

LEARNER NUMBER	51706687
NAME	Thiago Luiz Nishina Oliveira Murakawa
COURSE	Bachelor of Arts (Honours) in Accounting & Finance.
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SUPERVISOR	Geoff Wright
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## **How has the financial management of small and medium hospitality businesses been coping with COVID-19?**

Compiled by

Thiago Luiz Nishina Oliveira Murakawa

This project is submitted in part fulfilment of the Degree of Bachelor of Arts (Honours) in Accounting & Finance.

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## **Abstract**

The outbreak of COVID-19 caused a worldwide shutdown and impact; as a result, industries that were constantly growing suffered significant losses and were forced to seek solutions and financial strategies to ensure continuity in the foreseeable future. This investigation focused on the integration of cash flow monitoring, budget control, risk management, e-marketing, and the risks and opportunities of investing in a COVID-19-affected market.

The study used an interpretivist methodology and conducted five qualitative interviews with participants, concentrating on their perspectives, experiences, and motivations to learn more about the phenomena.

The purpose of this investigation was to determine how finance managers and hospitality business owners use financial tools and what adjustments have been made to continue operations in a highly volatile market. Furthermore, the study sought to identify the competitive advantages of financial strategy in small and medium-sized hospitality businesses.

The findings revealed that using the financial tools discussed in the study helps with business organisation, planning, and control. Small and medium-sized hospitality businesses can significantly benefit from financial tools in the same way that large corporations do, but the process requires knowledge and can be costly at times.

It should be noted that the elements that comprise the financial system have a high degree of control and planning, which can improve operations and generate more security and opportunities even in the face of a volatile market.

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**List of Acronyms**

**FASB - Financial Accounting Standards Board**

**SME - Small and Medium-Sized Enterprises**

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## **CHAPTER I**

### **How has the financial management of small and medium hospitality businesses been coping with COVID-19?**

#### **1 Introduction**

The COVID-19 pandemic took the world by surprise, and this had an impact on the hospitality business, which depends daily on “human contact”. In big cities, restaurants and coffee shops are prepared for the high flow of people consuming their products, but many had to close and adapt their business model. Several financial management strategies and tools are essential for decision-making and for maintaining the health of the business.

##### **1.1 Background of Research**

I have been working in a restaurant for four years and during the pandemic, I experienced the uncertainty of the continuity of the restaurant's operations and noticed several businesses permanently close. Thus, I became interested in analysing how different managers and hospitality business owners managed to overcome the uncertainties of the market, caused by the pandemic, through financial tools.

##### **1.2 Purpose of study**

This research project is an essential part of business studies. The researcher performed this research with a specific objective in mind: to learn how owners and finance managers conduct their hospitality businesses during times of market volatility. The research will include insights from different managers and owners, as well as internal strategies and decisions made by these businesses to deal with the effects of COVID-19 and how they are surviving. This examination is essential for the researcher to acquire insight into the accounting approach used by these businesses.

### **1.3 Research Objectives**

- 1) To investigate the importance of cash flow control
- 2) To identify the impact of the pandemic on the budget of companies in the hospitality industry
- 3) To explore whether there are advantages of businesses investing in risk management
- 4) To find out how e-marketing is beneficial for the hospitality business
- 5) To analyse whether a hospitality business can invest safely in an uncertain environment

### **1.4 Significance of Study**

This research can contribute to the knowledge of any student or professional who is interested in business and accounting, as the study brings investigation into the challenges and opportunities of financial management in hospitality influenced by COVID-19.

### **1.5 Information gathering and data collection technique**

The material collected for this research was collected from a qualitative approach that combined a literature review as secondary research with the development of interviews to obtain qualitative information from the participants.

### **1.6 Expected Outcomes**

The expected outcome of this research is to identify and analyse which financial tools are used and the motivations for decision-making in a hospitality business, specifically in a market full of uncertainties after the impact of COVID-19. The aim is to comprehend the influence, challenges, and concerns associated with the operations employed by managers to sustain or invest in a new business.



## **1.7 Chapter Overview**

The following framework is used to display this project:

Introduction - Chapter I. The background of the research, the purpose of the research, the research objectives, the importance of the study, the information collecting and data collection technique, and the predicted outcome are all included in this chapter.

Literature Review - Chapter II. This chapter analyses the study question, which includes the five research objectives: cash flow control, budget tool, risk management, e-marketing, and finally investing safely in an uncertain environment.

