

**WORKING PAPER**

# **PIVOT OR PERISH: HOW ENTREPRENEURS OVERCAME LOCKDOWN UNCERTAINTY IN SOUTH AFRICA'S TOWNSHIPS**

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# **PIVOT OR PERISH:**

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# 1. BACKGROUND TO THE STUDY

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It is well-known that South Africa's townships still suffer from certain ills dating back to the effect of the Apartheid government's segregation and divisive policies. While these issues linger, township-based SMMEs face a number of further issues such as financial inclusion (Whittaker & Kruger, 2019) and the fact that money is infrequently generated in the township and very rarely remains within it (SMESouthAfrica, 2017). Furthermore, the spatial dislocation of townships compared to commercial centres (Charman, 2016) remain a challenge. Even matters such as a lack of intergenerational succession within family-owned businesses in townships (Phikiso & Tengeh, 2017) presents as an issue, resulting in the majority of businesses not remaining active through the generations. Other than historical, spatial, and generational matters, skills and knowledge shortages are a national problem that are even starker in townships where SMME owners lack the soft skills to tackle many problems that they face (Wiid & Cant, 2018). Regardless of these challenges, SMMEs in South Africa account for 34% of all employment, with

only 14% of all businesses being formal entities (IFC, 2018). While the informal sector specifically is responsible for contributing 8% of GDP and employing 27% of the workforce (DSBD, 2021). This segment of the entrepreneurial population is therefore of significant importance but is frequently overlooked (Cant & Rabie, 2018). However, skills development initiatives and educational interventions are one way of tackling the well-known problems faced by township SMMEs. Indeed, two of the researchers have already demonstrated the impact that township-based skills development programmes can make (Myres & Smith, 2020). Through carefully designed curricula, coupled with multilingual coaching processes, programmes sponsored by the Walmart Foundation and delivered through the Gordon Institute of Business Science (GIBS) have made a positive impact across an array of South African townships since 2018. Nonetheless, and as discussed below, very few township SMMEs could have prepared themselves for the highly detrimental effects of COVID-19.





# THE IMPACT OF COVID-19

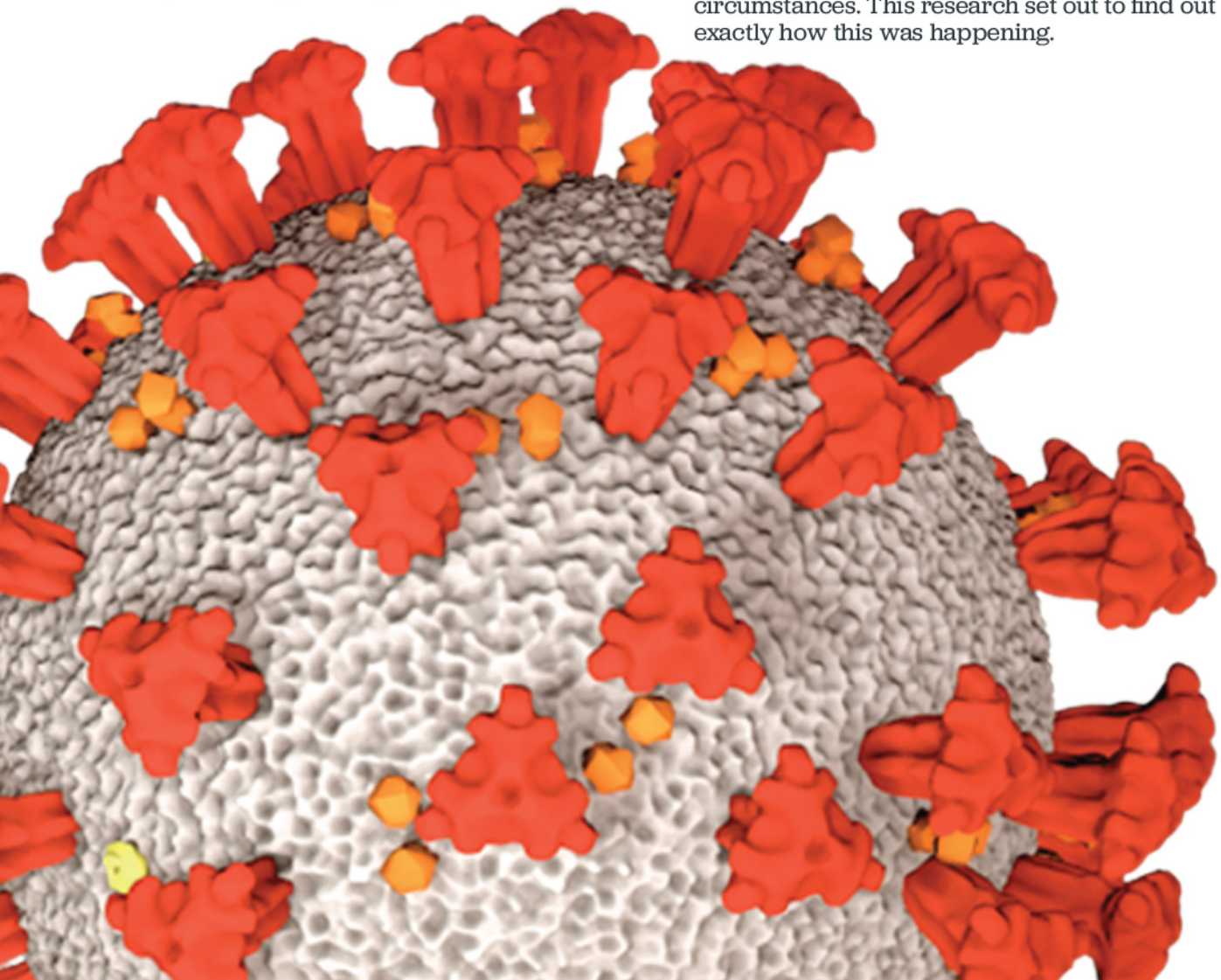
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COVID-19, and the associated reactionary lockdowns, have affected the South African economy negatively. A recent domestic analysis found that 85.4% of businesses surveyed had reported revenue declines, with 46.4% reporting temporary closures or pauses in economic activities, and 36.8% indicating that they expect workforce decreases (StatsSA, 2020). The World Bank (2021) has directly stated though, that the key to South Africa's COVID-19 recovery will be through stimulating entrepreneurship to encourage start-up businesses.

