he/she can enter. This undoubtedly affects the revenue of the hookah bar, but the owners are afraid of sanctions on their main business, so they work on such a system.

Chain of small Japanese cafés in Saint-Petersburg, "Taiyaki"

Anastasia's company did not receive support from the state, despite the fact that all employees are officially registered and all revenue passes through the cash register. According to Anastasia, they were presented with demands that they could not fulfill.

It may seem that such an attitude of the state should have somehow demotivated Anastasia and her team, but according to Anastasia, on the contrary, it added to the fighting spirit. She gave an example of her friends who are in countries that are quarantined, receiving assistance from the state and do not have the need to survive - many of these people are in a depressed state due to the fact that they are forced to stay at home. The state supports them, and they have no reason to work (if they have lost their jobs), to fight - they are financially secure. Many such people lose their purpose, according to Anastasia. And the situation in Russia, on the contrary, pushes people to fight, to improvise, to make brilliant decisions that would not have occurred to us in other situations. Anastasia believes that she, as a business owner, does not need much from the state, she is a business owner, not the state, and it is her decisions that should lead to some changes in the business, and not someone should solve her problems.

TigRus Holding – European philosophy on the Russian catering market

Henrik's restaurants received state support, the payments were small, but in times of crisis, even such payments were tangible. Henrik highly appreciated the work of the Moscow government in supporting small businesses. He believes that the restaurant business market should work officially, not go into the black and gray segments, so that later, for example, in crisis situations, to receive support from the state in exchange for previously paid taxes. Henrik is working with Federation of Restaurateurs and Hoteliers of Russia on this issue and hopes to help other companies in the sphere move from the black sector to the white one.

Henrik assessed the level of support from the state as sufficient. He explained this by saying that if a business needs some more serious support in order to stay afloat, perhaps this business is not viable and is not worthy of salvation. Perhaps this situation is a sign that the business needs to be closed and give the opportunity for development to someone else.

Small bars in the center of Saint-Peterburg – One and a Half Room, Tsvetochky, Takty, "Ultramen" noodle shop

As for relations with the state, the pandemic has not changed them in any way. Like many small businesses in Russia, Vladimir is neutral about the state. They managed to get support from the government, and with the help of decrees issued during the pandemic, they were able to get a discount on rent in one place. In other places, unfortunately, the discount was not be obtained, and the business was forced to pay at full price. This happened also because one of the places is located in a building owned by the city administration.

Name of the organization	Government support	Reaction of the management
"A"	Tax relief and two payments for employees.	Neutral, happy to receive what is given. Does not trust the government, prefer to deal with the business himself.
"Zh"	Two payments for employees and subsidized loans.	Negative, thinks that the pressure on SMEs is too hard, too much taxes. He is grateful to receive some support, but does not trust the government and wants other attitude from it.

"Tayaki"	No support.	Positive, sees as a challenge. Does not think that government should help her.
"Tigrus" Holding	Two payments for employees. Also Moscow government issued a law, due to which rent for restaurants became 50% lower.	Neutral, happy to receive what is given. Thinks that if this support is not sufficient and business is not able to survive, then should not exist on the market.
"Tsvetochky"	Discount on rent.	Neutral, happy to receive what is given. However, the overall attitude to the government could be describes as distrust.

Table 7. Case companies' relations with government. Source: made by author

We would like to discuss the role of the state in this crisis more extensively, as the state is the powerful stakeholder, and to understand, was its support sufficient or not. We would like to compare the state position and the measures of support in other countries in order to understand what role Russian government played and what was done right or wrong.

As was already mentioned, Russian government provided payments for business employees, interest-free loans, tax reliefs. But comparing the experience of different countries, we think that the most important support was allowing to reopen, as with closed doors restaurants and cafes had huge losses, which were not covered by state support, if there was any. 20% of restaurants closed due to COVID-19, but in our opinion, it was mostly weak businesses or those who did not come to an agreement about rental price (Fontanka 2020). If we speak about Saint-Petersburg catering market in particular, we see that the 2020 pandemic has greatly affected it: analysts call this industry the most affected segment of street retail by the coronavirus. According to JLL estimates, in 2020, 36% fewer cafes and restaurants opened in St. Petersburg than in 2019, and almost 120 establishments left the market. Among them are projects of the Food Retail Groop holding of the "Dve Palochki" and "Marchelli's" chains, the "Biblioteka Vkusa" restaurant, Olli's pizzerias, and "Ukrop", vegetarian cafe chain. According to Petrostat, the turnover of public catering establishments in 2020 amounted to 65.3 billion rubles, which is 30.5% less than the same indicator in 2019 (Newsprospect 2020)

However, it could be just the beginning of the closure crisis, as restaurants may not return its target audience, who will be scared to go out. Also, there is a trend of price increases, and it also may scare away customers.

If we look to other countries, we would see similar situation with the bankruptcies and huge losses. For example, even with support from the government, Italian restaurateurs have to pay each month 5000 euros – rent, service of freezers, severance payments to dismissed employees and payments to those who handled documents for the dismissal of employees (Corriere 2020). It is a huge amount of money. Some Italian businessmen even protest against government, as they are spending money for almost a year with short openings intervals, and are slowly dying (Tempest 2021). We see that government is giving money for salaries, provide discounts on rent and offer interest-free loans. However, this does not help to resolve the crisis – Italians are tired to sit at home and not to earn money, business owners have huge losses. Unfortunately, there is no data about percentage of closing, however, we can see that the situation is severe in Italy.

USA has a unique problem in the reality of new crisis – businesses are ready to open and to hire new people, and they cannot find them. Government is paying unemployment subsidies, and people choose to receive this money instead of working in catering industry. A majority of quickservice operators and more than 4 in 10 fast casual, family dining and casual dining operators say they have job openings they're finding hard to fill, according to National Restaurant Association of USA. The National Restaurant Association estimates that as of December 1, 2020, more than 110,000 eating and drinking places completely closed for business temporarily, or for good, which is around 15% of restaurants, according to our estimations (National Restaurant Association 2021).

So, we see that Italy and USA provided money for employees, which is sufficient for them to live in the lockdown. Russia also provided money for employees, but it was quite hard to receive, and the amount of money was catastrophically little – around 13 000 rubles, which is around 180 dollars, in USA payments were around 1000 dollars, and in Italy, according to other sources, 500-700 euros, which is around 850 dollars. This measure has its positive and negative sides. Positive side is definitely in providing employees money to live for, which may also be not sufficient. Negative side is that receiving amount of money, which is sufficient to live on, people would not want to go to low-paid work.

However, in Russia situation is a bit different. It is true that payments from the state are very small, however, the government opened restaurants in July of 2020 and gave opportunity for businesses to work and to earn money. There was a period in autumn and winter, when bars and

restaurants could not work in the nights, and it was severe, maybe even worse than lockdown, but overall situation shows that the restaurants that reopened, was able to stay afloat. But in Italy restaurants started to reopen only in the May of 2021. In the USA, many places opened only in the March of 2021.

So, what measures could be done in order to support Russian catering SMEs even better? The government could force renters to decrease prices, especially in places, where prices were higher than the market average. Also, the government could provide businessmen with higher payments on salaries. The measure to reopen businesses in July 2020 was correct from the business side, however it is also needed to be evaluated from the ethical side, as it could lead to more cases of COVID-19 and more deaths. Also, it is important to remember that government is a very powerful stakeholder and even without sufficient support from its side it still uses laws and regulations to control businesses. The government is a stakeholder whose expectations should be taken into account in the first place, especially if they are supported by laws. That is why the interviewees choose to follow the laws and not to and do not resist this stakeholder.

2.3.2 Analysis of customer relations

Small Chinese restaurant in Saint-Petersburg – "A"

During the lockdown, B. had to change the business model of his noodle shops-previously, B. did not want to work with food delivery aggregators, such as Yandex.Food and Delivery Club, however, after the full transition to delivery and to reach a larger number of customers, it was decided to connect noodles to the aggregators. Despite the large commission of aggregators, due to the increase in demand and turnover, B. managed to receive revenue this business model to a plus.

