MODELS OF STRATEGIC MANAGEMENT IN SMES IN THE PERIOD OF THE COVID-19 PANDEMIC IN METROPOLITAN LIMA

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ABSTRACT

Purpose: The purpose of this research was to understand the adaptation of strategic management models by SMEs in Metropolitan Lima during the period of the COVID-19 pandemic.

Theoretical Framework: Organizations must be agile and flexible to survive in a constantly changing business environment. During the pandemic, SMEs were forced to rethink their strategic management models, adopting a more authentic and adaptive approach. The ability to rethink strategies, diversify products and services, and embrace digitalization became crucial. Strategic management, an essential component of management models, encompasses the formulation, implementation, and evaluation of key decisions for organizations to achieve their objectives in a competitive and dynamic environment. This involves looking both internally at the organization's structure and operations and externally, evaluating opportunities and threats. Strategic management is how organizations not only face challenges, but also take advantage of emerging opportunities.

Methodology: It was framed in the interpretative paradigm and supported by the hermeneutic methodology.

Results and Discussion: The fundamental findings of the study relate to four primary categories and identify emerging facets within the expressions of social actors. This study highlights how, in times of crisis, resilience and creativity emerge as crucial qualities for success. It also highlights that adaptability and re-evaluation of previous approaches become essential for navigating turbulent terrain.

Practical and social implication: The importance of understanding how strategies evolved to sustain the operation and generate valuable knowledge is highlighted.

Originality and value: Originality and value lie in the depth of contextual analysis and the identification of concrete strategies that could inspire other companies in similar situations.
RESUMO

Objetivo: O objetivo desta pesquisa foi entender a adaptação de modelos de gestão estratégica por PME na região metropolitana de Lima durante o período da pandemia da Covid-19.

Estrutura teórica: as organizações devem ser ágeis e flexíveis para sobreviver em um ambiente de negócios em constante mudança. Durante a pandemia, as PME foram obrigadas a repensar os seus modelos de gestão estratégica, adotando uma abordagem mais autêntica e adaptativa. A capacidade de repensar estratégias, diversificar produtos e serviços e adotar a digitalização tornou-se crucial. A gestão estratégica, uma componente essencial dos modelos de gestão, abrange a formulação, implementação e avaliação de decisões-chave para que as organizações atinjam os seus objetivos num ambiente competitivo e dinâmico. Isso envolve examinar internamente a estrutura e as operações da organização e externamente, avaliar oportunidades e ameaças. O gerenciamento estratégico é o modo como as organizações não apenas enfrentam desafios, mas também aproveitam as oportunidades emergentes.

Metodologia: Foi enquadrada no paradigma interpretativo e apoiada pela metodologia hermenêutica.

Resultados e Discussão: Os achados fundamentais do estudo relacionam-se a quatro categorias primárias e identificam facetas emergentes na expressão de atores sociais. Este estudo destaca como, em tempos de crise, a resiliência e a criatividade emergem como qualidades cruciais para o sucesso. Destaca também que a adaptabilidade e a reavaliação de abordagens anteriores se tornam essenciais para a navegação em terrenos turbulentos.

Implicação prática e social: Destaca-se a importância de compreender como as estratégias evoluíram para sustentar a operação e gerar conhecimento valioso.

Originalidade e valor: Originalidade e valor estão na profundidade da análise contextual e na identificação de estratégias concretas que poderiam inspirar outras empresas em situações semelhantes.


1 INTRODUCTION

In today’s dynamic business network, small and medium-sized enterprises (SMEs) play a crucial role as drivers of the economy and agents of innovation (Chuya-Chuya et al., 2021; Diaz Restrepo et al., 2023). (Chuya-Chuya et al., 2021; Diaz Restrepo et al., 2023).. Their ability to adapt to changing conditions and their agility in decision making give them a distinct advantage in the pursuit of operational excellence and sustainable growth (Zhang et al., 2023). However, their survival and prosperity have been tested as
never before with the global outbreak of the COVID-19 pandemic. In this unprecedented context, the strategic management models that govern their operations have become fundamental pillars for their resilience and adaptation (Hoyos-Estrada & Sastoque-Gómez, 2020; Thomas, 2023).

