

Adaptability Measures of Newly Established Businesses: A Case in the Philippines during the Covid 19 Pandemic

¹Kingie G. Micabalo, ²Winnie Marie T. Poliquit, ³Younglin J. Hitutuane, ⁴Yuri U. Pendon, ⁵Jeanievic N. Idjao, ⁶Mae Rochelle B. Vilbar, ⁷Blesshiela I. Aulestia

^{1 2} Researcher/Professor, College of Business and Accountancy, University of Cebu Lapu-Lapu and Mandaue, Mandaue City, Cebu, Philippines

^{3 4 5} Professor, Department of Business and Entrepreneurship, University of San Jose Recoletos, Cebu City, Cebu, Philippines

⁶ Professor, School of Business and Management, University of San Jose Recoletos, Cebu City, Cebu, Philippines

⁷ Student, College of Business and Accountancy, University of Cebu Lapu-Lapu and Mandaue, Mandaue City, Cebu, Philippines

Abstract

Establishing a business in the midst of the pandemic is very challenging since there are more factors and regulations to be considered leading to inevitable changes in the business operation to adapt with the current situation. This study aims to analyze the adaptability measures implemented by newly established food and beverage businesses. This study utilizes a quantitative approach specifically, a correlational research design to investigate the relationships between the variables with the use of a researchers' made survey questionnaire. The instrument was distributed to twenty-three (23) respondents chosen through a convenience sampling technique based on their availability and their willingness to take part in the study. Chi-square of independence, T-test, frequency and percentage were used for data analysis. From the result, the business profile of the respondents does not affect its capability and choice of what adaptability measures it implements. In addition, the respondents were able to implement effectively the measures that they planned beforehand, as there was no significant difference with the adaptability measures during the planning and operations stage. Financial adaptability measures had the highest aggregate mean, which means it is highly implemented and highly extensive to profitability as well. This study concludes that adaptability measures regarding finance both during the planning and operations stage are significant as it affects how a business generate sales, cost, expense, and ultimately profit. Most of the other adaptability measures do not affect the profitability of the business although it is still important to be adaptable in terms of marketing and human resource.

Keywords: Covid-19 Pandemic, business adaptability measures, planning, operations, descriptive-correlational, Cebu, Philippines

Introduction

Nothing is constant in the world but change, and recently, we faced a global pandemic, a severe crisis that affected our means of living, leaving us with no choice but to adapt to the "new normal" until now. The coronavirus disease (COVID-19) is an infectious respiratory disease caused by a new strain of coronavirus. On the 11th of March, 2020, the World Health Organization declared COVID-19 a global pandemic considering the alarming increase of cases around the globe.

Magnifying our scope to the Philippines, the government under the administration of President Rodrigo Duterte imposed restrictions to the extent of a total lockdown limiting the movement of the population except for necessity, work, and health circumstances, in response to the COVID-19 pandemic in the Philippines. Unfortunately, as the cases continued to rise, the country has been placed on quarantine which affected almost everything in the country, most especially our economy as businesses have it more challenging to adapt with the current crisis.

In recent years and until the onset of the COVID-19 crisis, the Philippine economy has made advances in delivering inclusive growth. Real economic growth, however, has been difficult to achieve during the pandemic due to the strict community quarantine measures imposed in the country. In 2020, growth contracted significantly due to the significant decrease in consumer consumption and investment growth, and aggravated by the sharp slowdown in exportation, tourism, and remittances (Jurado, 2021).

Micro, Small, and Medium Enterprise (MSMEs) are considered the backbone of many economies in the world, including the Philippines comprising 99.5% of business establishments in the country and are employing approximately 62.4% of the country's workforce (Philippine Statistics Authority [PSA], 2019). Second of the top five (5) industry sectors according to the number of MSMEs in 2019 was Accommodation and Food Service Activities which consist of restaurants, hotels, café, and other food service businesses. Despite that, a large number of these food and beverage businesses remain closed as the pandemic continues to cause chaos in the economy. Restaurants and food service businesses were some of the first economic activities severely impacted by the pandemic. Dining in restaurants stopped for a significant time as social distancing guidelines took effect. Businesses continued to suffer from disrupted cash flow due to the significant decrease in consumer consumption and continuing expenses, which led to income losses thus, making it challenging for the businesses, especially small ones, to survive during this time.

The United Nations Development Programme Philippines believes that these businesses would play a crucial role in helping the country alleviate the current crisis. In light of that, some people decided to venture into the business world to have a source of income as it has been more challenging to get employed during this crisis. The majority of these new business owners would establish a food and beverage business selling their own made snacks, meals, and beverages such as milk tea and shakes as it has become popular. These newly established food and beverage businesses are evident in Tayud. Tayud is the most populous barangay in Consolacion, a 1st class municipality in the province of Cebu. The construction of the Cansaga Bay Bridge, creating more accessible and faster travel between Mandaue City and Consolacion led to an opportunity of having more factories and businesses opened in the barangay.

Maintaining a business itself is a very challenging goal to achieve, how much more opening a new one during a crisis since it could be very different from what we prepared and expected. Starting a business in the middle of a pandemic would inevitably carry more risk and uncertainty given the current status of the economy and as we comply with the measures implemented by the government. This would create more challenges and factors that the business should take into consideration, possibly leading them to implement measures different from what they planned to adapt to the current situation. Most importantly, profitability is at stake. This goes to show how adaptability is an essential quality that a business must possess to thrive for a long time, even if faced with adversities however, this has been challenging to achieve as there are only limited references businesses can utilize as this pandemic caught us all unexpectedly.

