

Business Resilience: Operational Management Strategies for Facing the Global Economic Crisis

Imam Wibowo

Krisnadwipayana University, Jakarta, Indonesia

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wibowoimam253@gmail.com

ABSTRACT

The global economic crisis poses a serious challenge to business continuity throughout the world. This research aims to identify and analyze operational management strategies that are effective in increasing business resilience when facing the global economic crisis. The research methods used involve literature studies, interviews with business practitioners, and case analysis of companies that have successfully survived the previous economic crisis. The research results show that implementing an integrated operational management strategy, involving supply diversification, production flexibility, risk management, operational innovation, and stakeholder involvement, can build strong business resilience in the face of the global economic crisis. Supply diversification and production flexibility provide protection against supply disruptions and rapid adaptation to market changes, while careful risk management helps identify, evaluate and mitigate potential risks. Operational innovation increases competitiveness through the application of new technology and process efficiency, while stakeholder engagement forms a resilient network that supports each other.

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INTRODUCTION

The prolonged economic crisis has had a significant impact on business group companies, especially in testing business strengths and capabilities from a financial management perspective (Prihatini, 2012). The high level of uncertainty in the global economic situation requires companies to conduct an in-depth review of their financial structure. In facing this challenge, companies need to evaluate and strengthen their financial management, including more adaptive and responsive risk management strategies (Tyoso, 2016)

In addition, increasing competition and technological changes are external factors that require companies to reconsider their business models (Ariyani et al, 2023). Changes in prices and interest rates, exchange rate fluctuations, and changes in tax law are variables that require special attention in managing company finances (Imaduddin & Pamudy, 2017). Not only that, ethical aspects and compliance with financial agreements are becoming increasingly important in an ever-growing business environment. Therefore, companies need to adopt a holistic approach in their financial management, combining strategies that are responsive to external changes with sustainability and integrity as core values in financial decision making (Dayat, 2019).

The impact of the economic crisis that hit a number of companies has caused significant turmoil in business management factors (Septiani, 2023). Some companies face serious challenges, such as heavy financial pressure, decreased market demand, and difficulties in managing debt (Saputri & Wibowo, 2023). As a result, a number of businesses went bankrupt, bringing them to the point where they could no longer survive in the midst of an economic crisis.

However, in the midst of these trials, there are companies that have succeeded in maintaining their existence by adopting innovative performance improvement strategies (Siagian et al, 2020). They may have restructured operations, focused on cost efficiencies, and identified new opportunities in growing markets. Improving company performance involves adapting to changing market needs, utilizing new technology, and more careful risk management (Prabowo et al, 2023). Innovation and management resilience are the keys for these companies to remain relevant and competitive amidst the economic crisis. Their success in improving business performance provides inspiration and valuable lessons for other industries that are also trying to survive in difficult times (Nasution, 2023).

In the context of improving company performance amidst the economic crisis, operational management strategies play an important role. Companies that successfully survive tend to have implemented operational management strategies that are adaptive and innovative (Sudrajat, 2013). Increasing operational efficiency, such as supply chain optimization, supply diversification, and production flexibility, helps companies adapt to changing market conditions more responsively (Saputra et al., 2023).

Apart from that, the use of technology in operational management is the main driver in increasing productivity and efficiency (Indrayani, 2012). The integration of information technology for data monitoring and analysis can help companies identify opportunities and risks more quickly, enabling more timely decisions. Moreover, mature risk management and innovative strategies in dealing with exchange rate fluctuations or regulatory changes are an integral part of a successful operational management strategy in the midst of a crisis (Prayoga, 2017).

Business resilience is indeed one of the key strategies in the realm of operational management that enables companies to face the global crisis (Avery & Bergsteiner, 2011). Business resilience includes a company's capacity to respond, adapt, and recover from unexpected external disruptions or pressures, such as a global economic crisis. An integrated business resilience strategy with operational management aims to create an organizational structure that is resilient and can function effectively under significant external pressure (Farahita & Kurniawati, 2022).

In the context of operational management, business resilience can be realized through measures such as supply diversification, production flexibility, risk planning and continuous innovation (Tahir et al, 2023). By building adaptive capabilities, companies can be more responsive to changing market conditions and reduce the negative impact of the global economic crisis. A business resilience strategy integrated with efficient operational management allows companies to remain competitive, maintain operational continuity, and even identify new opportunities amidst global economic uncertainty (Suganda & Purnamasari, 2022). Therefore, implementing a business resilience strategy is essential in companies' efforts to achieve and maintain their resilience in this challenging business era.