While problems faced by township SMMEs were already numerous and significant, they were exacerbated by the advent of COVID-19 and resultant lockdowns. The National Youth Development Agency (NYDA) (2020) conducted a survey to investigate the impact of lockdowns specifically on small businesses. Notably, the largest sub-sample group for that study was township businesses (42%), as compared to city (8%), or suburban (12%), for example. This study found that 38% of respondents had retrenched staff and 80% had instituted salary cuts (NYDA, 2020). Another study conducted by the South African Government and the United Nations Development Programme (UNDP),

showed equally negative findings. The latter study entailed surveying 3 746 small businesses nationwide, with a focus on informal and micro-businesses. It was found that the impact of lockdowns had been "severe", with vendors losing most of their customers, and certain businesses such as hair salons not being able to legally operate (DSBD, 2021). The industries affected most by the pandemic were textiles, wholesale, retail, transport, manufacturing, alcohol, and cigarettes (listed as a large decline of 30% to 60%), as well as catering, accommodation, and construction (listed as severe declines of greater than 60%) (Arndt, et al., 2020). The industry types listed are, unfortunately, also the ones that form the backbone of the township economy.

The GIBS Entrepreneurship Development Academy (EDA) continued to run entrepreneurial development programmes in South Africa's townships in all but the earliest stages of lockdown. Our experiences in classrooms and mentoring sessions sponsored by the Walmart Foundation led us to believe that despite these dire statistics, some entrepreneurs seemed to be thriving, making their businesses work in the most difficult of circumstances. This research set out to find out exactly how this was happening.





## 2. METHODOLOGY OF THE STUDY

Given the nature of the investigation, and the context in which it was to take place, GIBS EDA elected to implement a qualitative study in the narrative style. Open-ended interviews were conducted by zoom or telephone with 29 township entrepreneurs. The entrepreneurs were sourced from databases already available to GIBS as these individuals had attended training programmes with GIBS nationally. Those sampled for the study were selected from the areas of Chatsworth (KZN), Botshabelo (FS), and Mamelodi (GP). The entrepreneurs were purposively selected on the basis that they: (1) had previously attended entrepreneur development programmes delivered by the GIBS EDA; and (2) were known to have been in an established business that had been operating for more than a year prior to the COVID lockdown, that is in March 2020. The fieldwork was conducted by an external research agency (Sigma Kairos) under GIBS supervision. Transcripts of the interviews were analysed by the three researchers using Atlas ti and employing the Thematic Analysis method to uncover the themes outlined in the findings of the study. Apart from this summary, it is intended that these findings be detailed in a GIBS White paper and peer-reviewed journal article in the near future.