Management models, conceived as organized systems of approaches, methods, and tools, have traditionally been used to structure and guide the operations of organizations toward the achievement of predefined objectives (Huertas Lopez et al., 2020; Okrah & Irene, 2023). The essence of these models lies in providing a coherent structure that allows organizations to optimize their resources, make informed decisions, and stay aligned with their long-term goals (Lopez-Lemus, 2023). In the context of SMEs, where resources are often limited and agility is a competitive advantage, the selection and implementation of the right management models becomes even more valuable (Dejardin et al., 2023; Nova et al., 2020).

Strategic management, an essential component of management models, refers to the formulation, implementation, and evaluation of key decisions that enable organizations to achieve their objectives in a dynamic and competitive environment (Nova et al., 2020; Sugiono et al., 2023). This discipline involves not only an internal look at the organization's structure and operations, but also an in-depth assessment of the external environment, including opportunities and threats (Dahliani et al., 2023). Strategic management thus becomes the means through which organizations not only confront challenges, but also capitalize on emerging opportunities (Al-Radaideh et al., 2023).

The COVID-19 pandemic brought about widespread disruption, affecting all spheres of human life and activity (Santolin et al., 2023). SMEs in Metropolitan Lima, a vital economic center in the region, have been no exception. Business closures, mobility restrictions and changes in consumer preferences forced these organizations to radically rethink their management strategies. The crisis highlighted the critical importance of agility and adaptability in an environment where uncertainty prevails (Pintado Pasapera et al., 2023).

Based on the above, this study aimed to understand the adaptation of strategic management models by SMEs in Metropolitan Lima during the period of the COVID-19 pandemic. Through a detailed exploration of the experiences and perspectives of SME leaders and owners, this research seeks to identify the specific strategies implemented,
challenges encountered, and lessons learned in the process of adjusting to this unprecedented situation.

The research aims to analyze how SMEs redefined their strategic management models to cope with the impacts of the health crisis and how they managed to maintain their resilience and adaptability in an environment characterized by uncertainty and volatility. By examining the strategies used, the difficulties overcome, and the results obtained, this research aims to identify emerging patterns and provide a holistic view of how SMEs managed the disruption caused by the pandemic.

The results of this study are expected to contribute not only to a deeper understanding of the management models adopted by SMEs in a context of crisis, but also to the identification of successful approaches and best practices that may be relevant to other organizations that may face similar situations. Furthermore, this research can provide valuable information to inform future policies and strategies that support the development and resilience of SMEs in times of adversity, thus promoting sustainability and economic growth in Metropolitan Lima and beyond.

2 METHODOLOGY

The research was framed within the interpretative paradigm, supported by the hermeneutic methodology proposed by Gadamer (1988). This selection was due to the intention of delving into the experience of the leaders and owners of SMEs in Metropolitan Lima during the period of the COVID-19 pandemic. The decision to use this hermeneutic approach is justified by its ability to unravel latent meanings and understandings in the context of the research, making possible an in-depth exploration of strategic management models and their adaptation in a context of crisis.

Following the hermeneutic tradition, this research recognizes the interactive nature of interpretation, where dialogue and interaction between the researcher and the participants play a fundamental role in the construction of shared meanings. This methodology fits the purpose of gaining an in-depth understanding of the experiences and perspectives of SME leaders in a crisis context, allowing for a holistic and contextualized interpretation of the data collected.

The geographic scope of the research was restricted to a highly representative focal point within Metropolitan Lima, the busy commercial district of Gamarra, which is a nationally and internationally recognized commercial epicenter, considered a unique
microcosm of business and economic activity in the heart of the city. This enclave, known for its vibrant ecosystem of SMEs engaged in apparel and textile manufacturing and marketing, has been a crucible of adaptation and change during the COVID-19 pandemic.

The choice of Gamarra as the specific setting for the research is based on its economic relevance and its role as a barometer of business resilience during the crisis. Given that Gamarra brings together a diverse community of entrepreneurs and traders, it faces challenges in terms of strategic management models and adaptation to the new normal imposed by the pandemic. Investigating how these SMEs have navigated the complexities and changing dynamics in Gamarra will provide unique and enriching insights into the business response to an exceptional context.