This situation has led us, the researchers, to grab the opportunity to analyze the adaptability measures implemented by the newly established food and beverage businesses in Tayud, Consolacion whether it has a significant relationship with the profitability and profile of the business, and whether there were significant changes during the planning stage compared to the current operations because of the current crisis.

This study serves a purpose and would be most beneficial to business owners as every business owner or organization need to investigate the effects of the current and future crisis on their industry and derive appropriate measures to cope. Moreover, the insights gathered through the study can be of assistance to regulators may it be locally or nationally, to employ relevant help to businesses in difficult times like the pandemic.

The pandemic does not simply give us issues; instead, it likewise gives us a way on how problems are to be tackled and be controlled in a more competent manner. We would not know what the future holds, and if we might face other challenges and unexpected situations, especially in a business thus, this study would be of great necessity to the current and future generations.

Methodology

Research Design

This study utilized a quantitative approach specifically, a correlational research design to investigate these relationships between the two variables: adaptability measures implemented as to the business profile, and

the profitability of newly established food and beverage businesses in Tayud, Consolacion. The design assessed whether there is a positive, zero or negative correlation between the variables.

Research Environment

The locale of this study is Barangay Tayud in the municipality of Consolacion, province of Cebu. According to 2020 census, Tayud comprises 13.6% of the municipality's population with 20,192 people. Out of the 21 barangays in the municipality, Tayud is the most populous barangay. In light of the construction of Cansaga Bay Bridge, Tayud became the common border of the municipality of Liloan and the city of Mandaue. With this more accessible and faster transport, an opportunity to launch businesses emerged in the barangay; thus, many factories and warehouses were constructed. Hence, the majority of the residents were either employed by these companies or owners of small businesses, which became a more stable source of income for them.

Research Respondents

The respondents of this study were the twenty three (23) newly established food and beverage business owners in Tayud, Consolacion, who started their operations during the Covid-19 pandemic from the onset of the year 2020.

Sampling Technique

A nonprobability method specifically, a convenience sampling technique was utilized where the participants were selected based on their availability and their willingness to take part in the study.

Research Instrument

The first section of the questionnaire is composed of questions about the profile of the business, such as the name of the business(optional), type of store, months of operation, source of capital, and amount of starting capital.

The second section presents the level of adaptability measures implemented by newly opened businesses in terms of its planning and operation stage in consideration with its key factors such as marketing, human resources, and finance.

On the other note, the third section will identify the contribution of adaptability measures implemented to the business profitability in terms of sales, cost, expense, and profit.

The responses of the respondents were obtained by using the 4 Point Likert Scale. The respondents' answer to the level of adaptability measures were presented on a scale of 4 to 1: 4 to Highly Implemented, 3 to Moderately Implemented, 2 to Less Implemented, and 1 to Not Implemented.

On the other hand, the respondents' answer to what extent the adaptability measures contribute to business profitability were presented on a scale of 4 to 1: 4 to Highly Extensive, 3 to Moderately Extensive, 2 to Less Extensive, and 1 to Not Extensive.

Research Procedures

Gathering of Data

In the gathering of data, the researchers ask permission to the barangay to conduct the study in the area, the survey questionnaires were given to qualified respondents, a sample of 23 out of 24 newly established food and beverages business owners in Tayud, Consolacion while observing proper health protocols. Their responses were administered by the researchers, and the data was rightfully recorded and analyzed to derive accurate results for the study.

Treatment of Data

As soon as researchers gathered the complete data, the following statistical data analysis were utilized: Simple frequency percentage, weighted mean, chi-square test of independence and T-test of independent samples.

Results and Discussion

The primary data gathered reflects the profile of the business, level of adaptability measures implemented by the respondents during planning and operating stage of the business, and to what extent the adaptability measures implemented by the newly established businesses contribute to profitability.

With these data, additional information can be concluded as to the difference between the adaptability measures during the planning and operating stage and its relationship to the business profile and profitability of the business in terms of sales, cost, expense, and profit.

Profile of the Business

The first part of the table identifies how long the business has been operating. The second part of the table is whether the area of the store is owned or rented. The third part presents the source of how the business was funded followed by how much are the respondents' starting capital. Lastly, is the data regarding the respondents' average monthly income.

Table 1: Profile of the Business

Indicators	Frequency	Percentage
A. Months of Operation		
• 6 months and below	7	30.40
• 7-12 months	7	30.40
• 13-18 months	4	17.40
• 19 months and above	5	21.70
B. Store Area		
• Rented	8	34.80
• Owned	15	65.20
C. Source of Capital		
• Debt	3	13.00
• Equity	14	60.90
• Both	6	26.10
D. Starting Capital		
• 10,000 and below	8	34.80
• 10,001 - 20,000	7	30.40
• 20,001- 30,000	2	8.70
• 30,000 or more	6	26.10
E. Average Monthly Income		
• 5,000 and below	3	13.00
• 5,001 - 15,000	4	17.40
• 15,001 - 25,000	7	30.40
• 25,001 or more	9	39.10

As presented on the table, in part A, businesses operating from 6 months and below and 7-12 months both got the highest number of responses with a percentage of 30.40%. On the other hand, middle age businesses who operated for 13-18 months got the lowest response percentage of 17.40%. This denotes that majority of the respondents have been operating their business for a year or less which means they started their business only this year. Accordingly, during the last year, regulations regarding lockdowns were more prevalent which is why they chose not to start yet.

