

Number 9

to change to find new ways to deliver service to these crucial drivers of the economy.

While the COVID-19 crisis is a time of considerable challenge, upheaval, and anxiety, it is also an opportunity for new ideas and businesses to emerge. In order to quickly pivot and be responsive to new conditions, small businesses will need ongoing community support. The country's vast network of some 17,000 public libraries

can serve as leading partners and supporters of small businesses as they make necessary adaptations, and indeed, many public libraries have long provided support for small business owners and entrepreneurs during more normal times. For the purpose of stimulating libraries' thinking and evaluating current business conditions, this paper presents challenges and opportunities facing small business owners and entrepreneurs directly caused or exacerbated by the pandemic. Examples and guidance are offered that can support library staff as they work to adapt services to meet the immediate needs of their business communities. In addition to examples of small business pivots, the paper includes stories drawn from libraries and other organizations that are already hard at work supporting small business owners and entrepreneurs during this critical period of adjustment.

Of particular concern are low-income and/or under-represented small business owners and entrepreneurs who are disproportionately affected by the pandemic and at heightened risk of losing their businesses and livelihoods due to a variety of systemic barriers and discrepancies. These barriers and discrepancies can have very real consequences. A study by MetLife and the U.S. Chamber of Commerce⁷ of about 500 small business owners found that the number of minority-owned small businesses reporting trying and failing to get a loan to help with the pandemic (13%) was 60% greater than non-minority owned small businesses reporting the

same challenge (8%). Additionally, two-thirds (66%) of minority-owned small businesses believe they may have to close permanently, vb1 (wnhs 57% . (b1 (aer tCID c9)JTJEMC /P

individuals are opting, regardless of health mandates, to avoid direct interaction with others. A research paper released in July 2020 reports that private, self-regulating, precautionary behavior explains over 75% of the decline in foot traffic in most industries.¹⁰ This means virtually every small business that depends on the face-to-face economy must come to terms with a sudden and potentially protracted loss of perhaps the most vital element of its business model.

Mandated business shut downs as well as social distancing measures clearly disrupt foot traffic to businesses. But some types of businesses are more affected than others. In general, industries that employ more highly educated workers have been able to more easily pivot to remote work. Additionally, the perceived level of home-based work productivity is higher for these industries.¹¹

Low-income and underrepresented small business owners are disproportionately impacted due to the pandemic compared to White business owners. For example, in the first three months of social-distancing requirements, from February to April 2020, the number of Black businesses owners declined by 41%, more than any other demographic group.¹² The challenges that minority business owners are facing are, in part, due to the fact that

many operate businesses in industries most impacted by social distancing measures and involve occupations that cannot be done from home (see box on the next page). These industries include essential and nonessential retail, arts and entertainment, hospitality, food and

making rent or mortgage payments at a time when their businesses are suffering financially, and even putting food on the table and accessing medical care.

A weekly survey of small businesses from March through mid-July charts the changing assessments

Recession, despite a 100% increase in unemployment, there was a 16% increase in new business starts.²¹ And, historically, as of 2009, over half of the Fortune 500 corporations and just under half of the 2008 Inc. list were launched during recessions or bear markets.²² Thus, despite the challenges it brings, the COVID-19 pandemic is also an opportunity for innovation and a vehicle for change. With everyone doing everything—school, work, business, entertainment—differently, and all industries and routines disrupted, there are new needs and markets emerging, as well as opportunities to reimagine infrastructure, values, culture, and daily life. With the support of their customers and local libraries, small businesses can pivot to respond to the needs of the moment, increasing their value within their communities, and sustaining their existence.