World cuisine restaurant in Mytischi, Moscow oblast', "Zh"

At the time of the restaurant's closure, the only business model was delivery. This allowed the restaurant to earn little money and not close completely, as well as to establish itself among new consumers in the food delivery market. However, the cost of delivery, according to the manager, is very high, and delivery as the only business model for the restaurant does not work.

Chain of small Japanese cafés in Saint-Petersburg, "Taiyaki"

A very important support factor during the pandemic was a loyal key audience. Anastasia says that customers often wrote to them with words of support, ordered specifically to support the business. Also, Anastasia and her team are very active in the Vkontakte cafe page, where posts

with cheerful and encouraging entries regularly appeared during the pandemic. Anastasia said that this was very important in such a volatile time, both for the customers and for her team.

While the cafes were closed, "Tayaki" worked as a takeaway and delivery and offered two delivery options. The first option assumed an order from 500 rubles and free delivery, and the second option offered delivery from 1000 rubles, but as an encouragement, each order was accompanied by a souvenir from Japan from Anastasia's personal stocks. As a result, according to Anastasia, almost all orders during the lockdown were made in the amount from 1000 rubles. After the opening of the cafes, the additional couriers were disbanded (some of them left the city, some of them stayed in the company), but the delivery format remained, now in its classic form - the customer orders delivery, the cafe calls the courier (Yandex.Eda), and the order arrives to the client within an hour or so. Compared to the pandemic, delivery orders were reduced by 40%, but as the cafe halls started working, the overall profit of the business increased compared to the period before the pandemic.

TigRus Holding – European philosophy on the Russian catering market

As for the business model, we cannot say that it has changed, because the delivery format did not work in full force, due to the fact that restaurant dishes are intended for eating in a restaurant, and not for warming them up at home. However, the situation when all the customers were sitting at home and could not go to the restaurant, led Henrik and his team to the idea that it was time to implement the idea of launching a restaurant food that can be heated at home and still be a dish that does not differ in taste from the restaurant's one. Now in the assortment of the Moscow "Vkusvill" there are three dishes from the restaurants of the holding, which are prepared with the help of sous-vid, packed and waiting for their customers on the shelf.

Small bars in the center of Saint-Peterburg – One and a Half Room, Tsvetochky, Takty, "Ultramen" noodle shop

Also, according to Vladimir, customers provided a huge support to their business during the quarantine. Among the regular guests of the bars there are well-known bloggers, musicians, writers, architects, and other representatives of various professions, and they covered the activities of the business of Vladimir and his partners, talked about the fact that in addition to drinks, "Flowers" can also offer food, thereby not letting society forget about the existence of the bar. The bars of Vladimir and his team offer a rather unique product-author's cocktails, and many regular visitors returned to the bars after opening the doors.

Name of the organization	What is the value proposition?	Who are the customers?	How the situation in the business changed – profit, customers?	Possible reason
"A"	New experience in Chinese cuisine.	Companies 18+, couples. Tourists, Chinese people, fans of Chinese cuisine. Restaurant is not for children. It is a restaurant for special occasions, as the prices are quite high.	Demand in the restaurant became higher, especially on weekends and holidays, demand for delivery in the noodle shops became higher. After reopening, regular customers came, and new customers replaced tourists and Chinese citizens.	Many restaurants with the same target audience closed during lockdown, and these customers went to "A". Also, it is a unique format restaurant, so those customers who know about this format, can choose only "A".
"Zh"	Good food for a reasonable price.	People who are waiting for a train, citizens of Mytischi of different ages, workers from nearby offices, companies that hold corporate events.	Demand decreased significantly, as during lockdown customers chose either fast food or to cook at home. Corporate events at the end of 2020 did not happen. Many people stayed at home and worked remotely, and even after restaurant reopened, many office workers did not return to the restaurant.	Customers chose to replace food from this restaurant with home-made food or went to other places. Also, many companies decided not to conduct corporate events at the end of the year, also for the reason that restaurants close early.

"Tayaki"	Original Japanese food for true fans.	Fans of anime and Japanese culture of different ages.	Having opened delivery, Anastasia managed to maintain demand. And when the cafes reopened, the demand increased.	"Tayaki" added delivery to its business model and used social medias to attract even more customers. She also put the customers into the definitive position, as she could not rely on the government or partners. She started a powerful campaign in the social media in order to support the customers and to promote the products. It is clearly seen that "Tayaki" has a very loyal community that became even more loyal during crisis. The good example of this is that almost all orders were on a sum starting from 1000 rubles – the maximum minimal sum. Customers did not just ordered food to eat – they wanted to support.
"Tigrus" Holding	Positive emotions while eating tasty food.	Main audience - families with children, couples. Office workers, banquets.	During lockdown there was small demand, covered with delivery. After reopening overall demand increased.	Moscow citizens who cannot go on vacation now choose to spend time in good restaurants.
"Tsvetochki" and other bars	New experience from signature cocktails and author's cuisine.	Main audience – young people 18+.	When the lockdown came, Vladimir tried to launch delivery, however it did not bring a lot of profit. So instead of that Vladimir and his team became	Active campaigns in social media attracted new customers, also new interesting place was opened during lockdown. We can here add reason as with

			active in social medias, they supported their community. After reopening bars and noodle shop have a big number of customers.	"Tigrus" – people who previously went abroad now choose Saint-Petersburg bars.

Table 8. Case SMEs' customers relations. Source: made by author

2.3.3 Analysis of employee relations

Small Chinese restaurant in Saint-Petersburg – "A"

The number of people in team B. has not changed, but the composition has changed. Just before the lockdown, B. opened a second noodle shop, but the staff, in his opinion, was not very professional, and the output was a bad product. As a result, when other institutions closed, B. had the opportunity to hire good employees who lost their jobs, and they still work in the team. B. supported their employees, and in some cases paid salary from his own funds. It is also worth mentioning, that all employees are working officially.

World cuisine restaurant in Mytischi, Moscow oblast', "Zh

The main focus, in addition to preserving the business as a whole, was to preserve the well-being of key employees. It should also be noted that only these employees were officially registered - only 5 out of 40. The business supported these people, especially those who had to pay for the rent of an apartment. However, some employees had to leave, as there was not enough work for all of them. Some employees returned after the restaurant opened in July. Some employees did not return - someone left, someone moved, someone found another job, and after the opening restaurant had to recruit new employees.

Business owners see their business as long-term, so they were ready to make radical strategic decisions, including layoffs. The manager also in his story showed a high level of loyalty to the business and saw it in the long term, for example, during the lockdown, he took on not only the duties of the manager, but also engaged in the delivery of orders, without requiring high pay for his work.

Chain of small Japanese cafés in Saint-Petersburg, "Taiyaki"

As mentioned earlier, all employees of Anastasia are officially registered, and when the crisis situation came, Anastasia decided that it was time to take everything into her own hands, save her project, give work to people instead of laying them off. According to Anastasia, the management team and herself could have survived the quarantine without delivery, stayed at home for several months and maybe even reopened the doors of their cafe, but it was decided to fight and come out of this whole situation as winners.

Almost all of Anastasia's employees went through this difficult period with her, there were some changes in the team, but everything happened on the initiative of the employees, and not out of operational necessities. Key employees still work in the organization.

TigRus Holding – European philosophy on the Russian catering market

The situation with employees due to the pandemic has become more complicated, because many chefs have left for their homeland, and thus a shortage of staff in the market is created. In principle, there were fewer employees, TigRus had to part with those who had to leave, but if they returned, the market is ready to offer them work, possibly in new places. However, in general, the number of employees in the organization has not changed, as new people have replaced those who left home in the beginning of pandemic after the restaurants reopening. It is also necessary to take into account the fact that even immediately after the crisis, the holding opened new restaurants, and therefore hired new employees.

The approach of Henrik's restaurants in managing employees is that they try to work as much as possible with permanent employees, avoid turnover, look for talents that are knowledgeable and experienced, and do not lose such people. Henrik believes that if the staff changes frequently, it affects both the quality of the product and the quality of service, and, consequently, the guest who comes to the restaurant does not receive such positive emotions as he could.