# 3. FINDINGS OF THE STUDY

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The findings are organised into six themes, outlined below. These themes focus on the thoughts and behaviours of township entrepreneurs as they responded to the conditions embedded in the SA government's response to the COVID-19 pandemic.

## THEME 1: THE SHOCK OF SUDDEN STOPPAGE

When the news of COVID first began to reach township entrepreneurs, many believed that the pandemic would not last long, 'just like it did with the Ebola virus, it's going to be just a couple of months, then we are going to be fine'.

*During the early stages ... I still did not want to believe what was happening. I just thought it was something that will pass by but then I only realised the extent and the magnitude of the problem. I would say I mostly initially just reacted to what was in front of me. I reacted to what was in front of me when it started, you know when you still in this period of disbelief, you just react to your instincts. So, you just react with what you know.*

Most township entrepreneurs in this study reported being taken by surprise by the announcement of the Level 5 lockdown on 28th March 2020. The 72-hour notice was accompanied by a range of complex regulations that were difficult to decipher, as well as fear and uncertainty about the disease itself. For some, it took a while to realise that no income would be coming in at all.

*Customers, everything was silent. There were no customers and there was not any communication between the customer and me, even though there was any communication, but I was not providing anything, so everything stopped. Some of them they did not even have money to come to buy for us, so it was very bad. Orders were cancelled and clients did not answer their phones so we could not work. That was the first thing you know. Then we struggled, we struggled with supplies, we could not fetch raw materials. Movement was very difficult so it was a struggle. Before COVID, like I said things were moving swiftly, I could see things happening. I had established a lot of things that I wanted to be more on how to go about it. But once COVID hit, everything for me just kind of like scattered all over the place*

Many began to panic because their businesses were "in serious havoc" because their "creditors were on [my] neck, [my] debtors were not responding". Many businesses around the entrepreneurs in this study reportedly decided to close permanently based on the prediction that they would not be able to survive.

*When it started, honestly in the early stages I kind of took it for granted I thought it would just be business as usual because people have to eat right but then when the restaurants started closing and all these food joints closed down, you know it hit on fast that uh now we are in trouble. You see when that happened, our first thought was what else can we do, you know? What else can you do with this besides what we've been doing all along?*

Even more devastating than the operations stopping was the loss of customers, "who used to travel but were no longer there", while some became infected and "passed away" or because products and services could not be delivered, were "lost to them as customers" or 'the customers were significantly reduced'. Alternatively, customer behaviour changed:

*People do not feel free making parties, big weddings and stuff. They are now going for small things because of the pandemic. Before Covid the business was booming. Sometimes if I checked the money I made a month, I would have made about R50 000 but now even R10 000 is difficult to get. Normally, we would advertise online and then somebody would want to buy without seeing or looking. A person will just find ways to take the clothes or blanket to whoever but now with COVID, it is difficult because people want you to come to them. A lot of people aren't reaching out or even scheduling appointments in order to confirm on how I can assist in moving forward.*



For many entrepreneurs, lockdown meant complete closure of their businesses for between three and five months. Although this meant no revenue, some were able to survive and re-start after lockdown, even though the re-start itself seemed fraught with risk:

*The businesses did not collapse because everything was still here. I did not sell anything, and nothing got spoiled, just that it was not bringing in income. As soon as the levels started improving, I managed to send out some of the things and then it was still working.*

*Financial risk, taking from your own savings, that was the biggest risk. To restart operation because the business was not making money for three months because we were on lockdown. So we had to take from our own savings to restart the operation and it was a huge risk on our side.*

But others found that although customer demand was ever-present, their capacity was constrained because they could not purchase the raw materials and equipment they needed to meet the demand. Even when supply chains re-opened, service was poor and late deliveries were persistent. For some businesses, late deliveries meant even more lost customers because of stock shortages, and consequent damage to relationships:

*I lost a lot of customers because now even like the friendship, the relationship it was cut down because they could no longer trust me like they used to do because of deliveries. They mentioned that sometimes I showed up and sometimes I don't - so they did not know whether to trust me enough or maybe to even give me a chance to again sell.*



The shock of the Level 5 lockdown announced in March 2020 reverberated through the township economy and indeed the country as a whole. As the population struggled to make sense of the regulations and the dangers of the virus to individual health, businesses stopped. Many did not re-open after lockdown, but those that did, found it difficult to operate in the way they had prior to the advent of the pandemic. Entrepreneurs were being challenged to change.