In part B, 65.20% of 23 businesses participated had owned the business location while only 34.80% were rented. Majority of their stores are located at the front or near their houses since they deemed it is less costly. There are respondents who grabbed the opportunity and decided to open their own eateries since there were new companies that opened near them and the employees are now their usual customers.

On the other note, respondents who are renting the area of their store are mostly located at the intersection of the barangay since there are more people who can access the location which means more potential customers.

In part C, 14 out of 23 newly established food and beverages businesses in Tayud were funded with the business owners' own funds having the highest number of responses followed by businesses funded by both the owner's equity and through debt with six responses. On the other note, only three of 23 businesses were funded solely through debt, which got the lowest number of responses.

In part D, 34.80% of the business respondents had a starting capital of ₱10,000 and below which reflects the highest number of responses since they were careful and want to test first if their business will be profitable. Their stores started as stalls or only tables and chairs first before investing into a larger area and more assets as their capital and profit grew as well. On the other hand, the lowest number of responses came from businesses with a starting capital of ₱20,001- ₱30,000 with only 8.70%.

Lastly, in part E, the highest response is 39.10% in which these businesses average monthly income ranges from ₱25,001 or more, and the lowest is 13.00% which is an average monthly income of ₱5,000 and below. Upon answering the survey, respondents based their answer with the income that they had daily which is usually more or less 2,000. According to some of the respondents, they could have more income if not for the rent that they need to pay monthly which is quite costly.

Table 2 : Level of Adaptability Measures Implemented by the Respondents during the Planning Stage

Indicators	Mean	Interpretation	Rank
A. Marketing			
• Create new unique products to offer.	3.74	Highly Implemented	1
• Monitoring customer needs and satisfaction	3.61	Highly Implemented	2
• Target market is identified for the products.	3.57	Highly Implemented	3
• Monitor competitor and market trends	3.57	Highly Implemented	3
• Offer special prices (reduced)/promotions on some products.	3.48	Highly Implemented	4
• Post regularly in social media.	3.30	Highly Implemented	5
• Use multiple media in promoting the products.	3.26	Highly Implemented	6
• Accepting delivery orders.	3.22	Moderately Implemented	7
• Keep record of the contact numbers of customers served.	3.09	Moderately Implemented	8
Aggregate Mean	3.43	Highly Implemented	
B. Human Resource			
• All employees follow the health protocols.	3.70	Highly Implemented	1
• Cashiering and record keeping functions are separate.	3.39	Highly Implemented	2
• Regular monitoring and evaluation of employee performance	2.96	Moderately Implemented	3
• Hire employees based on qualification and personal strength	2.91	Moderately Implemented	4
• Employees have their job description (duties and responsibilities)	2.87	Moderately Implemented	5
• Give employees performance feedback	2.87	Moderately Implemented	5
• Employ a full-time accountant	2.83	Moderately Implemented	6
• Fixed number of working hours for all employees	2.70	Moderately Implemented	7

• Minimum wage for all employees	2.57	Moderately Implemented	8
Aggregate Mean	2.98	Moderately Implemented	
C. Finance			
• All sales are cash basis.	3.96	Highly Implemented	1
• Record all sales.	3.74	Highly Implemented	2
• Record all cash inflows.	3.70	Highly Implemented	3
• Record all cash outflows.	3.70	Highly Implemented	3
• Record all purchases.	3.70	Highly Implemented	3
• Shortlist of suppliers for raw materials/ingredients.	3.70	Highly Implemented	3
• Project figures for sales, cost and expenses.	3.65	Highly Implemented	4
• Credit is allowed for some customers.	3.57	Highly Implemented	5
• Use of digital payments	3.04	Moderately Implemented	6
Aggregate Mean	3.64	Highly Implemented	

A. Marketing

The result of the study shows that the aggregate mean for the marketing strategies during the planning stage was 3.43, which implies that the stated marketing strategies above were forecasted to be highly implemented by the business owners in their actual operations. The results shows that most of the respondents aims to create new unique products to offer. This indicates that in order for the business to thrive, respondents intently plan on producing new food and beverages before starting their business.

This supports the claim of Bienvenu and Mukete (2011) that product innovation is the primary edge towards healthy business competition. The rapid change of customer needs due to their modern life styles, shortened product life cycles caused by technology breakthroughs and intensified business competition with demand for originality act as push factors calling for new strategies to be implemented. (Bienvenu&Mukete, 2011; Chesbrough,2003; Johnson, 2007; Tidd & Bessant,2009)

B. Human Resource

Based on the data gathered, the aggregate mean for the strategies regarding human resource during the planning stage for these newly established food and beverage businesses was **2.98**, which means that most of the stated measures were forecasted to be moderately implemented during the actual operation of the business.

From the result, only two adaptability measures are highly implemented. First, all employees must follow health protocols since we are still in the midst of the pandemic. Second, separating cashiering and record keeping functions are separate. This implies that the respondents would want to ensure that the risk of the business experiencing fraud is minimized or even eradicated by separating duties that overlap.

