

The Business Prospects and Challenges of Micro, Small and Medium Enterprises in Bislig City under the New Normal: A Basis for a Business Continuity Plan

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Abstract— This study investigates the profile, status, business prospects, and challenges of Micro, Small, and Medium Enterprises (MSMEs) in Bislig City, Surigao del Sur, under the new normal. It examines how political, economic, socio-cultural, technological, and financial factors influence MSME decision-making, particularly regarding business continuity. Using a mixed-methods approach, data were collected from 359 respondents through validated questionnaires and focus group discussions. Results indicate that business challenges significantly influence decisions to cease operations, whereas opportunities encourage enterprise sustainability. The study underscores the importance of a structured Business Continuity Plan (BCP) to ensure organizational resilience, outlining strategies for prevention, preparedness, response, and recovery.

Keywords— Business Continuity Planning, Crisis Resilience, Entrepreneurial Challenges, Small, and Medium Enterprises (MSMEs)

I. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are pivotal to economic growth, innovation, and employment generation. The “new normal” resulting from the COVID-19 pandemic has exposed their vulnerabilities while creating opportunities for adaptive strategies, technological integration, and innovative business models. Sustainable and circular business approaches have reshaped competitive dynamics, highlighting the importance of preparedness and resilience for MSMEs. Business prospects, defined as potential customers, markets, and partnerships, are vital for enterprise growth. Opportunities arise through networking, digital platforms, referrals, and market expansion. Conversely, the pandemic introduced operational disruptions, supply chain breakdowns, decreased consumer demand, and increased costs due to compliance with health protocols. These challenges emphasize the need for robust Business Continuity Plans (BCPs), which provide frameworks for sustaining operations, securing resources, and mitigating risks during crises.

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II. OBJECTIVES OF THE STUDY

This research aims to analyze the factors that influence the operations and sustainability of Micro, Small, and Medium Enterprises (MSMEs). Specifically, it seeks to examine the impact of political, economic, socio-cultural, technological, and financial factors on MSME operations. It also assesses the business prospects and challenges faced by these enterprises and how these factors affect their decisions to continue or discontinue operations. Furthermore, the study identifies differences in perceptions among micro, small, and medium enterprises regarding the challenges brought about by the pandemic. Ultimately, the research proposes a Business Continuity Plan (BCP) model designed to strengthen the resilience and long-term sustainability of MSMEs.

III. THEORETICAL FRAMEWORK

The theoretical framework of this study is anchored on three key theories that explain how enterprises make decisions, evaluate their internal and external environments, and maintain operational stability during disruptions. First, Prospect Theory explains how decision-makers evaluate perceived gains and losses, which significantly influences their choices when operating under uncertainty (Chen, 2022). Second, SWOT Analysis provides a strategic tool that enables enterprises to assess their strengths, weaknesses, opportunities, and threats in order to guide informed business decisions and planning (Schooley, 2023). Lastly, Business Continuity Management (BCM) emphasizes systematic strategies and processes that help organizations minimize operational disruptions and maintain resilience during crises (Musa, 2021). Together, these theoretical lenses support the study in understanding MSME decision-making, strategic assessment, and resilience planning.

IV. METHODS

This study utilized a mixed-methods research design, integrating both quantitative and qualitative approaches to obtain a comprehensive understanding of MSME experiences and perspectives. The methodology was designed to gather measurable data on business conditions while also capturing in-depth insights from participants regarding their operational realities during the new normal.

Population and Sampling. The target population consisted of 3,474 registered MSMEs in Bislig City, comprising 3,267 micro enterprises, 117 small enterprises, and 90 medium enterprises. Using Slovin’s formula with a 5% margin of error, a sample size of 359 respondents was determined. The respondents were proportionally distributed among micro, small, and medium enterprises to ensure fair representation of each category.

Data Collection. Data were gathered through a validated questionnaire using a Likert-scale and focus group discussions (FGDs) with nine selected participants. The quantitative data captured information on MSME profiles, business prospects, challenges, and the influence of external and internal factors. Meanwhile, the qualitative data from the FGDs provided deeper insights and contextual understanding of the operational experiences of MSMEs in adapting to the new normal.