## THEME 2: KEEP GOING IN SPITE OF BUSINESS UNUSUAL

Some entrepreneurs tried to continue operating within the boundaries of the lockdown restrictions but found it difficult to continue at the same pace, which constrained the amount of trading that was legally permitted:

*I have to meet with the people around 5:00 or 6:00 o'clock, prepare the vegetables, take them out, and sometimes in time by 9:00 o'clock. I am not even halfway to the street or covering the neighbourhood. So I had to go back so that I won't get arrested*

Operating during Covid had its own problems, principally the increased complexity and cost of adhering to Covid regulations and following sanitising and distancing procedures, along with a drop in revenue. Many who continued to operate were therefore forced to cut costs dramatically, including 'letting go' of employees. Township entrepreneurs were acutely aware of the effect this would have on families and communities, but felt they had no choice:

*It was either we close down the doors, or we keep on going. I decided to let go of all my operational expenses, like my employees... and it was very sad because of this pandemic. They were not earning any income... So, I just called them in and say guys - I can't, I tried where I can. I had to sell my car just to give them whatever that I can be able to give them*

Others noted that small local businesses were no longer favoured, with customers wanting the reassurance of major brands and suppliers in terms of the hygienic conditions they were able to provide. These larger competitors benefitted from Covid because customers trusted them more.

*People were no longer wanting to buy from individuals like me but rather a shop. We were now forced to sanitise, wear a mask and clean the environment and other stuff, and now people were starting to get scared like if I go to him, I don't know how healthy is the environment, whether he is sanitising or he is following the procedure*





Portfolio entrepreneurs who had entered lockdown with several different businesses found that some could continue to operate, even while others could not:

*The baking side and the property kept afloat because people were still renting the rooms, so they were paying the rent and I was still baking for my clients. But transportation wise, the kids did not go to school and nothing was happening on that side*

Those businesses that were well established at the beginning of the lockdown, were considered more likely to be able to survive because they had established relationships with customers and suppliers, they were considered stronger than newer businesses. One participant estimated that 70% of her competitors had shut down as a result of COVID, while others reported that in many markets, competition had intensified as competitors dropped prices in order to generate revenue. Others attempted to survive simply through gritting their teeth and 'holding on', hoping and praying that conditions would improve once the lockdown was over:

*...we had to hold on and till today we still holding on to the little that we have. And still pushing, hoping that something big will come up.*

Businesses that continued to operate during COVID were required to change the way they operated, either in order to be compliant with lockdown regulations, or to meet the changed needs of customers and the altered operations of suppliers, as well as more intense competition. This signalled a level of persistence and resilience that was arguably surprising given the level of resources that most township entrepreneurs could bring to bear on the survival process.





### THEME 3: STRATEGISING FOR SURVIVAL

Many of the entrepreneurs interviewed commented that they had immediately started to think about how to survive the lockdown - however long it might take - and this thinking was followed by action:

*I think I was stopped dead in my tracks everything kind of like stopped for me. And ... I started now trying to figure out what else can I go into? Is this still viable? Can I add something else? Can I put something on the table? Since it was an idea I was not able to execute it at the time so I just had to look for options It had to be on the spot and had to execute and think on your feet and do it now and implement. You were not granted time to think through things carefully and thoroughly. You had to make a decision now and execute.*

Others took time to come to the realisation that things were changing, perhaps forever. They initially tried to do things the old way and 'stay true to the business' but that by being 'not receptive to new information and their way of doing things at that time so our way of trying to protect the business was actually trying to kill it'. Participants commented on the importance of family and community support in surviving the pandemic. One entrepreneur reported that in order to survive, her industry organised a group meeting to see how competitors could help and support each other, both through the existing crisis and into the future:

*We even had to sit down to produce ways we can help each other in order to save. If something like this has to happen, let us say something like another pandemic comes maybe in 10 years' time, how are we going to survive then? So, we have to sit down, show each other and try and produce plans on how to help each other grow and invest so that when something like this happens, we know we have emergency investments*

Entrepreneurs reported having to 'think on our feet on what we could do to keep the business afloat'. Some were critical of business owners who had closed down without making an effort to change direction, which was considered a critical factor in ensuring survival:

*They did not strategise ... only those who created different strategies and different products and services, were able to balance in terms of turn overs, and then gaining customers.*