This research aims to identify effective operational management strategies in increasing the company's business resilience in facing the global economic crisis. By understanding and analyzing factors such as supply diversification, production flexibility, and risk management, this research seeks to provide business leaders with practical guidance on how to overcome global economic challenges. The benefits include the company's ability to respond more adaptively to unexpected changes in economic conditions, minimize risks, and strengthen business resilience and continuity amidst global uncertainty. Thus, it is hoped that this research can provide a valuable contribution in forming strategies that can be implemented by companies to remain competitive and resilient in a business era full of challenges.

METHOD

In this research, a qualitative approach with descriptive methods was used. According to Yulianah (2022), the aim of descriptive research is to describe phenomena using descriptive words without including data in the form of numbers, so that narrative explanations become the main focus. The definition of qualitative methods by Bogdan & Taylor in Moleong (2014) indicates that this approach produces descriptive data in the form of written or spoken words originating from direct observation of individuals and behavior. The choice of descriptive research with a qualitative approach was carried out because it was considered more supportive of exploring issues relevant to the research focus. Data collection methods were carried out through interviews and documentation. In data analysis, an interactive model is applied where the collected data is analyzed, abstracted, structured and validated for its validity. The final step involves interpreting the data to gain an in-depth understanding related to the research topic.

RESULTS AND DISCUSSION

Business resilience is a critical aspect in facing the dynamics of a challenging business environment. As a concept that goes beyond mere operational continuity, business resilience reflects an organization's ability to not only withstand the threat of change and uncertainty, but also to evolve and adapt proactively. (Dahles & Susilowati, 2015) The dynamic business environment forces companies to exceed their traditional boundaries and continue to explore the potential for innovation. Therefore, business resilience involves an organization's ability to identify opportunities, manage risks and adapt its operational strategies quickly.

Apart from that, business resilience also includes aspects of performance that are stable and can be maintained amidst changing business conditions. The ability to remain effective in achieving company goals, even when faced with significant changes, is a key indicator of the level of business resilience (Aldianto et al, 2021). By focusing on adaptation, innovation and flexibility, organizations can make business resilience the foundation for long-term growth. Therefore, investment and attention to business resilience is not only about responding to crises, but also reflects the determination to become more resilient and able to face unexpected changes in an ever-changing business world.

Business resilience, when implemented as an operational management strategy, includes a series of steps and principles that can help organizations face global crises more

effectively. First of all, Diversification of supply and supply chains plays a crucial role in operational management to respond to uncertainties that may arise during the global crisis. By identifying alternative resources and suppliers, companies create layers of security that can reduce the impact of disruptions to one part of the production chain. In situations where global economic uncertainty can trigger significant fluctuations in the availability of raw materials or key components, supply diversification becomes a proactive strategy to maintain smooth operations.

By having alternative resources and suppliers, companies can maintain smooth operations even when disruptions occur in certain parts of the production chain. This capability is very important to maintain production continuity, meet customer demands, and maintain the company's reputation in the market. For example, when there is a shortage of raw materials from one supplier, the existence of alternative resources allows the company to continue production without being too affected by global supply uncertainty.

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Second, production flexibility plays a crucial role in business resilience strategies, especially amidst uncertain business conditions that can be triggered by the global crisis. The ability to quickly adjust production volumes is a key element in keeping company operations optimal and responsive to changing market conditions. During the global crisis, production flexibility allows companies to be adaptive to sudden changes in market demand, avoiding the risk of overproduction or stock shortages that can harm the business.

Not only limited to responding to crises, production flexibility also opens up opportunities for product innovation and portfolio adjustments more easily. Companies that have high production flexibility can be more responsive to changes in customer needs or preferences that can occur suddenly during a crisis. This flexibility is an important driving force to ensure smooth production and maintain the company's competitiveness in an ever-changing market.

Furthermore, in extreme situations, production flexibility has a strategic role in providing companies with the ability to evaluate and, if necessary, switch to more adaptive business models. This not only contributes to business continuity, but also ensures that the company can still take advantage of opportunities that may arise amidst uncertainty. Therefore, production flexibility is not only a response to crises, but also a dynamic foundation for business resilience strategies that support companies in facing evolving challenges and opportunities.

Third, careful risk management plays an important role in building strong business resilience, especially in facing a global crisis full of uncertainty. First, risk identification is the first step in the risk management process. Through in-depth analysis of the business environment, companies can identify various risks that may arise, including operational, financial or reputation risks. With a clear understanding of these potential risks, companies can be better prepared to face possible uncertainties that could affect the sustainability of their operations.

