



# Application of Business Survivability Strategies and Financial Reforms of Micro and Small Enterprises in South Wollo Zone - Amhara Region

Getachew Abera<sup>1\*</sup>·Uvaneswaran S M<sup>2\*</sup>

<sup>1</sup> Lecturer in management, College of Business and Economics, Wollo University, Dessie, Ethiopia.

<sup>2</sup> Professor in Accounting and Finance, College of Business and Economics, Wollo University, Dessie, Ethiopia

## Abstract

Micro and Small Enterprises (MSEs) have become engines of poverty reduction, employment creation and business development among others in various countries worldwide. They have significant employment contributors and can function successfully in many areas of Ethiopia. However, their effectiveness depends on the nature, performance, and productivity level of employment and available resource. Limited access to financial services, lack of partnership and networking, absence of technical and business skills among other are major obstacles in the sector. In the case of financing source for MSEs, there quite challenges in the case of Ethiopia, specifically Amhara region – South Wollo. Thus, this study intends to evaluate the application of Business survivability strategies and financial reforms of MSEs in South Wollo Zone. To address study's objectives, descriptive research design was adopted. The population of the study were owners of small and medium business enterprises which are found in the town and city administration of South Wollo. Primary data was collected using questionnaire, interview and focus group discussion. The questionnaire would be distributed from a sample size of 378 respondents and the interview and focus group discussions were made with higher officers and experts of MSEs and employees MSEs. Then, data gathered through these sources were analyzed using descriptive statistical tools like percentage and frequency analysis. According to the finding of this study, insufficient or delayed financing is most common reason for business failure. The improved cash flow is required by MSE's to revamp the business. This study reveals financing reforms required by MSE's to revamp the business are Tax debt forgiveness, Credit, debt, loan extensions and Exemption from personal income tax. This study recommends MSEs to give due emphasis for Political instability between regions and regional disputes from manmade disasters which challenges the survivability of business enterprises and should eliminate any expenses not essential for business.

**Key words:** Micro and Small Enterprises, revamp, financial reforms, business survivability strategies.

## 1.1 Introduction

Micro and Small Enterprises (MSEs) have become engines of poverty reduction, employment creation and business development among others in various countries worldwide (Chittithaworn et al., 2011). In the current global economy, micro and small enterprises progressively being regarded as powerful engines for economic performance and development of most economies (Muzenda, 2014). Industrial development policy authorities in most developing countries globally have realized the substantial contribution made by MSEs towards attainment of sustainable local economic development and poverty reduction through creation of job opportunities (Swerczek & Ha, 2003).

In the accounting profession, the demand for ethics has been increasing from time to time. As professionals, Business survivability is a component of building business resilience in normal times and is especially critical in cases of large disasters. For businesses to survive, especially Micro and Small enterprises (MSE s), they must be able to adapt their operations to the new environment like Protect their employees and customers from contracting, take measures that can protect their businesses from the incoming disruptions and utilize all resources that might be available to them to remain solvent and operational (UNDRR, 2020). Moreover, COVID-19 has exacerbated these challenges and forced MSE's to close the business and need of finance reforms like credit, loans, and investments to uplift the micro and small business (Robin Sanders, 2020).

In Ethiopia, Micro small and enterprises (MSEs) have a tremendous potential to generate employment for the majority of the urban labor force and also contribution of GDP (GFDRE, 2011). The government-revised strategy strives to create an enabling environment for MSEs through putting in place a national strategy framework and coordinated programs at Federal, Regional, and Local levels. Currently, the authorities moved to support firms and employment during this COVID-19. The measures taken include tax debt forgiveness, a tax amnesty on interest penalties and exemption from personal income tax withholding for businesses that keep employees on.

Besides, the review of past studies conducted on micro and small enterprise are discussed the importance of the present study. Benjamin and Rebecca (2009) have presented in their research paper that there was a high rate of entrepreneurial failure among their respondents despite the provision of various supports from the governments. Admasu (2012) analyzed the factors that affect the performance of MSEs in Addis Ababa using sample household survey data collected in 2011. He used both descriptive data analysis

and multiple regression model to identify the factors affecting MSEs.

The current study is different from the above researches in terms of disaster management such as application of business survival strategies like cash infusion, expenses reduction, Covid-19 additional cost, communication to stakeholders etc., and need of financing reforms for restructuring of business. Therefore, it indicates that there is no such related research conducted in Ethiopia concerning to financing reforms at the time of disaster. This paves the researchers to understand the present situation of business and interested to conduct the study on the Application of Business Survivability strategies and necessity of financing reforms for MSEs in selected Cities of South Wollo Zone in Amhara region.

## 1.2. Literature Review

Abraham (2013) has also conducted a research about performance of MSEs and its determinants in Hosana using research design of logistic regression. The significant variables that have a direct cause on the performance of MSEs were age of the enterprise, age of the operator, educational level, number of employees, initial capital, skill of operator, experience of the manager, access to training and access to market. All the variables were statistically positive and significant to influence the performance of MSEs.

A study by done by Mehari (2016) on factors affecting the performance of MSEs in Kirkos Sub City Addis Ababa, Ethiopia with the objective to assess the main factors that are mostly affecting performance of MSEs in the study area. Mahari used descriptive research in making data analysis. However, his methodology was limited to only descriptive method; he did not use statistical inferences and regression analysis to show the strength and direction of the association between the variable factors access to credit, working premises, marketing issues, record keeping practice and access to bank account affecting the performance of MSEs.

Benjamin and Rebecca (2009) have presented in their research paper that there was a high rate of entrepreneurial failure among their respondents despite the provision of various supports from the governments. The missing links to successful entrepreneurship identified to be entrepreneurial competencies, defined as the cluster of related knowledge, attitudes, and skills, which an entrepreneur must acquire or possess to enable him, produce outstanding performance and maximize profit in the business. These entrepreneurial competencies were the critical success factors to entrepreneurship, and they deserve serious consideration in entrepreneurial discourse and not to be neglected.

Nuwagaba and Nzewi (2013) analyzed the factors affecting the performance of MSEs in Uganda and, Nigeria using descriptive research design based on a sample of 60 MSEs. The study concluded that environmental constraints such as high taxes, limited access to market, costly and erratic electricity supply and lack of skilled and competent human resources hinder performance of MSE's. The other key factors are access to market is an important factor for MSE's to perform better. Managers in MSE's may need to position their firms by producing relatively high quality products and undertaking joint marketing strategies in order to penetrate differentiated market segments

Hove and Tarisai (2013) analyzed Internal Factors affecting the successful growth and survival of small and Micro Agri-business Firms in Alice communal Area of South Africa using quantitative and qualitative research design based on a sample of 80 MSEs. The study concluded that: business plan, marketing strategy, mission/vision, SWOT analysis and finance are the most significant internal factors that affect the growth and survival of small and micro agribusiness firms in Alice communal area. The study recommended strategies and policies to small and micro agribusiness firms in Alice communal area to positively improve their growth and survival.

Sarwok, Armanu, Hadiwidjojo (2013) analyzed the influence of entrepreneurial characteristics and competencies on business performance in small and medium enterprises (MSEs) in Malang regency East Java Indonesia using Structural Equation Modeling based on a sample of 147 MSEs owners. The results of the study indicate that the entrepreneurial characteristics have a significant influence on business performance.

Admasu (2012) analyzed the factors that affect the performance of MSEs in Addis Ababa using sample household survey data collected in 2011. He used both descriptive data analysis and multiple regression model to identify the factors affecting MSEs. His finding indicated that finance factors, marketing factors, infrastructure factors, technological factors, work premise factors, management factors and entrepreneurial factors hindered the performance of MSEs. Apart from these studies and as research gap, the research on application of Business survivability strategies and financing reforms of MSEs in Ethiopia and Amhara region did not conducted so far and it is necessary to protect and safeguard the MSEs from the closure of the business.

## 1.3. Materials and Methods

The study was conducted in Ethiopia by selecting the prime cities and the population density cities in the South Wollo zone such as Dessie, Kombolcha and Haik. In these selected cities, there are 10 sub cities (Urban) and 6 rural kebeles under Dessie City Administration, 18 rural Kebeles and 2 Urbans under Kombolcha City Administration and 5 kebeles under Haik Town Administration. Hence, the researchers purposively select the Micro and Small Enterprises which are located in the urban areas only because there are more number of enterprises, people mobility and diversification of MSEs Sector and Sub sectors.