Methodology - Chapter III. This chapter offers a full discussion of the methodological approach, the philosophy used, the basis for the method's selection, the sampling procedure, the method's analysis, and the ethical part.

Chapter IV - Results & Findings. This chapter provides the study results and empirical findings.

Chapter V - Conclusions. This chapter offers the study's analysis and results, as well as limits and recommendations for further research.

## **CHAPTER II**

### **How has the financial management of small and medium hospitality businesses been coping with COVID-19?**

#### **2 Literature Review**

##### **2.1 Introduction**

This chapter offers a thorough evaluation of the literature, which was conducted by comparing research from different authors for each designated sub-theme, to investigate how the aspects of financial management are vital in any business, particularly in times of uncertainty.

##### **2.2 The importance of cash flow control**

A cash flow statement is an effective financial statement to demonstrate how capital flows in and out of a particular company. In contrast to the company's activities shown on the balance sheet, which have a variable influence, the cash flow report is independent of the companies' financial statements such as the Profit and Loss Account or the Balance Sheet and has an instantaneous influence on the year's result (Morar, 2015).

Günay et al (2020) defined that the value of the company is calculated using cash flows and it is mentioned in their study that the main objective of the cash flow statement, which is approved by the FASB, conveys essential information about a company's cash transactions over a period. Investors use cash flow to analyse a company's potential to generate future net cash flows, meet commitments and pay dividends, as well as its external financing needs.

Dowson et al (2009) as cited in Uwonda et al (2015) believed that cash flow controls, by speeding up inflows and delaying outflows as much as possible, can strengthen the credit practices of SME

without causing default on their commitments. He claimed that cash flow controls help a corporation keep adequate cash on hand to meet the daily cash demands of the business, optimizing the level available for investment and optimizing the return on capital investment, thus ensuring its safety. According to SurrIDGE and Gillespie (2008), as cited in Uwonda et al (2015), cash flow monitoring detects in advance when cash surpluses and shortfalls are likely to arise so that action can be taken to invest or borrow. Cash flow control is also critical in lending decisions to lenders. The lender uses the indirect approach to study commercial loans (short-term forecasting) and the direct method to examine investment loans to negotiate a loan (Morar, 2015). Successful small businesses are often persistent in maintaining and monitoring their cash flow.

According to a study carried out, some businesses have collapsed due to inadequate cash flow management, therefore efficient cash flow management and control are vital and widely recognized as one of the most important management tools for SME (Aren & Sibindi, 2014).

According to Soboleva et al. (2018), assessing a company's financial stability is crucial because it ensures its independence and capacity to produce cash flows. The survival and growth of an enterprise are contingent on the availability of financial resources. There is a finite amount of money. Consequently, it is essential to create a framework for its efficient management.

Different authors presented similar points of view and consider the importance of controlling and monitoring cash flows from the perspective of a company's financial and economic activities, therefore, as the research question was based on identifying how hospitality business managers and owners handled day-to-day operations in the coronavirus pandemic this means respondents were asked questions about how cash flow is monitored and if they see the importance of using this tool.

### **2.3 The impact of the pandemic on the budget of companies in the hospitality industry**

A business budget, regardless of size, is a plan that defines an investment and the use of available resources during a certain period, that is, the budget helps in the preparation of future business

activities. 'An estimate or plan of the money available to somebody and how it will be spent over a period of time' (Siyanbola, 2013, p.8). Budgets have been widely used in strategic management across the world, both in government and industry due to their efficiency for a variety of uses including decision-making, budget organization and utilization, management and control, interaction, knowledge acquisition and analysis, evaluation system and motivation contracts (Lueg & Lu, 2013). Libby and Lindsay (2010) used an internet questionnaire to examine 558 executives and top managers and the study found that budgets are used for control reasons by 79 per cent of respondents, thus bringing significant benefits to companies and is a vital instrument for future planning and decision making.

In 2020, with the emergence of COVID-19, people were forced to stay at home, which had a significant impact, especially on small businesses. Micro-entrepreneurs, for example, lose daily revenue due to the interruption of the supply chain caused by the closure of support industries, in addition to staff shortages and reduced cash reserves (Fabeil, Pazim & Langgat, 2020). Gregurec et al (2021) believed that every disaster, regardless of cause, has an instantaneous impact on financial market economies. As a result, companies need to look for solutions or modifications in order not to go bankrupt, thus, collecting the necessary resources can be one of the most difficult challenges that companies face when they need to modify their old business model and contemplate a new one. As a result, companies can lose a lot of money in this process and this implies that many businesses are dependent on internal and external cash to finance their activities and provide the necessary liquidity to sustain their day-to-day activities, allowing them to plan their budget for the year ahead. The unpredictability of the COVID-19 pandemic has led to new ways of approaching the entrepreneurial paradigm.

