

Oman Small-Medium Enterprises (SMEs) on Innovation and Sustaining Growth during and Post Pandemic

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Abstract

This report aims to discuss number of SME approaches, structures, concepts, and strategies for directing innovation, entrepreneurship development, the implementation methods of innovation management and the impact to SME sustainability. The report's data sources are divided into primary such as interview with one CEO and secondary source such as recently published scholarly articles on innovation and entrepreneurship.

Many businesses faced difficulties during pandemic which were handled very well as part of their innovation process primarily to maintain stability and to keep up with market trends. Businesses that fail to follow the trend may experience unintended consequences, such as failing to meet client's needs. It is recommended that organization should consistently be innovative in order to generate new investment ideas that may be used to boost entrepreneurship.

Keywords: Small-medium enterprise, SME innovation, SME sustainability, Innovation management

Introduction

The covid 19 pandemic forced many entrepreneurs to reconsider their recent strategic plans and discover new methods for generating profits. For the last two years, there has been a rapid transformation, which has contributed positively to entrepreneurs who are responsive to changes in the business environment in order to keep up with what is new and in demand (Matriano, 2022).

When the worldwide COVID-19 pandemic spread, governments were obliged to implement a series of restrictive rules and legislation. Total Early-stage Entrepreneurial Activity (TEA) rates in Oman more than quadrupled between 2019 and 2020. According to GEM Global report, which

was released in March 2019, an essential role is played by small and medium-sized enterprises (SMEs) in an Oman economic growth after covid - 19. Production, job creation, exports, and a more equal distribution of wealth are all directly impacted by their efforts.

How SMEs Helped Oman's Economy Recovery from Pandemic?

SMEs has provided a wide range of vital goods for mass consumption and export. Modern small and medium-sized enterprises (SMEs) are characterized primarily by their investment and workforce size. There are a number of policies in Oman whose initiatives aimed at supporting small businesses. In addition, the SMEs have been encouraged and supported by numerous government policies for infrastructural assistance, technological up-gradation, preferential access to loans, preferred policy support, etc. after COVID-19 (OECD, 2020).

- By total value contributed, small-scale manufacturing and GDP both benefit from the sector's participation.
- GDP is substantial in terms of its percentage of total value added because of the contribution of the small-scale manufacturing sector.
- The export promotion of SMEs may help to alleviate the issue of mismatch in the balance - of - payments accounts.
- Even as big businesses exacerbate income disparity and wealth concentration, small and medium-sized businesses (SMEs) have the potential to widen the gap between rich and poor after covid.
- Potential and competent entrepreneurs who lack access to relevant chances may benefit from possibilities in the small business sector.
- Businesses of all sizes may profit from lean manufacturing and discover new, more cost-effective methods of doing so.
- It is possible that tiny units have a better efficiency in resource allocation since they can use resources to their fullest potential with little waste.
- A greater number of people will be able to use more resources since the risk is lower in small and medium-sized businesses.

The SMEs Innovation Initiatives

Below are the SMEs initiatives aimed in sustaining the SME growth after pandemic:

- Some SMEs utilized drones to sterilize roadways in Muscat Governorate to restrict the transmission of this virus effectively and without exposing people to the risk of infection.

- Conducting classes virtually and now on hybrid mode and utilizing the Digital Education platform under the supervision of the Ministry of Education (Adam and Alarifi, 2021).
- In order to keep Omanis up to current on Covid-19, the Ministry of Health has released the Tarassud mobile app for IOS and Android.
- eGovernment's initiative on National ePayment Gateway where it accepts all kinds of debit and credit cards, so the general people may pay for goods and services online.
- In order to keep tabs on the valleys, the city of Muscat is using self-flying aircraft technology. Researchers at Sultan Qaboos University have made use of remote sensing technologies. The General Directorate of Meteorology uses cutting-edge technology to gather precise data for its weather predictions, which it posts on its website (Adam and Alarifi, 2021).

Role of SMEs In Boosting Oman Economy During and Post Pandemic

According to economic theory of entrepreneurship, SMEs accounted for roughly 70 percent of overall employment and are the "primary contributors to value creation, producing between 50 percent and 60 percent of value added on average." Small and medium-sized businesses (SMEs) contribute up to 45% of overall workforce and 33% of GDP in Oman. Investing in small businesses is essential to boosting economic growth. Internet technology (such as ERP, supply chain, logistics, and trade management tools) may help SMEs gain a competitive advantage by managing all means of production and transportation both inside and beyond borders, cutting costs, increasing efficiency, and allowing compliance to occur.

