

Supply Chain Issues for Small Business Caused by COVID-19

Due to the COVID-19 pandemic, the food industry faces several growing supply issues. One such issue is a price increase, wherein in 2021, the “food-at-home prices increased 3.5 percent and food-away-from home prices increased 4.5 percent,” and the prices are only estimated to continue increasing in 2022 (MacLachlan). As for supply, “over 30% of small businesses reported supply chain disruptions” that have significantly impacted their business (Dunkelberg). These impacts affect small businesses differently from larger companies, who may often have contracts with large vendors and purchase supplies in large bulk. On the other hand, small businesses operate on a more local level and thus face greater difficulty with price and supply issues.

As the country reopens, small businesses are still suffering from the effects of the pandemic. About 22% of business owners lost their business in 2020 [Fairlie]. Although there has been much financial aid given to small businesses, reopening has been a rough process. Without being able to easily reopen, businesses will not be able to rebound from the effects of COVID-19, which will only hurt the economy even more, and affect millions of jobs and families.

Restaurant owners are as diverse as their restaurants – a high-end Italian restaurant is much different than a local sandwich deli. These owners all operate on different levels, some may not even have a website set up for their restaurant, while others may get most of their orders online. Smaller restaurants that operate on a local level may experience more issues when it comes to COVID-19 since these restaurants only operated on a local level and not the online world needed to survive COVID-19. Due to this, they also often get supplies on a local level, rather than having contracts with suppliers.

The goal of any business is to make a profit, but the pandemic added additional challenges for businesses to navigate through. Many businesses began adapting their practices to go online. Services such as DoorDash allow restaurants to take orders without the customer being present. Amazon also allows restaurants to purchase supplies online, allowing restaurants to simply order supplies rather than just go into stores physically and buy some. However, some businesses operate on a much smaller scale – there are currently no solutions for small businesses to shop and get supplies from other local vendors.

Technology has aided many businesses during the covid pandemic. Technology allows businesses to reach a wider audience without having to meet people in person. Technology is also more accessible to people, allowing websites to be written in multiple languages, additional accessibility features, and overall, more affordable to both merchant and consumer. By using technology to solve supply issues, restaurant owners can more easily get supplies for their restaurants without having to worry about a shortage.

COVID-19 has had a huge effect on small businesses. The prices of supplies have made the prices of meals go up, and many businesses are having issues getting enough supplies for their business. Unlike large companies that can “order in bulk or in advance”, “supplies that small businesses rely on are becoming harder to find” (Inal). By finding a solution to this supply chain problem, people can once again have their business flourish. Although there are currently some solutions for small businesses, many of them operate between a large corporation and a small business, which is not very adaptable for businesses that operate on a more local level. A good technological solution for small business owners should aid owners of various restaurant types, regardless of how they get their supplies, how large they are, or what language they speak.

References

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