Thus, Brîndușe (2021) believed that the emergence of an unprecedented virus, COVID-19, caused uncertainty in the world environment, necessitating a comprehensive adjustment in the way things

are done within corporations and so the author draws attention to that companies begin to realize that the typical budgeting procedure may need a redefinition as it may no longer be as effective.

The authors formulated the importance of tools for business management so that the budget provides a fundamental plan for a business. However, with the new scenario of risks and uncertainties, it is important to rethink some of the tools and as the research is based on identifying how hospitality business managers and owners handled day-to-day operations during the coronavirus pandemic, this means respondents were asked how the budget tool is used in their business and what impacts it has generated in their budget during the impact of COVID-19.

#### **2.4 The importance of investing in risk management in a business**

Risk management is part of comprehensive management that often decides a company's stability and progress in a volatile and uncertain economic climate. O'Donnell (2005) as cited in Jedynak & Bąk (2021) stated that the success of risk assessment is defined by a deep knowledge of risk, which leads to the development of technologies and conventional risk management methods. Risk management is directly important in strategy and management systems, financial accounting, quality control, human resources, project management, capital management and organizational innovation in companies. Risk mitigation and business continuity plans are intrinsically linked to risk management (Jedynak & Bąk (2021). In addition, Olson & Wu (2015) clarified that the organization's risk management is the method used by the structure of an organization, maintenance, and other professionals in business strategy and across the enterprise to find possible activities that could influence the organization and mitigate risk to generate assurance about the effectiveness of the organization's goals.

Hampton (2009) revealed the importance of investing in risk management to provide the understanding that certain threats are more significant than others. A complete collapse entails the devastation of most resources, an insurmountable economic loss, and the inability to survive. This

results in short-term, if not immediate, corporate bankruptcy and liquidation. A severe or major loss has a significant impact on an organization's ability to do business.

Klucka, (2021) stated that macro environment risks such as COVID-19 can be mitigated by risk management and continuity management. The pandemic can be considered an unlikely event, but with a significant impact, which can threaten the going concern of a business and put pressure on decision-making. These two managements are directed towards the identification, analysis, and treatment of risk, but in the case of unpredictable risk, it cannot be planned.

The authors agreed that it is important for companies to understand and invest in risk management tools. As the research question is exploring how hospitality business owners and managers have handled day-to-day operations during the coronavirus pandemic, it means respondents were asked how they can see the importance of using risk management to minimize losses in their business, how risk management helped the business to continue operating in the pandemic.

## **2.5 The benefits of e-marketing for the hospitality business**

Stokes (2009) as cited in Hsu & Ting (2013) stated that e-marketing is an internet tool that issues information sharing to connect with the market. And Albee (2010) as cited in Hsu & Ting (2013) added that e-marketing is also a platform where companies can create online interaction, analyse the digital behaviour of consumers, create virtual engagement and interactive experiences to attract the interest of current and potential customers.

Zhou et all (2018) believed that comparing traditional ads, e-marketing manages to break geographic restrictions, and this has become a fundamental tool for promoting companies' products and services to customers.

Sheresheva et all (2021) stated that with the COVID-19 pandemic, digitalization has grown even more and accelerated the adoption of e-marketing. Travel agencies and restaurants had opportunities to adapt to change business strategies, and thus expand the dissemination of their products and

services. The use of digital technologies in the context of the pandemic also played a social role, allowing both employees and customers not to feel isolated from the outside world.

Froelich (1999) as cited in Alqasa & Afaneh (2022) said that even if marketing brings competitive advantages to the hospitality business, marketing campaigns can be expensive and time-consuming, as they require infrastructure and training. Syaifullah (2020) agreed with the previous author stating that the use of social media for e-marketing has high costs, especially the paid ads that are more elaborate. Also, the author stated that many small businesses, such as restaurants or coffee shops, do not fully use paid advertising media to promote their products, but instead use e-marketing through social media in a simple and freeway, so their audience- target also has a very limited result compared to paid e-marketing. Also, during the COVID-19 pandemic, the ability of hospitality businesses to spend their advertising budget was still low and risky.