Key opportunities

Three categories of opportunity are considered here: a) the opportunities small business owners have when it comes to pivoting their businesses to respond to and survive the pandemic; b) entrepreneurial opportunities



for business start-ups to provide newly relevant products or services; and c) commercial innovation—opportunities in which something new, such as an invention, is brought to commercial use. These categories of opportunity were derived from research to prepare this paper, including an analysis of news reports on how businesses are coping with the pandemic, interviews with front-line providers assisting small business owners and entrepreneurs, and a convenience poll of organizations and libraries to capture the emerging opportunities they see.²⁴

a small window through which customers could place and receive orders, minimizing human contact. Today, these wine windows are reopening. The Associazione Buchette del Vino (Wine Windows Association), offers an interactive map of some 150 such locations in Florence where people once again can order wine, as well as cocktails, gelato, and coffee.³¹

Retailers are responding to the emerging needs of their customers in other ways as well, taking into account, for example, the shift in demand from business clothes to more casual clothing as many people work from home. Overall, retailers need to consider what goods and products are relevant and necessary in the COVID-19 context and, in some cases, they may need to modify their offerings.

PIVOT EXAMPLE 2

Restaurant Responses³²

Restaurants, retailers, and service workers are innovating in a variety of ways, including: offering takeout and delivery from formerly fine dining restaurants; creating reservation websites for pickup and delivery; offering free, contactless delivery over a wide service area; asking customers to buy gift cards to help support businesses while retail locations are closed; and selling groceries and meal preparation kits. Additionally, some restaurants are offering community-supported agriculture subscriptions, which in turn support their vendors, farmers, and producers who can sell direct to the customer while food sales at restaurants remain low. Additional adaptations include opening dining areas on sidewalks and streets, in collaboration with local jurisdictions (streateries³³); partnering with landlords, allowing them to participate in the business in lieu of paying full rent; and hosting cooking classes, wine or beer classes, or other informational workshops through a virtual meeting space like Zoom.

Weekend Takeout & Date Nights³⁴

Based on data from 27,000 chain restaurants, a market research firm determined that Friday and Saturday night takeout orders made up 24% of overall sales in the second quarter of 2020, about double the level in 2019.

Dirk Schroeder, a professor of social entrepreneurship, advocates turning COVID-19 innovations into ongoing businesses.⁴⁵ To do so he notes that it is important first to determine whether the innovation addresses a long-term problem; to identify the long-term market for the innovation; to pivot early, proactively, and thoughtfully if necessary; and to map the business model using a method to define the customer value proposition.⁴⁶

Similarly, the online advertising company Taboola analyzed 8 billion internet page views to identify oppor-

Pikup, founded in 2018, is an app that connects people who need items with others on their way to a store. Due to the pandemic people are finding new ways

LIBRARIES ARE POISED TO RESPOND

As critical community infrastructure, libraries can support the small business community by identifying local needs and opportunities and working collaboratively with area partners, other library systems, and state libraries to streamline efforts and effectively foster resilience. By identifying local needs and adapting to public health guidelines, libraries have the opportunity to respond to small businesses as they pivot with virtual classes and programs, services, and access to information and technology. Libraries have already responded swiftly, moving programming online and offering curbside or limited in-person services. Libraries have also worked to disseminate important information regarding the dynamic shifts in local communities caused by the pandemic.

Perspectives and challenges

How do libraries view the impact of the pandemic on their communities, and how are they responding to small

providing this assistance. Survey responses regarding change in demand for business information included:

- “Fewer people seek assistance from the library due to COVID fears, not wanting to wear required masks to come in, or not realizing that the library is open.”
- “The type of assistance being requested has changed. Prior to March, our economy was doing well, and most clients were asking for help to start or grow their businesses. Now, the need is primarily to keep their businesses open, and to apply for federal and state aid programs.”
- “[Demand is] down because the libraries are closed. Most patrons request and initially access services in the physical libraries.”

It is clear from this survey and other communications with libraries conducted for this paper that many are prepared to continue providing services to small business owners and entrepreneurs, but that the pandemic has disrupted business as usual, challenging libraries, as well as their clients, to innovate.

Community partnerships, support, and innovation

As noted above, many libraries that offer business services already work with a host of partners, including local, state and national government agencies, non-profits, and business groups. During the pandemic, these partnerships remain vital to supporting small businesses with relevant resources and programs. As one library noted, community engagement is also essential to supporting businesses at this time: “We need real

Richland Library resources

Prior to the pandemic, the Richland Library in Columbia, South Carolina, offered a range of business information resources and programs to support local businesses.

