

## **Risk Management in the Middle of a Sustainable Covid-19 Pandemic**

Wazimbo Fpumo<sup>1</sup>, Baloi Moriera <sup>1</sup>

<sup>1</sup>Department of Economy, University of Zambia, Zambia

*\*Corresponding Author: Wazimbo Fpumo*

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### **Abstract**

The aim of this study is to find out the impact that occurred during the Covid-19 Pandemic. This study discusses on franchise companies) and the performance or strategy of the franchise company in reducing the risk of bankrupt at the time of Covid-19 and the solution management companies during the pandemic. Those strategy prioritizing delivery orders and take away services at company outlets, marketing products on the roadside, hold promos - discount promos and creating a new variant on the menu.

**Keywords:** Franchise Companies, Marketing Products, Management Companies

### **Introduction**

This with a bright red roof logo has many menu variants and flavors, pasta, side dishes, drinks, to salads. The COVID-19 pandemic is one of the greatest challenges the modern world has faced. The disease, caused by the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2), can be traced back to December 2019, when the first case was reported in Wuhan, China. In March 2020 company actually a company from the United States founded by Dan & Frank Carney in 1958 in Wichita, Kansas. As a global company, it was recorded that at the end of 2019 there were 18,703 restaurants spread throughout the world. Not many cafes and restaurants have managed to survive the impact of the impact of Covid-19 and the large-scale social restriction policies that were implemented. However, Company continues to innovate in implementing a marketing strategy to survive, namely by selling on the roadside in the midst of a pandemic. Previously, one of the Company employees said that selling on the side of the road had been done since the Covid-19 pandemic. This is done in order to increase sales from the company.

### **The Impact of the Covid-19 Pandemic on Franchised Companies**

Basically, currently many countries are experiencing the Corona Virus Disease 2019 (Covid-19) pandemic. The franchise holder of 1,200 Company outlets and nearly 400 Wendy's fast food restaurants in the United States (US), NPC International, filed for bankruptcy due to pressure due to the corona virus pandemic. According to Gereffi (2020) The company's debt reached US \$ 1 billion, Company costs also soar to pay for labor and groceries. As a result, NPC International's business was increasingly disrupted. There has been a lot of news in the media that says that Company is experiencing a significant loss due to Covid-19, resulting in bankruptcy in the United States. This is because the NPC has no legal or business relationship, Either directly or indirectly. The results of financial reports as of June 30, 2020 also show that able to print a net profit of Rp.

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10,475 billion. From these results want to prove to stakeholders that their financial condition is in good condition and not affected by the bankruptcy that occurred in the United States NPC. Even so, the impact of Covid-19 is felt. Decreased to 85% in the first quarter of 2020. In the first quarter of 2019 were able to obtain a net profit of Rp. 40.17 billion, while in the first quarter of 2020 they were only able to obtain a net profit of Rp. 6.04 billion. Data in the financial report also shows the percentage increase of 5.58% in sales and operating income from the previous year from Rp 902.28 billion to Rp 955.64 billion. However, this was offset by an increase in selling expenses and general administrative expenses to Rp 567.30 billion and Rp 53.45 billion, respectively. The decrease in net income also resulted in a decrease in earnings per share from IDR 13, - / share to IDR 2, - / share.

According Bretas & Alon (2020) The effects of the COVID-19 outbreak on other services and retail industries are also severe. Construction, food service, fashion, and retail are some of the sectors most affected by the pandemic. The franchising sector is also strongly impacted, with consequences for the business activities and integrity of the franchise system.

### **The Performance or Strategy of the Franchise Company in Reducing the Risk of Bankrut at the Time of Covid-19.**

Increasing Sales, Based on observations, Company management has taken several ways to survive the difficult situations that have arisen due to the Covid-19 pandemic. These ways include: Prioritizing delivery orders and take away services at Company outlets, Marketing products on the roadside, Hold promos - discount promos and Creating a new variant on the menu. These methods were carried out by Company's management to increase sales which had decreased due to the Covid-19 pandemic. Even though its profit margins were 'sacrificed' through the promo. Richter & Wilson (2020) stated The Covid-19 crisis shows how social pressure on the industry to pay claims can become a major factor in determining the potential losses from the pandemic, potentially even if such payments require a retroactive change in terms and conditions. Company I tried to stay afloat and not to terminate its employees (as happens in many other industrial sectors). Although these efforts have been made and customers who buy take away and delivery have increased dramatically.

### **Solutions to Increase the Sales of Companies**

Company cannot change the legal forces in the form of prohibitions for customers to enjoy Company products directly / dine-in at the restaurant (Cooley, 2015). Company also does not do layoffs or downsizing of the company, despite facing economic forces, which have an impact on decreasing sales and decreasing company profits, even though in theory 'bad economic conditions make the environment more complex and the manager's job more difficult. and demands that companies often need to reduce the number of their managers and employees, streamline their operations, and identify ways to acquire and use resources more efficiently and effectively (Zimmer, 2020).

For the problems faced by Company, Company needs to better utilize one of the elements of the general environment (as explained above), in the form of technological forces, because although technological changes can threaten the organization, it also can create new opportunities for designing, manufacturing, or distributing new and improved types of goods and services.

Company has been trying to increase sales through the Company application which can be downloaded from the Google Play Store / App Store.

## Conclusion

As a result of the Covid -19 Company Pandemic, Company's operational activities and revenues as part of a global organization are influenced by legal forces that have emerged due to the Covid-19 pandemic. Company has decreased revenue and profit, which indicates that there is a change / decrease in the number of customers (which is an element of the task environment) who make purchases of Company products. In fact, the most obvious opportunity associated with expanding into the global environment is the prospect of selling goods and services to millions or billions of new customers.

The strategies that Company companies need to do to reduce the risk of bankruptcy are (in terms of increased sales): Prioritizing delivery order and take away services at Company outlets, Marketing products on the roadside, hold promos - discount promos; and creating a new variant on the menu.

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