The researcher adopted descriptive research design as the research is descriptive in nature because according to Kothari (2003) this design concerned with describing, recording, analyzing, and reporting conditions that exist or existed. This researcher mainly used primary data The primary data for this study were gathered through distribution of structured questionnaire to the owner of the MSEs, interview and focus group discussion with cities' officials of MSEs. The Population size of MSEs located in urban are 3986 in Dessie, 1823 in Kombulcha and 1155 in Haik. Hence, the total population size of the study is 6964 MSEs. The sample size of this study is  $378 (n = N / (1 + N (e)^2) = 6964 / (1 + 6964(.05)^2) = 378.27)$  using a scientific formula adopted from Yamane (1967:886). This sample were drawn from the population using cluster sampling design. The base to cluster this population is based on the sub-city/urban demarcation. Therefore, all MSEs located in Dessie, Kombolcha and Haik Urban / cities are taken as total number of clusters for this study. Furthermore, samples were selected from each selected cluster using simple random sampling technique based on their population proportion.

The data collected through the three types of techniques were edited, coded and classified into different components to facilitate a better and efficient analysis. Descriptive statistical tools like Percentage and frequency analysis were used to analyze the collected data to identify the socio-economic profile of the owners of MSEs and to know the level of awareness about disaster management. Likert scale scores was used to identify the strategies adopted by the MSEs for business survival. Further, Henry Garret Ranking model was applied to recognize the necessity of financial reforms for continuity of business. The above statically tools were manipulated

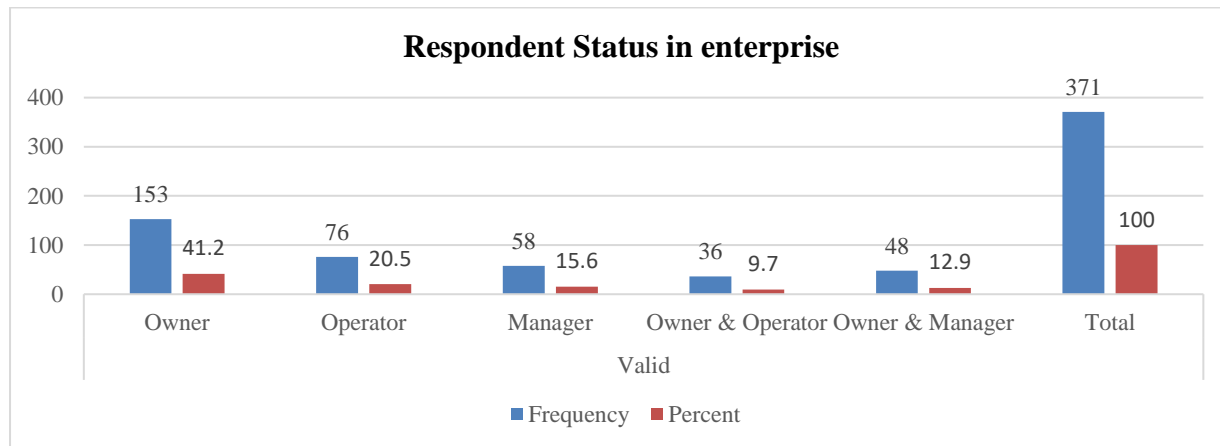
through SPSS version 23.0 software application. On the other hand, qualitative data obtained from the three techniques (open ended items from the questionnaire, interview and focus group discussion) of inquiry were noticed in to appropriate contexts and analyzed thematically.

#### 1.4. Results and Discussion

The general objective of this study was to evaluate the Application of Business survivability strategies and financing reforms by MSEs in South Wollo Zone. To achieve this objective, data were gathered through questionnaire of the selected Micro and Small enterprises located in Dessie, Kombolcha and Haik. A total of 378 questionnaires were distributed to MSEs working in study area. Out of these, 371 of them were appropriately filled and returned back the questionnaires.

##### 1.4.1 Socio-economic Profile of the Respondents

In this sub-section, the data gathered from the respondents on the first 7 questionnaire items is presented and analyzed. The questions were designed to gather demographic data. The results are given in chart and tables below. The following table presents a summary of the demographic data of respondents as depicted from the SPSS version 20.0 outputs.



Source: Primary data 2022 – Spreadsheet output.

Fig 1: Respondents status in Micro and Small Enterprises

From the above figure1 it is clear that the MSE's are managed by the Owner (41.2%), Operator (20.5%) and Manger (15.6%) in three location of Amhara region. The majority of them are owner (41.2%) of the enterprise provided the data to assess the application of strategies adopted for business survivability and financing reform to manage the business during the disaster time. Thus, it can be concluded that the Micro and small enterprises are managed and controlled by the owner itself instead of operator and manager in the selected areas of the study.

##### Socio-economic Profile of the respondents

S.No	Item	Category	Frequency	Percentage
1	Gender	Male	250	67.4
		Female	121	32.6
		Total	371	100.0
2	Age (years)	21- 25	56	15.1
		26 - 30	51	13.8
		31 - 35	122	32.9
		36 - 40	94	25.3
		41- 45	33	8.9
		46 - 50	9	2.4
		Greater than 50	6	1.6
		Total	371	100
3	Marital Status	Divorced	8	2.2
		Married	265	71.4
		Unmarried	98	26.4
		Total	371	100
4	Religion	Catholic	16	4.3
		Muslim	111	29.9
		Orthodox	197	53.1
		Others	1	0.3
		Total	371	100
5	Educational Status	1 – 4 Grade	10	2.7
		5 – 8 Grade	17	4.6
		9 – 12 Grade	32	8.6

		Diploma	78	21.0
		Graduate	166	44.7
		Master degree and above	67	18.1
		Read and write only	1	0.3
		Total	371	100
6	Family Size	1 - 3	154	41.5
		4 - 6	118	31.8
		Above 6	77	20.8
		None	22	5.9
		Total	371	100

Source: survey results 2022

**Table 1: Socio-economic Profile of the respondents**

As indicated in the above table 1, regarding to the sex of the respondents, from total respondents, 67.4% of the respondents are males and 32.6% of them are females. This indicates that the most MSE in Dessie, Kombolcha and Haik are owned by male members. With regard to age of the respondents, 15.1 % of them are found between the age of 21 to 25 years, 13.8% and 32.9% of them between the age group of 26 to 30 years and 31 to 35 years, 25.3% and 8.9% of them between the age group of 36 to 40 years and 41 to 45 years and few of them found between the age group of 46 to 50 years and above 50 years. This implies that the majority of respondents who were running the business firms are relatively Middle age of 31 to 35 years.

It is noted that the majority of the MSE enterprises respondents (71.4%) are married, 26.4 % of them are unmarried and few of them got divorced in the study area. The maximum of 53.1% of the respondents are belongs to Orthodox religion and following by Muslim with 29.9% and few of them in catholic and other religion.

Concerning to the educational qualification, the information in the above table reveals that about 44.7% of the respondents are graduated, 21% are diploma complete, 18.1% are master degree and above, 4.6% and 2.7% of them have educated up to 5-8 grade and 1 -4 grade and 0.3% of the sample respondents knows read and write only. This implies that a majority of the sample respondents in MSE are educated up to Graduate level.

Finally, the family size of the respondents is 41.5% and 31.8% of them have 4 to 6 and 1 to 3 members and 20.8% have more than 6 members in the family. Thus, it can be concluded that the majority of sample respondents have 4 to 6 members in the family.

#### Information of Micro and Small Enterprises in Study Area

##### MSE's Characteristics

S.No	Item	Category	Frequency		Percentage
1	Enterprise Category	Micro	192		51.8
		Small	179		48.2
		Total	371		100.0
2	Sector of Enterprise	Types	Frequency		Percentage
		Construction	31		8.4
		Manufacturing	25		6.7
		Services	183		49.3
		Trading	126		34.0
		Urban Agriculture	6		1.6
		Total	371		100
3	Age of the Business	Age Group	Frequency (Number of Enterprise)		Total
			Micro	Small	
		Less than 1 Year	3	11	14
		1 to 3 years	93	84	177
		11 to 15 years	2	3	5
		4 to 6 years	64	51	115
		7 to 10 years	30	27	57
		above 15 years	0	3	3
		Total	192	179	371
4	Location of Enterprise	Location	Frequency		Total
			Micro	Small	
		Dessie	155	114	269
		Kombulcha	18	44	62
		Haik	19	21	40
		Total	192	179	371

Source: Primary data 2021 – Spreadsheet output.