C. Finance

Presented on the table above, adaptability measures during the planning stage regarding finance had the highest aggregate mean of **3.64**, which implies that most of the stated strategies are planned to be highly implemented during the actual business operation.

From the results, respondents would opt to have a cash basis in terms of sales. This denotes that respondents would only recognize sale at the point where they receive cash. On the other note, only the use of digital payments was forecasted to be moderately implemented during the business implementation. This implies that respondents do not think that digital payments is that necessary to be implemented in their business.

According to Ferrer, Dew, and Apte (2010), although cashless payment systems are developing at a very fast pace, it also creates uncertainties and risks. Consumers may face uncertainty in using cashless payment systems as the risk they perceive may be overwhelming compared to traditional ways of payments. In addition, Ozturk (2016) reported that cashless payments may be perceived as a complex technology where consumers' knowledge and skills about their capabilities to use the technology may influence their acceptance. Thus, there is a need for a better understanding of the factors affecting consumers' adoption of cashless payments.

Table 3 : Level of Adaptability Measures Implemented by the Respondents during the Operation Stage

Indicators	Mean	Interpretation	Rank
A. Marketing			
• Create new unique products to offer.	3.65	Highly Implemented	1
• Target market is identified for the products.	3.35	Highly Implemented	2
• Monitoring customer needs and satisfaction	3.30	Highly Implemented	3
• Offer special prices (reduced)/promotions on some products.	3.17	Moderately Implemented	4
• Monitor competitor and market trends	3.09	Moderately Implemented	5
• Accepting delivery orders	2.87	Moderately Implemented	6
• Post regularly in social media.	2.74	Moderately Implemented	7
• Keep record of the contact numbers of customers served.	2.74	Moderately Implemented	8
• Use multiple media in promoting the products.	2.65	Moderately Implemented	8
Aggregate Mean	3.06	Moderately Implemented	9
B. Human Resource			
• All employees follow the health protocols.	3.70	Highly Implemented	1
• Cashiering and record keeping functions are separate.	3.39	Highly Implemented	2
• Regular monitoring and evaluation of employee performance	2.52	Moderately Implemented	3
• Give employees performance feedback	2.30	Less Implemented	4
• Hire employees based on qualification and personal strength	2.26	Moderately Implemented	5
• Fixed number of working hours for all employees	2.26	Moderately Implemented	5
• Employees have their job description (duties and responsibilities)	2.04	Less Implemented	6
• Minimum wage for all employees	1.96	Less Implemented	7
• Employ a full-time accountant	1.57	Not Implemented	8
Aggregate Mean	2.44	Less Implemented	
C. Finance			
• All sales are cash basis.	3.83	Highly Implemented	1

• Project figures for sales, cost and expenses.	3.70	Highly Implemented	2
• Record all cash inflows.	3.65	Highly Implemented	3
• Record all cash outflows.	3.65	Highly Implemented	3
• Record all purchases.	3.65	Highly Implemented	3
• Record all sales.	3.65	Highly Implemented	3
• Shortlist of suppliers for raw materials/ingredients.	3.39	Highly Implemented	4
• Credit is allowed for some customers.	3.35	Highly Implemented	5
• Use of digital payments	1.96	Less Implemented	6
Aggregate Mean	3.43	Highly Implemented	

A. Marketing

As shown in the table, strategies under marketing resulted to an aggregate mean of **3.06**, which means that the stated measures are moderately implemented by the newly established food and beverages in Tayud Consolacion during their business operation. This indicates that despite the pandemic, these small businesses still run a healthy mindset in innovating their products to encourage customers that will eventually increase the profit.

This supports the Journal of Business Research that the COVID-19 pandemic has led to a changing environment posing many challenges that call for innovative solutions, resulting in a changing innovation landscape (Ebersberger & Kuckertz, 2021). In a highly competitive environment, innovation helps business to sustain their financial performance and to have competitive advantage. Furthermore, competitiveness in operating industries puts pressure on SMEs to continuously create new innovative value propositions and become more resilient in relation to industry incumbents. In this period of COVID-19, the pandemic can actually trigger SMEs in any industry to create new strategies and set the stage for long-term growth and market leadership (Gregurec et al., 2021)

B. Human Resource

Based on the data gathered, the aggregate mean for the strategies regarding human resource during the actual operations for these newly established food and beverage businesses was **2.44**, which means that the stated adaptability measures are less implemented by the respondents.

From the result, businesses still make sure that all their employees are following health protocols. On the other note, respondents are not likely to employ a full-time accountant. This implies that the respondents themselves would be more hands on in terms of fulfilling the duties of an accountant that they can do.

C. Finance

Presented on the table above, adaptability measures regarding finance had the highest aggregate mean of **3.43**, which implies that the stated strategies are highly implemented during the actual business operation.

From the results, respondents have a cash basis in terms of sales, which means that in terms of credit, sale is only recognized when they receive the payment rather than at the point where they provide their products. In addition, record keeping cash inflows and outflows, purchases, and sales are highly implemented which indicates that record keeping are essential during the business operations. This implies that respondents would choose a cash basis accounting rather than an accrual one and would incorporate record keeping in their operations.