Some authors above discussed the importance of investing in e-marketing to attract more opportunities and customers, that is, make the business more visible, but other authors addressed that this tool can be costly and time-consuming. As the research is studying how hospitality business owners and managers have handled day-to-day operations during the coronavirus pandemic, this means respondents were asked how they believe e-marketing benefits their businesses and how they use this tool daily.

## **2.6 Investing in an uncertain environment**

Uncertainty, which is tightly tied to possibility, may emerge in a variety of ways, besides a lack of important system information, and it is required to determine if it is time to invest. There are some risks and potential losses that can have serious impacts, such as injury to society and the environment, financial loss of investment, suspension of operation of the company, and loss of income. Although there are dangers that can bring possibilities, such as commercial initiatives, investments, purchases, and growth, as well as other financial and operational risks that companies choose to seek and control

(Lyon & Popov, 2020). However, Richter & Wilson (2020) reinforced that the insights acquired from the COVID-19 catastrophe for risk management include that in long-term investments, corporations must have adequate capital and liquidity, as well as restricting risk build-ups to be compatible with those funds. This is because implementing mitigation strategies during a crisis generally occurs at a huge expense and often does not allow for a full recovery to pre-crisis levels.

Investing during an uncertain period can be risky, as explained by Laker & Roulet (2019), in a scenario of significant uncertainty, the danger to company continuity might be catastrophic for enterprises without cash resources and participation in mostly falling markets. In this case, a salvage strategy is the best alternative, thus the corporation should concentrate on mitigating the implications of the crisis rather than spending what it has. Economic instability, in theory, has a significant impact on finances due to the unsustainability and additional capital of investment, when companies postpone acting and prefer to wait and see in unknown conditions (Bernanke, 1983).

The Authors discussed that investing in moments of uncertainty can bring business opportunities, but the risks are higher, as it can cause irreversible consequences. As the research aims to study how hospitality business owners and managers have handled day-to-day operations during the coronavirus pandemic, this means respondents were asked how they invested in their business during this period and how that has a positive or negative impact on them.



## **CHAPTER III**

### **How has the financial management of small and medium hospitality businesses been coping with COVID-19?**

#### **3 Methodology**

##### **3.1 Introduction**

This chapter aims to explain the significance of methodology, the research methods used for data collection and how the data were used to answer the main research question of the study. Thus, the chapter addresses the philosophy used for the research, its justification, sampling, analysis of the methods used and the ethics section.

##### **3.2 Theoretical Paradigm / Philosophy employed**

The methodology is the philosophical field that helps the study of methods practised in a given area for the production of knowledge.

Among the philosophical approaches, there is the interpretivist one that studies the understanding of people's experiences and how they perceive the world. 'Interpretivist research aims to create new and richer understandings and interpretations of social worlds and contexts' (Saunders et al., 2019, p.140).

Therefore, the researcher considers that the most appropriate approach for this project was the interpretative approach, performing inductive research since the objective of the research was to seek different perceptions and narratives involved with the operations used by managers and owners in the decision-making process.

### **3.3. Research method**

The interpretivist approach favours qualitative research, carrying out inductive research, which develops diverse experiences, beliefs and assumptions that are fundamental to the perception of the subjective nature of human interpretation.

Therefore, the most appropriate method for the development of this research was the qualitative one, since the research question studied requires an interdisciplinary and more complete approach to the experiences, knowledge and decisions made by managers and owners at certain times. Thus, the researcher believed that the use of this method was fundamental to collect more in-depth information to interpret and describe them, instead of just evaluating.

### **3.4 Research approach**

In the research carried out, five qualitative interviews were included, which resulted in a broad collection of information and the technique used to select the participants was considering their experience and knowledge about the daily financial functioning of the hospitality business. This research was structured in an open format (see Appendix II), as the objective was to enable respondents to share more of their opinions, experiences, beliefs, and motivations. Then, the focus of the interviews was to collect and gather information regarding the financial activities of the hospitality business and seek more knowledge about the strategies and reasoning that motivated the owners and managers to make these decisions to reach these results.

### **3.5 Research Process**

As the researcher has worked with all the participants at some point, the first contact with the interviewees was made by message and the invitation to participate was sent via email (see Appendix IV). The target audience of the research was SME or financial managers in the hospitality sector; four participants live in Dublin and were willing to participate in the interview, and the fifth participant lives in Brazil and suggested a video call. Participants received the questionnaire along with the Free

and Informed Consent Form (see Appendix I). After sending the email, three participants showed their availability to carry out the face-to-face interview and one via video call in the same week and the following week the fifth participant showed their availability to carry out the face-to-face interview.