The social actors of the research were the leaders and owners of SMEs located in the commercial district of Gamarra in Metropolitan Lima. Specifically selected were those leaders and owners whose companies operate in the garment and textile manufacturing and marketing sector, who were chosen through sampling based on criteria (Mendieta, 2015) which were: a) Having at least 5 years of experience in SME management, b) Owning SMEs of different sizes and scope, including micro, small and medium enterprises, c) Being participants who implemented significant changes in their management models in response to the pandemic, and d) Being leaders and owners within the garment and textile industry in Gamarra, such as casual, formal, sportswear, among others. Table 1 shows the characteristics of the social actors participating in this study.

<table>
<thead>
<tr>
<th>Social actor</th>
<th>Experience</th>
<th>SMEs</th>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>AS1</td>
<td>5 years</td>
<td>Small business</td>
<td>Casual wear</td>
</tr>
<tr>
<td>AS2</td>
<td>12 years</td>
<td>Small business</td>
<td>Formal and casual wear</td>
</tr>
<tr>
<td>AS3</td>
<td>7 years</td>
<td>Microenterprise</td>
<td>Sportswear</td>
</tr>
<tr>
<td>AS4</td>
<td>15 years</td>
<td>Medium-sized company</td>
<td>Casual wear</td>
</tr>
<tr>
<td>AS5</td>
<td>10 years</td>
<td>Medium-sized company</td>
<td>Formal wear</td>
</tr>
</tbody>
</table>

Note: Own elaboration (2023)

The information gathering process was carried out by means of a phenomenological interview, following the methodology proposed by Taylor & Bogdán (1987). These interviews were conducted face-to-face and were recorded to capture in a complete and accurate manner the experiences and perspectives of the social actors involved in the research.

During these interviews, stakeholders were invited to share their experiences and in-depth reflections on how their Small and Medium Enterprises (SMEs) in the garment
and textile sector faced the challenges and opportunities arising from the COVID-19 pandemic in Metropolitan Lima. Participants were encouraged to describe their strategic management models, the changes implemented in their business models and the barriers they encountered in this adaptation process. It is important to note that, at the conclusion of the interviews, they were transcribed to begin the process of interpreting the information gathered.

The interviews were subjected to a process of interpretation based on the hermeneutic circle proposed by Gadamer (1988). Although Gadamer does not establish a series of mechanical steps, other researchers, such as Lara (2020), y Rosales-Veitia et al., (2021)(2021), based on Gadamerian principles, have identified key moments in its development. These key moments were applied in the framework of this research and are described below:

Preconception: Preconception refers to the prior ideas that the interpreter has about the subject under investigation. In the context of this study, preconception refers to the initial conceptions or assumptions that the researchers have about how SMEs in the apparel and textile manufacturing and marketing sector have coped with the challenges of the COVID-19 pandemic in Gamarra, as well as the management models they might have implemented in response to this crisis.

Author's horizon: This term refers to the perspectives and points of view of the interviewees, which are manifested through first-order interpretations (Schütz, 1982). (Schütz, 1982). These first-order interpretations are presented through the inclusion of highlighted excerpts from the interviews conducted.

Fusion of horizons: This is the point at which the initial preconceptions and the perspective of the interviewees converge through dialogue, as pointed out by Viveros (2019). In this context, the fusion of horizons was crucial to ground the interpretations, achieving a convergence between the interviewees' preconceptions and experiences. This convergence was further nurtured through the triangulation of sources. (Forni & De Grande, 2020). The combination of these strategies made it possible to cement the interpretations on a solid and enriching foundation, validating, and enriching the conclusions obtained from the voices of the participants and the perspective of the researchers.

Questioning: Within hermeneutic principles, knowledge is considered a constant and evolving process of construction and reconstruction. In this perspective,
interpretation does not culminate in definitive answers, but ultimately gives way to new questions that allow exploring and addressing additional areas of interpretation.

3 RESULTS AND DISCUSSION

We will then proceed to present the fundamental findings of the study in relation to four main categories, as well as to identify the emerging facets within the expressions of the social actors.

