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SWOT ANALYSIS OF SMALL BUSINESS IN UKRAINE IN WARTIME

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The war in Ukraine has had a profound impact on the state of small businesses in the country. Small businesses, which are the backbone of the Ukrainian economy, have faced numerous challenges and struggles due to the ongoing conflict. One significant issue is the disruption of supply chains and logistics. The conflict has led to the closure of transportation routes and increased border restrictions, making it difficult for small businesses to import essential goods and materials. This has resulted in shortages, higher costs, and reduced competitiveness for many small enterprises. Moreover, the security situation has greatly affected small businesses. The risk of physical damage, looting, and extortion has forced many small businesses to close down or relocate to safer areas.

Although there are a lot of scientific papers devoted to problems of small business in Ukraine before and during the war (by such researchers as V.L. Dykan, O.V. Dykan, V.V. Dykan, Z.S. Varnalii, O.V. Schramenko, O.V. Krasota, T. H Melnyk, O. A. Borysenko, I.L. Nazarenko and others [1 - 8],

there is lack of research on strategic development of small businesses during wartime. Therefore strategic analysis is needed to be done, which is the objective of this paper.

We have done SWOT analysis of Small Businesses in Ukraine during wartime.

Strengths

1. Resilience and Adaptability: Small businesses in Ukraine have demonstrated remarkable resilience and adaptability in the face of wartime conditions. They have been able to pivot their operations, adjust their business models, and find innovative solutions to sustain their businesses and meet the needs of their communities.

2. Local Networks and Collaborations: Small businesses have leveraged local networks and formed collaborative alliances to overcome challenges. By sharing resources, expertise, and support, they have been able to navigate through the difficult wartime environment more effectively, creating a stronger foundation for their businesses.

3. Essential Goods and Services: Many small businesses have focused on providing essential goods and services during wartime, such as food, clothing, healthcare supplies, and other necessities. This has allowed them to tap into a stable customer base and contribute to meeting the immediate needs of their communities.

Weaknesses

1. Economic Instability: Wartime conditions in Ukraine have created significant economic instability, which poses a challenge for small businesses. Fluctuating exchange rates, disrupted supply chains, and reduced consumer spending power make it difficult for small enterprises to plan, invest, and sustain their operations effectively.

2. Limited Access to Financing: Small businesses often struggle to secure financing during wartime due to heightened risk perception by financial institutions. Limited access to capital hinders their growth potential, restrains investments in technology and equipment, and restricts their ability to expand their operations or explore new markets.

Opportunities

1. Government Support: The Ukrainian government has implemented various initiatives to support small businesses during wartime. These include financial aid, tax breaks, and streamlined bureaucratic processes. Continued government support and targeted policies can create opportunities for small businesses to overcome challenges and thrive.

1 Digital Transformation: The increasing reliance on digital technologies presents an opportunity for small businesses to expand their customer base and reach beyond local boundaries. Embracing e-commerce platforms and online

marketing can help small enterprises adapt their business models, explore new markets, and tap into international opportunities.

Threats

1. **Security Concerns:** The ongoing conflict poses direct threats to the safety and security of small businesses and their employees. The risk of physical harm, damage to property, and disruptions to operations remain constant threats, affecting the stability and continuity of small businesses.

2. **Supply Chain Disruptions:** Wartime conditions can severely disrupt supply chains, leading to delays, increased costs, and reduced competitiveness for small businesses. The uncertainty surrounding the availability and transportation of raw materials and finished goods hampers the smooth functioning of operations and can limit growth potential.

While small businesses in Ukraine face significant challenges during wartime, they also possess strengths and opportunities that can help them navigate through adversity. Resilience, adaptability, local collaborations, and essential goods/services provision are key strengths that drive their survival. By addressing weaknesses such as economic instability and limited financing, leveraging government support, and embracing digital transformation, small businesses in Ukraine can turn threats into opportunities and emerge stronger in the post-war period.

Prospects for further research may be the development of a strategy for the survival and development of small businesses in Ukraine during and after the war.

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