**Table 2: MSEs characteristics**

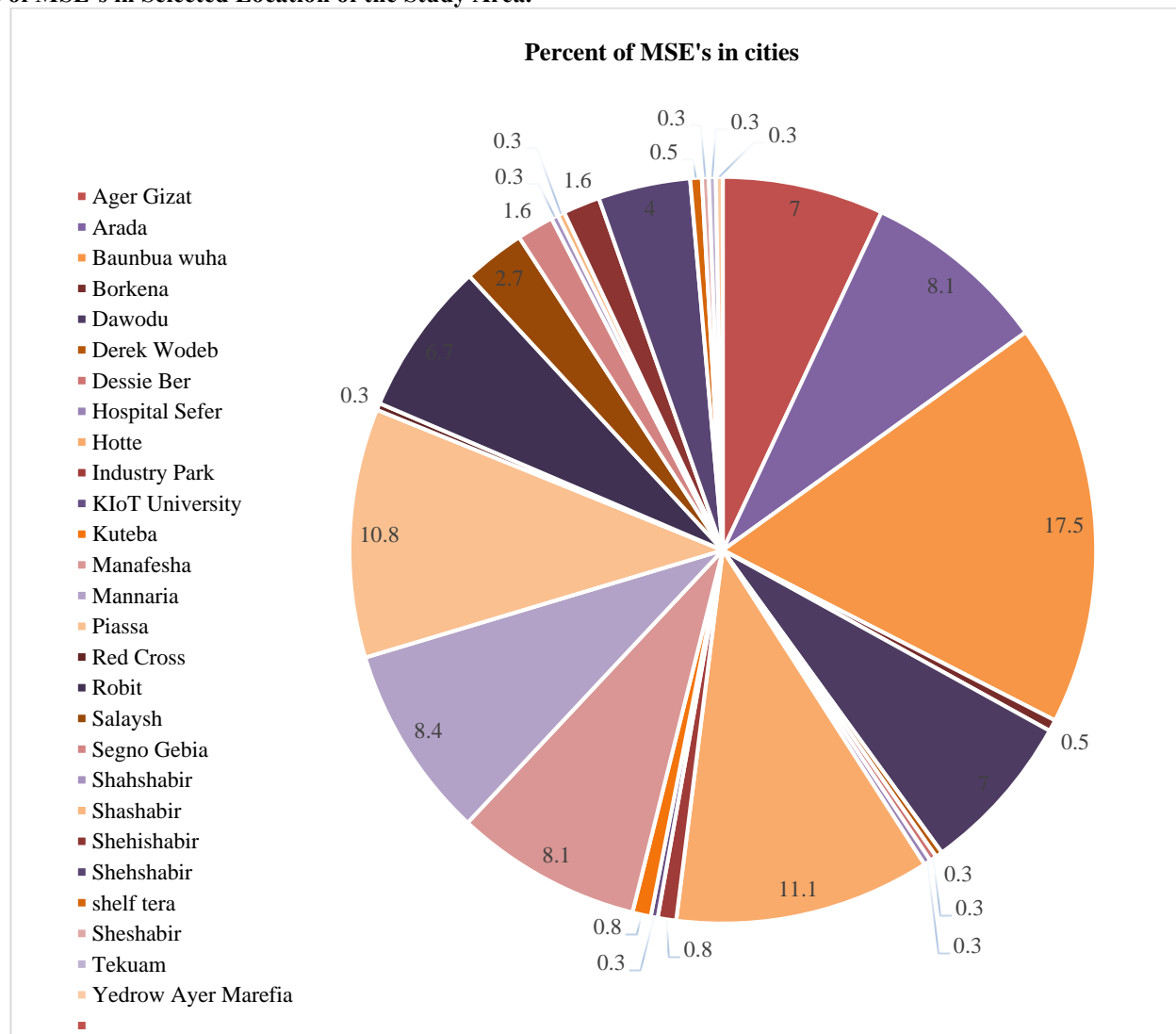
From the above table reveals that about 51.8% of the respondents are engaged in the Micro level business and 48.2% of the respondents are running small business in the selected area of the study. This implies that, Micro level business are engaged at maximum level in Dessie, Kombulcha and Haik cities when compared to small scale business.

In the terms of sector of enterprises, there are 183 respondents doing service sector business from 371 sample respondents. Following that 126 respondents are doing trading business in the Study area. Few of them indulge in Construction, manufacturing and Urban agriculture sectors in the selected area. It can be concluded that 49.3% of the sample respondents are pursuing service sector related business only as per the above table.

With regard to the age (years) of the enterprises that the 93 micro and 84 small enterprises having 1 to 3 years of business experience. Following the above, 64 micro and 51 small level business have 4 to 6 years of business experience. Similarly, more than 7 to 10 years of business experience by 30 micro and 27 small level enterprises Lastly, 3 small business have above 15 years of experience from the 371 sample respondents. This means that majority (47%) of the business organization have 1 to 3 years of in micro and small level from the study area.

Concerning to Location of enterprises, 155 micro and 144 small level enterprises are surveyed in the Dessie city, 18 micro and 44 small level business are surveyed in Kombolcha city and 19 micro and 21 small level enterprises are surveyed in Haik town. It means the majority of small and micro level enterprises are gathered data from the Dessie city when compared to other study areas.

#### Places of MSE's in Selected Location of the Study Area.



Source: Primary data 2022 – Spreadsheet output.

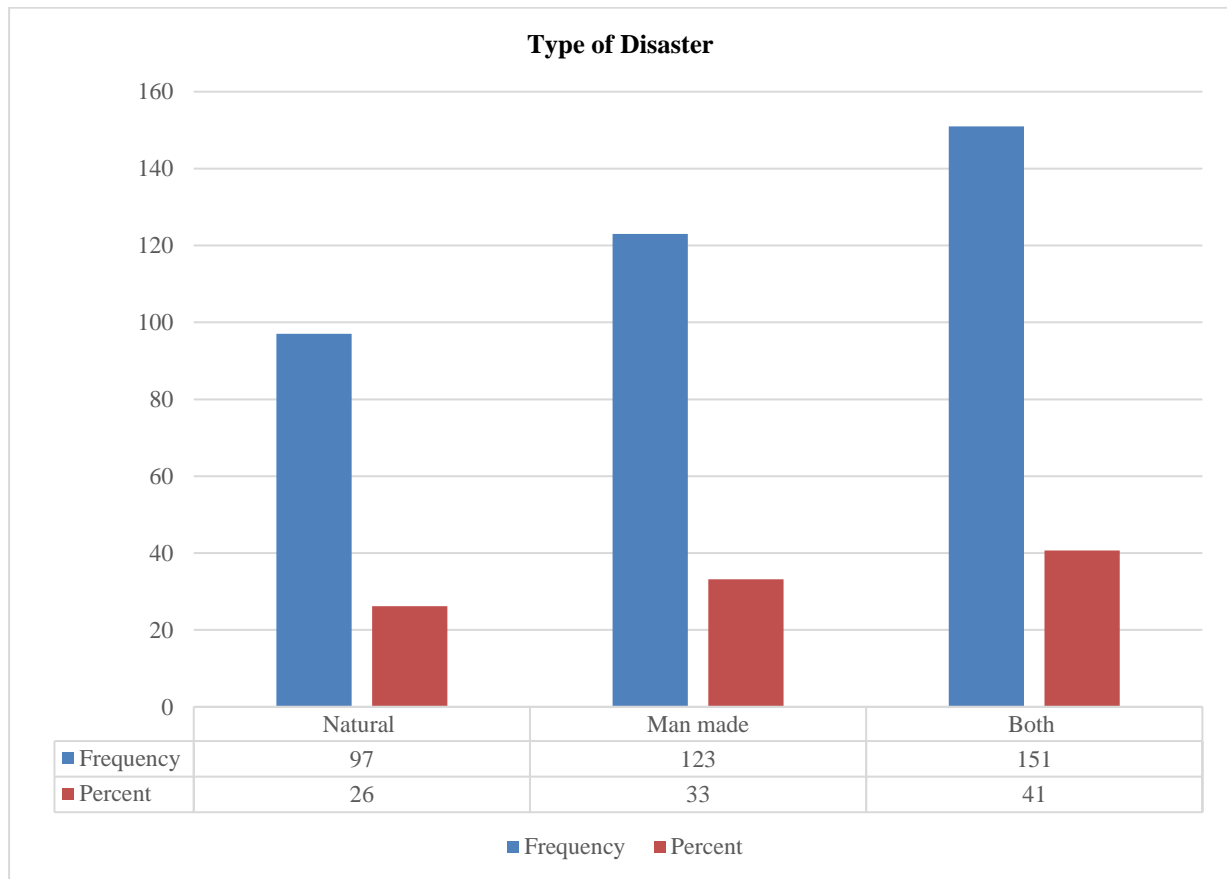
**Fig 2:** Percentage of MSE in Dessie, Kombolcha and Haik location