In the first instance, an analysis of sales of medium and small companies in Peru in a period of relevance of 14 years until 2020 is performed. For the processing of the information, the following programming algorithm is considered for the systematization language processed by means of R Studio to graphically show the behavior of sales and its representative form in percentage for the gross domestic product within the Peruvian territory. In such virtue, the algorithm is represented as follows:

```r
# Creation of data vectors
years <- 2007:2020
total_sales <- c(91798, 98077, 104985, 111444, 116160, 126417, 125860, 126570,
                131562, 135798, 135264, 140061, 148276, 60489)
percentage_pbi <- c(29, 28, 29, 27, 25, 25, 25, 23, 22, 22, 22, 21, 19, 19, 19, 19, 8)

# Scaling factor
scaleFactor <- max(total_sales) / max(percentage_pbi)

# Creation of the graphic
p <- ggplot() + geom_bar(aes(x = years, y = total_sales, fill = 'Total_Sales'), stat = "identity") +
    labs(x = "Years", y = "Total Sales (S/ million)", fill = "Legend") +
    theme_minimal() +
    theme(legend.position = 'top',
          plot.title.position = "plot",
          plot.caption.position = "plot",
          legend.title = element_text(size = 11),
          plot.title = element_text(hjust = 0.0),
          plot.caption = element_text(hjust = 0),
          axis.title.y.right = element_text(angle = 90))
```

```r
```
In this sense, total sales are established in millions of soles in order to be able to print in a systemic way the representative percentage that falls on the Gross Domestic Product (GDP) of such sales. This relationship is shown in Figure 1.
Figure 1. Total sales over a 14-year period

Source: Database extracted from R Studio processing.

The graphical analysis shows a predominance of 29% for the first year of analysis over the gross domestic product under a sales parameter of 91798 million soles. This behavior was maintained during the following two years with a non-significant decrease of 1% for the following year and rising again to 31% for 2009 (10,485 million soles). Consequently, in the following years there has been a decline in the value of the gross domestic product for the following years and by 2020 the total sales represented 85% of the gross domestic product GDP within the territory represented by 60489 million soles in sales within the SMES.

Consequently, the analysis of workers established in small and medium-sized companies in Peru is addressed. For this descriptive analysis, the graphical execution of the data was approached by means of the R Studio analysis of the data. In this sense, the following programming algorithm for the systematization language was considered for the graphical clarification:

```r
# Creation of data vectors
years <- 2007:2020
trabajadores_SMEs <- c(7678, 7833, 8405, 8663, 8264, 8631, 8045, 8120, 7677, 8130, 8228, 8395, 8708, 4473)
SMEs_informal <- c(89, 88, 86, 88, 88, 85, 85, 83, 80, 81, 83, 84, 85)
pea_employee_SMEs <- c(50, 50, 53, 55, 52, 53, 49, 50, 50, 47, 48, 48, 48, 48, 48, 48, 27)
```


Models of strategic management in SMEs in the period of the COVID-19 pandemic in Metropolitan Lima

# Scaling up factor for informal SMEs
scaleFactorSMEsInformal <- max(SMEs_workers) / max(SMEs_informal)

# Scaling factor for EAP employed in small and medium-sized companies
scaleFactorEAPFactorEmployeeSMEs <- max(SMEs_workers) / max(SMEs_informal)

# Creation of the graphic
p <- ggplot() +
  geom_bar(aes(x = years, y = trabajadores_SMEs, fill = 'TrabajadoresSMEs'), stat = "identity") +
  labs(x = "Years", y = "SMEs workers (thousands)", fill = "Legend") +
  theme_minimal() +
  theme(legend.position = 'top',
        plot.title.position = "plot",
        plot.caption.position = "plot",
        legend.title = element_text(size = 11),
        plot.title = element_text(hjust = 0.0),
        plot.caption = element_text(hjust = 0),
        axis.title.y.right = element_text(angle = 90))

# Add line and points on the secondary axis scaled for Informal SMEs
p <- p +
  geom_line(aes(x = years, y = SMEs_informal * scaleFactorSMEsInformal),
            colour = 'grey70', size = 1.2) +
  geom_point(aes(x = years, y = SMEs_informal * scaleFactorSMEsInformal),
             color = 'grey70', size = 2) +
  scale_y_continuous(
    sec.axis = sec_axis(~. / scaleFactorSMEsInformals,
                        name = "SMEs Informales (%)",
                        labels = scales::percent_format(scale = 1)))