Others noted that they kept going back to the drawing board 'but the drawing board wasn't so clear'. The ability to 'strategise' in the face of uncertainty and a lack of clarity was considered by respondents to be critical to survival. For some, this meant generating multiple ideas and acting quickly to grab any opportunity that emerged:

*I had training in mind. I was planning to do some training courses and I was planning to apply for services render MICTSETA certificate. I tried to call many times and I did not get through to their office and then I stopped. The logistic I was planning to collaborate with other people who have trucks and I thought that would work but I could not meet them because most of them prefer to meet one on one Yes, look I cannot say it is a lot of ideas but we certainly thought of any business. We got into masks, and we got into bakery, we got into meat you know. I diversified my life coaching portfolio to include certain areas of self-development. It was as soon as we heard that there was a need for PPEs, we did try to sell some items like masks and sanitisers and COVID stuff and all those stuff. We did try to get some information on how they can help with supplying and all of that as a business person. I think you do try almost anything that comes as an opportunity.*



In these conditions, speed was considered important - entrepreneurs acted with urgency to snap up opportunities, because 'comfort does not produce much', but also to stop themselves from thinking too much about the risks they were taking:

*It was immediate - it was a nap. I met with the guy in the morning and then by that afternoon I really started to supply. I think COVID was announced in March and April were into the mask business already and so immediately, and two months we got into the meat business. So, a lot of it was immediate. When Covid hit, I acted immediately before thinking about it because if I had to think*

For many township entrepreneurs, a more careful and considered approach was more typical. Respondents were aware that the risks were high, and resources were even more constrained than usual. It was therefore important to consider the options carefully before making a commitment:

*and started checking exactly what was going to happen and how long it is going to take for the lockdown to go on. I was still trying to find information about Covid and all. It was important to plan for when lockdown was lifted as the immediate I could not do anything. before I took any action, I kind of like sit down and I really willing to put money into this given the current situation and all of that. So I analysed things before I took action hence I'm still not where I'm supposed to be. I thought carefully of not starting to operate until I see how the industry recovers. I thought carefully before taking any decision since I had lost money. I did not want to make any decisions that could make me further suffer. I was therefore very careful on everything I did. We were also not sure what was going to happen so one needed to be careful in what they do in business.*

As a result of this careful analysis, some entrepreneurs concluded that their businesses were overly vulnerable to poor economic conditions, and that it was therefore necessary and desirable to future-proof the business by diversifying

*We need to look at ... establishing new businesses, considering the change that is happening in our world currently. So we certainly brainstormed different businesses that we can look at that are specifically targeted at the fact that our country and the world looks very dull and looking at establishing them over a long time.*

An examination of the way in which township entrepreneurs strategised to ensure their businesses' and their own survival during the pandemic reveals a fascinating blend of careful planning and urgent action. Perhaps stimulated by the immensity of the challenge and the shortage of resources with which to deal with it, township entrepreneurs were both cautious and creative in their efforts to change direction, sometimes dramatically, while limiting risk.





## THEME 4: PIVOTS GOOD AND BAD

Some entrepreneurs argued that establishing new businesses, which capitalised on opportunities presented by the new environment, was critical for survival. Business owners were taking a risk when they pivoted but doing nothing was not considered an option. Pivots that were related to existing businesses seemed most

*all those who did not pivot fell off. In the sense that they added more product range, like people who were selling detergents like myself, we were no longer only selling detergent but now we included the PPEs that we were not selling before so that is what I meant when I said pivoted when COVID started there was also shortage for surgical masks, and I got a purchase order. The purchase order was for 18 million. So, for me was unlike what would people say that COVID was a hindrance. For me, COVID actually assisted my business to grow to where it is now. And then that is when me and my friend- my partner we started talking about what will happen, if there was no electricity, what would we use? How will we survive, you know? And then we started building these, we call it the portable solar generator. When COVID hit, we were just a primary agriculture business that produced fresh goods, you know. So now when it hit, we realised that the market for fresh goods has dwindled considerably. Especially for mushrooms are enrich product, they're not just staples like maize or potatoes or what? So the market dwindled considerably. So now we had to look at how we could package the product in a way that could attract new customers you know. Introduce us to new market segments and that's*

Some entrepreneurs reported trying to take advantage of opportunities they had identified, but found the business to be unsustainable, either because of a lack of knowledge or relationships with suppliers, a lack of customers, or intense competition:

*I was starting to choose different products and I wanted to sell gift wraps to customers, because I realised that there will be something special like for the birthdays so due to Covid I could not get enough customers. Initially, when it come to the hand sanitisers, I just went for it and then after I realised that it's not a good decision after things happened. I had some of the ideas like selling cookies but then I did try that business and it didn't go well because I decided to bake cookies and sell them but then people were not supportive, because a lot of people were losing their jobs. So what I decided was letting people know that I bake cookies then they tell me if they want to order So, the idea was into now venturing into selling masks, selling sanitisers, selling cleaning material. And we sustained for, remember some people have been in that business, so other suppliers, the local suppliers, were giving us big prices, the prices that were not competitive*





Many entrepreneurs participating in this research realised that opportunistic behaviour was really only for short-term gain and could not deliver longer-term revenue streams. Opportunities were quickly categorised into those that met a short-term market need and those that represented the potential for a more sustainable business. Often, the short-term opportunities were pursued even though it was clear they would not last:

*There are things that we had to do because of immediate needs and realising also for instance, there is a time when COVID hit, we got into the mask business because we realised at that time masks were not so readily available and they are now and so we decided, you know, let us take this opportunity and make sure that we sell masks as well. So now we do not do that anymore because I mean masks are everywhere and they are readily available, so that was a short-term thing that we ventured into*

In contrast, many other entrepreneurs were more long-term rather than short-term orientated, and the decisions were taken with a future focus, rather than emphasising that which is immediately beneficial:

*It was more about the longer term, because I thought this was going to last, and I am still thinking that this is going to last ... for me it was a long-term thing ... So I didn't just do stuff immediately and took decisions about the present situation. I took time and invested more, learned more and took time to see how can I improve more and more So, what can I do? I can do this OK, for how long? For as long as I must, you know not for five minutes. Going back is never OK man because it is like move on now also there is no stopping. I did not think of Immediate or more like I did not think of like at present but the future*

This seemed to have been related to thinking more about what opportunities had arisen that their existing businesses or skill sets could take advantage of, not thinking of something entirely new:

*Opportunities was that people were beginning to migrate to digital platforms. I think this is where the opportunity came in for me because I'm creative so if someone wants certain things done digitally then I could provide the service. I thought mostly of the opportunities that we could get, that the pandemic brings you know. Most people in business during that time they had that gold rush moments when everyone now suddenly became an expert in hygiene and chemistry and everyone was doing sanitisers. I didn't do that, though. My concern was how can my business relate to this environment?*

Some pivots were about changes to the operations and procedures that the existing business used to communicate with customers,

*I found myself changing a lot of things like the time frame and how I deliver my stock and how I communicate with my clients because now we were no longer having face-to-face conversations with them. I had to use WhatsApp or Facebook. I was forced to have their contacts on my phone and when they ask for deliveries then I will communicate with them efficiently and accordingly.*



Surviving township entrepreneurs seemed to have mastered the art of the pivot, although it was clear that there were at least two kinds of pivot involved. The first involved changes to the core operations of the business, which were more fundamental and required deeper consideration and planning, and were expected to alter the long-term future of the business. The second was more opportunistic and short-term, and sometimes unrelated to the core operation. There is some indication that the former was more likely to be successful than the latter.



## THEME 5: COVID HURT (BUT ALSO HELPED) THE BUSINESS

Although there is no question that the pandemic had profoundly damaged township economies generally, most of the interviewees agreed that their businesses were still recovering, some 18 months after lockdown, and had yet to return to pre-covid levels. This was attributed to a variety of factors, including: the loss of customers that had not returned or were no longer in business themselves; customers who could no longer afford the products and services offered; increased costs, a shortage of materials and a lack of confidence in approaching new customers.

*The cost of raw materials have sky-rocketed and with COVID I have been having such a big issue because there is always a shortage of the raw materials which I need, which then impacts my productivity I no longer plant many crops because now I am afraid of maybe using too much and planting too much, then ending up creating a huge loss. So now I produce less to be on the safe side and also not to create a lot of loss.*

However, for some entrepreneurs, Covid represented a singular opportunity to grow, possibly because they happened to be in the 'right' industry to be able to take advantage of the changed conditions, to the extent that "Covid brought more customers and business opportunities for the business":