### **3.6 Sampling**

The technique adopted to carry out the research was purposeful sampling, as the research question requires a more in-depth knowledge of the issues and phenomena investigated. Thus, the interviewees are directors and financial managers of their respective companies, who are responsible for managing the operation of the company and making financial decisions and have experienced market uncertainties caused by COVID-19. During the interviews, the researcher sought to identify the standards of operational conduct and financial tools used by managers that could contribute to financial decisions at certain times, and what were the forced adjustments after the market instability.

The selection of the sample was focused on SME in the hospitality industry, as companies in this sector are impacted by financial and operational decisions where error margins cannot be significant. Thus, changes or uncertainties in the market compromise these businesses more than large companies with large resources and reserves.

### **3.7 Data analysis**

The researcher used the qualitative research method to demonstrate the financial decision-making process of managers in their normal operations and in moments of uncertainty in the market (see Appendix III). To interpret the data collected through the questionnaire, it was necessary to use thematic analysis to identify patterns and develop theme that would direct the results to the main research question. (See Table 1. Nvivo's Qualitative Research Themes in Chapter IV).

The researcher performed an in-depth assessment of the responses to identify what was critical to the study.

### **3.8 Ethical Section**

The researcher followed all the necessary ethical norms and values while conducting this investigation. In terms of authenticity, the project's design was intended to assure trustworthy data gathering while ignoring any chance of researcher bias or influence.

The respondents' participation in the production of the primary study was voluntary and confidential. Participants were provided with a consent form with an explanation of the study methods and aims (see Appendix V) before the interviews, and they were also told about the research's strictly academic purpose. Personal information was kept private to ensure privacy.

The material gathered and used in the literature review section for secondary research was obtained from authoritative scholarly publications, books, and other trustworthy internet sources. To avoid plagiarism, the referenced standards were used in the text, and the bibliography used for the development of the study is in its appropriate bibliography section.

## CHAPTER IV

### **How has the financial management of small and medium hospitality businesses been coping with COVID-19?**

#### **4 Results & Findings**

The purpose of this chapter is to present the results and findings of primary research and compare them to what the authors stated in Chapter II. The chapter was divided into five themes relating to primary and secondary research, and at the end of each of them, the researcher was able to assess whether each research sub-question can be answered in whole or in part, providing the basis for answering the main research question.

##### **4.1 The importance of cash flow control**

This theme focuses on the importance of cash flow control, its objectives, and its influences on hospitality businesses.

A cash flow statement is an effective financial statement to demonstrate how capital flows in and out. Successful small businesses are often persistent in maintaining and monitoring their cash flow (Morar, 2015). Similarly, Günay et al (2020) stated that the main objective of the cash flow is to convey essential information about a company's cash transactions over a period. The importance of the existence and good functioning of the cash flow was reaffirmed by all five interviewees, and this can be seen in the two statements below.

‘Cash Flow is essential for any business, but when you have a hospitality business, you face a lot of costs. Therefore, you must control your cash flow every day as is an important tool for management’ **(Interviewee 1)**

‘Cash flow is paramount to a successful business. The business can generate a high percentage of sales, however, if the money is not coming when it should, it is all just a theory’

**(Interviewee 5)**

Dowson et al (2009) as cited in Uwonda et all (2015) stated that speeding up inflows and delaying outflows as much as possible, can strengthen the credit practices of SME without causing default on their commitments. The five interviewees pointed out the importance of keeping cash always available to fulfil the daily obligations of the business and prepare the business for future investment, so the primary research agreed with the literature review.

‘From a cash flow point of view, it's healthy to have as much cash coming in as quickly as possible, rather than expecting a large number of receivables so that it doesn't affect payments to employees or suppliers. Making sure your business is healthy, and you have everything in to cover the outgoing’ **(Interviewee 5)**

‘The use of cash flow allows you to get a picture of your business, so you can plan your cash as the bills are due and analyse the possibility of a new investment’ **(Interviewee 1)**

According to Surridge and Gillespie (2008), as cited in Uwonda et all (2015), cash flow monitoring detects in advance when cash surpluses and shortfalls are likely to arise so that action can be taken to invest or borrow. The five interviewees agreed with the author's statement above, but one of the interviewees enriched the interview by bringing his experience about his perspective on what cash flow was fundamental in the pandemic.