Henrik claims that it is necessary to preserve the composition of a team as much as possible, to create comfortable conditions for employees so that they are happy, satisfied, willing and able to grow out of their position, become true professionals, and be proud of their team, restaurant and brand. The development of the team and each of its members is very important for Henrik and his business.

Small bars in the center of Saint-Peterburg – One and a Half Room, Tsvetochky, Takty, "Ultramen" noodle shop

Of course, since the format of the business of Vladimir and his team is difficult to combine with the business model of delivery, it was difficult to make any profit during the full closure. Vladimir says that they lost quite a lot of money to pay rent and to pay employees' salaries. However, despite the difficult time, Vladimir and his partners managed to keep the entire team. The crisis situation has made their team even stronger, has given many new ideas, both related to the business, and with the range of drinks and food that they offer to their guests. However, after the reopening of the bars, the guests returned again and now, according to Vladimir, their business is thriving even more than before the crisis.

Vladimir and his partners did not lose a single employee during the crisis - they have a strong team, which has become even stronger in a difficult period. Vladimir also particularly noted

that he had a particularly sensitive relationship with those employees who were personally with the team. These people showed themselves consciously and were ready to help the team. Vladimir especially appreciates this. Vladimir said that after such a pandemic crisis, he plans to take care of the health of his team and offer them additional insurance policies. It is a very good benefit even for big corporations, and creating these perks says a lot about the attitude of Vladimir and his partners to their employees.

Name of the SME	Number of employees on the date of the interview	Official registration of employees	Change of the composition of the team	What changed in the stakeholder relations?
"A"	15	Yes	Yes, due to quality of food in one noodle shop, B. received opportunity to hire very qualified employees.	B. acquired opportunity to choose better employees, as they lost their previous job. B. already has quite close relations with employees, so pandemic crisis did not change them.
"Zh"	40	Only 5 employees	Yes, many employees did not have opportunity to work in "Zh" during lockdown. Some of them returned after reopening, but many did not.	The management divided employees into two groups – primary (with whom management has personal relationships), and others – everyone else. This division was actual before the crisis – as only 5 employees out of 40 are officially registered, but other employees were not registered in order to pay them higher salaries. However, in the crisis situation, many non-officially registered employees had to leave the restaurant and the hookah bar, as there was no work for them.
"Tayaki"	23	Yes	Several people chose to return home during lockdown. Also, some delivery	As in the crisis situation there was almost no one to rely on – except for employees and customers, Anastasia decided to put these two stakeholders

			workers after reopening stayed in the team, e.g., as logisticians.	into the definitive position. They became closer and worked hard to survive in the crisis.
"Tigrus" Holding	Almost 1000 in all braches	Yes	Overall number of employees did not change significantly. However, the composition of the team changed, as many employees with the start of lockdown were made to return to their motherland.	The relations did not change. Henrik and his holding already have a philosophy that puts employees into the dominant position.
"Tsvetochki" and other bars	28	Yes	No one was fired or left the team during lockdown. On the contrary, Vladimir hired new people in the noodle shop and bars. Vladimir says that the most sensitive relationships are with those employees that they went through the crisis.	During the crisis employees became a definitive stakeholder, as there was no such powerful support from the other stakeholders.

Table 9. Case SMEs' employee relations. Source: made by author

2.3.4 Analysis of relationships with suppliers and landlords

Small Chinese restaurant in Saint-Petersburg – "A"

The supply of some goods stopped completely, as during the quarantine of China, fresh products were either not produced or they were banned from import. It also affected products that could only be purchased in China. The products that were stored on the territory of the Russian Federation were delivered without interruptions, including due to the fact that many competitors of the restaurant B. were closed during the lockdown. As for the rent, the room in which the restaurant B. is located was rented at a discount.

World cuisine restaurant in Mytischi, Moscow oblast', "Zh"

The landlord provided a 70 percent discount on his premises, who turned out to be, as the manager put it, "with an understanding soul." The price relations with food suppliers were not affected by the coronavirus in any way - prices grew smoothly, there were no supplies interruptions. This happens due to the fact that there are no exotic products on the restaurant menu, and almost all suppliers are local. However, suppliers became more cautious and did not deliver batches of products without prepayment, as was the case before the quarantine.

Chain of small Japanese cafés in Saint-Petersburg, "Taiyaki"

Since Anastasia's business is quite culturally and geographically specific and involves the use of genuine products from Japan, the pandemic and the closure of the borders provoked a shortage of some ingredients for dishes in the cafe. Anastasia is still searching for a solution, as suppliers do not carry, for example, anko beans, a very important ingredient for making Japanese sweets. The landlords of the premises that occupy Anastasia's cafe met halfway and offered a discount for the lockdown period, and were in principle very loyal in this matter, to the point that according to Anastasia, if they had to close completely in quarantine, the landlords would not demand rent for this period in principle.

TigRus Holding – European philosophy on the Russian catering market

The pandemic has not brought any difficulties in relations with suppliers. Prices are rising, but this is normal within the economic situation. Due to the pandemic, the rental rate in Moscow fell by an average of 50%, and vacant premises became available. This is a great opportunity for a business with a ready-made effective business model to open new points.

Small bars in the center of Saint-Peterburg – One and a Half Room, Tsvetochky, Takty, "Ultramen" noodle shop

Vladimir's bars are in the different places and in the different kinds of premises. Vladimir took advantage of the new law, according to which tenants can ask for a discount on rent if they represent particularly affected industries, such as catering. One of the buildings was at the disposal of the state, so Vladimir was forced to pay 100% for the rent of this building. Vladimir, unlike the other participants in the study, had a formal relationship with the tenants.

2.3.5 Comparison of stakeholder models

Small Chinese restaurant in Saint-Petersburg – "A"

As a tip for those who may find themselves in such a situation in the future, B. advised to save money in case of lockdowns. B. also said that if he got into the same situation again, he might have started the delivery earlier.

World cuisine restaurant in Mytischi, Moscow oblast', "Zh"

As a piece of advice to businessmen in such a situation, the manager of "Zh." suggested to have a financial reserve, as well as, if possible, to connect new profitable business models as soon as possible, and not in a crisis situation.

Chain of small Japanese cafés in Saint-Petersburg, "Taiyaki"

Anastasia believes that in terms of strategy, everything was done correctly during the crisis and brought even more profit than before the pandemic. The crisis provided opportunities for the development of its business, to attract even more customers, who may have stopped ordering in some places that were closed in the crisis.

As for advice for business owners who may find themselves in the same situation with the pandemic, Anastasia advises to an entrepreneur first to understand who is the business owner for him/her, how he/she should act, and what to do – not to wait for support from someone, but to plan, change, and apply new business models. Once an entrepreneur understands who he/she is, he/she needs to sit down and come up with new ways of doing business, and do not stop thinking until he/she comes up with really brilliant ideas. And then he/she needs to put his/her brilliant plan into practice.

TigRus Holding – European philosophy on the Russian catering market

Henrik said a very important phrase that reflects his entire philosophy of doing business in Russia: "You need to manage your business in Russia as if you are in a deep crisis." Even if there

is no crisis. Then, in a situation when the crisis comes, enetrepreneur will not have to do anything extra. The business is already optimized, and it does not need to be rebuilt. No need to change the business model, no need to change the approach in working with staff, with customers, etc. Business should enter the crisis already optimized and ready, and it will only be necessary to adjust its course. In a crisis, it is impossible to rebuild a business, because it takes 2-3 years to rebuild a business. Henrik says that his business survived the crisis without any additional restructuring. It is possible to build a business in Russia, but it requires daily efforts over a long period of time. Henrik believes that this is what prevents many businessmen from developing their business in the long term - many prefer to squeeze out of the business as much as possible at the current moment, and do not look in the future.