# Add line and points on the scaled secondary axis for EAP employed in SMEs
p <- p +
  geom_line(aes(x = years, y = pea_empleada_SMEs * scaleFactorPEAEmpleadaSMEs),
            color = 'grey50', size = 1.2, linetype = "dashed") +
  geom_point(aes(x = years, y = pea_empleada_SMEs * scaleFactorPEAEmpleadaSMEs),
             scaleFactorPEAEmpleadaSMEs),
In this sense, the number of workers within the medium and small companies is established in thousands of people; to be able to print in a systemic way the representative percentage that falls on the Gross Domestic Product (GDP) of said number of personnel. This relationship is shown in Figure 2.
3.1 TRANSFORMATION TACTICS: REINVENTING MANAGEMENT MODELS IN SMES IN METROPOLITAN LIMA DURING THE COVID-19 PANDEMIC

During the pandemic, we had to completely rethink our strategy. Before, our online presence was minimal, but we realized that we needed to adapt quickly to reach our customers in a new way. We implemented an e-commerce platform and began promoting our garments through social media and digital marketing. While it was a challenging process, this adaptation allowed us not only to survive, but also to reach new market segments that we had not considered before (AS-3).

The pandemic radically changed the way we operated. Our supply chain was affected by mobility restrictions and temporary supplier closures. To ensure the continuity of our operations, we diversified our sources of supply and sought out local suppliers, which allowed us to mitigate the impact of the disruptions. In addition, we reevaluated our product line and focused on essential and in-demand items in the context of the crisis. Although it was a challenging period, these decisions strengthened us and demonstrated the importance of flexibility in our business strategy (AS-4).

The pandemic forced us to completely rethink our business model. We used to rely heavily on face-to-face sales in our physical store. However, with the closures and restrictions, that option was no longer viable. We decided to focus on online sales and home delivery. To achieve this, we trained our team in virtual customer service techniques and established alliances with logistics companies to ensure safe and timely deliveries. This adaptation not only helped us stay afloat, but also expanded our presence...
in different geographic areas, which we would not have considered under normal circumstances (AS-1).

As can be seen in the above verbalizations, the social actors manifested a profound transformation in the way in which their SMEs in Metropolitan Lima addressed the challenges posed by the COVID-19 pandemic. Their testimonies reveal a picture of strategic reinvention, where adaptability and the search for new opportunities became cornerstones of survival and success in times of crisis (Maldonado-Cueva et al., 2023).

In this sense, it can be recognized that, by applying Heidegger's postulates, SME leaders and owners immersed themselves in a process of self-discovery and deep reflection on the meaning and purpose of their business in an altered context. Faced with the imminent threat of the pandemic, they were forced to explore their own possibilities and limitations, embracing a more authentic approach to their decision making and actions (Sulastri et al., 2023).

The adaptation of strategic management models became more than an operational response to changing circumstances; it became a process of reappropriating the direction of their business in an uncertain world (Varma & Dutta, 2023). Just as Heidegger promoted the idea of a "liberation towards authenticity", social actors explored new ways of running their SMEs, attuned to their own visions and values, seeking not only to survive, but also to thrive in the midst of adversity (Jabeen et al., 2023).

Through their narratives, SME leaders and owners have shared how the pandemic prompted them to fundamentally re-evaluate their strategic management models. Migration to digital channels, such as e-commerce and social media, emerged as a crucial step to maintain connection with customers and reach new audiences (Ballerini et al., 2023). This digital adaptation, as highlighted by some testimonials, not only served as a lifesaver during the most critical moments of the crisis, but also opened doors to markets that previously remained unexplored (Budiarto et al., 2023).

Stakeholders have also highlighted how the pandemic put significant pressure on supply chains and logistics. In response, SMEs were forced to seek innovative solutions, such as diversion of supply sources and collaboration with local suppliers (Huilcapi Masacón et al., 2020). The ability to pivot quickly and make strategic decisions based on demand changed the nature of their operations and demonstrated the importance of adaptability in today's business environment (Kotsios, 2023).
During these transformations, flexibility emerged as a key resource. Testimonials highlight how some SMEs completely redesigned their approach. Moving from a primarily face-to-face sales model to a digital and home-delivery model. These transitions involved not only logistical and technological adjustments, but also a reconfiguration of the organizational mindset and training of their personnel (Duréndez et al., 2023).