It is clear from the above figure 2 that 17.5% of MSE's are located Baunbua wuha, 11.1% of MSE's are located in the Hotte, 10.8% of MSE's are located in the Piassa, 8.4% and 8.1% of them located in Mannaria and Manafesha and 6 to 8% of them are located in Robit, Dawodu, Arada, Ager Gizat and rest of them in other places of the city. Thus, it can be conclude that the majority (17.5%) of MSE's are located in Baunbua wuha from the three selected study areas.



### 1.4.2. Disaster Awareness by Micro and Small Enterprises

#### Type of Disaster Affected by the Enterprises



Source: Excel Output from data sheet 2022

**Fig 3:** Types of disaster affected to Micro and Small Enterprises

From the figure it is found that the 41% of the Micro and small Enterprises in the study area affected by Natural and Man-made disaster. Following that 33% of MSE are affected by Man Made disasters and remaining 26% of MSE's are affected by Natural disaster in the study area. Thus, it can be concluded that the majority (43%) of MSE.s are affected by both the disasters in the selected study area.

#### The level of Disaster Awareness in Ethiopia

S.No	Types of Disaster	Data Type	Extremely Aware	Moderately Aware	Not at all aware	Slightly Aware	Somewhat Aware	Total
1	Drought	Frequency	63	75	126	71	36	371
		Percent	17.0	20.2	34.0	19.1	9.7	100
2	Epidemic occurrence	Frequency	34	95	25	112	105	371
		Percent	9.2	25.6	6.7	30.2	28.3	100.0
3	Ethnic Violence	Frequency	31	133	86	38	83	371
		Percent	8.4	35.8	23.2	10.2	22.4	100.0
4	Civil disorder	Frequency	70	60	42	121	78	371
		Percent	18.9	16.2	11.3	32.6	21.0	100.0
5	Religious conflicts	Frequency	96	139	9	48	79	371
		Percent	25.9	37.5	2.4	12.9	21.3	100.0
6	Political	Frequency	96	139	9	48	79	371

	or Regional clangs	Percent	25.9	37.5	2.4	12.9	21.3	100.0
7	Territorial Disputes	Frequency	24	132	69	66	80	371
		Percent	6.5	35.6	18.6	17.8	21.6	100.0
8	Foreign wars	Frequency	76	127	74	78	16	371
		Percent	20.5	34.2	19.9	21.0	4.3	100.0

**Source:** Primary data 2022 – Spreadsheet output.

**Table 3:** The level of Awareness about Disaster in Ethiopia

In item 1, regarding drought relating to MSEs, from total 371 respondents, about 17% of the respondents are extremely aware about drought to be the disaster in Ethiopia, while about 20.2% of them are moderately aware, 34% of the respondents were not at all aware, 19.1% of respondents are slightly aware and 9.7% of respondents are somewhat aware. This implies that (34%) majority of the respondents were not at all aware as drought is natural disaster affect Ethiopia.

In Item 2, concerning to epidemic occurrence about 9.2% of the respondents extremely and (25.6%) of respondents moderately aware about epidemic occurrence that may affect the organization. On the other hand, 30.2% of them slightly aware that epidemic may occur in the organizations and the remaining 28.3% of respondents are somewhat aware. This indicates that the majority of the respondent's awareness about epidemic occurrence is some extent so to solve the problems arising from epidemic the respondents of should take part in awareness Creation Avenue.

In item 3, in relation to ethnic violence on important issues by the organizations, from total respondents, about 8.4% of the employees are extremely aware on such issues and 35.8% of them says that the organizations respondents are moderately aware whereas about 23.2% of them were not at all aware and the 10.2% of them were slightly aware This shows that the organization employees at some extent know about ethnic violence to survive in the market.

In item 4, in relation to civil disorder about 18.9 % of respondents from total respondents are extremely aware that civil disorder challenges MSEs, about 16.2% of the employees are moderately aware to on such aspects and 11.3 % of them says not at all aware whereas about 32.6% of them were slightly aware and the 21.0 % of them were somewhat aware This shows that the organization employees at some extent know about civil disorder to survive.

In item 5, concerning to the religious conflicts about 25.9 % of the respondents expressed that the organizations are extremely aware and 37.5% of respondents are moderately aware about religious conflicts that affect survivability of MSEs. On the other hand, about 12.9% of them express as slightly aware, the 2.4 % replied not at all aware and the remaining 21.3% of respondents are somewhat aware. This implies that a majority of the respondents are able to see that religious conflict affect MSEs survivability.

In Item 6, in relation to Political or Regional clangs about 25.9% of the respondents replied that they are extremely aware about political/regional clangs and 37.5% of respondents replied moderately aware while 2.4% of them replied that they are not at all aware. On the other hand 12.9% of respondents are slightly aware and the remaining 21.3% of them responds somewhat aware. This result indicated that the majority of the respondents moderately aware about political/regional clangs effect on MSEs.

In Item 7, in relation to Territorial Disputes about 6.5% of the respondents replied that extremely aware about Territorial Disputes, and 35.6 % of respondents replied moderately aware, while 18.6% of them replied that they are not at all aware. On the other hand 17.8% of respondents slightly aware and the remaining 21.6% of them responds somewhat aware. This implies that the majority (35.6%) of the employees getting awareness about territorial disputes could be the cause for MSEs loss.

In item 8, regarding foreign wars relating to MSEs, from total 371 respondents, about 20.5% of the respondents are extremely aware about drought to be the disaster in Ethiopia, while about 34.2% of them replied moderately aware, 19.9% of the respondents were not at all aware, 21.0% of respondents are slightly aware and 4.3 % of respondents are somewhat aware. This implies that (34.2%) majority of the respondents moderately aware as drought is natural disaster affect Ethiopia.

**Rate the Disaster level which disturbed most in the business transactions**

S.No	Types of Disaster	Data Type	Major effect,	Minor affect	Moderate ly affect,	Neutral	No affect	Total
Natural Disasters								
1	Monkey pox	Frequency	1	18	15	9	328	371
		Percent	0.3	4.9	4.0	2.4	88.4	100.0
2	Yellow fever	Frequency	16	52	17	75	211	371
		Percent	4.3	14.0	4.6	20.2	56.9	100.0
3	Ebola Virus	Frequency	1	38	14	44	274	371
		Percent	0.3	10.2	3.8	11.9	73.9	100.0
4	Coronavirus	Frequency	255	3	92	17	4	371
		Percent	68.7	0.8	24.8	4.6	1.1	100.0
5	Famine	Frequency	3	150	102	94	22	371
		Percent	0.8	40.4	27.5	25.3	5.9	100.0
Man-Made Disasters								
6	Cultural Fierceness	Frequency	22	128	86	116	19	371
		Percent	5.9	34.5	23.2	31.3	5.1	100.0
7	Civil war	Frequency	54	118	111	61	27	371
		Percent	14.6	31.8	29.9	16.4	7.3	100.0
8	Religious clashes	Frequency	53	120	69	96	33	371
		Percent	14.3	32.3	18.6	25.9	8.9	100.0
9	Political instability between regions	Frequency	82	96	119	61	13	371
		Percent	22.1	25.9	32.1	16.4	3.5	100.0
10	Issues between Local and Federal security forces	Frequency	91	74	92	110	4	371
		Percent	24.5	19.9	24.8	29.6	1.1	100.0
11	Regional Disputes	Frequency	82	90	64	98	37	371
		Percent	22.1	24.3	17.3	26.4	10.0	100.0
12	Colonial wars (Eretria)	Frequency	20	79	4	51	217	371
		Percent	5.4	21.3	1.1	13.7	58.5	100.0
13	Regional disparity on sanction of funds	Frequency	46	73	35	156	61	371
		Percent	12.4	19.7	9.4	42.0	16.4	100.0

Source: survey results 2022

**Table 3:** Type of Disaster affected most by business enterprises



In item 1, regarding to monkey pox, from total 371 respondents, about 0.3% of the respondents replied that monkey pox has major effect on MSEs and 4.9% of them says minor effect whereas about 4.0% of them were responded moderately affect MSEs and the 2.4% of them have no idea, the remaining 88.4% of the respondents said that monkey pox does not affect MSEs. This implies that (88.4%) majority of the MSEs in south Wollo zone, Amhara region were not challenged by monkey pox.