This supports the study of Olatunji (2013) on the “Impact of Accounting Records Keeping on the Performance of the Small Scale Enterprises”, findings revealed that majority of the respondents did keep business accounting records. Records were kept on cash basis. Sales purchases, creditors and debtors, receipts, invoices, payment vouchers were used as record keeping documents, which help to reduce

operating costs, improve efficiency and productivity. Thus, it was concluded that record keeping is essential for decision-making and business adjustments.

Table 4 Extent the Adaptability Measures Implemented by the Newly Established Business Contribute to Profitability

Indicators	Mean	Interpretation	Rank
A. Sales			
• Offering new products help gain competitive advantage.	3.57	Highly Extensive	1
• Products on promo/sale encourages more orders	3.52	Highly Extensive	2
• Recording all sales help monitor and focus on target markets.	3.52	Highly Extensive	2
• The separation of cashier and record keepers minimizes the risk of sales misstatements and fraud.	3.39	Highly Extensive	3
• Regular projections for sales figure help to achieve sales objectives.	3.39	Highly Extensive	3
• Promoting online attracted new customers	2.78	Moderately Extensive	4
• Accepting delivery orders increased customer orders	2.48	Moderately Extensive	5
• Regular evaluation of employee performance improves customer service promoting recurring customers.	2.30	Less Extensive	6
• Digital payments encourage customers to purchase	1.57	Not Extensive	7
Aggregate Mean	2.95	Moderately Extensive	
B. Cost			
• Having a list of supplier helps for an easier and faster purchase transaction.	3.96	Highly Extensive	1
• Recording all purchases help monitor the change in the prices of ingredients.	3.57	Highly Extensive	2
• Recording all purchases allow for an accurate cost figure.	3.57	Highly Extensive	2
• Having an accurate cost figure helps to decide the changes in the prices of the offered products	3.57	Highly Extensive	2
• Bulk buying of raw materials would result to lower cost because of volume discount.	3.52	Highly Extensive	3
• Having a list of suppliers decrease the cost of acquiring raw materials.	3.43	Highly Extensive	4
• Regular projections for costs figures help to achieve cost objectives.	3.35	Highly Extensive	5
• Production of goods is based on payment first policy to avoid spoiling of products minimizing unnecessary costs.	2.87	Moderately Extensive	6
• Hiring skilled labor for the production of high-quality products ensures that cost spent is worthy	2.35	Moderately Extensive	7
Aggregate Mean	3.35	Highly Extensive	
C. Expense			
• Purchasing of raw materials periodically to save for transportation fees.	3.57	Highly Extensive	1
• Regular projections for expense figures help to achieve expense objectives.	3.52	Highly Extensive	2
• Turning off appliances when no customer is around to save utility fees.	3.43	Highly Extensive	3
• Keeping track of all cash outflows helps to minimize unnecessary expenses.	3.35	Highly Extensive	4
• A fixed number of working hours makes it easier to compute for the salaries expense.	2.22	Less Extensive	5

<ul style="list-style-type: none"> Payout of salaries twice a month to reduce the payables to the employees. 	2.04	Less Extensive	6
Aggregate Mean	3.02	Moderately Extensive	
D. Profit			
<ul style="list-style-type: none"> Monitoring the sales figure helps the business to decide actions to increase sales thus increasing profit 	3.65	Highly Extensive	1
<ul style="list-style-type: none"> Monitoring the cost figure helps the business to decide actions to decrease cost thus increasing profit 	3.65	Highly Extensive	1
<ul style="list-style-type: none"> Monitoring the expense figure helps the business to decide actions to decrease expense thus increasing profit 	3.65	Highly Extensive	1
<ul style="list-style-type: none"> Keeping record of the business transactions helps to monitor the accuracy of profit stated. 	3.52	Highly Extensive	2
<ul style="list-style-type: none"> Regular projections for profit figures help to achieve desired profit. 	3.48	Highly Extensive	3
Aggregate Mean	3.59	Highly Extensive	

A. Sales

The results of the study shows that the aggregate mean regarding the extent of adaptability measures implemented by the respondents contribute to profitability in terms of sales was **2.95**, which means that most of the adaptability measures stated in the table 4A has fairly contributed to the respondents' sales. From the result, offering new products to help gain competitive advantage identify as the main contributor and digital payments that encourage customers to purchase was not extensive at all.

In a study conducted by Udegbe, M. and Udegbe, S. (2013), "Impact of Product Development and Innovation on Organisational Performance", findings show innovation process on products exert positive influence on organizational performance. Creating new products or improvement of existing ones is further supported by resourcebased theory where new organizational resources are found to benefit from new opportunities and eventually boosting performance through having competitive advantage.

B. Cost

The results of the investigation about the extent of adaptability measures implemented by business contribute to profitability in terms of cost has an aggregate mean of **3.35**, which denotes that the adaptability measures have contribute extensively high to profitability as it helps in decreasing cost. Having a list of supplier helps easier and faster purchase transaction determine to have greater influence to profitability, which indicates that it is more beneficial especially in terms of cost. On the other hand, hiring skilled labor for the production of high-quality products is moderately extensive to the profitability of the business.

C. Expense

The results of the study stated that the aggregate mean in terms of expense was **3.02**, which means that the implemented adaptability measures has contributed moderately extensive to profitability. From the result, purchasing of raw materials periodically to save transportation fees mainly contribute to business profitability by decreasing expense while payout of salaries twice a month to reduce the payables to employees is less extensive.

