

Rethinking business: Disruptions like the corona crisis also create new opportunities

9 September 2020



Credit: Karen Arnold/public domain

Changes in the external environment always affect the success of companies and may even tilt previously valid laws of business off balance. In a new study, Jan Recker, Chair for Information Systems and Systems Development at the University of Cologne's Faculty of Management, Economics, and Social Sciences, writes that companies should learn to recognize and use these disruptive changes—currently the worldwide corona pandemic—to their advantage. His paper "External Enablement of New Venture Creation: A Framework" has been published in *Academy of Management Perspectives*.

"If you want to survive in a "post-COVID-19 world," you should pause and question your current strategy. Every crisis leads to change. But that also means that crises can lead to new, even better business strategies. A look at the [global financial crisis](#) of 2008 confirms this," said Recker. The [financial crisis](#) gave rise to start-ups like Airbnb

and Uber. Previously, [private individuals](#) had had reservations about letting strangers into their own cars or homes, but in view of the financial bottlenecks caused by the crisis, these business models became accepted and successful.

Another example, the digitalization expert says, is the temperance movement in the U.S. in the 1920s, which proved successful for soft drink giants such as Pepsi and Coca-Cola.

Recker remarked: "Understanding the changes that are taking place, how they affect companies and what can be done about them, is not only crucial for companies to survive this change, but can also be turned into a benefit. In the current situation, however, most companies look for temporary interim solutions until they can return to 'normal operations.' However, whether there will ever be a return and what our new 'normality' will be cannot be predicted. Good business models have to be able to adapt."

Recker describes several external factors in his paper, such as changes in the socio-cultural, economic, political, or ecological environment, and how they affect entrepreneurship. "Looking back, we can clearly see one thing," he said. "History repeats itself. And we can learn from it."

More information: Per Davidsson et al, External Enablement of New Venture Creation: A Framework, *Academy of Management Perspectives* (2018). [DOI: 10.5465/amp.2017.0163](https://doi.org/10.5465/amp.2017.0163)

Provided by University of Cologne

APA citation: Rethinking business: Disruptions like the corona crisis also create new opportunities (2020, September 9) retrieved 1 December 2020 from <https://phys.org/news/2020-09-rethinking-business-disruptions-corona-crisis.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.