V. RESULT AND DISCUSSION

Extent of Common Factors Affecting MSMEs in Bislig City During the Pandemic

TABLE I: EXTENT OF COMMON FACTORS AFFECTING MSME’S

Factors	Indicators	Weighted Mean	Interpretation
Political Factors	Total Mean	4.52	Highly Affect
Economic Factors	Total Mean	4.40	Highly Affect
Socio-Cultural Factors	Total Mean	4.43	Highly Affect
Technological Factors	Total Mean	4.47	Highly Affect
Overall Mean		4.46	Highly Affect

The results show that MSMEs in Bislig City were highly affected by political, economic, socio-cultural, technological, and financial factors, with an overall mean of 4.46. Among these, political factors had the highest impact (4.52), followed by technological and financial factors (4.47), socio-cultural factors (4.43), and economic factors (4.40). These findings indicate that government regulations, technological adaptation, financial constraints, and economic conditions significantly influenced MSME operations during the pandemic. Overall, these factors shaped the ability of MSMEs to adapt, sustain operations, and remain resilient under the new normal environment.

TABLE II: EXTENT OF BUSINESS PROSPECTS ASSISTING THE OPERATION OF MSMEs

Business Prospects or Opportunities	Weighted Mean	Interpretation
Guarantee economical utilization and creation designs	4.52	Very High Prospect
Contribute to the adaptation of economic activities/sectors	4.36	Very High Prospect
Advance good governance principles and standards	4.47	Very High Prospect
Drive innovation and economic growth through new and small firms	4.39	Very High Prospect
Promote financial inclusion and regenerate under-served areas	4.44	Very High Prospect
Provide income to low-income and marginalized groups	4.43	Very High Prospect
Play a role in conflict and	4.44	Very High Prospect

Business Prospects or Opportunities	Weighted Mean	Interpretation
violence prevention		
Generate income for vulnerable families, women, and youth via employment and entrepreneurship	4.47	Very High Prospect
Strengthen implementation and revitalize global partnerships for sustainable development	4.47	Very High Prospect
Adopt ethical business practices and integrate standards into value chains for growth and profitability	4.47	Very High Prospect
Prevent negative environmental impacts through responsible entrepreneurship	4.44	Very High Prospect
Ensure sustainable utilization and production patterns	4.41	Very High Prospect
Support environmental protection by minimizing harmful practices	4.45	Very High Prospect
Promote gender equality and empower women and girls	4.45	Very High Prospect
Ensure access to affordable, reliable, sustainable, and modern products and services (pandemic context)	4.49	Very High Prospect
Promote inclusive and sustainable economic growth, full employment, and decent work for all	4.50	Very High Prospect
Overall Mean	4.45	Very High Prospect

Table 2 shows that making the business stand out was the highest-rated challenge faced by MSMEs in Bislig City (WM = 4.51), while a decrease in revenue had the lowest rating (WM = 4.38), though both were still interpreted as very high threats. This indicates that market differentiation is a critical factor affecting business sustainability, emphasizing the importance of effective marketing and branding strategies to remain competitive. However, MSMEs face difficulties in building strong brands due to changing customer expectations, evolving marketing tools, and financial limitations. In addition, other issues—such as limited working capital, strong competition from larger firms, employee turnover, supply difficulties, weak innovation, inadequate infrastructure, and limited use of technology—were also rated as very high threats. Overall, these findings highlight the vulnerability of MSMEs and the need for stronger strategies in innovation, management, and business resilience to sustain operations in a competitive environment.

TABLE III: DEGREE OF CHALLENGES OR THREATS FACED BY MSMEs IN BISLIG CITY

Challenges/Threats	Weighted Mean	Interpretation
Inadequate working capital	4.48	Very High Threat
Decrease in revenue	4.38	Very High Threat
Stiff competition from larger companies	4.43	Very High Threat
Employment turnover	4.45	Very High Threat
Difficulties in sourcing raw materials	4.43	Very High Threat
Liquidity problems	4.43	Very High Threat
Low capacity utilization	4.48	Very High Threat
Bankruptcy	4.43	Very High Threat

Challenges/Threats	Weighted Mean	Interpretation
Lack of management skills and strategies	4.48	Very High Threat
Succession planning	4.48	Very High Threat
Poor educational background of operators	4.43	Very High Threat
Lack of innovation	4.44	Very High Threat
Undeveloped sales channels	4.46	Very High Threat
Poor infrastructure	4.44	Very High Threat
Insufficient use of information technology	4.49	Very High Threat
Establishing a work-from-home scheme	4.45	Very High Threat
Productivity	4.47	Very High Threat
Systems and processes	4.50	Very High Threat
Measuring performance	4.50	Very High Threat
Leadership and culture	4.49	Very High Threat
Making business stand out	4.51	Very High Threat
Overall Mean	4.46	Very High Threat

Table 3 indicates that making the business stand out was the highest-rated challenge faced by MSMEs in Bislig City (WM = 4.51), while a decrease in revenue was the lowest (WM = 4.38), though both were still considered very high threats. This highlights the importance of strong marketing and branding strategies for business competitiveness and sustainability. Additionally, other challenges such as limited capital, strong competition, supply issues, weak innovation, and limited technology use were also rated as very high threats, emphasizing the need for MSMEs to strengthen their capacity, innovation, and resilience in a competitive business environment.

