

Investigation and Research on the Business Confidence of Wenzhou SMEs under the Post-New Coronary Pneumonia Epidemic

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Abstract

This article mainly studies the business confidence of Wenzhou small and micro entrepreneurs and its influencing factors after the epidemic. First, fully collect, organize, and analyze relevant data, and design questionnaires related to business confidence of small and micro entrepreneurs after the epidemic. Based on the survey sample data on entrepreneurs' business confidence, empirical analysis of the factors affecting entrepreneurs' business confidence will provide accurate and effective reference for accurate recovery.

Keywords

Epidemic, small and micro entrepreneurs, business confidence.

1. Introduction

A meeting was held on March 4, 2020 to study key tasks for the prevention and control of the new crown pneumonia epidemic and the stabilization of economic and social operations. Xi Jinping presided over the meeting of the Standing Committee of the Political Bureau of the CPC Central Committee and emphasized that we must step up efforts to promote economic and social development, promote the resumption of work and production in an accurate and orderly manner, realize the orderly flow of people and assets, the organic connection of production, supply and marketing, and the effective integration of domestic and foreign trade, so as to cause the epidemic The loss is minimized. Wenzhou is the worst-hit area of the epidemic except Hubei Province. The small and micro enterprises in Wenzhou, which are the "vanguard" of the private economy under the epidemic, have "pause button", disrupting the business goals of some enterprises. The epidemic has paralyzed the production and sales of enterprises. Under the weight of the epidemic, some companies calculate how much they lose every day; as time increases, their cash flow gradually decreases. When the epidemic gradually stabilized, the company's resumption of work and production encountered difficulties such as lack of employees and lack of funds for re-production. In addition, the epidemic Reduce social demand, people reduce shopping, reduce going out, reduce tourism, reduce consumption and investment, due to the reduction of a large number of economic activities, social demand is suppressed. Therefore, under the double blow of supply and demand, some companies may face problems such as bankruptcy or operating difficulties. These pressures have impacted the business confidence of some small and micro entrepreneurs. Many entrepreneurs and entrepreneurs have the idea of giving up. In the face of a once-in-a-hundred-year epidemic, many entrepreneurs do not have the courage or confidence to pass this barrier smoothly. A very important point is whether the entrepreneur can pass this barrier smoothly: whether the entrepreneur has confidence and whether he wants to. Only when entrepreneurs have confidence in business will they plan the next step (next year, the future), and be more courageous and motivated to mobilize all resources, bravely face all the current difficulties and challenges, and help enterprises overcome this difficulty. This article mainly studies the

business confidence of small and micro entrepreneurs and its influencing factors after the epidemic, so as to understand the business confidence of small and micro entrepreneurs in time.

2. Summary of Research on Similar Topics at Home and Abroad

The Guangdong Apparel Industry Association investigated and analyzed how difficult it is for companies to resume work, such as the lack of synchronization between upstream and downstream companies in the supply chain, reduced orders, hindered workers returning to work, poor transportation and logistics, and lack of protective resources (2020). Zhenghe Island Research Institute released the "Corporate Anti-epidemic Needs and Response Status" survey report released in March 2020 from the perspective of market entities and analyzes the needs and hopes of enterprises (2020). The All-China Federation of Industry and Commerce studies and analyzes the impact of the epidemic on the private economy and industrial chain (2020). Compared with the SARS period, Ang Guojun (2020), Shen Guobing (2020) and other scholars believe that the new crown epidemic poses a higher risk to companies because the current macroeconomic environment facing companies is more complex, and the epidemic has already affected companies. my country's foreign trade and employment, as well as the global industrial chain and supply chain have brought serious adverse impacts. Therefore, a more effective combination of macro policies is needed to deal with emergencies and the impact on the economy. Zhang Ping (2020) believes that the spread of the new coronavirus pneumonia epidemic in various regions and its impact on various industries and enterprises have shown obvious differences. Therefore, there is a significant imbalance in its spread and impact. Some scholars also believe that the impact of the epidemic will catalyze the birth of new technologies and the renewal of capital stock, thereby increasing long-term total factor productivity (Skidmore and Toya, 2002). In addition, the delayed spread of the impact of the epidemic will be more far-reaching. Affected by major public health emergencies, the consumption cycle chain that is blocked by the circulation supply chain is shrinking rapidly, resulting in chaos in the industrial chain, capital chain, etc., even if major epidemics are controlled, the lag effect after the epidemic And the impact of the diffusion effect still needs a long time to be repaired (Li Zhimeng, 2020). The research team found that the current research mainly focuses on the impact on enterprises, and there is less quantitative analysis of the business confidence of market players and entrepreneurs. In order to understand the impact of the new crown pneumonia epidemic on small and medium-sized enterprises in our city, the research team conducted a survey on small and medium-sized enterprises in Wenzhou City. Combined with online interviews of multiple enterprises, this article analyzed the questionnaires and interviews and put forward relevant countermeasures and suggestions.