Entrepreneurship economist Joseph Schumpeter is credited for popularizing the innovation hypothesis. The theory's main claim was that entrepreneurs don't rely on traditional means of production and avoid making minor alterations to already-produced goods method. As a result, their primary objective is the creation of new technologies and goods that have the potential to affect broad change as well as those that may assist in a complete change of perspective (Enactus et al., 2020).

The COVID-19 has had a momentous influence on the global economy, and Oman has been one of the nation's experiencing difficulties in operating (SMEs) in terms of satisfying their business demands and meeting their fixed expenses.

SMEs Key Success Factors as Effectively Implemented During and Post Pandemic

Constant Improvement

The first step is to take stock of your existing situation and identify areas where you'd want to see progress. Gather appropriate experience, create clear expectations, and measure your progress. Facebook's strategy to establishing a scalable company enables them to move quickly while retaining quality (Bibarsov et al., 2017).

Create Value For Customer

If you don't know what your consumers require and are willing to shell out for, you have to start in some places instead, then responding to every single suggestion from your consumers, it's better to focus on testing. Identify your target audience and decide on the sort of service you want to generate before you begin your project (Bibarsov et al., 2017).

Implement The Lean Startup Model

Fast and urgent idea generation and implementation are key components of Lean Startup Model. Using input from consumers, the business may then fine-tune the product or service to better meet the demands of its target audience. Repeat this cycle as so many times as necessary after proving your concept (Bibarsov et al., 2017).

Allocate Resources Properly to Support Your Strategy

Analyze your assets, both human and monetary, and identify the areas where they may be most effectively utilized for your benefit (Bibarsov et al., 2017).

Create An Innovative Company Culture

To succeed, one must have confidence in others and be receptive to their ideas and suggestions (Bibarsov et al., 2017).

Stay Focused

It's common for businesses to get bogged down in the details and lose sight of what truly counts in the long term (Bibarsov et al., 2017).

SMEs Challenges and Obstacles

- **Government Regulations:** In Order to protect the citizens and residents, the authorities applied measures such as lockdowns, curfews and travel prohibition which created difficulties especially to tourism sector to achieve its goals (Alhanai & Matriano, 2021).
- **Consumer's choices and behaviors changes** due to health and safety concerns, made a drop in market demand.
- **Oman's tourist industry** depends heavily on small transactions and commercial operations, putting them at danger of going out of business if they don't have the financial strength to maintain their long-term viability.

Innovation Theory of Entrepreneurship

According to an Innovation Leadership research, innovation leadership suggests that openness to other people's views is the most essential element of a culture of innovation. Even if the finest ideas aren't put into action, they still have value. Putting together a team to work on skills that can be used in a number of settings is a good idea if you want to get more done (Gupta, M., 2018).

The Importance of Innovation Theory in Promoting SMEs Growth

Entrepreneurship theories provide light on the diverse ways in which entrepreneurs go about their business. It is through their teachings that one may learn about the importance of entrepreneurship and the differences between different types of entrepreneurs. Some of the ideas reveal different methods and perspectives that are held by entrepreneurs. Non-oil tourism is among the fastest expanding sectors of economy, and as a result, it has witnessed one of the greatest gains in income.

Conclusions and Recommendations

Many businesses face difficulties that must be handled in order to remain stable and have the intention to expand. Keeping up with market trends is a critical concern since, based on the activities taken by competitors, it may have an impact on how company is conducted. Businesses that fail to follow the trend may experience unintended consequences, such as failing to meet client's needs.

Innovation Management Models are theories on how innovation is structured, regulated, and executed. Simply creating a product is not enough to survive in today's competitive economic market. Adopting a culture of producing profitable Innovation models will lead your company to the top of the market. Despite the fact that these models might carry some risks, the advantages weigh the risks. While implementing innovation, the company should focus on a coherent approach to market demands, technologies, and financial analysis.

Evidently, because of the ever-changing international trends, organizations must change the method by which they operate and what they offer in order to exist, grow, and keep up with their competitors.

It is recommended that organizations should make sure that it is regularly innovative and imaginative in order to generate new investment ideas and chances that may be used to boost entrepreneurship. Tourism businesses is recommended to utilize robots, artificial intelligence, and digitalized services in order to provide better quality performance; and at the same time it should consider the job security of the employees by collaborating all aspects in favor of the entire system.

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