D. Profit

The result of the investigation in terms of profit has the highest aggregate mean of **3.59**, which shows that the most of the adaptability measures implemented by newly established businesses has contributed extensively high to profitability. This indicates that monitoring sales, cost and expense figures contribute most in increasing profit.

Overall, this proves the Organization Adaptation Theory which states that businesses will modify their operations in order to adapt with the current situation to be more successful in the long-run as the respondents implement and believe that the stated adaptability measures are extensive to their profitability in terms of sales, cost, expense, and profit.

Table 5 : Significant Relationship between the Business Profile and the Adaptability Measures Implemented by Newly Established Businesses

Variables	Computed Chi-Square	df	Critical Value	Significance	Result
A. Months of Operation					
1 Planning Stage					
• Marketing	36.413 ^a	36	50.998	Not Significant	Ho Accepted
• Human Resource	41.745 ^a	42	58.124	Not Significant	Ho Accepted
• Finance	22.589 ^a	24	36.415	Not Significant	Ho Accepted
2 Operation Stage					
• Marketing	39.333 ^a	42	58.124	Not Significant	Ho Accepted
• Human Resource	42.221 ^a	36	50.998	Not Significant	Ho Accepted
• Finance	24.358 ^a	30	43.773	Not Significant	Ho Accepted
B. Store Area					
1 Planning Stage					
• Marketing	12.504 ^a	12	21.026	Not Significant	Ho Accepted
• Human Resource	13.302 ^a	14	23.685	Not Significant	Ho Accepted
• Finance	7.203 ^a	8	15.507	Not Significant	Ho Accepted
2 Operation Stage					
• Marketing	13.449 ^a	14	23.685	Not Significant	Ho Accepted
• Human Resource	10.510 ^a	12	21.026	Not Significant	Ho Accepted
• Finance	5.073 ^a	10	18.307	Not Significant	Ho Accepted
C. Source of Capital					
1 Planning Stage					
• Marketing	27.485 ^a	24	36.415	Not Significant	Ho Accepted
• Human Resource	29.298 ^a	28	41.337	Not Significant	Ho Accepted
• Finance	16.702 ^a	16	26.296	Not Significant	Ho Accepted
2 Operation Stage					
• Marketing	19.577 ^a	28	41.337	Not Significant	Ho Accepted
• Human Resource	21.357 ^a	24	36.415	Not Significant	Ho Accepted
• Finance	19.057 ^a	20	31.41	Not Significant	Ho Accepted
D. Starting Capital					
1 Planning Stage					
• Marketing	39.846 ^a	36	50.998	Not Significant	Ho Accepted
• Human Resource	50.093 ^a	42	58.124	Not Significant	Ho Accepted
• Finance	15.527 ^a	24	36.415	Not Significant	Ho Accepted
2 Operation Stage					
• Marketing	52.571 ^a	42	58.124	Not Significant	Ho Accepted
• Human Resource	53.986 ^a	36	50.998	Significant	Ho Rejected
• Finance	26.779 ^a	30	43.773	Not Significant	Ho Accepted
E. Average Monthly Income					
1 Planning Stage					
• Marketing	42.256 ^a	36	50.998	Not Significant	Ho Accepted
• Human Resource	58.641 ^a	42	58.124	Significant	Ho Rejected
• Finance	34.188 ^a	24	36.415	Not Significant	Ho Accepted
2 Operation Stage					
• Marketing	40.501 ^a	42	58.124	Not Significant	Ho Accepted
• Human Resource	49.453 ^a	36	50.998	Not Significant	Ho Accepted
• Finance	39.219 ^a	30	43.773	Not Significant	Ho Accepted

Table 6 shows the results about the significant relationship between the business profile and the adaptability measures implemented by newly established food and beverage businesses in Tayud, Consolacion. The interpretation that will support the data presented are shown below.

In terms of months of operations, the computed chi-square was lower than the critical value which means that the months of operations has no significant relationship to the adaptability measures implemented by newly established food and beverage business during the planning and operation stage in terms of marketing, human resource and finance.

This implies that the number of months that the business has been operating in the community does not significantly affect the measures that they implement on how can they adapt to customer demands and change in community regulations. Though it give them some idea on how to position their adaptability measures to survive the business in the middle of the crisis, it is not an indicator that the business is likely to adapt and practice new normal set ups. According to Muhammad and Mohtar (2014), it is concluded that firm age does not have any relationship with intellectual capital, innovation capability and value production thus, it does not effect firm performance.

In terms of store area, either if it is owned or rented, it still does not affect the adaptability measures implemented by the respondents since there are no significant relationship between the variables. Owned businesses may have an edge towards saving cost in running the business, and rented businesses might need to boost sales to recover the rental expense every month, but is not a direct cause that will affect the business adaptability measures that should be practiced to generate sales.

In terms of the source of capital, the computed chi-square was lower than the critical value which means that there is no significant relationship between the source of capital and adaptability measures implemented by business during the planning and operation stage with regards to marketing, human resource and finance.

This denotes that either funded with debt or equity, or it could be both, the source of capital is not a direct factor that will affect the adaptability measures implemented by the respondents to cope with demands and changes that businesses are experiencing because of the pandemic.

In terms of the amount of starting capital, there is no significant relationship between the amount of capital and adaptability measures during the planning stage. In addition, under the operation stage, marketing and finance have no significant relationship with the starting capital.