Henrik also elaborated about five business values of his holding:

1) Never sacrifice quality of your products;
2) Everyone should develop oneself, learn every day;
3) Business should create positive emotions to guests, because people come to the restaurant to spend time, not just to eat;
4) Always allocate resources efficiently;
5) Take care of nature - the holding cooperates with WWF, has its own charitable foundation, which aims to fight the extinction of Amur tigers, and also reduce their carbon footprint - according to Henrik, their holding is the only one that pays off its carbon footprint - and use as little non-ecological materials as possible.

Small bars in the center of Saint-Peterburg – One and a Half Room, Tsvetochky, Takty, "Ultramen" noodle shop

Vladimir noted that their organization does not belong to any associations, but he is negotiating with various working groups on the problem of coronavirus and small and medium-sized businesses and hopes to somehow influence the course of the city administration's policy through this interaction. The bar and restaurant community already had experience of interaction with the city administration, after which amendments were made to the Draft Law No. 364348-6 " On Amendments to Article 16 of the Federal Law "On State Regulation of the Production and Turnover of Ethyl Alcohol, alcohol and alcohol-containing products and on the restriction of consumption (drinking) of alcoholic products (in terms of attributing to the powers of the state authorities of the subjects of the Russian Federation the right to establish a ban on the retail sale of alcoholic products in the provision of public catering services in apartment buildings)"", which allowed bars in the city center not to close.

Vladimir said that the crisis of the coronavirus pandemic has taught him to look at business more carefully, to plan actions for his business more accurately. The crisis also changed the attitude of his business to the staff, they began to take more careful care of who works in his institutions and also take more careful care of the well-being of employees.

The advice that Vladimir gave to those who can get into such a situation is quite pragmatic and simple – an entrepreneur needs to save money in case of shocks, about 30% of the revenue. It was the financial reserve that saved Vladimir's business and partners in lockdowns.

What can be clearly seen is that crisis changed the business of the participants of the research. Even the business of "Tigrus" holding, which is managed as if it is always in a crisis, did change – they had to rethink the concept of eating at home and created pre-made restaurant food that can be heated in a microwave and eaten at home.

Comparing stakeholder models before the coronavirus and in the crisis, we can see definite changes. First and foremost, employees in several organizations moved from dominant to definitive position. This happened because in the crisis times, when there is not much help from the government, suppliers are raising prices, renters not always are ready to provide a discount, and even customers could not always help, management goes to seek help and support inside the organization. However, if the enterprise is quite big, as in the case with "Tigrus", the relations with stakeholders and with employees in particular do not change, they are more stable.

We think that the decision of "Zh" to divide employees into primary and secondary is not healthy for long-term perspective. Probably in the crisis situation and for short-term regulation it is quite reasonable, but for building long-term loyal relations with the employees it is a bad decision. However, creating a pool of seasonal workers, as is made in "Tigrus" is a good solution – the business hires employees when it really needs them, and relations are open and honest.

As an example of a good decision for long-term relations with the employees we can also take an additional medical insurance which is in plans in the bar business of Vladimir Nikolaev and his partners. This investment surely is going to bring profit in the future.

Very interesting and creative decision was made by Anastasia, the owner of Japanese café "Tayaki". She attracted customers with small gifts personally from her and connected with the theme of the café and with the requests to support her business. "Tayaki" has unique value proposition on the Saint-Petersburg market, it attracted true fans of Japanese culture and Japanese sweets, and as a consequence, the target audience was very loyal and was ready to support the café in crisis.

Another good solution was to create restaurant food that can be bought at "Vkusvill" and eaten at home without loss of quality – a solution by "Tigrus" holding and its restaurants. It is an exquisite and healthy solution which will bring profit in the long-term, as it would target both people who want to eat restaurant food, but at home, and those who just want to try something new for a dinner and do no not like restaurants at all. In the reality of COVID-19 and restaurants closing this product creation is one of the best we ever seen. A similar decision was made in the bar business of Vladimir – his bars delivered pre-mixed ingredients for cocktails, which could be consumed in both non-alcoholic and alcoholic versions.

However, if the business will not bring profit in the crisis, even with the change of business model (as in cases with Chinese huoguo and drinks from Vladimir's bars), it is better to close the business for a while. However, it is a quick and short-term solution, because if the lockdown lasted for longer, Vladimir, for example, would lose his business, as he was going to sell one of the bars even after 5 months of lockdown. If the crisis is long-term and there is no support from the government, the business should transform and to adapt to a new reality. If it is impossible, then it has to leave the market.

2.3.6 Materiality matrix of catering SMEs

We can see that other stakeholders, such as suppliers, renters, local community, mass media, do not have much influence to SMEs in the crisis. Three most powerful stakeholders are employees, customers (in some cases potential customers from social media space), and the state. All these stakeholders possess the power component of stakeholder salience.

We see that crisis changes the places of stakeholder groups. What it also changes are expectations, fears and demands of stakeholders from the organization. Crisis is the period of high level of uncertainty, and there is some pool of fears, hopes and expectations that arises in this precise period. Customers want to feel safe in the restaurants or while taking delivery. They want to receive restaurant food at home and at the same price as before the crisis.

As a result, matrix of expectations that should be managed in the COVID-19 crisis was created. We also show how some expectations changed – became more or less important to a stakeholder. For these purposes the matrix of expectations of stakeholders before the crisis was created.

Importance to stakeholders		Negligible	Moderate	Significant	Major
	Major			Financial stability	Compliance with laws and regulations Business profits Business growth
	Significant		Care about health and safety Eco-friendliness Zero waste Avoiding serious price increases Opportunity to communicate and leave feedback Entertainment Additional benefits	Stable partnership The same volume of purchases Great team Good relations with the employer Compliance with contractual agreements Agreement on the rent price Agreement on the purchase price Food safety	Good customer experience Taxation Discounts and promotions
	Moderate		Maintenance of the premises in good condition Safety measures	Well-established working processes Necessary working tools	
	Negligible	Safety measures in the restaurant			

Impact on the success of the organization

Stakeholders: Employees Customers Government Suppliers Tenants Owners and co-owners

Table 10. Materiality matrix of Russian catering SMEs before COVID-19. Source: made by author

Importance to stakeholders		Impact on the success of the organization			
		Negligible	Moderate	Significant	Major
Major				Care about health and safety ⬆ Financial stability ⬆ Avoiding serious price increases ⬆	Safety measures ⬆ Compliance with laws and regulations Compliance with contractual agreements ⬆ Agreement on the rent price ⬆ Agreement on the purchase price ⬆
Significant				Safety measures in the restaurant ⬆ Stable partnership The same volume of purchases Great team Good relations with the employer Opportunity to communicate and leave feedback ⬆	Good customer experience Taxation Business profits ⬇ Business growth ⬇ Food safety ⬆
Moderate			Eco-friendliness ⬇ Zero waste ⬇ Maintenance of the premises in good condition	Well-established working processes Necessary working tools	Discounts and promotions ⬇
Negligible			Entertainment ⬇ Additional benefits ⬇		

Stakeholders: Employees · Customers · Government · Suppliers · Tenants · Owners and co-owners

Table 11. Materiality matrix of Russian catering SMEs in the period of COVID-19. Source: made by author