3. The Main Difficulties and Problems Faced by Business Operations

(1) Situation analysis

This online questionnaire survey received a total of 2558 valid questionnaires, involving 9 major industries in Wenzhou, including manufacturing, catering and accommodation, transportation and logistics, real estate, construction, cultural film and television, education and training, the Internet, and financial services. Among them, there are 1,390 manufacturing companies, accounting for 53.34%; 1,127 companies with a turnover of more than 20 million yuan, accounting for 44.06%; 1,321 companies that have been in normal operation for more than 10 years, accounting for 51.64%. Data analysis found that the epidemic has caused great losses to small and medium-sized enterprises in our city, covering a wide range of areas and having a deep impact. However, on the whole, they have a positive attitude towards resisting the impact of the epidemic and have shown strong resilience.

(2) Difficulties faced by business operations

Judging from the questionnaires and interviews, Wenzhou SMEs are generally greatly affected by the epidemic and face many difficulties and pressures, which are mainly reflected in the following aspects.

One is the direct economic loss estimated by the company. 99.61% of companies believe that the epidemic has caused greater losses to them. Among them, 10.36% of the companies believe that the direct economic loss is more than 50% of their annual income, 12.71% of the companies believe that the loss is between 31%-50%, and 47.66% of the companies believe that the loss is between 10%-30%, with 22.83 % Of companies cannot estimate the loss.