Richland Library resources include: The pBDC¹, Lib¹ 1 a han Ea, A Ø p, i o am, e d am /o ele .

said, similarly, “we are now soliciting these questions more directly—launching a new email newsletter for business and career, a new webpage . . . so we receive more of them. . . . Many of the questions reference the pandemic specifically—people are seeking help, often for the first time, because they are trying to respond to new and changing situations.” Other libraries stressed the importance of cross-promoting programs and services for businesses with community partners and through state library channels. These responses underscore how critical promotion is in these uncertain times, when small businesses and entrepreneurs may not know if the library is open and available to help, especially as it relates to their business.

Mutual aid, community unity, and resilience

As small businesses and entrepreneurs adapt, it is critical that they identify and respond to local needs, and that they receive continued support from customers and other community stakeholders. Many communi

entrepreneurs and community members driving the effort [to support small business owners], especially from underserved communities, and librarians supporting them through community participation.” Additionally, the willingness to innovate and learn is essential not only for businesses during the pandemic, but also for the libraries supporting them. As another library stated, “We have to follow the example of our small businesses. Innovation requires trying something, embracing failure and learning and adapting when something works well or not at all. Be brave and don’t overthink what might happen, try to learn as we go. [We need to] educate ourselves alongside the business community.”

Promoting and marketing library business services

Effective promotion and marketing of the business-related programs that libraries offer is critical to library efforts to play a supportive role in the business ecosystem at this time, and these promotion efforts ought to be intentional and targeted. Many survey respondents agreed that better and different types of marketing of library programs and services are currently necessary to let businesses know how libraries can help. One library noted that “as we’ve promoted [business] services more we’ve seen a greater awareness and use of services. Our programs, when shared, have filled up very quickly, to the point that we have massive waiting lists.” Another

- National Venture Capital Association: [nvca.org](https://www.nvca.org)
- Opportunity Insights: [opportunityinsights.org](https://www.opportunityinsights.org)
- Small Business Administration: [sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources](https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources)
- Small Business Development Centers: [americassbdc.org](https://www.americassbdc.org)
- Track the Recovery: [tracktherecovery.org](https://www.tracktherecovery.org)
- Urban Institute COVID-19 Tracker by Race and Ethnicity: [urban.org/features/tracking-covid-19s-effects-race-and-ethnicity](https://www.urban.org/features/tracking-covid-19s-effects-race-and-ethnicity)
- U.S. Census Bureau Annual Business Survey: [census.gov/programs-surveys/abs/data.html](https://www.census.gov/programs-surveys/abs/data.html)
- U.S. Chamber of Commerce Coronavirus Small Business Guide: [uschamber.com/co/small-business-coronavirus](https://www.uschamber.com/co/small-business-coronavirus)
- U.S. Hispanic Chamber of Commerce: [ushcc.com](https://www.usfcc.com)
- USA Facts: [usafacts.org](https://www.usafacts.org)
- Business start-up incubators: [uschamber.com/co/run/business-financing/startup-incubator](https://www.uschamber.com/co/run/business-financing/startup-incubator)
- CDFI organizations: [cdfifund.gov](https://www.cdfifund.gov)
- Colleges or universities with business and economics departments
- Community foundations: [cof.org/community-foundation-locator](https://www.cof.org/community-foundation-locator)
- Foundation for Business Equity: [fbequity.org](https://www.fbequity.org)
- Minority Business Development Center: [mbdac.gov](https://www.mbdac.gov)
- National Minority Supplier Development Council: [nmsdc.org](https://www.nmsdc.org)
- SCORE chapters: [score.org](https://www.score.org)
- Small Business Development Center: [sba.gov/about-sba/sba-locations/headquarters-offices/office-small-business-development-centers](https://www.sba.gov/about-sba/sba-locations/headquarters-offices/office-small-business-development-centers)
- U.S. Black Chamber of Commerce [9 0 0 9 475.2554 542 Tm\[\(sba.go\)14.3](https://www.usblackchamber.com)

Potential library partners when it comes to working together to aid small businesses include:

- Accion: [accion.org](https://www.accion.org)
- Backstage Capital: [backstagecapital.com](https://www.backstagecapital.com)

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