*... it operated well. It operated much better under the circumstances of Covid, you know. Covid actually favoured the business. So, the business was able to grow fast, extremely fast because other prices were fluctuated high while others were low, you know. My business strode when Covid hit. It did not like fail but grew. Even though I was worried that I was not going to get products that I was going to go short of some products. I thought maybe the wholesales will be closed but luckily everything was open, and I did get it right this time. A lot of people were not trusting online transactions, so Covid really helped me with that business. I think if it grows, it might become one of the leading online market places in the country in the next 20 years.*

For others, the actions taken and strategies pursued with the goal of survival had proved successful and were having positive effects, such that entrepreneurs claimed that they "managed to upscale and do things differently to grow the business", and "always managed to make sure we had a lot of options". Clearly, many had learned positive lessons from the difficult conditions and the learning had resulted in positive and lasting change:

*I would say with my rentals, COVID helped me to get tenants that are good in paying their rent. I didn't get excuses. It helped me to get tenants that are working well and who affords their rent because there won't be stories that I can't pay today because before I was not thinking as to where someone works if you wanted a place to rent I would say alright fine.*

Several entrepreneurs commented on the positive influence of digitisation on the operations of the business, particularly in terms of interacting with customers. Forced by the pandemic, to go online, these entrepreneurs were finding that online businesses had improved the efficiency of customer interaction:

*I didn't do online businesses before but since the pandemic, I started doing online and then I started getting some clients at least, even if I didn't go to door to door I now know the speed at which now you can access have access to customers or interact with them ... it's also not like what we are normally used to. You can work out a new way of operating in terms of the tools that you can use now to interact with people.*

In this study, entrepreneurs commented that the experience of doing business during the pandemic had changed the way they think about the business, particularly in the sense of challenging them to think more creatively, "outside the box" about opportunities, and about growing the current business into the future. These optimists might be in the minority, but they have emerged stronger in both the personal and business sense.





## THEME 6: PERSONAL STRESS AND RESILIENCE

The research revealed along with the rest of the world, entrepreneurs had experienced extreme personal and business stress as a result of the COVID pandemic. Reactions to this stress ranged from denial to confusion and determination:

*I myself needed to have hope that all of this will come to an end one day and everything will go back to normal I could not think straight. A customer could give me a call and I will be like - I will be there, although I knew that it was a walking distance, but when I communicate it will be as if it was not a problem. I could come there running ... it really killed me. I would not be distracted by whatever was happening because now the business was starting to feed my family and I could see changes in the family. So I could not let my kids down just like that.*

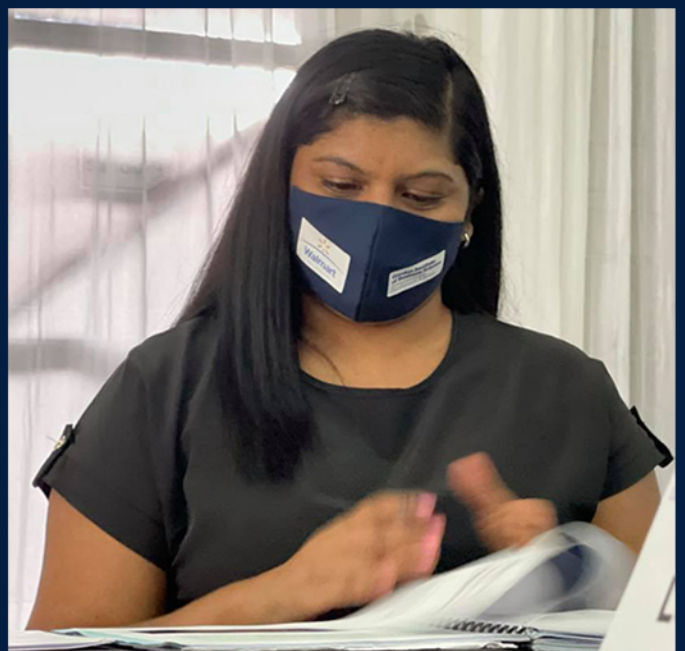
Despite their fear of the disease and of the consequences of the pandemic on their families, their communities, and their businesses, the township entrepreneurs in this study displayed enormous courage and resilience, which eventually paid off:

*... it was bad, but I have learned to pick myself up again, saying, no matter what you do, no matter what, you get the results, it's part of life. But those rejections are just temporary things you get rejected today but somebody is seeing your work, somebody is seeing what you are doing ... just pick up yourself... there is always a light at the end of the tunnel. That has kept me really much going. It was really not clear what was going to happen. I thought I was going to close everything, but I did not and then I just started doing small things ... then people were coming one by one to buy*