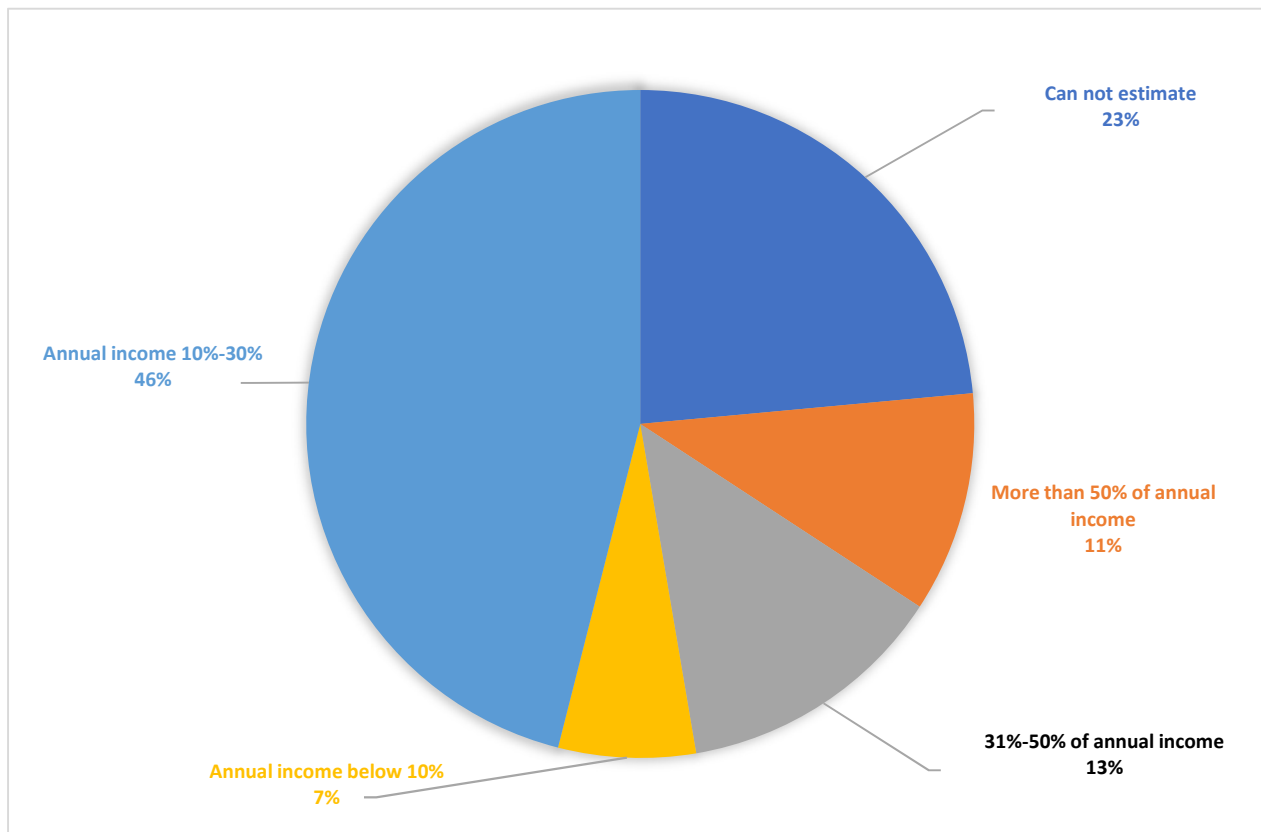


Figure 1. The proportion of direct economic losses of enterprises in annual income

The second is market losses. Up to 86.04% of the companies said they had suffered losses from customers and the market, and the interviewed companies also verified this situation. For example, many heads of clothing and shoe leather companies have reported that because the industry is very seasonal and affected by the epidemic, delayed shipments, delayed deliveries, and order cancellations have occurred frequently, resulting in a sharp drop in product prices. For example, the person in charge of a shoe company reported that the 150,000 pairs of shoes shipped after the year before the stocking plan were cancelled due to the epidemic. It is estimated that they can only find another channel for sales at a price less than 50% of the original price, plus February and March. The 200,000 pairs of orders were also cancelled, and the loss would amount to 15-20 million yuan. Third, the business was closed but the "operating" costs were incurred as usual. 64.84% of enterprises reported this problem. For example, a network service company reported that even though it was closed, it still had to pay more than 200,000 yuan in wages and social security for more than 40 employees each month. In addition, liquidated damages and compensation due to postponement or cancellation of orders have also increased a lot of burdens on enterprises. Fourth, the situation of rework and recruitment is severe. Companies generally pay great attention to employment issues. The results of the

questionnaire show that 61.69% of entrepreneurs "care about employees", second only to the option of "Focus on various epidemic information channels" by 73.1%. On the one hand, for labor-intensive companies, skilled workers mainly rely on long-term training, coupled with some technical research and development personnel, often "the emperor's daughter does not worry about marrying". If the company stops working and it is difficult to resume work, it is easy to move to the next home. For example, the person in charge of a high-tech enterprise reported that at present, Guangdong counterparts have taken the opportunity to attract employees who are still in their hometown in Anhui to quit. Many companies report that whether skilled workers from other places can recover as scheduled will largely determine whether the company can start operations smoothly. On the other hand, the difficulty of employment in our city in recent years has become increasingly prominent, and the recruitment of ordinary employees is not easy. Due to the large rigid demand, it is difficult to recruit talents early. The difficulty of employment will directly affect the smooth resumption of work. Fifth, the potential risks of enterprises cannot be ignored. Companies will generally face cash flow problems due to factors such as the current inability to start operations, slow sales of products, and overstocking of inventory. 62.82% of enterprises believe that capital pressure is the biggest challenge after the start of construction. Some corporate officials said frankly that tax reduction or exemption is still a problem of corporate burdens, while the issue of capital chain is a matter of "life and death." Secondly, it takes a long time for enterprises to recover. Most of the enterprises surveyed believe that it will take about 2-3 months to basically restore production order after resuming work, but various impacts will last for a long time. Enterprises generally expect the government to study Introduce support policies for a longer period of time. Thirdly, because of the large number of disputes and breaches of contract brought about by the epidemic, it is necessary to study the "wind-off" mechanism in special periods and provide more timely legal assistance services.