‘I check the cash flow weekly and then I report to the owner our situation. I give my opinion related to any future investment that they want to do. Before COVID-19 came up, we were planning to open another restaurant with the same brand. However, we had to slow down this investment to guarantee that we could keep operating during COVID-19. Therefore, I

can tell that we managed to evaluate our cash flow and make this decision that we considered safe for the business' (**Interviewee 3**)

Aren & Sibindi, (2014) stated that some businesses failed because they did not use the tool to control the business. During the interview with the five participants, they all agreed with the author's statement, but two of them reinforced the concern and importance of controlling their cash flow because, without this control, the business can be out of control and surrounded by risks.

'When I started working in this company, I noticed that they did not have any financial control applied, which showed me that they did not have any control of inflow and outflow... When I started to apply the cash flow control, I could see that the company was operating close to the negative. So, I was sure that the going concern was compromised' (**Interviewee 1**)

'If you do not monitor your cash flow you take risks about your business. Your brand can still be successful, however, if you are not aware of your inflow and outflow you can end up with a big loss every month ...' (**Interviewee 3**)

By interpreting the information collected from different sources, it can be concluded that cash flow is a fundamental tool for managing a company's resources. It is through this tool that financial managers evaluate cash inflows and outflows, thus determining what is intended for the payment of liabilities and what can be invested in times of risk such as the pandemic, this tool can be fundamental for managers to control their business more efficiently. Therefore, the primary research reinforced what was stated by the authors in the literature review.

#### **4.2 The impact of the pandemic on the budget of companies in the hospitality industry**

This theme represents the research on how the pandemic may have impacted the process of budget in the hospitality sector.

Libby and Lindsay (2010) used an internet questionnaire to examine 558 executives and top managers and the study found that budgets are used for control reasons by 79 per cent of respondents, thus bringing significant benefits to companies and is a vital instrument for future planning and decision making. During the interview, it was possible to identify that only two participants use the tool to control business operation costs and planning.

‘The budget is used for general control of the company, to moderate costs. [...] I set a purchase target for the week and the number of working hours. If by any chance the stock runs out, I analyse if the sales of the week are higher than normal, or it is a problem of waste’  
**(Interviewee 1)**

‘As we know our business, at the beginning of the year we defined a budget for purchases, salaries and all costs involved in the operation. So, every month we evaluate them if we are operating with expected numbers’ **(Interviewee 3)**

However, the other three participants use the budget tool only to measure their monthly costs and do not see the need to invest in the tool as a control. This can be seen in the interviewee's statement below.

‘... we don't see the need to invest in it to predict the next year or control our operation, we just use it to measure our expenses with what we expect. We know that we are profitable as we pay all the fixed cost, so if a problem arises, we can go for a loan’ **(Interviewee 2)**

Gregurec et al (2021) mentioned that every disaster has an instantaneous impact on financial market economies. The process of looking for solutions to avoid bankruptcy can be challenging and companies may lose money in this process. The impact of the COVID-19 pandemic has alerted the market, therefore Brîndușe (2021) believed that uncertainty in the world environment requires adjustment in the way things are done within corporations, then companies begin to realize that the typical budgeting procedure may need a redefinition as it may no longer be as effective.



This concern related to the impacts of an unexpected external event on the market, which can generate costs and adjustment of the typical budget, was identified by two interviewees. However, the three other interviewees apply the tool in a more basic way, so the impacts or any adjustments were not noticed in this sector for them.

‘Every projection made, and budget configuration had to be evaluated when the restrictions were implemented. As the restrictions came in 2020 in the same week as Saint Patrick's Day (a day that we know our sales are significant) we had to take measurements quickly but in the end, we had less than 20 per cent of the revenue of what was projected for that year’  
**(Interviewee 3)**

‘The COVID-19 period taught us that the way the budget was configured does not apply in the same way today, as we had to adjust our processes to define the budget. Before, we were not so restricted in terms of budget, but today when purchases exceed the budget defined for a given month, we try to understand why and prevent it from exceeding again in the following month’ **(Interviewee 1)**

The authors above described the importance of the budget as a limiting factor for acceptable costs in each period, that is, it is a control tool for the business. With the emergence of the pandemic, as well as companies from different segments, the hospitality business had to adapt to market volatility and adjust their budgets according to the new scenario. However, the interview showed that most do not use the tool to control their operations and prefer to assess the cash available to carry out the operations. Only two of the interviewees showed that their structures are focused on defining budget as a business control, seeking to locate a possible unnecessary expense and plan future investments. As a result, primary research did not fully support the literature review.