However, the computed chi-square for human resource was higher than the critical value thus; starting capital has a significant relationship with the adaptability measures regarding human resource during the actual operations.

This implies that the amount of starting capital do not correlate to the ability of the business to position their adaptability measures except in terms of utilizing their human resource.

In terms of the average monthly income, under the planning stage, the result shows that only the adaptability measures concerning marketing and finance have no significant relationship with the average monthly income while the human resource has a significant relationship. On the other note, under the operation stage, the computed chi square was lower than critical value in all aspects, which means that there is no significant relationship between the adaptability measures and the average monthly income.

Table 6 : Significant Difference between the Adaptability Measures during the Planning Stage and the Operations Stage

Variables	df	t-Statistics	t-Critical	p-Value	Decision on Ho	Interpretation
Planning Stage & Operations Stage	44	1.857	2.015	0.070	Ho Accepted	Not Significant

The table 8 presents the significant difference between the adaptability measures during the planning stage and the operations stage. This can be evidently interpreted that there is no significant difference between the adaptability measures implemented during the planning stage and the operations stage of the newly established food and beverage businesses. This implies that the respondents were able to implement their intended adaptability measures.

Table 7 : Significant Relationship between the Adaptability Measures Implemented and the Profitability of these Newly Established Businesses

Variables	Computed Chi-Square	df	Critical Value	Significance	Result
A. Sales					
1 Planning Stage					
• Marketing	156.071 ^a	144	173.004	Not Significant	Ho Accepted
• Human Resource	175.950 ^a	168	199.244	Not Significant	Ho Accepted
• Finance	125.861 ^a	96	119.871	Significant	Ho Rejected
2 Operation Stage					
• Marketing	169.944 ^a	168	199.244	Not Significant	Ho Accepted
• Human Resource	174.417 ^a	144	173.004	Significant	Ho Rejected
• Finance	152.056 ^a	120	146.567	Significant	Ho Rejected
B. Cost					
1 Planning Stage					
• Marketing	165.052 ^a	144	173.004	Not Significant	Ho Accepted
• Human Resource	198.950 ^a	168	199.244	Significant	Ho Rejected
• Finance	150.267 ^a	96	119.871	Significant	Ho Rejected
2 Operation Stage					
• Marketing	151.225 ^a	168	199.244	Not Significant	Ho Accepted
• Human Resource	154.100 ^a	144	173.004	Not Significant	Ho Accepted
• Finance	169.510 ^a	120	146.567	Significant	Ho Rejected
C. Expenses					
1 Planning Stage					
• Marketing	188.062 ^a	144	173.004	Significant	Ho Rejected
• Human Resource	193.967 ^a	168	199.244	Not Significant	Ho Accepted
• Finance	153.174 ^a	96	119.871	Significant	Ho Rejected
2 Operation Stage					
• Marketing	164.354 ^a	168	199.244	Not Significant	Ho Accepted
• Human Resource	162.597 ^a	144	173.004	Not Significant	Ho Accepted
• Finance	160.425 ^a	120	146.567	Significant	Ho Rejected
D. Profit					
1 Planning Stage					
• Marketing	103.983 ^a	60	79.082	Significant	Ho Rejected
• Human Resource	104.718 ^a	70	90.531	Significant	Ho Rejected
• Finance	103.218 ^a	40	55.758	Significant	Ho Rejected
2 Operation Stage					
• Marketing	62.686 ^a	70	90.531	Not Significant	Ho Accepted
• Human Resource	77.005 ^a	60	79.082	Not Significant	Ho Accepted
• Finance	108.574 ^a	50	67.505	Significant	Ho Rejected

In terms of sales, only the adaptability measures regarding finance both during the planning and operations stage and human resource are significant. In terms of cost, only the adaptability measures regarding finance both during the planning and operations stage and human resource are significant. In terms of expense, only the adaptability measures regarding finance both during the planning and operations stage and marketing are significant. In terms of profit, marketing, human resource, and finance During the planning stage are significant while during the operations stage, only finance is.

From the result, it is presented that adaptability measures in terms of finance may it be during the planning or operations stage have a significant relationship with profitability in all aspects.

This supports the claim of Mazzarol (2014) that Financial management is one of the most critical challenges for owners of small and medium-sized enterprises. In addition, Parallely, Karadag (2015) asserted that financial management was the central and most vital component in a firm's overall management system and

when properly managed, small business owners improved sustainability endeavors and contributed to socio-economic development. Moreover, Nanavati (2017) contended that small business owners should strive to maintain the integrity and productivity of the firm's financial resources to achieve strategic objectives, to maximize return on investments.

Conclusions

The following were the conclusions drawn from the findings:

The business profile of the respondents do not affect its capability and choice of what adaptability measures it implements as there is no significant relationship with business profile and adaptability measures.

The respondents were able to implement effectively the measures that they planned beforehand as there is no significant difference between the adaptability measures that the respondents wanted to implement and the adaptability measures they are currently implementing in their business operations.

As adaptability measures regarding finance both during the planning and operations stage have a significant relationship with all aspects of the profitability of the business, it greatly affect how a business generate sales, cost, expense, and ultimately profit. Most of the other adaptability measures do not affect the profitability of the business although it is still important to be adaptable in terms of marketing and human resource.