Given the reality argued above, the COVID-19 pandemic not only represented an unprecedented crisis for Small and Medium Enterprises (SMEs) in Metropolitan Lima, but also an opportunity for a profound reevaluation and strategic reinvention (Al-Momani et al., 2023). The testimonies of the leaders and owners of these SMEs reflect how they engaged in a process of self-discovery, using the crisis as a catalyst to explore their own capabilities and limitations. Through this Heideggerian lens, it is revealed that adaptability and authenticity merged to guide decisions and actions, leading to migration to digital channels, redefinition of supply chains, and the search for operational flexibility (Chundakkadan & Sasidharan, 2023).

In this context, the adaptation of strategic management models not only implied operational changes, but also a change in the fundamental perspective of how to run a business during uncertainty. The pandemic became a turning point that redefined the relationship between SMEs and their environment, leading them to rethink their purpose and values, while exploring new avenues to achieve survival and success in a challenging scenario (Peñarroya-Farell et al., 2023).

3.2 ADAPTATION AND COPING STRATEGIES: INNOVATION IN FACING THE CHALLENGES OF THE PANDEMIC BY SMES IN METROPOLITAN LIMA

Facing the challenges of the pandemic led us to rethink our entire product line. We had previously focused on formal and casual apparel, but in the face of the new reality, we decided to move into the manufacture of face masks and personal protective products. This not only allowed us to stay operational, but also contributed to public health and opened a door to an unexpected market (AS-2).

The crisis caused us to reevaluate our organizational structure. We used to have a rigid hierarchical approach, but we realized that we needed to make faster, more decentralized decisions. We implemented cross-functional teams and encouraged collaborative decision-making. This not only improved our agility, but also strengthened our team's morale and sense of belonging (AS-4).
Facing the challenges of the pandemic led SMEs in Metropolitan Lima to a profound re-evaluation of their business strategies. A significant testimony reflected how the need to rethink their product line turned into an unexpected opportunity (Ramos Reyes, 2021). Faced with the new reality, the incursion into the manufacture of face masks and personal protection products not only guaranteed their operability, but also translated into a contribution to public health and the opening of a previously unexplored market.

Organizational restructuring also emerged as a key response to the crisis. The rigidity of the previous hierarchy gave way to cross-functional teams and collaborative decision-making. This change not only streamlined the response to changing market demands, but also solidified cohesion and a sense of belonging in the team (Rehman et al., 2021).

The verbalizations captured in the previous interviews shed light on the deeper meaning of these strategies. The adaptation of management models became an exercise in Heideggerian authenticity, where SME leaders explored their possibilities and limitations in facing uncertainty. Shared experiences underscore that innovation was not only an operational response, but a fundamental redefinition of their own business (Buchanan et al., 2023).

This redefinition is reflected in the testimony of AS-4, who points out how organizational restructuring enabled more agile and authentic decision-making. Following Heidegger's philosophy, these leaders embarked on a process of self-discovery and authenticity, reappropriating the direction of their businesses during crisis (Gonzalez-Tamayo et al., 2023). Adaptation through diversification and restructuring represented not only a pragmatic response, but also a profound change in the way they conceived their relationship with the world and their purpose in it (Červinka & Novák, 2022).

This process of strategic reinvention reflects the very essence of Heideggerian thought, where authenticity becomes an essential quest in human existence (Hasanah et al., 2023). By adapting their management models and changing their approach, SME leaders not only responded to external demands, but also embarked on an internal journey of self-reflection and self-affirmation. Restructuring was not simply a short-term solution to operational difficulties; it was an act of self-determination and self-discovery, where authenticity became the compass guiding their decisions and actions (Ko & Choi, 2020).
By understanding their role amid the crisis, these leaders not only managed their businesses more effectively, but also reconnected with the fundamental purpose of their companies (Nikiforou et al., 2023). Adaptation was not simply a survival measure, but an opportunity to renew their commitment to the community, employees, and their own values. In this process, pragmatic change was intertwined with a deeper transformation, where authenticity and reaffirmation of their purpose became the very essence of their response to adversity (Żur & Wałęga, 2023).