In Item 2, concerning yellow fever from total 371 respondents, about 4.3% of the respondents replied that yellow fever has major effect on MSEs and 14.0% of them says minor effect whereas about 4.6% of them were responded moderately affect MSEs and the 20.2% of them have no idea, the remaining about 56.9% of the respondents said that yellow fever does not affect MSEs. This implies that (56.9%) majority of the business enterprises were not challenged by yellow fever.

In Item 3, concerning Ebola Virus from total 371 respondents, about 0.3% of the respondents replied that Ebola virus has major effect on MSEs and 10.2% of them says minor effect whereas about 3.8% of them were responded moderately affect MSEs and the 11.9% of them have no idea, the remaining about 73.9% of the respondents said that Ebola virus does not affect MSEs. This implies that (73.9%) majority of the MSEs are not challenged by Ebola Virus.

In item 4, in relation to Corona virus from total 371 respondents, about 68.7% of the respondents replied that corona virus has major effect on MSEs and 0.8% of them says minor effect whereas about 24.8% of them were responded moderately affect MSEs and the 4.6% of them have no idea and the remaining 1.1% respondents replied that corona virus are not affected MSEs. This shows that the MSEs are highly affected by corona virus.

In item 5, concerning to Famine, about 0.8 % of the respondents replied that Famine has major effect on MSEs and 40.4% of them says minor effect whereas about 27.5% of them were responded moderately affect MSEs and the 25.3% of them have no idea and the remaining 5.9% respondents replied that Famine, is not affected MSEs. This implies that a majority (40.4%) of the MSEs in south Wollo zone faces minor effect from famine in their business.

In item 6, concerning to Cultural Fierceness, about 5.9% of the respondents replied that cultural fierceness has major effect on MSEs and 34.5% of them says minor effect whereas about 23.2% of them were responded moderately affect MSEs and the 31.3% of them have no idea, the remaining about 5.1% of the respondents said that cultural fierceness does not affect MSEs. This implies that (34.5%) majority of the organizations respondents replied as the MSEs in some extent are challenged by cultural fierceness.

In item 7, in relation to Civil war from total 371 respondents about 14.6% of the respondents replied that Civil war has major effect on MSEs and 31.8% of them says minor effect whereas about 29.9% of them were responded moderately affect MSEs and the 16.4% of them have no idea and the remaining 7.3% respondents replied that Civil war are not affected MSEs. This implies that the majority (31.8%) of the business enterprises were challenged in some extent by Civil war.

In item 8, in relation to Religious clashes from total 371 respondents about 14.3% of the respondents replied that Religious clashes has major effect on MSEs and 32.3% of them says minor effect whereas about 18.6% of them were responded moderately affect MSEs and the 25.9% of them have no idea and the remaining 1.1% respondents replied that corona virus are not affected MSEs. This implies that a majority (32.3%) of the MSEs in south Wollo zone were slightly affected by Religious clashes.

In item 9, regarding to Political instability between regions from total 371 respondents about 22.1% of the respondents replied that Political instability between regions has major effect on MSEs and 25.9% of them says minor effect whereas about 32.1% of them were responded moderately affect and 16.4% of them were neutral, the remaining 3.5% of the respondents said that Political instability between regions does not affect MSEs. This implies that (32.1%) majority of the business enterprises were moderately affected by political instability between regions.

In item 10, concerning to Issues between Local and Federal security forces about 24.5 % of the respondents replied that Issues between Local and Federal security forces has major effect on MSEs and 19.9% of them says minor effect whereas about 24.8% of them were responded moderately affect and 29.6% of them were neutral and the remaining 1.1% respondents replied that Issues between Local and Federal security forces does not affected MSEs. This implies that a majority (29.6%) of organization respondents have no idea on the effect of Issues between Local and Federal security forces in their business.

In item 11, regarding to regional disputes from total 371 respondents, about 22.1% of the respondents replied that regional disputes has major effect on MSEs and 24.3% of them says minor effect whereas about 17.3% of them were responded moderately affect MSEs and the 26.4% of them have no idea, the remaining 10.0% of the respondents said that regional disputes does not affect MSEs. This implies that (26.4%) the majority of respondents have no idea on the effect of regional disputes in their business.

In item 12, regarding to colonial wars (Eretria) from total 371 respondents about 5.4% of the respondents replied that colonial wars (Eretria) has major effect on MSEs and 21.3% of them says minor effect whereas about 11% of them were responded moderately affect MSEs and the 13.7% of them have no idea, the remaining 58.5% of the respondents said that colonial wars (Eretria) does not affect MSEs. This implies that (58.5%) majority of the MSEs in south Wollo zone, Amhara region were not challenged by colonial wars (Eretria).

In item 13, regarding to regional disparity on sanction of funds about 12.4% of the respondents replied that regional disputes has major effect on MSEs and 19.7% of them says minor effect whereas about 9.4% of them were responded moderately affect MSEs and the 42.0% of them have no idea, the remaining 16.4% of the respondents said that regional disparity on sanction of funds does not affect MSEs. This implies that (42.0%) the majority of respondents have no idea on the effect of regional disparity on sanction of funds in their business.

## 1.4.3. Business Survivability Strategies of the Enterprises

## 1. Application of Expenses Reduction Strategies

S.No	Expenses reduction strategies	Data Type	Almost Every time applied	Almost Never applied	Frequently applied	Never applied	Occasionally/ sometimes applied	Total
Staff reductions								
1	Few of the employees fired out	Frequency	38	89	6	120	118	371
		Percent	10.2	24.0	1.6	32.3	31.8	100.0
2	Reduce the working hours for unskilled or semi-skilled labors	Frequency	63	76	10	89	133	371
		Percent	17.0	20.5	2.7	24.0	35.8	100.0
3	Grant leave or temporary vacation for few employees	Frequency	40	53	44	78	156	371
		Percent	10.8	14.3	11.9	21.0	42.0	100.0
Cash Controls								
4	Eliminate any expenses not essential for business	Frequency	117	19	74	3	158	371
		Percent	31.5	5.1	19.9	0.8	42.6	100.0
5	Stop buying inventory unless you can sell	Frequency	90	45	60	3	173	371
		Percent	24.3	12.1	16.2	0.8	46.6	100.0
Leases								
6	Request landlord to reduce rent	Frequency	102	59	35	35	140	371
		Percent	27.5	15.9	9.4	9.4	37.7	100.0
7	Request landlord to pay at end of lease	Frequency	99	48	43	36	145	371
		Percent	26.7	12.9	11.6	9.7	39.1	100.0
Loan								
8	Postponement of debt payment	Frequency	149	12	27	26	157	371
		Percent	40.2	3.2	7.3	7.0	42.3	100.0
9	Restructure of debt to decrease the payment	Frequency	124	46	25	20	156	371
		Percent	33.4	12.4	6.7	5.4	42.0	100.0
Vendor contracts or payments								
10	Talk with suppliers to make delay payments	Frequency	191	20	46	1	113	371
		Percent	51.5	5.4	12.4	0.3	30.5	100.0
11	Ask supplier to give discount or reduce costs	Frequency	366	0	0	0	5	371
		Percent	98.7	0	0	0	1.3	100.0
Utility costs								
12	Buy utility for epidemic precautions at offer prices	Frequency	138	17	70	2	144	371
		Percent	37.2	4.6	18.9	0.5	38.8	100.0
13	Check the websites or call for utility companies to know availability of relief	Frequency	93	33	87	7	151	371
		Percent	25.1	8.9	23.5	1.9	40.7	100.0
Taxes								
14	Seek emergency tax subsidy from regional and federal governments	Frequency	71	94	53	15	138	371
		Percent	19.1	25.3	14.3	4.0	37.2	100.0