TABLE 4: SIGNIFICANT RELATIONSHIP BETWEEN PROSPECTS AND CHALLENGES, WHETHER TO CONTINUE OR DISCONTINUE IN BISLIG CITY

Variables Tested	Computed r	p-value	Decision	Conclusion
Prospects or Opportunities and the Challenges as to continue or discontinue business operation	0.932	0.000	Reject Null Hypothesis	Highly significant and highly correlated

Table 4 presents the significant relationship between business prospects and challenges in terms of decision-making on whether to continue or discontinue business operations. The findings reveal that business prospects are significantly related to the challenges encountered by MSME entrepreneurs, as evidenced by the p-value being less than the 0.05 level of significance, thereby rejecting the null hypothesis. This result suggests that the challenges, which were rated as very high threats, strongly influence the likelihood of entrepreneurs deciding to discontinue their operations. Conversely, the business prospects or opportunities identified in the study, which were rated as very high, indicate a positive influence on entrepreneurs' decisions to sustain their businesses. Thus, while challenges tend to discourage continuity, prospects encourage persistence, showing that the two variables are distinct yet significantly correlated in shaping business decision-making.

TABLE 5. SIGNIFICANT DIFFERENCE IN THE VIEWS OF MSME'S ON THE CHALLENGES BROUGHT BY COVID 19 PANDEMIC

Sources of Variation	Computed F	P-value	Decision	Conclusion
Challenges as viewed by Micro, Small, and Medium Enterprises	5.91	0.003	Reject Null Hypothesis	Significant

The results reveal that MSMEs hold significantly different views, as the p-value is less than the 0.05 level of significance, leading to the rejection of the null hypothesis. This suggests that the impact of pandemic-related challenges was not perceived uniformly across enterprises. Variations in perspectives may stem from differences in business size, industry type, financial capacity, geographic location, operational structure, and market exposure. Microenterprises, for instance, may have experienced greater vulnerabilities due to limited resources, while larger SMEs might have faced complexities in workforce management, supply chain disruptions, or compliance with stricter health protocols. Overall, the findings emphasize that MSMEs' responses and coping strategies were shaped by their unique circumstances, highlighting the diverse ways in which the pandemic affected business operations.

VI. FINDINGS

The findings of the study highlight the key characteristics, opportunities, and challenges faced by MSMEs in Bislig City. The results reveal that most enterprises are microenterprises, primarily owner-managed and largely engaged in retail trade. The study also shows that political, economic, socio-cultural, technological, and financial factors significantly influence their operations. While business prospects such as sustainable practices, innovation, and financial inclusion offer strong potential for growth, MSMEs continue to face challenges, including limited capital, intense market competition, weak innovation, and inadequate infrastructure. Furthermore, the results indicate a significant relationship between business prospects and challenges, which affects decisions on business continuity. Differences were also observed in how micro, small, and medium enterprises perceive pandemic-related challenges, reflecting their varying operational capacities.

CONCLUSION

MSMEs in Bislig City are crucial to local economic development but remain vulnerable to external shocks. Opportunities exist in innovation, sustainability, and inclusive growth, yet persistent challenges limit operational resilience. Effective Business Continuity Plans are essential for sustaining operations and mitigating risks during crises.

RECOMMENDATIONS

Based on the study's findings, several recommendations are proposed to strengthen the resilience, competitiveness, and sustainability of MSMEs in Bislig City. These include

providing policy support through tax incentives, streamlined loans, and financial relief; enhancing capacity-building via training in financial literacy, digital adoption, marketing, and innovation; and promoting technological integration through affordable digital tools, e-commerce platforms, and automation. Additionally, MSMEs should adopt flexible financial strategies such as tailored loan schemes and recovery funds, institutionalize business continuity planning to address prevention, preparedness, response, and recovery, and pursue market diversification and branding to differentiate products and strengthen local identity. Finally, fostering sustainability and inclusive growth by integrating eco-friendly practices, gender equality, and community employment initiatives will ensure long-term business viability and broader socio-economic benefits.

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