4. Analysis of the Business Confidence of Wenzhou Small, Medium and Micro Entrepreneurs after the Epidemic

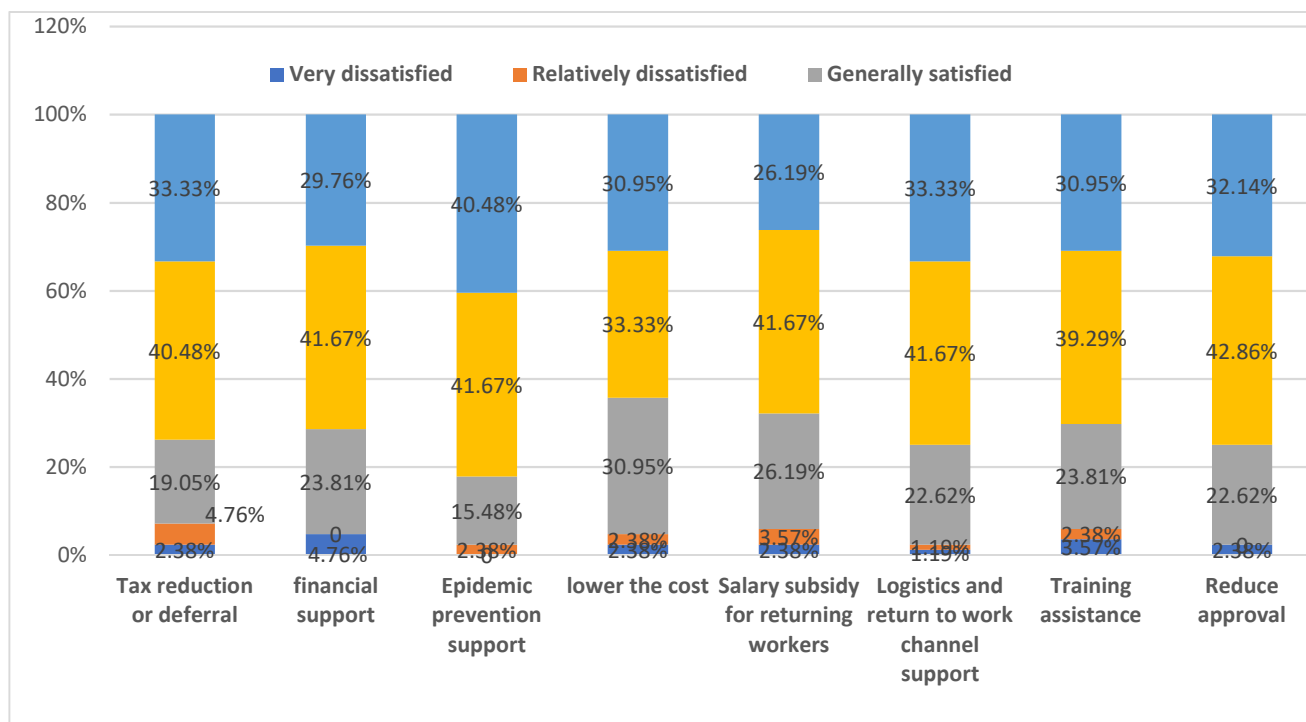


Figure 2. Evaluation of satisfaction with government policies by small, medium and micro enterprises