Source: survey results 2022

**Table 4:** Application of Expenses reduction strategies to Manage Disaster

In item 1, in relation to fired out some employees, about 10.2 % of the respondents expressed almost every time applied strategy whereas 24.0% of respondents replied almost never applied and 1.6% of respondents said fired out employees were frequently applied strategy. On the other hand, about 32.3% of them expressed as never applied and the remaining 31.8% of respondents replied as sometimes applied. This implies that a majority (32.3%) of the MSEs in south Wollo zone, Amhara region replied that fired out employees were never applied strategy to manage disaster. In item 2, concerning to reduce the working hours for unskilled or semi-skilled labors, about 17.0 % of the respondents expressed almost every time applied strategy whereas 20.5% of respondents replied almost never applied and 2.7% of respondents said frequently applied strategy. On the other hand, about 24.0% of them expressed as never applied and the remaining 35.8% of respondents replied as sometimes applied. This implies that a majority (35.8%) of the respondents replied that reduce the working hours for unskilled or semi-skilled labors were occasionally applied strategy to manage disaster.

In item 3, concerning to grant leave or temporary vacation for few employees, about 10.8 % of the respondents expressed almost every time applied strategy whereas 14.3% of respondents replied almost never applied and 11.9% of respondents said frequently applied strategy. On the other hand, about 21.0% of them expressed as never applied and the remaining 42.0% of respondents replied as sometimes applied. This implies that a majority (42.0%) of MSEs in south Wollo zone grant leave or temporary vacation for few employees occasionally to manage disaster. In item 4, in relation to eliminate any expenses not essential for business, about 31.5 % of the respondents expressed almost every time applied strategy whereas 5.1% of respondents replied almost never applied and 19.9% of respondents said frequently applied strategy. On the other hand, about 0.8% of them expressed as never applied and the remaining 42.6% of respondents replied as sometimes applied. This implies that a majority (42.6%) of MSEs in south Wollo zone to eliminate any expenses not essential for business occasionally to manage disaster.

In item 5, in relation to stop buying inventory unless you can sell, about 24.3 % of the respondents expressed almost every time applied strategy whereas 12.1% of respondents replied almost never applied and 16.2% of respondents said frequently applied strategy. On the other hand, about 0.8% of them expressed as never applied and the remaining 46.6% of respondents replied as sometimes applied. This implies that a majority (46.6%) of MSEs occasionally stop buying inventory unless they can sell. In item 6, concerning to request landlord to reduce rent, about 27.5 % of the respondents replied almost every time applied strategy whereas 15.9% of respondents replied almost never applied and 9.4% of respondents said frequently applied strategy. On the other hand, about 9.4% of them expressed as never applied and the remaining 37.7% of respondents replied as sometimes applied. This implies that a majority (37.7%) of MSEs in south Wollo zone request landlord to reduce rent occasionally to manage disaster.

In item 7, concerning to request landlord to pay at end of lease, about 26.7 % of the respondents replied almost every time applied strategy whereas 12.9% of respondents replied almost never applied and 11.6% of respondents said frequently applied strategy. On the other hand, about 9.7% of them expressed as never applied and the remaining 39.1% of respondents replied as sometimes applied. This implies that a majority (39.1%) of MSEs in south Wollo zone sometimes request landlords to pay at end of lease. In item 8, regarding to postponement of debt payment, about 40.2 % of the respondents replied almost every time applied strategy whereas 3.2% of respondents replied almost never applied and 7.3% of respondents said frequently applied strategy. On the other hand, about 7.0% of them expressed as never applied and the remaining 42.3% of respondents replied as sometimes applied. This implies that a majority (42.3%) of MSEs in south Wollo zone sometimes postpone debt payment to manage disaster.

In item 9, regarding to restructure of debt to decrease the payment, about 33.4 % of the respondents replied almost every time applied strategy whereas 12.4% of respondents replied almost never applied and 6.7% of respondents said frequently applied strategy. On the other hand, about 5.4% of them expressed as never applied and the remaining 42.0% of respondents replied as sometimes applied. This implies that a majority (42.0%) of MSEs in south Wollo zone sometimes restructure of debt to decrease the payment. In item 10, regarding to restructure of debt to decrease the payment, about 33.4 % of the respondents replied almost every time applied strategy whereas 12.4% of respondents replied almost never applied and 6.7% of respondents said frequently applied strategy. On the other hand, about 5.4% of them expressed as never applied and the remaining 42.0% of respondents replied as sometimes applied. This implies that a majority (42.0%) of MSEs in south Wollo zone sometimes restructure of debt to decrease the payment.

In item 11, concerning to ask supplier to give discount or reduce costs, about 98.7 % of the respondents replied almost every time applied strategy. On the other hand the remaining 1.3% of respondents replied as sometimes applied. This implies that a majority (98.7%) of MSEs in south Wollo zone ask supplier to give discount or reduce costs were almost every time applied strategy to manage disaster. In item 12, regarding to buy utility for epidemic precautions at offer prices about 37.2 % of the respondents replied almost every time applied strategy whereas 4.6% of respondents replied almost never applied and 18.9% of respondents said frequently applied strategy. On the other hand, about 0.5% of them expressed as never applied and the remaining 38.8% of respondents replied as sometimes applied. This implies that a majority (38.8%) of MSEs in south Wollo zone sometimes buy utility for epidemic precautions at offer.

In item 13, regarding to the websites or call for utility companies to know availability of relief, about 25.1 % of the respondents replied almost every time applied strategy whereas 8.9% of respondents replied almost never applied and 23.5% of respondents said frequently applied. On the other hand, about 1.9% of them expressed as never applied and the remaining 40.7% of respondents replied as sometimes applied. This implies that a majority (40.7%) of MSEs sometimes Check the websites or call for utility companies to know availability of relief to manage disaster. In item 14, concerning to Seek emergency tax subsidy about 19.1 % of the respondents replied almost every time applied strategy whereas 25.3% of respondents replied almost never applied and 14.3% of respondents said frequently applied. On the other hand, about 4.0% of them expressed as never applied and the remaining 37.2% of respondents replied as sometimes applied. This implies that a majority (37.2%) of MSEs sometimes seek emergency tax subsidy from government.

**2. Application of Cash infusion Strategies**

S.No	Cash infusion strategies	Data Type	Almost Every time applied	Almost Never applied	Frequently applied	Never applied	Occasionally/sometimes applied	Total
Disaster Loan								
1	Take traditional or disaster assistance loan from banks/Personal loan/Cash credit/same day loans	Frequency	172	10	57	4	128	371
		Percent	46.4	2.7	15.4	1.1	34.5	100.0
Business interruption /Continuity Insurance								
2	Contact insurance broker to see what policy provides	Frequency	56	95	54	6	160	371
		Percent	15.1	25.6	14.6	1.6	43.1	100.0
Account Receivable								
3	Collect all account receivable	Frequency	223	20	83	3	42	371
		Percent	60.1	5.4	22.4	0.8	11.3	100.0
4	Try to preserve important client relationship for future business	Frequency	123	13	197	4	34	371
		Percent	33.2	3.5	53.1	1.1	9.2	100.0
Inventory Control								
5	Take full inventory and secure it as much as possible	Frequency	71	16	63	11	210	371
		Percent	19.1	4.3	17.0	3.0	56.6	100.0
6	Any Perishable inventory that can't be sold could be donated	Frequency	5	50	55	40	136	85
		Percent	1.3	13.5	14.8	10.8	36.7	22.9
7	Prepare a list of charitable contribution for taxes	Frequency	98	61	22	13	177	371
		Percent	26.4	16.4	5.9	3.5	47.7	100.0
New Markets								
8	Check the possibilities of selling product or service online using social media	Frequency	105	56	58	18	134	371
		Percent	28.3	15.1	15.6	4.9	36.1	100.0
9	Search current environment gives any new opportunities of new revenue streams	Frequency	146	16	59	4	146	371
		Percent	39.4	4.3	15.9	1.1	39.4	100.0

Source: survey results 2022

**Table 5:** Application of cash infusion strategies to Manage Disaster

From the above table 5, concerning to taking traditional or disaster assistance loan from banks, about 46.4 % of the respondents replied almost every time applied strategy whereas 2.7% of respondents replied almost never applied and 15.4% of respondents said frequently applied strategy. On the other hand, about 1.1% of them expressed as never applied and the remaining 34.5% of respondents replied as sometimes applied. This implies that a majority (46.4%) of MSEs in south Wollo zone takes traditional or disaster assistance loan almost every time from banks to manage disaster.