### **4.3 The importance of investing in risk management in a business**

Risk mitigation and business continuity plans are intrinsically linked to risk management (Jedynak & Bąk, 2021). Furthermore, Hampton (2009) revealed the importance of investing in risk management to provide the understanding that certain threats are more significant than others. The answers collected through the interviews support what the authors said above, as all five participants agreed that risk management is a useful tool for decision-making.

‘The concept of risk management is you evaluate the business and all the risks that may arise and then see your next step. So, I find risk management important because without this you can compromise your business with a bad decision of an investment’ **(Interviewee 1)**

‘In my point of view, I see risk management as a tool which gives you data to evaluate if the operation has been working well and without errors’ **(Interviewee 3)**

‘We don't have much knowledge about all features of risk management, but I can say that we evaluate the cash flow, and we set strategy for any investment that we are thinking about. But before any decision, we analyse the risk of spending this money’ **(Interviewee 4)**

As Klucka, (2021) stated the pandemic can be considered an unlikely event, but with a significant impact, which can threaten the going concern of a business and put pressure on decision-making. This concern could also be seen in all five participants which agreed that the COVID-19 period was challenging for the managers.

‘Our business is in Brazil, where inflation is one of the biggest problems in our economy and COVID-19 has further reinforced this problem. In addition, political factors influenced our operations, especially in a presidential election year. So, I can say that we are surrounded by risk all the time. And the fact that we are a small business requires greater care in decision-making. Therefore, I believe that the basic knowledge of this tool is fundamental for the company's survival’ **(Interviewee 2)**

‘Risk management was key in deciding to keep the restaurant open during the pandemic. Several factors were evaluated through risk management, such as restrictions established by the government, availability of staff and concern for well-being and uncertainty as to whether it would continue to operate profitably with only the takeaway and delivery model’  
**(Interviewee 5)**

By analysing what the authors described and comparing it with primary research, it was identified that all participants agreed that risk management is fundamental in decision-making, especially during the COVID-19 period.

#### **4.4 The benefits of e-marketing for the hospitality business**

This theme represents the research on how e-marketing is beneficial for the hospitality business and how managers evaluate its need of it to reach more customers.

Albee (2010) as cited in Hsu & Ting (2013) described e-marketing as a platform where companies can create online interaction, analyse the digital behaviour of consumers, and create virtual engagement and interactive experiences to attract the interest of current and potential customers. Also, Zhou et al (2018) cited that e-marketing manages to break geographic restrictions, and it has become an important tool to promote companies' products and services to customers. Through the primary research, it was identified that all five participants believed in the benefits of e-marketing, then the answers support the literature review.

‘This tool has the benefit of reaching many users who may become customers. For the hospitality business is essential the e-marketing because through this tool we can inform people about our new products, offers, jobs, and much other important information’  
**(Interviewee 1)**

‘In this modern world, everyone consumes what the internet provides, so the use of e-marketing offers an extremely beneficial gain for the business and offers competitive advantages’ **(Interviewee 3)**

‘I believe this tool is important for any business that wants to reach more people and expand in a short period. We know that good advertising, nice pictures, and popularization of the product brings a good return for the business’ **(Interviewee 4)**

Sheresheva et al (2021) stated that with the COVID-19 pandemic, digitalization has grown even more and accelerated the adoption of e-marketing. Restaurants had opportunities to adapt to change business strategies, and thus expand the dissemination of their products and services. The primary research identified that the hospitality business of the five interviewees underwent a change in the operating module during the COVID-19 period and that the e-marketing tool, mainly social media, was fundamental for publicizing, as described by the author above.

‘This tool was essential during the pandemic because as we decided to open for delivery, we had to inform people somehow. Especially because most businesses were closed and people were looking for takeaway food, so we can say that social media was a lifesaver. We were not as profitable as before but that help us to keep the business running’ **(Interviewee 2)**

‘We are a restaurant known for good food and various cocktails; so, to leverage our sales during the restrictions we decided to also sell cocktails through delivery and take away. We know that the young audience consumes social media a lot, so during the COVID-19 we used this tool to inform these people about and the results were positive’ **(Interviewee 1)**

Froelich (1999) as cited in Alqasa & Afaneh (2022) said that even if marketing brings competitive advantages, marketing campaigns can be expensive and time-consuming. This idea is reinforced by Syaifullah (2020) stating that the use of social media for e-marketing has high costs, especially the paid ads that are more elaborate. Many small businesses, such as restaurants and coffee shops, do not

pay advertising media to promote their products but instead use e-marketing through social media in a simple and freeway.