(1) Policy satisfaction

In terms of the satisfaction evaluation of various support policies, based on the relatively satisfied and very satisfied dimensions, enterprises have the highest satisfaction with epidemic prevention support policies (accounting for 82.15%), followed by logistics and return-to-work channel support (accounting for 75%) , Reduction of approvals (accounting for 75%), tax reduction or deferral (accounting for 73.81%), financial support (accounting for 71.43%). Based on the relatively dissatisfied and very dissatisfied dimensions, only 7.14% of small, medium and micro enterprises expressed dissatisfaction with tax reduction or deferral. Survey data shows that most of them are slightly satisfied with the government's policy supply.

(2) Entrepreneurs' confidence in the future. In general, Wenzhou SMEs are optimistic about resisting the impact of the epidemic. 70.41% of the companies expressed confidence to tide over the difficulties, and 26.11% of the companies were full of confidence. They believe that the status of China's industrial power, the complete Wenzhou industrial chain, the foundation and strength of enterprises, and the concerted efforts of everyone will enable enterprises to tide over the difficulties.

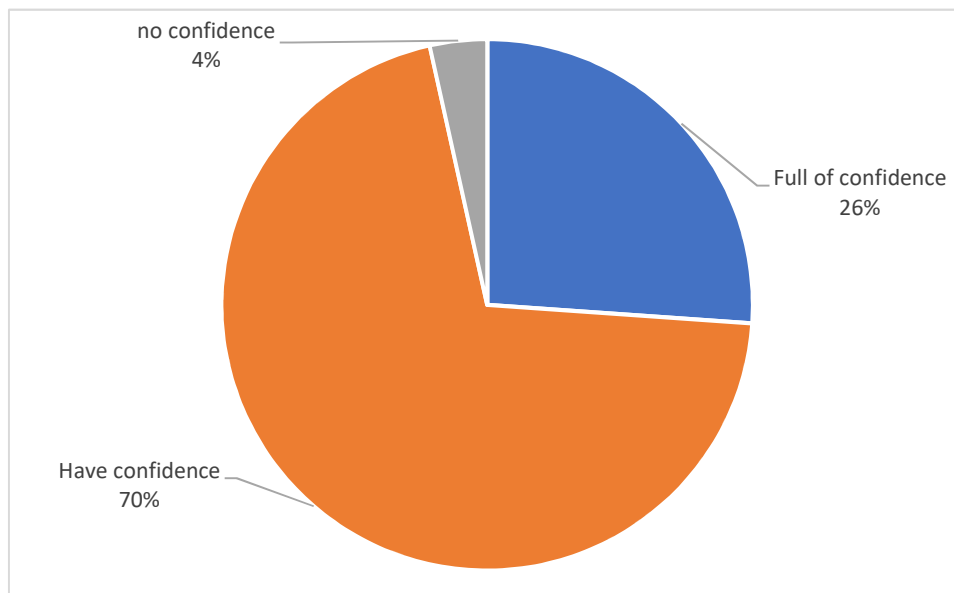


Figure 3. Entrepreneurs' confidence in the future

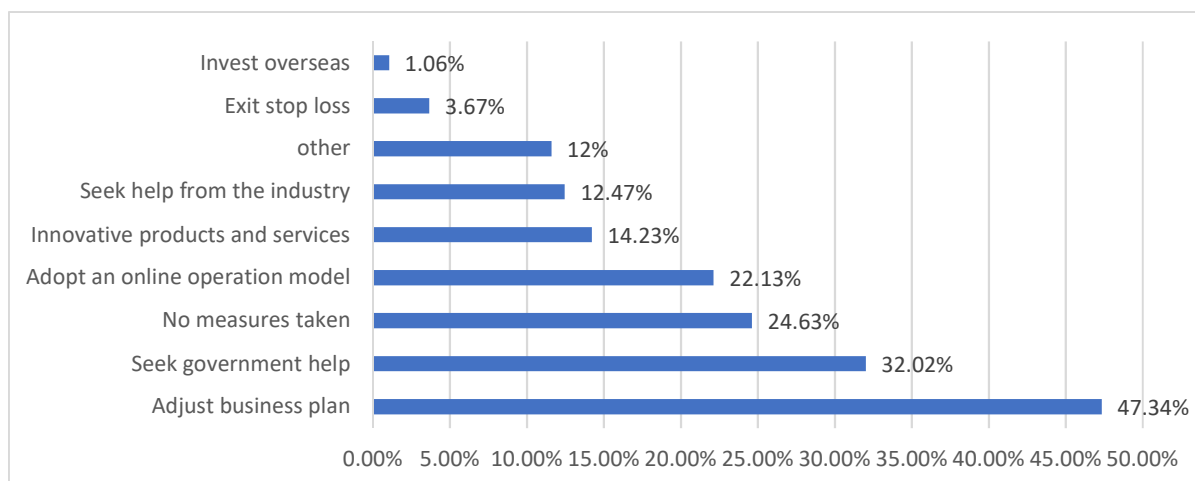


Figure 4. Response measures taken by enterprises

(3) The response measures to be taken by the enterprise. 47.34% of companies said they were adjusting their business plans, 22.13% of companies adopted an online operation model for "digital" transformation, and 32.02% of companies were actively seeking government help. At the same time, 72.97% of companies believe that the epidemic is also an opportunity to force their companies to transform and develop. They can take this opportunity to sort out problems, adjust strategic layout, improve crisis response capabilities, and strengthen internal cohesion.

5. Relevant Countermeasures and Suggestions

First, further boost the confidence of enterprises to resist the epidemic. According to the survey, although small and medium-sized enterprises have generally suffered losses, their confidence in overcoming this crisis is still relatively strong. Entrepreneur confidence is our strongest force in resisting the epidemic. In order to further inspire the confidence and determination of SMEs to overcome difficulties, on the one hand, it is necessary to further unblock channels, strengthen information interaction, and more actively listen to the appeals and opinions of SME owners, and use it as an important basis for formulating relevant policies and measures to improve the pertinence of policies. . On the other hand, it is necessary to make good use of the policies that have been introduced such as "To overcome 28 difficulties with SMEs", strengthen implementation, enhance the inclusiveness of the policies, and effectively improve the sense of acquisition and security of SMEs.