Interestingly, entrepreneurs attribute their personal resilience and their ability to turn around their businesses to their passion, which generated inspiration and hope that all would be well:

*But you know, when you love something and you have that hope that I will make it and that it's going to work, it might work, it might not work. You question yourself, so many times that in a sense that you don't know, it was not clear, you had sleepless nights, and everything. I was passionate. I was inspired by Amazon - the theory on how they changed things and they did not just give up and let this pandemic or anything that was happening get into their business, so through that I started learning more, reading more and I started talking to a lot more people so that helped me a lot.*

In sum, the entrepreneurs faced immense uncertainty, a risky environment, and upheaval from their personal lives to the macro-level contexts in which they operated. In most cases, the individual business owners had few people to rely on other than themselves when it came to ensuring the survival of their existing businesses, or sustainability of any pivots or new businesses that they established. Inevitably then, personal resilience, fortitude, and agency were all major assets to possess in overcoming the stresses placed on both self and business. In many respects, it was those who held optimism and resilience who were over to overcome the stress and fear.





## 4. CONCLUSION

Various studies have taken place in entrepreneurship that focus on how entrepreneurs deal with major uncertainty. Additionally, others have focused on how this population overcomes goal ambiguity or highly risky contexts. However, COVID-19 offered the research team a context that most individuals have not faced in living memory. It was a context that was fraught with uncertainty, risk, fear, ambiguity, and was unprecedented for those who lived through both the disease and the lockdowns. Furthermore, conducting this study among a sample group who are often resource-constrained at the best of times, provided further insight into the thinking and behaviour of entrepreneurs facing these hurdles.

In summary, it is evident that certain behaviours and strategies are key to overcoming uncertainty, especially when the nature and arrangement of the future cannot be predicted, modelled, delineated, or compartmentalised in any useful way. The table below summarises these with a brief description of each.

| Traits exhibited in overcoming lockdown risk and uncertainty | Explanation of each:   |
|--|--|
| Try to diversify income streams                              | It was evident that those reliant on a single income stream were the hardest hit. Uncertain circumstances can strike at any time (beyond just pandemics), and it is safer to have diverse income streams where possible to mitigate against any unforeseen issues affecting any one stream.  |
| Perseverance   | Perseverance, despite the troubles that COVID-19 lockdowns brought, was a key attribute in overcoming those troubles. It was found that those who continued to seek opportunities, who were willing to alter their business models, and agile, also experienced better outcomes.   |
| Strategy and agency  | It was found that those who begin to form strategies early on when facing the unknown, generally fared better. Indeed, this coupled with an agentic approach, assisted the entrepreneurs to arrive at better outcomes. This is to say that forming a strategy and pursuing it experimentally is much better than doing nothing.  |
| Uncertainty as opportunity                                   | It was found that township entrepreneurs would do well to view uncertainty itself as an opportunity. Those who did so, and made tactical shifts to try and meet the opportunities that were created by COVID-19 and the lockdowns, often prospered. This prosperity was sometimes only a short-term outcome; however, it did assist in building a bridge over the uncertainty and adding some sustainability.  |
| Resilience   | Those entrepreneurs who were less intimidated by the unfolding events, and who were able to rest on their own personal resilience, enjoyed finer outcomes for themselves and their businesses. While the disease itself was traumatic for many, the resulting effects on their businesses and families often meant that a significant amount of emotional stress was experienced. This capacity to recover quickly and robustly from difficulties proved invaluable. |

We welcome and encourage government, impact agencies, universities, incubators, and all other entities engaged in developing entrepreneurs to note our findings. When major uncertainty and risky business contexts arise, the entrepreneur would do well to engage in the principles listed above. Furthermore, all principles can be either learned, or experimented with in ways that do not have many barriers to uptake. The entrepreneur who relies on more than one- or two-income streams is going to increase the odds that he/she will be better off when things like a pandemic strike. Additionally, those who persevere, devise strategies and act early on them, view uncertainty as an opportunity, and who are high on resilience are the ones who are going to experience the greatest likelihood of sustainability and even success.

Our findings also show opportunities for future research to explore the context-specific behaviours and strategies employed by township entrepreneurs to overcome uncertainty. The current study focused on a small sample size; therefore, more large-scale studies are required to test the suggested behaviours and strategies against organisational outcomes. Such research studies could reveal the salience of entrepreneurial behaviours as entrepreneurs navigate the challenges and grow their businesses.



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