In short, adapting to and overcoming challenges became a means of self-affirmation and authenticity for SMEs in Metropolitan Lima. Through restructuring and diversification, they not only survived the crisis, but also forged a new relationship with their environment and business purpose. In this process, the profound impact of Heidegger's philosophy is revealed in the way they confronted uncertainty and transformed it into an opportunity for authenticity and growth. (Vargas Merino et al., 2020).

3.3 CHALLENGES AND BARRIERS TO STRATEGIC ADAPTATION: OBSTACLES IN THE TRANSFORMATION OF SMES IN METROPOLITAN LIMA DURING THE PANDEMIC

We realized that digital adaptation was crucial to stay in business, but we faced significant technological challenges. We did not have the infrastructure or internal knowledge to quickly implement an e-commerce system. In addition, some of our employees were unfamiliar with online platforms, which created resistance to change. We had to invest in training and hire outside help to overcome these technological and cultural barriers (AS-5).

Restructuring our supply chain was a major challenge. The pandemic disrupted our usual channels, and we were forced to seek new suppliers and adjust our distribution routes. However, at times, we faced delivery delays and cost fluctuations due to logistical constraints and raw material shortages. This affected our ability to meet demand and maintain our quality standards (as-4).

Resistance to change was one of the biggest obstacles we encountered. Some of our employees were accustomed to the traditional way we operated, and the idea of adopting new technologies and processes made them anxious. In addition, there were concerns about job security and fear of automating jobs, we had to effectively
communicate the benefits of the proposed changes and provide ongoing support to make our team feel comfortable with the transformations (AS1).

These verbalizations highlight how SMEs in Metropolitan Lima faced significant obstacles in attempting to transform their management models in response to the COVID-19 pandemic. The testimonies of the social actors reveal the complexity and difficulties inherent in this process of change, where technological, logistical, and cultural aspects played a crucial role.

The experience shared by the AS-5 on technological challenges highlights the importance of digital adaptation in today's business environment (González-Serrano et al., 2023). However, limited access to infrastructure and lack of internal knowledge presented significant obstacles to the implementation of solutions such as e-commerce. This testimony highlights the need to consider not only investment in technology, but also training and external advice as key factors in overcoming these barriers (Quansah et al., 2022). In this context, it is understood that training becomes a critical bridge that enables companies to successfully navigate digitalization and overcome technology gaps (Vacek et al., 2022).

The experience exposed by AS-4 reveals the challenges associated with supply chain restructuring. The disruption of the usual channels and logistical constraints due to the pandemic led to a search for alternative suppliers and adjustments in distribution routes. In this regard, the adaptability and flexibility of the supply chain in response to uncertainty and unexpected changes is recognized (Xie et al., 2023).

AS-1 testimony on resistance to change illustrates how the implementation of new strategies can encounter obstacles in organizational culture and employee perceptions (Clarke & Freytag, 2023). Anxiety in the face of adopting new technologies and processes, as well as concerns about job security and automation, highlight the importance of effective communication and ongoing support in transformation processes (Aerts et al., 2023). Therefore, comprehensive change management must comprehensively consider employee concerns and resistance, building bridges to a smoother and more accepted adaptation (Westman et al., 2023).

In conclusion, the challenges, and barriers in the strategic adaptation of SMEs during the pandemic transcend the operational and are intertwined with technological, cultural, and managerial issues. The literature in digital divide, supply chain resilience, organizational learning, and change management provides a solid theoretical basis for
understanding and addressing these challenges. This suggests that adaptation in crisis contexts requires not only pragmatic measures, but also a thorough understanding of the underlying complexities and the effective application of approaches based on theory and empirical experience.

3.4 LESSONS LEARNED AND SUCCESSES IN ADAPTATION: SUCCESSFUL STRATEGIES OF SMES IN METROPOLITAN LIMA DURING THE COVID-19 PANDEMIC

Our experience taught us the importance of diversification. Before the pandemic, we relied heavily on a single source of income. However, when faced with the uncertainty of the crisis, we decided to expand our offering and diversify our product range, which allowed us not only to mitigate risk, but also to capitalize on new opportunities and reach different customer segments with changing needs (AS-2).