Second, speed up the resolution of industrial chain and supply chain shocks. It is necessary to attach great importance to the development of small and medium-sized enterprises' industrial chains and industrial clusters, especially to protect the small and medium-sized enterprises in all links of the industrial ecology, industrial chain and supply chain, to avoid the impact of logistics interruption and the impact of industrial chain and supply chain interruption caused by the impact of the epidemic. Cause the replacement or transfer of the industry chain. For this reason, it is recommended that relevant departments take targeted investigations and sorting out, and give priority to supporting the resumption of work in advantageous industries and cluster industrial chains and supply chain-related enterprises, so as to lay the foundation for the overall restoration of production in the next step.

Third, increase the protection of key elements. From the survey, the employment issue is directly related to the company's resumption of work, and the capital chain is related to the company's next recovery and development. Only by seizing these key elements to increase support and avoiding the "sprinkling" of support funds can the policy take effect. To the role of "four ounces of a thousand catties". For this reason, it is recommended to increase the focus of financial support funds in key links and key areas, and to formulate special policies such as rework, recruitment and financing support for small and medium-sized enterprises, so as to maximize the support effect.

Fourth, comprehensively consider the continuity of the policy. It is recommended to comprehensively consider factors such as increasing downward pressure on the economy, high macro-leverage, the critical period of real estate industry regulation, and the external environment under the influence of the epidemic, and plan the introduction of policies and measures in a rhythmic and focused manner. At the same time, actively use the current "window period" of the epidemic and the "rebound period" of the economy after the situation of epidemic prevention and control has improved to promote the strategic adjustment of small and medium-sized enterprises, carry out industrial upgrades and technological updates, and expand online office and big data applications. Application of technology to seize the opportunity in the new round of competition.

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