In Item 2, concerning to contact insurance broker to see what policy provides, about 15.1 % of the respondents replied almost every time applied strategy whereas 25.6% of respondents replied almost never applied and 14.6% of respondents said frequently applied strategy. On the other hand, about 1.6% of them expressed as never applied and the remaining 43.1% of respondents replied as sometimes applied. This implies that a majority (43.1%) of MSEs in south Wollo zone occasionally contact insurance brokers to see what policy provides.

In Item 3, regarding collect all account receivable, about 60.1 % of the respondents replied almost every time applied strategy whereas 5.4% of respondents replied almost never applied and 22.4% of respondents said frequently applied strategy. On the other hand, about 0.8% of them expressed as never applied and the remaining 11.3% of respondents replied as sometimes applied. This implies that a majority (60.1%) of MSEs in south Wollo zone Amhara region collect all account receivable almost every time as cash infusion strategy.

In item 4, in relation to preserve important client relationship for future business, about 33.2 % of the respondents said almost every time applied strategy whereas 3.5% of respondents replied almost never applied and 53.1% of respondents said frequently applied strategy. On the other hand, about 1.1% of them expressed as never applied and the remaining 9.2% of respondents replied as sometimes applied. This implies that a majority (53.1%) of MSEs in south Wollo zone Amhara region take care of clients frequently.

In item 5, in relation to take full inventory and secure it as much as possible, about 19.1 % of the respondents said almost every time applied strategy whereas 4.3% of respondents replied almost never applied and 17.0% of respondents said frequently applied strategy. On the other hand, about 3.0% of them expressed as never applied and the remaining 56.6% of respondents replied as sometimes applied. This implies that a majority (56.6%) of MSEs in south Wollo zone Amhara region sometimes take full inventory and secure it as much as possible to manage disaster.

In item 6, concerning to Perishable inventory that can't be sold, about 1.3 % of the respondents responded almost every time applied strategy whereas 13.5% of respondents replied almost never applied and 14.8% of respondents said frequently applied strategy. On the other hand, about 10.8% of them expressed as never applied and the remaining 36.7% of respondents replied as sometimes applied. This implies that a majority (36.7%) of MSEs in south Wollo zone Amhara region sometimes donate perishable inventory that can't be sold to manage disaster.

In item 7, regarding to prepare a list of charitable contribution for taxes, about 26.4 % of the respondents responded almost every time applied strategy whereas 16.4% of respondents replied almost never applied and 5.9% of respondents said frequently applied strategy. On the other hand, about 3.5% of them expressed as never applied and the remaining 47.7% of respondents replied as sometimes applied. This implies that a majority (47.7%) of MSEs in south Wollo zone Amhara region sometimes prepare a list of charitable contribution for taxes to manage disaster.

In item 8, concerning to the possibilities of selling product or service online using social media from total 371 respondents, about 28.3 % of the respondents responded almost every time applied strategy whereas 15.1% of respondents replied almost never applied and 15.6% of respondents said frequently applied strategy. On the other hand, about 4.9% of them expressed as never applied and the remaining 36.1% of respondents replied as sometimes applied. This implies that a majority (36.1%) of MSEs in south Wollo zone Amhara region sometimes check the possibilities of selling product or service online using social media to manage disaster.

In item 9, regarding to searching current environment new opportunities of new revenue streams, about 39.4 % of the respondents responded almost every time applied strategy whereas 4.3% of respondents replied almost never applied and 15.9% of respondents said frequently applied strategy. On the other hand, about 1.1% of them expressed as never applied and the remaining 39.4% of respondents replied as sometimes applied. This implies that a majority (39.4%) of MSEs in south Wollo zone Amhara region sometimes and also (39.4%) of MSEs in south Wollo zone Amhara region every time search current environment that gives any new opportunities of new revenue streams to manage disaster.

### 3. Application of Communication to employees and Third parties

S.No	Application of Communication	Data Type	Almost Every time	Almost Never applied	Frequently applied	Never applied	Occasionally /sometimes applied	Total
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			applied					
1	Talk to employees about new health and safety guidelines, willing to reduce working hours and use latest technology to increase productivity	Frequency	95	47	64	48	117	371
		Percent	25.6	12.7	17.3	12.9	31.5	100.0
2	Talk to your customers to meet their needs changes, use of digital platforms and new opportunities to engage and attract them	Frequency	158	48	43	34	88	371
		Percent	42.6	12.9	11.6	9.2	23.7	100.0
3	Talk to your lenders and landlords about current situation for defer lease rental or make low payments	Frequency	106	28	54	40	143	371
		Percent	28.6	7.5	14.6	10.8	38.5	100.0
4	Talk to Industry colleagues about their strategies and crowd -sourcing solutions	Frequency	166	26	37	40	102	371
		Percent	44.7	7.0	10.0	10.8	27.5	100.0

Source: survey results 2022

**Table 6:** Application of Communication to employees and third parties to Manage Disaster

In item 1, concerning to the application of communication to employees about new health and safety guidelines, willing to reduce working hours and use latest technology to increase productivity about 25.6 % of the respondents expressed as almost every time applied whereas 12.7% of respondents replied almost never applied and 17.3% of respondents said communication to employees were frequently applied strategy. On the other hand, about 12.9% of them express as never applied and the remaining 31.5% of organizations replied as sometimes applied. This implies that a majority (31.5%) of the MSEs in south Wollo zone, Amhara region occasionally applies communication to employees about new health and safety guidelines to manage disaster.

In item 2, concerning to the application of communication to customers to meet their needs changes, about 42.6 % of the respondents expressed as almost every time applied strategy whereas 12.9% of respondents replied almost never applied and 11.6% of respondents said communication to customers were frequently applied strategy. On the other hand, about 9.2% of them expressed as never applied and the remaining 23.7% of respondents replied as sometimes applied. This implies that a majority (42.6%) of the MSEs in south Wollo zone, Amhara region expressed that communication to customers to meet their needs changes to engage and attract them were almost every time applied strategy to manage disaster.

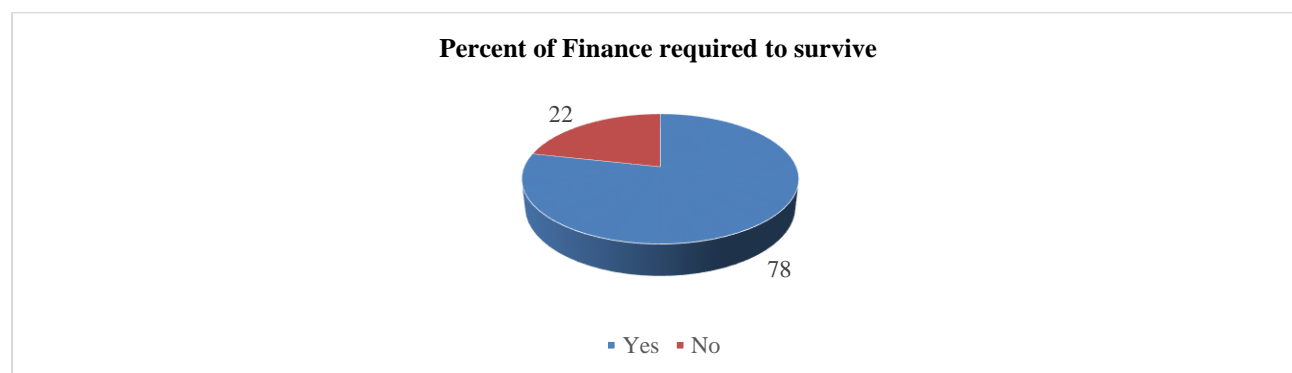
In item 3, in relation to the application of communication to lenders and landlords about current situation for defer lease rental or make low payments from total 371 respondents, about 28.6 % of the respondents expressed as almost every time applied strategy whereas 7.5% of respondents replied almost never applied and 14.6% of respondents said communication to lenders and landlords were frequently applied strategy. On the other hand, about 10.8% of them expressed as never applied and the remaining 27.5% of respondents replied as sometimes applied. This implies that a majority (28.6%) of the MSEs in south Wollo zone, Amhara region replied that communication to lenders and landlords about current situation for defer lease rental or make low payments were almost every time applied strategy to manage disaster.