We learned that collaboration could make a difference in difficult times. Instead of viewing other businesses as competitors, we seek strategic alliances with like-minded companies. We worked with suppliers and other industry players to overcome common challenges. This collaboration enabled us to improve our supply chain and logistics (AS-5).

Our experience showed us that adaptability is essential. During the pandemic, we shifted our business mindset from "plan and execute" to "plan, execute and adjust." We implemented shorter feedback cycles and continuously evaluated our strategies based on results, which allowed us to make informed and agile decisions, keeping our company in a competitive position (AS-1).

The lessons learned from diversification, the importance of collaboration and the need for adaptability are reflected in the business literature (Ashiru et al., 2023). advocates strategic diversification to reduce risk and increase resilience in a volatile and competitive environment. This perspective is aligned with the experiences of SME leaders in Metropolitan Lima, who recognized in their testimonies the capacity of diversification to strengthen their businesses in the face of unforeseen situations. The preceding texts, where social actors relate how diversification was a key factor in their adaptation, help to understand that this strategy is not only theoretical, but also highly applicable and valuable in the business reality. (Nekhoroshkov & Larionov, 2023).
In addition, support for the idea of business collaboration to address shared challenges can be found in authors such as Prabhudesai et al. (2023) who highlight the importance of strategic alliances and business networks in value creation and innovation. This perspective aligns with the testimonies of stakeholders, who highlight how collaboration with other industry players enabled them to overcome operational and logistical barriers. The above examples, where successful alliances are described, help to understand that this strategy is not only an abstract theory, but an effective practice in SME management in times of crisis.

In this context, Zastempowski & Cyfert (2023) emphasize organizational agility as a fundamental attribute for navigating through turbulent and changing conditions. Adaptability and the ability to make quick decisions and adjust strategies based on results are essential in times of uncertainty. The testimonies of stakeholders, where the importance of agility in their decisions and actions is evident, align with these theories.

In closing, this category has helped to understand that the lessons learned from the successful experiences of SMEs during the pandemic not only coincide with business theories, but also provide concrete examples of how to apply these concepts in practice. Given the described reality, the relevance of diversification, collaboration and agility as fundamental pillars for survival and success in a challenging and ever-changing business environment is highlighted (Pombo & Franco, 2023).

4 CONCLUSIONS

The research, understood as a possibility for a deep understanding of the business reality in a context of pandemic, has provided valuable insights on how SMEs in Metropolitan Lima have faced and adapted their strategic management models to unprecedented challenges.

It is understood that, amid crisis situations, resilience and creativity emerge as crucial qualities for the survival and success of companies. Adaptability and the willingness to re-evaluate previous approaches become essential for navigating unfamiliar and turbulent terrain.

The participants in this research are likely to continue to develop their activities in a constantly evolving environment. Their testimonies and experiences could continue to enrich business strategies and contribute to sustainable growth in the future. Lessons
learned during the pandemic can act as a solid foundation to address challenges that may arise, even in less disruptive contexts.

It is believed that the research achieved its stated purpose by providing an in-depth and detailed view of how SMEs have coped with the crisis. However, the process of interpretation-reflection has led to establishing new concerns that can be transformed into opportunities for further research. How could these coping strategies be applied in other industries or contexts? What cultural factors influenced the coping decisions of these SMEs? What was the actual impact of these strategies in terms of economic growth and sustainability? How can government policies better support SMEs in times of crisis? These questions open the door to future research that could broaden our understanding and contribute to business and social development in challenging situations.

For future research, it is suggested to explore the transferability of the adaptation strategies identified in this study to other industries or contexts, especially considering the influence of cultural factors on SMEs' adaptation decisions. Also, the actual impact of these strategies in terms of economic growth and long-term sustainability could be investigated in depth, which could provide a more complete picture of their effectiveness. In addition, it would be valuable to examine how government policies can be designed and improved to provide more effective support to SMEs in times of crisis, thereby fostering business resilience and economic development. These areas of research can contribute significantly to business and social knowledge and development in challenging contexts.
REFERENCES