Recommendations

Based on the findings and conclusions of this study, the following recommendations are hereby presented:

Proposed Business Adaptability Model

From the findings of the study conducted with 23 newly established food and beverage businesses as the respondents, a business adaptability model was proposed.

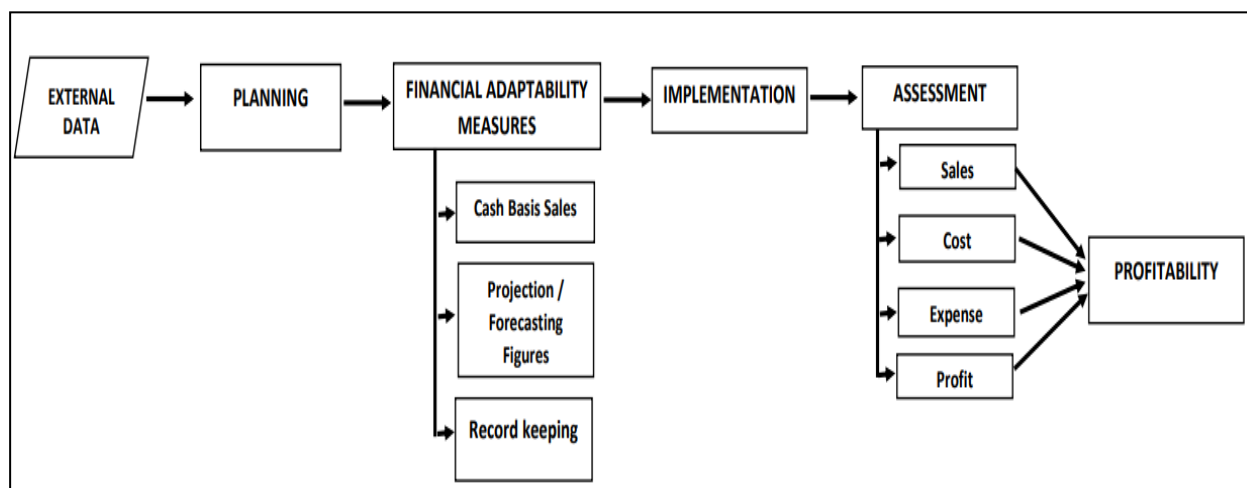


Figure 1

References

1. Akpan, I.J.; Udoh, E.A.P.; Adebisi, B. (2020) Small business awareness and adoption of state-of-the-art technologies in emerging and developing markets, and lessons from the COVID-19 pandemic. *J. Small Bus. Entrep.*, 1–18. [CrossRef] Retrieve from <https://www.mdpi.com>

2. Bienevne, P. S. & Mukete, C.L. (2011). Early customer involvement in innovation. Bachelors' thesis, School of Business & Economics, Linnaeus University. Retrieved from <http://lnu.diva-portal.org/smash/record.jsf?pid=diva2%3A504977&dswid=-7508>
3. Ebersberger, B., & Kuckertz, A. (2021). Hop to it! The impact of organization type on innovation response time to the COVID-19 crisis. *Journal of Business Research*, 124, 126–135. <https://doi.org/10.1016/j.jbusres.2020.11.051>
4. Ferrer, G., Dew, N., & Apte, U. (2010). When is RFID right for your service? *International Journal of Production Economics*, 124 (2), 414–425 Retrieved from <https://www.sciencedirect.com/science/article/pii/S266695442100003X>
5. Karadag, H. (2015). Financial management challenges in small and medium size enterprises: A strategic management approach. *Emerging Markets Journal*, 5(1),1–16. doi:10.5195/emaj.2015.67
6. Mazzarol, T. (2014). Research review: A review of the latest research in the field of small business and entrepreneurship: Financial management in SMEs. *Small Enterprise Research*, 21(1), 2–13. doi:10.5172/ser.2014.21.1.2
7. Muhammad and Mohtar (2014). "Age: Does it Matter for Firms to Perform?. *International Journal of Academic Research in Business and Social Sciences*, Vol. 4, No. 3. Retrieved from <http://dx.doi.org/10.6007/IJARBS/v4-i3/704>
8. Nanavati, U. (2017). For small business owners, financial management is not just your accountants' job. Retrieved from <https://economictimes.indiatimes.com/small-biz/sme-sector/for-small-business-owners-financial-management-is-not-just-your-accountants-job/articleshow/57886949.cms>
9. Olatunji, T.E. (2013). The impact of accounting system on the performance of small and medium scale enterprises In Nigeria- A survey of SME's in Oyo State-Nigeria. *International Journal of Business and Management Invention*, 2(9), 13-17. Retrieved from www.ijbmi.org
10. Ozturk, A. B. (2016). Customer acceptance of cashless payment systems in the hospitality industry. *International Journal of Contemporary Hospitality Management*, 28(4), 801–817. Retrieved from <https://www.sciencedirect.com/science/article/pii/S266695442100003X>
11. Philippine Statistic Authority (PSA). (2019). Retrieved from <https://www.dti.gov.ph/resources/msme-statistics/>
12. Udegbe, Maurice I. & Udegbe, Scholastica E., 2013. "Impact of Product Development and Innovation on Organisational Performance," *International Journal of Management and Sustainability*, Conscientia Beam, vol. 2(12), pages 220-230 https://econpapers.repec.org/article/pkpijomas/2013_3ap_3a220-230.html. 116, no. 6, Article ID 061102, 2016.