Stakeholder	Expectation changed	Reaction of the business	Result
Employees Customers Government	Care about health and safety ⬆ Safety measures in the restaurant ⬆ Safety measures ⬆	As government is one of the stakeholders and among expectations it also has a real power to fine the businesses, the restaurants and bars observe safety measures in the restaurants – masks, antiseptics, distance. Additional action for employees: additional health insurance.	Customers and employees feel safe in the restaurants – employees happy to work in the restaurants, customers want to visit the restaurants. Government has no reason to arrange additional checks and fine restaurants.
Employees	Financial stability ⬆	Some restaurants try to save the composition of the team, if there are no extreme circumstances, such as employees leaving to their home countries. "Zh" dismissed employees, because there was not much work to do, and they did not risk to lose governmental help.	In the restaurants where composition of the team did not change, the processes are stable. In "Tayaki", "A" and "Tsvetochki" no changes happened, so the owners just became closer with their employees. "Zh" dismissed some of the employees, chose to work with key employees and some of the employees, which were not officially registered. This led to the following – after reopening "Zh" had to find completely new employees, a big amount of them, and invest in their learning. It is not bad decision from the economic side, because the restaurant saved a lot of money on not paying the salaries to dismissed employees, but the restaurant lost the loyalty

			of its employees, which may affect the relations with the remaining team. "Tigrus" had to let foreign employees to other countries and lose a part of the staff, however it was made on mutual agreement and should not affect the relations between managers and the team in the future.
Employees	Entertainment ⬇	Restaurants reduced amount of investment in entertainment events during crisis.	Restaurants were grateful for understanding the critical situation. Working under closed door was interesting for employees, they had an opportunity to communicate and to know each other more. Such critical situation is a good opportunity for team building – of course, if everyone feels safe. So, this time together compensated lack of additional entertainment as a benefit.
Employees	Additional benefits ⬇	Restaurants decided not to give extra benefits, especially during lockdown.	Employees understood the situation and were grateful for letting them stay and paying salary. The situation in the country is not stable, many people lose their jobs, and employees had to rethink their values.
Customers	Avoiding serious price increases ⬆	Restaurants increased prices moderately.	Customers appreciated this and did not stop visiting restaurants.
Customers	Eco-friendliness ⬇	Those restaurants that followed the philosophy of eco-friendliness, continued to follow it. Other restaurants were not influenced by this change in expectations.	Eco-friendly restaurants continue to follow the philosophy.

Customers	Zero waste ⬇	Those restaurants that followed the philosophy of zero waste, continued to follow it. Other restaurants were not influenced by this change in expectations.	Eco-friendly restaurants continue to follow the philosophy.
Customers	Opportunity to communicate and leave feedback ⬆	Some businesses actively communicate with their customers in social media during pandemic – "A", "Tayaki", "Tsvetochki". "Zh" does not have social medias, "Tigrus" does not use them actively.	Customer saw psychological support from the restaurants, which increased their brand loyalty.
Customers	Food safety ⬆	Safety measures in the restaurants – masks, antiseptics, distance + additional attention on the kitchen.	Customers feel safe in these restaurants.
Customers	Discounts and promotions ⬇	Restaurants could not invest a lot money in discounts and promotions, however they still attracted customer with promotions.	Attract customers with promotions is important and crucial, so even when the expectation from the customer is decreasing, there are still customers who will come only to a promotion. Restaurants continued old promotions and some of them added new, if needed. Overall demand increased.
Suppliers	Compliance with contractual agreements ⬆	Restaurants complied to all agreements.	Restaurants received all goods in time. There is a delay in supplies, e.g., in "Tayaki" due to the closed borders, however, this is not the fault of the suppliers, which are usually just resellers.

Tenants	Agreement on the rent price ⬆	Restaurants negotiated with the tenants. If the negotiations were successful, the restaurants received a discount, otherwise they paid the full price.	All restaurants, except for "Tsvetochky" received a discount on rent. "Tigrus" managed to reduce the rent permanently. This action let restaurants to invest extra money into operations or salaries.
Owners and co-owners	Business profits ⬇	The owners had to rethink the amount of profit they wanted to make during the pandemic.	Those whose business model allowed them to make a profit during the restrictions received it in full amount ("Taiyaki"), other business - in limited ("A", "W", "Tigrus", " Flowers")
Owners and co-owners	Business growth ⬇	The owners had to rethink the question of growth during the pandemic. However, such critical times also provide opportunity to grow, not only to shrink and close businesses.	"Zh" does not have an opportunity or money to grow. Team of Vladimir from 'Tsvetochky' opened a new noodle shop during pandemic, as they had an opportunity to rent a place, buy equipment and furniture for an extra low cost. Anastasia from "Tayaki" is going to open new café in 2021, "Tigrus" opened several new restaurants after lockdown, "A" was also sharing the plans to open second restaurant.

Table 12. Reactions of SMEs to expectations of stakeholders and their results. Source: made by author

2.4 Recommendations for Russian catering SMEs in future crises

Having analyzed all the incites from the businesses according to their operations in pandemic, their stakeholder models, governmental support measures, we produce the following recommendations on how to adapt to such crises as COVID-19 ones in Russia, adapting the framework by Crandall, Parnell and Spillan (2010).

Landscape Survey (pre-crisis):

- Constantly analyze the situation in the country, the new laws and regulations. Read news, communicate with professional associations (e.g., Federation of Restaurateurs and Hoteliers of Russia). Communicate with the government – ask for a meeting with representative, write official letters. Think, how these laws influence or may influence your restaurant. Will this lead to a critical situation?

- Look abroad – COVID-19 came from abroad and could be predicted a month or two before. Read international news, if possible, connect with colleagues from other countries. How these international factors may influence your restaurant?

- Analyze the strong and the weak points of the business. Look at your value proposition – is it valuable enough for your target audience? Will they choose to support you in the case of the crisis? Ask for feedback from your stakeholders – what could be changed in order to keep them loyal? Analyze the market and competitors – what other restaurants and bars offer? Is there something you can offer to be more valuable for your customers and employees? Is there something you can do in order to avoid conflict with government, suppliers or renters?

Strategic Planning (pre-crisis):

- Be critical to economic situation in the country – Russian economy is unstable, and many crisis situations may occur. Manage your business, as if it is already in the crisis – no extra waste spending of money, no extra employees, if there is no need (use seasonal employees). It takes 2-3 years to optimize a business, and there is no such time in a severe crisis.

- Have a crisis plan – there are different types of crises – fires, mass media scandals, and not all crises could be resolved just by optimizing the business. Discuss the plans with your primary stakeholders – employees and owners, make sure that they know what to do in critical situations.

- Establish a healthy and trusting relationships with most important stakeholders – e.g., employees, customers, government. Understand what they want and what value and risks they could bring, how they could help in the crisis. Communicate with your stakeholders

constantly, engage them into life of your restaurant/bar. Create a social media community, share news and tell stakeholders about important changes. Be open and honest. Conduct meetings with your employees, where they can share feedback about your business and working processes.

Crisis Management (mid-crisis):

- Manage your key stakeholders (employees, customers, government) – those who have direct power to influence you. Contact with them – personally, through official letters, through social media. Involve stakeholders into crisis resolution – explain the situation honestly, ask for help and support. Explain, why the situation happened, how customers can help – they can repost your posts, write letters to the government, visit your restaurant or bar, or order delivery. Explain, how employees can help and why – they can opt out of bonuses and additional entertainment, for example. Explain new rules and why they should follow them – e.g., wear masks, extensively was hands or do not serve customers without masks. Do not rely on governmental support very much – you should have financial reserves at least for couple of months.

- Manage outside environment – mass media, influencers, contact with professional associations. Explain the situation, ask for help and support. Explain, why the situation happened, how and why stakeholder should help – repost your social media posts, write or, on the contrary, not write in the mass media about the crisis. Be ready to answer questions.

Organizational Learning (after crisis)

- Evaluate the outcomes of the crisis – what economic losses have you had, what employees have you lost and why – were the reasons sufficient for such measures. Evaluate, what happened with your customers – have you lost them, or have the target audience changed and why, or you acquired new customers and new audience. Evaluate the amount of government support – if it wasn't sufficient, try to understand reasons.

- Reap the benefits of industry renewal – if you have a strong value proposition, sufficient funds and good market conditions – maybe it's time to grow. Such severe crisis as COVID-19 influence rent prices and leave a lot of customers which went to the places that did not survive the crisis. Use the opportunities, but be wise.

- Start to prepare to a new crisis. Revise what you have analyzed earlier, add new data about this crisis. Ask for a feedback – what was done right or wrong and think about what can be done better.

- If a business is not optimized yet, it is time to optimize it. Look at your business model. Are all of your investments made for the good reason?

As the conclusion to the analysis we have made, we want to highlight all the ideas and measures that were created by businesses as the part of crisis adaptation process.

1) "A" closed their main business – Chinese restaurant and switched to another business – noodle delivery. It is wise move, however, if B. did not have other businesses, he would not come out of this crisis with small losses.