Furthermore, risk evaluation is a critical stage for measuring the impact and probability of the identified risks occurring. This assessment allows companies to determine which risks have the greatest impact and a high probability of occurring. By setting priorities based on risk evaluation, companies can focus on mitigation efforts to manage the most significant risks. Therefore, risk evaluation becomes the basis for more focused decision making in building business resilience.

Risk mitigation is the final step in the risk management process and involves implementing strategies to reduce the impact of identified risks. This may include developing contingency plans, using financial instruments to protect assets, or changes in operational policies. Effective mitigation strategies ensure that companies are not only prepared to deal with potential risks, but can also respond effectively to minimize their impact during a global crisis. Thus, careful risk management is not only a tool for managing uncertainty, but also an important foundation in building business resilience that is tough and responsive to changes in difficult business conditions.

Fourth, operational innovation marks a very important proactive step in a business resilience strategy, paving the way for companies to remain relevant and competitive amidst growing business uncertainty. First, adopting new technology is a key element of operational innovation. The integration of modern technology can speed up processes, increase efficiency, and open the door to more sophisticated solutions. For example, automating production processes with the use of robotics or the implementation of artificial intelligence can optimize productivity, reduce operational costs and improve product quality. By investing in the latest technology, companies are able to improve their operational capabilities and face crises better prepared.

Furthermore, efficient production processes are an important basis for operational innovation. Companies that develop more efficient production methods can respond to market changes with more agility. Simplification of processes, improved use of resources, and continuous improvements in the supply chain can all help companies achieve higher levels of efficiency. By building an efficient production foundation, companies can not only reduce operational risks but also increase their competitiveness in the face of uncertain global economic pressures.

Fifth, full involvement with stakeholders, both internal and external, forms a strong foundation for a business resilience strategy amidst the turmoil of the global crisis. First, internal stakeholders, especially employees, are a key element in facing challenges. Involving employees in the decision-making process, providing open channels of communication, and providing psychological support can increase employees' sense of ownership and engagement. In crisis situations, employees who feel supported and

involved tend to be more responsive to change and contribute more in finding creative solutions to overcome obstacles.

Furthermore, engagement with customers is an important aspect of maintaining strong relationships during a crisis. Transparent communication, understanding customer needs, and providing solutions that suit market conditions can increase customer trust. By making customers partners in facing a crisis, companies can build strong long-term relationships, even in difficult conditions. Continuously gathering feedback and adapting services or products to customer needs is the cornerstone of this engagement strategy.

Engagement with external business partners is also a key element in building a resilient network. Close collaboration with business partners, including suppliers and distributors, can form a mutually beneficial support system. Information exchange, supply chain coordination, and joint emergency plans can improve the overall resilience of business networks. Business partners who feel involved and supported tend to respond more positively and work together more effectively in facing challenges that arise during a global crisis.

In facing complex business dynamics, companies need a holistic operational management approach to build business resilience. Designing and implementing strategies that take into account supply diversification, production flexibility, risk management, operational innovation and stakeholder engagement are key steps to achieving these goals. Supply and supply chain diversification provides protection against supply disruptions, while production flexibility enables rapid adaptation to changing market conditions. Careful risk management helps companies identify, evaluate and mitigate potential risks, while operational innovation strengthens competitiveness through the application of new technologies and efficient processes. Fully involving internal and external stakeholders to form a strong and resilient network.

As a result, companies that adopt this approach can build strong business resilience. By maintaining operational stability, companies can continue to operate efficiently even when faced with significant external challenges. More than that, business resilience built through an integrated operational management strategy provides advantages in facing new opportunities that may arise during the global economic crisis. That way, companies can prepare and take advantage of every situation for long-term growth and sustainability.

CONCLUSION

To face the global economic crisis, companies need to adopt a holistic operational management strategy. Supply diversification and production flexibility form the basis of defence, minimizing the risk of supply disruptions and enabling rapid adaptation to market changes. Careful risk management, operational innovation, and engagement of internal and external stakeholders strengthen overall business resilience. A strategy that integrates these aspects gives the company an advantage in maintaining operational stability. The ability to adapt quickly to changing business conditions and manage risk effectively provides a strong foundation for operational continuity. Additionally, active engagement with stakeholders creates a resilient and mutually supportive network. Companies that implement an integrated operational management strategy can build strong business resilience. This resilience includes not only a company's ability to survive during a crisis, but

also to prepare for challenges that may arise and take advantage of growth opportunities. Innovation, flexibility and active engagement with stakeholders are the keys to building a solid foundation for business continuity in a dynamic and uncertain business environment.

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