In item 4, in relation to the application of communication to Industry colleagues about their strategies and crowd -sourcing solutions, about 44.7 % of the respondents expressed almost every time applied strategy whereas 7.0% of respondents replied almost never applied and 10.0% of respondents said communication to Industry colleagues were frequently applied strategy. On the other hand, about 10.8% of them expressed as never applied and the remaining 27.5% of respondents replied as sometimes applied. This implies that a majority (44.7%) of the MSEs in south Wollo zone, Amhara region replied that communication to Industry colleagues about their strategies and crowd -sourcing solutions were almost every time applied strategy to manage disaster.



#### 1.4.4. Financing Reforms and Their Adoption by Enterprises

##### 1. Need of financing reforms for survival of the business



Source: Excel Output from data sheet 2022

**Fig.4:** Percentage of financing reforms required by the MSE's.

From the above figure it can be inferred that majority (78%) of MSE's need financing reforms to survive in the business and few of the MSE's are able to manage the disaster by themselves.

##### 2. Ranking the types of financing reforms required to manage Disaster

S.No	Types of financing reforms	No of respondents	Rank (1- 10)
1	Tax debt forgiveness	44	1
2	A tax amnesty on interest penalties	31	10
3	Credit, debt, loan extensions	40	2
4	Royalty deferrals	32	9
5	Business rent or lease extensions	36	7
6	Special 2-3 years interest rates	38	5
7	Fee waivers for ATM and Mobile fund transfer	33	8
8	Increase daily cash transfer limits	37	6
9	Increasing grants with subsidies for specialized sectors	39	4
10	Exemption from personal income tax	41	3

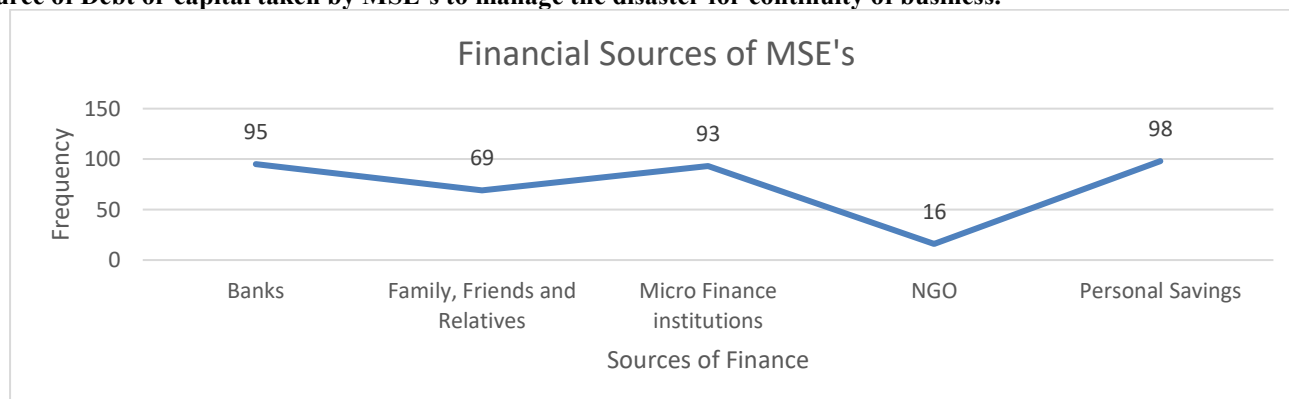
Source: survey results 2022

**Table 7:** Types of financing reforms required by MSE's to revamp the business

As shown in the above table, from total 371 respondents 44 respondents replied that Tax debt forgiveness is required by MSE's to revamp the business and takes the first rank and 31 respondents responded that tax amnesty on interest penalties as a financing reform and takes the last order. 40 respondents said that Credit, debt, loan extensions are used by MSEs revive the business and is in the second rank.

On the other hand Royalty deferrals, Business rent or lease extensions, Special 2-3 years interest rates are other mechanisms required by MSE's to revamp the business. From total respondents 32, 36 and 38 respondents replied as the financial reforms of MSE's respectively. Whereas 33 respondents said fee waivers for ATM and mobile fund transfer required by MSE's and placed eighth order. Finally, 37 respondents replied increase daily cash transfer limits, 39 respondents responded increasing grants with subsidies for specialized sectors and 41 respondents said Exemption from personal income tax are of financing reforms required by MSE's to revamp the business.

##### 3. Source of Debt or capital taken by MSE's to manage the disaster for continuity of business.



Source: Excel Output from data sheet 2022

**Fig.5:** Source of Debt or capital taken by MSE's

As shown in the above figure 95 respondents said MSEs can acquire resource from Banks, 69 respondents replied family, friends and relatives are other way of getting financial resources, whereas 93 respondents said that MSEs use micro finance institutions as a financial source. On the other hand 16 respondents responded that MSEs can find resources from NGOs, 98 respondents replied that the way of getting financial resource for running the business is personal saving. This indicates that majority of MSEs acquire financial resource from personal savings.

### 1.5. Conclusion and Recommendations

The MSE's sector is considered a vital part of any developing economy as countries worldwide rely on it to generate employment, raise the standard of living, and expand their respective GDP. The MSE's sector in Ethiopia is promising and can become successful to help develop the economy further and reduce the dependence on depleting natural resources.

The level of awareness about disasters is somewhat good, but still the MSE's awareness is not adequate. The main disasters those respondents should be aware are Drought, Ethnic Violence, Civil disorder and Foreign wars. Besides the type of disasters commonly happen in Micro and Small Enterprises in South Wollo Zone - Amhara Region were Yellow fever & corona virus from natural disasters and civil war & Political instability between regions from human made disasters.

According to the finding of this study, insufficient or delayed financing is most common reason for business failure. The improved cash flow is required by MSE's to revamp the business. Therefore obtaining a personal or business loan from a bank. When interest rates are on the rise right and the business needs cash, it's still a decent time to borrow money to maintain or grow its operations. While there are times when it is not prudent to do so, there may also be some merit to borrowing.

Collect all account receivable, try to preserve important client relationship for future business and search current environment gives any new opportunities of new revenue streams were every time and frequently applied cash infusion strategy followed by Micro and Small Enterprises in South Wollo Zone - Amhara Region to manage disaster.

Reduce the working hours for unskilled or semi-skilled labors, eliminate any expenses not essential for business, Request landlord to reduce rent, postponement of debt payment and ask suppliers to give discount or reduce costs were every time expense reduction strategy followed by Micro and Small Enterprises in South Wollo Zone - Amhara Region to manage disaster.

Talk to your customers to meet their needs changes, use of digital platforms and new opportunities to engage and attract them and Talk to Industry colleagues about their strategies and crowd -sourcing solutions more common applied strategy to manage disaster of Micro and Small Enterprises in South Wollo Zone - Amhara Region.

The main types of financing reforms required by MSE's to revamp the business are Tax debt forgiveness, Credit, debt, loan extensions and Exemption from personal income tax. Besides MSEs acquire resources from banks, friends& family, micro finance institutions and NGO however majority of MSEs acquire financial resource from personal savings.

MSE' should have budgeting goes hand-in-hand with reduced business costs because it's impossible to make smart financial decisions without a clear idea of the money and should collect all account receivable in order to avoid cash shortage.

MSE's in South Wollo Zone - Amhara Region should give due emphasis for Political instability between regions and regional disputes from manmade disasters which challenges the survivability of business enterprises because the area was border for current dispute (Tigray army and Ethiopian defense force).

MSE's in South Wollo Zone - Amhara Region should eliminate any expenses not essential for business, request landlord to reduce rent and to pay the amount at the end of lease, restructure of debt to decrease the payment and seek emergency tax subsidy from government as expense reduction strategy to manage disaster.

MSE's in South Wollo Zone - Amhara Region should communicate to employees about new health and safety guidelines, willing to reduce working hours and use latest technology to increase productivity as a strategy to manage disaster.

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