2) "Zh" changed business model to delivery. The owners of the restaurant also have other businesses – hotel and hookah bar, but these businesses did not provide extra profits during lockdown. Change of business model let the business survive, but due to loss of significant number of customers, the restaurant still has debts.

3) "Zh" also dismissed a big part of its team. It is a wise solution during the crisis time, and many businesses made the same solution, including "Tigrus", the other restaurant from our sample. However, it is also important to be open and honest with the employees, and do not divide the team on primary and secondary team, as it was done in this restaurant. As the result, the restaurant had to recruit new waiters and cooks after reopening.

4) "Tayaki" changed their business model to delivery. However, the format of this delivery is quite innovative. As the café only had a delivery point in the center of the city and not a big number of couriers, they organized a unique delivery model. Customers ordered delivery and chose time slot on which the delivery was organized. This model let "Tayaki" deliver all orders in time all over the city in a most efficient way.

5) The second measure for survival in a crisis situation was open communication with customers through social media and asking for support. Anastasia also introduced a special offer for the customers who order on 1000 rubles – small gift from Japan personally from Anastasia, business owner. This led to good results – almost all orders during lockdown were on a sum starting from 1000 rubles.

6) "Tigrus" holding, which owns more than 30 restaurants, decided to leave delivery business model only for food suited this business model – for example, pizza. At the same time, "Tigrus" introduced food, pre-cooked in restaurant, but suitable for microwaving and eating at home without losing the quality. Also, as it is a stable business, which had losses during lockdown, but still had money to invest, after reopening they opened two new restaurants.

7) Bars "Tsvetochky", "One and a Half Room", and "Takty" were closed during lockdown. There was an attempt to switch to delivery, however it was not very successful, compared

to a normal profit from bars. However, this crisis time was a time for attracting new potential customers to social media – bars conducted lives on Instagram and discussed different topics which were interesting to those who love bars. Bars also actively attracted auditory with video recipes and creative videos about the bar activities. Also, Vladimir and his team created non-alcohol mixes that can be mixed with alcohol at home and delivered them – a brilliant idea.

Practical recommendations

As a result, we give the following recommendations for catering businesses for adapting to such crisis situations:

Stakeholder	Problem	Recommendation
Customer	Value proposition is not attractive to customers in crisis	Look at your value proposition. Analyze it, ask your customers, if what you offer enough for them, they are ready to return to your restaurant/café/bar. Try to predict if they return to you in crisis or they will prefer something cheaper/closer to their homes/cooking at home?
Customer	Your product is not attractive to customers in crisis	Be creative and try to figure out something new that your customers will want to buy even in critical situation. It can be a promotion (e.g., gifts for an order), a new product (cocktail mixes for drinking at home, do-it-yourself boxes) or a new service (delivery of hookahs).
Customer	Customer does not want/be able to buy your product in	Evaluate your resources. Can you afford a crisis – several months of lockdown with

	crisis due to restrictions of business model	minimal support from the government? Can you change your business model to adjust to new customer's expectations?
Customer	Customer does not want to buy your product due to lack of loyalty	Build strong connections with your customers. Create a social media community, share news, reviews and interesting posts there. Invite your customers in these communities, start a dialogue with them.
Employees	Employees do not want to stay with you in crisis due to lack of loyalty	Look at your enterprise's policy. Ask for a feedback from your employees. Understand, if it is comfortable for them to work for your business.
Employees	Conflicts over financial issues (salaries)	Evaluate your resources. Understand, if you are able to pay your employees a full salary. If it is not possible, discuss the conditions of working in crisis situation. Be open and honest, however take into account business situation.
Employees	Need in psychological support	Psychological support is very important during hard times. Collaborate with employees in order to create entertainment,

		which can help to survive crisis situation.
Government	Additional restrictions in work due to conflicts with government	Government is a very powerful stakeholder. If it is possible, construct a dialogue with the government. If it is not possible, try not to provoke it.
Government	Lack of sufficient support	Government, in its turn, should support SMEs in crisis – provide sufficient financial support for paying salaries, decrease tax burden, provide regulations for rent prices.
Suppliers and renters	Conflicts over pricing policies	Build strong relations with suppliers and renters – always pay in time, take responsibility for the arrangements, establish friendly relations, if possible.

Table 13. Practical recommendations for Russian catering SMEs in crises. Source: made by author

CONCLUSION

Findings and discussion

COVID-19 pandemic has become a truly severe crisis for the whole world and for Russia in particular – as it has non-stable economy. This crisis is a Black Swan crisis – it was hard to predict and it is hard to fight with its consequences. This crisis affected all spheres of human life and especially hit small and medium business. In turn, one of the industries most affected by the coronavirus is the catering industry – all establishments were forced to close their doors, and only a few were able to work for takeaway immediately after the lockdown start. The delivery format was also not suitable for all establishments. Additional negative factors were that many residents of St. Petersburg and Moscow were afraid, did not want to, and in some cases could not go out, especially for entertainment.

The objects of our study – restaurants, cafes and bars had to adapt to a crisis. They had to follow regulations in order not to conflict with the government and to change business models in order to retain their customers. In order to adapt to the crisis situation in a right way, it is necessary to know what stakeholders the organization work with and how they influence the business. It is also necessary to analyze expectations, fears and demands to understand the moments when they change and to adapt the strategy.

Theoretical contribution

The main theoretical contribution of this paper is that it contributes to connection of stakeholder and crisis management and analyzes the impact of COVID-19 pandemic crisis on catering SMEs on the case of Russia. This study connects work by Mitchell (1997) about the salience of stakeholders, materiality matrix by GRI, stakeholder management plan works by Jeffery (2009) and Carroll and Buchholtz (2009) and crisis management framework by Crandall, Parnell and Spillan (2009) and superimposes these scientific concepts on the realities of Russian catering SMEs.

Managerial implications

The cases analyzed show the situation on the Moscow and Saint-Petersburg catering industry and illustrate COVID-19 crisis adaptation of SMEs. We also give recommendations and crisis management plan for future crises. This study could be valuable for catering SMEs owners and manager and can be used as a reference in a process of crisis management. In crisis situations, particularly in such unique crises as COVID-19, which restricts both demand and supply, SMEs should connect more closely with its stakeholder, assess the change in their expectations, fears and

demands, and make actions – change business model, introduce new products or services, or just stay online with their stakeholders, supporting them and giving support on a distance. SMEs owners and managers may be interested in our research as the pandemic of COVID-19 is still not over and may cause one more lockdown or some other events.

Limitations and opportunities for future research

This study may be continued with a larger sample research. Since we do not have a lot of resources and connections with small businesses, we were able to collect only a small part of the material that catering SMEs can provide. In future studies, the geography of the research can be expanded, take different popular places. In current research we studied mainly non-chain and rather unique businesses, which, in our opinion, are quite ahead of the time in Russian business. This allowed us to develop more realistic recommendations, but many other businesses will not be able to follow them, as they have a completely different view on the business.

It would also be interesting to conduct similar research in other areas of business - for example, in sports clubs, private dental offices or stores selling non-food products, as the COVID-19 crisis hit hard these spheres as well.

REFERENCES

AA 1000 AccountAbility Principles Standard. 2008

AA 1000 Stakeholder Engagement Standard. 2011

Albaz, A., T. Mansour, T. Rida, and J. Schubert. 2020. Setting up small and medium-size enterprises for restart and recovery. McKinsey. https://www.mckinsey.com/~/media/McKinsey/Industries/Public%20and%20Social%20Sector/Our%20Insights/Setting%20up%20small%20and%20medium%20size%20enterprises%20for%20restart%20and%20recovery/Setting-up-small-and-medium-size-enterprises-for-restart-and-recovery-vF.pdf

APM body of knowledge. 2012. Association for Project Management

Astley, W. Graham, and Paramjit S. Sachdeva. 1984. "Structural Sources of Intraorganizational: Power: A Theoretical Synthesis." *Academy of Management Review* 9 (1): 104–13. https://doi.org/10.5465/amr.1984.4278071.

Belousov, K. Yu. 2013. Evolyuciya vzglyadov na rol' upravleniya zainteresovannymi storonami v sisteme ustojchivogo razvitiya kompanii: problema identifikacii stejkkholderov.. *Problemy sovremennoj ekonomiki* 4(48): 418-422.

Berman, S. L., A. C. Wicks, S. Kotha, and T. M. Jones. 1999. "DOES STAKEHOLDER ORIENTATION MATTER? THE RELATIONSHIP BETWEEN STAKEHOLDER MANAGEMENT MODELS AND FIRM FINANCIAL PERFORMANCE." *Academy of Management Journal* 42 (5): 488–506. https://doi.org/10.2307/256972.

Bouey, Jennifer. 2020. *Assessment of COVID-19's Impact on Small and Medium-Sized Enterprises: Implications from China*. RAND Corporation. https://doi.org/10.7249/CT524.

Bussy, Nigel M. de, and Lorissa Kelly. 2010. "Stakeholders, Politics and Power: Towards an Understanding of Stakeholder Identification and Salience in Government." *Journal of Communication Management* 14 (4): 289–305. https://doi.org/10.1108/13632541011090419.

Canyon, Deon K. 2020. *Definitions in Crisis Management and Crisis Leadership*. https://apcss.org/nexus_articles/definitions-in-crisis-management-and-crisis-leadership/

Carroll, A. B., and A. K. Buchholtz. 2009. *Business and society: Ethics and stakeholder management* (7th ed.). Mason: South-Western Cengage.

Chilipenok Ju. Ju., O. S. Gaponova, L. S. Danilova. 2018. *"Vlijanie stejkholderov na razvitie kompanij malogo i srednego biznesa."* Social'no-jekonomicheskie preobrazovanija i problemy: Sbornik nauchnyh trudov. Nizhnij Novgorod: OOO "Nauchno-issledovatel'skij sociologicheskij centr". 140-158.

Clarkson, M. E. 1994. *Risk-based model of stakeholder theory.* Toronto: The Centre for Corporate Social Performance and Ethics.

Clarkson, Max B. E. 1995. "A Stakeholder Framework for Analyzing and Evaluating Corporate Social Performance." *The Academy of Management Review* 20 (1): 92. https://doi.org/10.2307/258888.

Consulant Plus. http://www.consultant.ru/document/cons_doc_LAW_52144/.

Consultant Plus. http://www.consultant.ru/document/cons_doc_LAW_196415/.

Coombs, W. Timothy. 2010. *Crisis communication: A developing field.* Handbook of public relations (2nd ed.), Sage, Thousand Oaks, CA: pp. 477-488

Coombs, W. Timothy. 2015. "The Value of Communication during a Crisis: Insights from Strategic Communication Research." *Business Horizons* 58 (2): 141–48. https://doi.org/10.1016/j.bushor.2014.10.003.

Crandall, William, John A. Parnell, and John E. Spillan. 2010. *Crisis Management in the New Strategy Landscape*. Los Angeles: SAGE.

Crane, Andrew, and Trish Ruebottom. 2011. "Stakeholder Theory and Social Identity: Rethinking Stakeholder Identification." *Journal of Business Ethics* 102 (S1): 77–87. https://doi.org/10.1007/s10551-011-1191-4.

Creswell, John W., and Cheryl N. Poth. 2018. *Qualitative Inquiry & Research Design: Choosing among Five Approaches*. Fourth edition. Los Angeles: SAGE.

Dictionary by Merriam-Webster. https://www.merriam-webster.com/dictionary/crisis

Dietsche, Christian. 2009. "Networking against Stakeholder Risks: A Case Study on SMEs in International Shrimp Trade." *Belgeo*, no. 1 (March): 27–42. https://doi.org/10.4000/belgeo.7805.

Dimson, J., Z. Mladenov, R. Sharma, and K. Tadjeddine. 2020. *COVID-19 and European small and medium-size enterprises: How they are weathering the storm.* McKinsey.

https://www.mckinsey.com/industries/public-and-social-sector/our-insights/covid-19-and-european-small-and-medium-size-enterprises-how-they-are-weathering-the-storm

Driscoll, Cathy, and Mark Starik. 2004. "The Primordial Stakeholder: Advancing the Conceptual Consideration of Stakeholder Status for the Natural Environment." *Journal of Business Ethics* 49 (1): 55–73. https://doi.org/10.1023/B:BUSI.0000013852.62017.0e.

Fassin, Y.. "The Stakeholder Model Refined." 2009. *Journal of Business Ethics* 84: 113-135.

Fink, Steven. 2002. *Crisis Management: Planning for the Inevitable*. Authors Guild Backinprint.com ed. Lincoln, Neb: IUniverse.

Freeman, R. Edward. 1994. "The Politics of Stakeholder Theory: Some Future Directions." *Business Ethics Quarterly* 4 (4): 409–21. https://doi.org/10.2307/3857340.

Freeman, R. Edward. 2010. *Strategic Management: A Stakeholder Approach*. Reissue. Cambridge New York Melbourne Madrid Cape Town Singapore: Cambridge University Press.

French, J. R. P., Jr., and B. Raven. 1959. *The bases of social power.* In D. Cartwright (Ed.), Studies in social power. Univer. Michigan. p. 150–167).

Fontanka. 2021. «Ne nado perekladyvat' na pandemiju». Peterburgskie restorany zakryvajutsja dlja pererozhdenija. https://www.fontanka.ru/2021/03/05/69796313/.

Fontanka. 2020. Restorannyj martirolog. Kakie peterburgskie restorany ne perezhili pandemiju. https://www.fontanka.ru/2020/06/28/69338617/.

Fomicheva, E., and Vil'de O. 2021. SET «BANKROT». SOBSTVENNIK RESTORANOV «VASABI» I «ROZARIO» NE SPRAVILSJa S UPRAVLENIEM. Newsprospect. https://newprospect.ru/news/articles/set-bankrot-sobstvennik-restoranov-vasabi-i-rozario-ne-spravilsya-s-upravleniem/

Hillman, A. J., and G. D. Keim. 2001. Shareholder value, stakeholder management, and social issues: what's the bottom line? *Strategic Management Journal* 22(2): 125–139. doi:10.1002/1097-0266(200101)22:2<125::aid-smj150>3.0.co;2-h

Jones, Thomas M., and Andrew C. Wicks. 1999. "Convergent Stakeholder Theory." *The Academy of Management Review* 24 (2): 206. https://doi.org/10.2307/259075.

Kommersant. 2020. Okolo 20% kafe i restoranov zakrylis' iz-za ogranichenij na fone pandemii. https://www.kommersant.ru/doc/4565257

Lerbinger, Otto. 1997. *The Crisis Manager: Facing Risk and Responsibility*. LEA's Communication Series. Mahwah, N.J: Erlbaum.

Leta, Senbeto Dagnachew, and Irene Cheng Chu Chan. 2021. "Learn from the Past and Prepare for the Future: A Critical Assessment of Crisis Management Research in Hospitality." *International Journal of Hospitality Management* 95 (May): 102915. https://doi.org/10.1016/j.ijhm.2021.102915.

Manzaneque-Lizano, Alfaro-Cortés, and de la Priego Cruz. 2019. "Stakeholders and Long-Term Sustainability of SMEs. Who Really Matters in Crisis Contexts, and When." *Sustainability* 11 (23): 6551. https://doi.org/10.3390/su11236551.

McGrath, Stephen Keith, and Stephen Jonathan Whitty. 2017. "Stakeholder Defined." *International Journal of Managing Projects in Business* 10 (4): 721–48. https://doi.org/10.1108/IJMPB-12-2016-0097.

Melchionne, L. 2021. After a year of economic struggles, Italians are tired of suffering. *The Tempest*. https://thetempest.co/2021/05/05/news/italy-covid-economic-crisis/.

Mendelow, A. L. 1991. *"Environmental Scanning: The Impact of the Stakeholder Concept"*. Proceedings From the Second International Conference on Information Systems 407-418. Cambridge, MA.

MFD. https://mfd.ru/calendar/details/?id=53.

MFD. https://mfd.ru/calendar/details/?id=455.

Miles, Samantha. 2017. "Stakeholder Theory Classification: A Theoretical and Empirical Evaluation of Definitions." *Journal of Business Ethics* 142 (3): 437–59. https://doi.org/10.1007/s10551-015-2741-y.

Mitchell, Ronald K., Bradley R. Agle, and Donna J. Wood. 1997. "Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What Really Counts." *The Academy of Management Review* 22 (4): 853. https://doi.org/10.2307/259247.

Monte, A. 2021. *Quanto costa un ristorante chiuso per lockdown? Abbiamo fatto i conti in tasca ai cuochi.* Corriere. https://www.corriere.it/cook/news/cards/quanto-costa-ristorante-chiuso-lockdown-abbiamo-fatto-conti-tasca-cuochi/affitto.shtml?refresh_ce.

Myers, Kenneth N. 1993. *Total Contingency Planning for Disasters: Managing Risk ... Minimizing Loss ... Ensuring Business Continuity*. New York: Wiley.

National Restaurant Association. 2021. State of the Restaurant Industry. https://go.restaurant.org/rs/078-ZLA-461/images/2021-State-of-the-Restaurant-Industry.pdf

Nuti, D. 1997. "Democracy and Economy: What Role for Stakeholders?" *Business Strategy Review* 8 (2): 14–20. https://doi.org/10.1111/1467-8616.00015.

Oxford Dictionary Online. https://en.oxforddictionaries.com/definition/Salience#:~:text=noun&text=The%20quality%20of%20being%20particularly%20noticeable%20or%20important%3B%20prominence.

Oxford Dictionary Online. https://www.lexico.com/definition/crisis_management

Parmar, Bidhan L., R. Edward Freeman, Jeffrey S. Harrison, Andrew C. Wicks, Lauren Purnell, and Simone de Colle. 2010. "Stakeholder Theory: *The State of the Art*." *Academy of Management Annals* 4 (1): 403–45. https://doi.org/10.5465/19416520.2010.495581.

Phillips, Robert, R. Edward Freeman, and Andrew C. Wicks. 2003. "What Stakeholder Theory Is Not." *Business Ethics Quarterly* 13 (4): 479–502. https://doi.org/10.5840/beq200313434.

Porter, M.E. and M. R. Kramer. 2011. *The Big Idea: Creating Shared Value.* Harvard Business Review 89: 2-17.

Post, James E., Lee E. Preston, and Sybille Sauter-Sachs. 2002. *Redefining the Corporation: Stakeholder Management and Organizational Wealth*. Stanford, Calif: Stanford Business Books.

Raven, Bertram H. 1990. "Political Applications of the Psychology of Interpersonal Influence and Social Power." *Political Psychology* 11 (3): 493. https://doi.org/10.2307/3791662.

RBC. 2020. Bolee 40% rossijan pomogli ljubimym kafe i magazinam v pandemiju. https://www.rbc.ru/business/02/10/2020/5f74aa159a79470d43a6a6e0.

Rosstat. https://rosstat.gov.ru/folder/313/document/113015#:~:text=Номинальный%20объем%20ВВП%20в%202020,дефлятор%20–%20100%2C7%25.

Saito, Hiroaki, and Lisa Ruhanen. 2017. "Power in Tourism Stakeholder Collaborations: Power Types and Power Holders." *Journal of Hospitality and Tourism Management* 31 (June): 189–96. https://doi.org/10.1016/j.jhtm.2017.01.001.

Savage, Grant T., Timothy W. Nix, Carlton J. Whitehead, and John D. Blair. 1991. "Strategies for Assessing and Managing Organizational Stakeholders." *Academy of Management Perspectives* 5 (2): 61–75. https://doi.org/10.5465/ame.1991.4274682.

Smith, D. 1990. Beyond contingency planning: Towards a model of crisis management. *Industrial Crisis Quarterly* 4(4): 263–275.

Stakeholdermap. https://www.stakeholdermap.com/stakeholder-management.html.

Sturges, David L. 1994. "Communicating through Crisis: A Strategy for Organizational Survival." *Management Communication Quarterly* 7 (3): 297–316. https://doi.org/10.1177/0893318994007003004.

Suchman, Mark C. 1995. "Managing Legitimacy: Strategic and Institutional Approaches." *The Academy of Management Review* 20 (3): 571. https://doi.org/10.2307/258788.

Taleb, Nassim Nicholas. 2007. "Black Swans and the Domains of Statistics." *The American Statistician* 61 (3): 198–200. https://doi.org/10.1198/000313007X219996.

Timur, Seldjan, and Donald Getz. 2008. "A Network Perspective on Managing Stakeholders for Sustainable Urban Tourism." *International Journal of Contemporary Hospitality Management* 20 (4): 445–61. https://doi.org/10.1108/09596110810873543.

Torugsa, Nuttaneeya Ann, Wayne O'Donohue, and Rob Hecker. 2012. "Capabilities, Proactive CSR and Financial Performance in SMEs: Empirical Evidence from an Australian Manufacturing Industry Sector." *Journal of Business Ethics* 109 (4): 483–500. https://doi.org/10.1007/s10551-011-1141-1.

Vtimes. 2020. Kak vyzhili moskovskie restorany. https://www.vtimes.io/2020/09/25/kak-vyzhili-moskovskie-restorany-a174

Wagner Mainardes, Emerson, Helena Alves, and Mário Raposo. 2012. "A Model for Stakeholder Classification and Stakeholder Relationships." Edited by Domingo Ribeiro Soriano. *Management Decision* 50 (10): 1861–79. https://doi.org/10.1108/00251741211279648.

Wrong, Dennis H. 1995. *Power: Its Forms, Bases, and Uses*. New Brunswick, N.J: Transaction Publishers.

APPENDIX 1. Interview guide

Introduction

Good afternoon! Let me first tell you about the topic of my research. I am conducting research on how the coronavirus pandemic has changed the relationship of small and medium-sized enterprises with their stakeholders - customers, suppliers, government, employees, etc. I want to know if the relationship between business and stakeholders has changed, how it has changed, and how these changes can help other small and medium-sized businesses more effectively apply anti-crisis measures, avoid or mitigate similar situations in the future.

Thank you for agreeing to answer my questions! Please tell me, do you mind that the interview will be recorded? This will make it easier for me to process the information later.

General information

Please tell me a little about your business. How many years have you been on the market?

Overview of the situation in pandemic

Excellent. Please tell me how you were doing before the outbreak of the pandemic? And how are things now? How did your business survive the lockdown?

Government support

Have you received any support from the government? In what form? Do you consider it sufficient? If it is not sufficient, why not? Did you know that every sole proprietor could get ... ... and .... What support do you think would be most effective and why?

After the pandemic and lockdown, has your attitude towards the state changed? Or has it remained the same?

Customer relations

Do you have fewer customers? Has the purchasing behavior changed in any way? Did you change your business model during the lockdown? Did it have any effect?

Employee relations

How many people do you currently employ? And how many worked a year ago? If something has changed, why? Do you think it is right to build relationships with employees on a long-term basis? Would you be willing to lose profits to preserve their well-being during a pandemic? What were

your expectations for employees during the crisis? What were their expectations? If they didn't match, what do you think is the reason?

Relationships with suppliers and landlords

Have you had any difficulties with purchasing food or drinks or else over the past year? Have relations with suppliers and landlords changed in any way? Have the conditions of the crisis been discussed directly with these stakeholders? Were there any attempts to come to a joint solution through an analysis of the losses of each of the parties?

Other information

Does your organization have investors (other owners)? How did they react to the situation? What were their expectations? Do they see the business as long-term?

Do you interact with the local community or with some non-profit organizations? Have your relationships changed this year?

What has changed in principle compared to what it was a year ago?

If you knew in advance that such a situation as with the coronavirus would come, do you think you would be able to change something for the better? What advice would you give for those who might find themselves in such a situation?

Thank you very much for your answers!