Through primary research, it was possible to analyse that four of the interviewees agreed with the statements of the authors above. They reaffirmed the idea that the tool is expensive and time-consuming, and as a result, they prefer to use social media as it is sufficient and free. However, one of the interviewees did not agree with this idea.

‘Unfortunately, there are many businesses that do not invest in e-marketing as it can be quite expensive, but with this belief, they deprive themselves of growing much more’

**(Interviewee 1)**

According to the responses of respondents and authors cited in the literature review, it can be concluded that the e-marketing tool is important for the development of a business that aims to grow in the market, especially in the COVID-19 scenario. Everyone invested in the tool at some point, however, as it is an expensive tool, most ended up choosing to use only social medias that are free.

#### **4.5 Investing in an uncertain environment**

This theme represents the research on how a business can deal with investments in an uncertain environment.

Lyon & Popov, (2020) stated that there are dangers that can bring possibilities, such as commercial initiatives, investments, purchases, and growth, as well as other financial and operational risks that companies choose to seek and control. The primary research identified that all five participants could see opportunities when investing in a risky moment.

‘Every investment is a risk, although a good manager can use SWOT analyses to understand all the scenarios. Then you can find out which will be the higher, the risk or the opportunity.’

But I believe that if you have efficient management, you can find good opportunities in investment even in uncertain times, and I can tell that worked for us' (**Interviewee 1**)

'...we learn a lot during COVID-19, and we managed to invest smartly. So, we found many opportunities to keep growing and less competition even that seemed to be hard for many other business' (**Interviewee 3**)

'If you have money to invest this can be an opportunity for your business. Before the pandemic, we never thought about delivering, but after being forced by the situation it turned out positively as we have been increasing the revenue' (**Interviewee 2**)

Although the author's Laker & Roulet, (2019) explained that investing during an uncertain period can be risky and the danger to company continuity might be catastrophic for enterprises without cash resources. Even though all five participants somehow declared that it is possible to invest in a doubtful scenario, they are also aware of the risks involved, thus agreeing with the author above.

'If I decide to invest in something but I don't assess the risks and opportunities, it can be an irresponsible attitude based only on a guess. Therefore, this thoughtless attitude can compromise my business' (**Interviewee 2**)

'For businesses that do not have financial control, an investment can jeopardize their entire operation and not be able to return to the way it was' (**Interviewee 3**)

According to the responses of the interviewees and authors mentioned in the literature review, it can be concluded that there is a concern when investing in a volatile scenario, but when a business is well structured it is possible to take risks and find opportunities for development and growth.

## 4.6 NVivo Coding

After the data from the conducted interviews were analysed, a thematic analysis was necessary to be able to identify and develop themes within that data, which could contribute to significant data for the research.

(See **Table 1.**)

**Table 1. Qualitative research NVivo Coding**

<b>Interviewee 1</b>	<b>Keywords in interview (Codes)</b>
1. The importance of cash flow control	Control of inflow and outflow, company healthy, prediction, liabilities, strategies, fundamental portrait, financial decisions
2. The impact of the pandemic on the budget of companies in the hospitality industry	Moderating costs, market uncertainty, unpredictable event adjust our processes, restricted, prevent
3. The importance of investing in risk management in a business	Management concept, risk setting, responsibility, reduce some costs and be stricter,
4. The benefits of e-marketing for hospitality business	Interactions, consumes social media, keep operating
5. Investing in an uncertain environment	Greater appetite to invest, aggressive, evaluate more the issue of opportunities and needs, commercial initiatives
<b>NVIVO Theme</b> <b>Potential business model</b>	Healthy cash flow, developing oportunities, be prepared to face unpredictability, great interactions with users, Use resources to make wise investments

## **CHAPTER V**

### **How has the financial management of small and medium hospitality businesses been coping with COVID-19?**

#### **5 Conclusion, Limitations and Recommendations**

The study's conclusion, the research's limitations, and some recommendations for additional studies based on the current findings were all included in this chapter.

##### **5.1 Conclusion**

Financial management tools are important to monitor and manage any business and their objective is to improve financial systems resulting in the organization and a more effective operation of the company. A finance manager or hospitality entrepreneur who applies financial tools to manage their business operations benefits from cash control, planning, return on investment, business transparency and growth strategies. Recently, the world has gone through the COVID-19 pandemic, which has resulted in the market stalling and thus causing volatility and uncertainty in the financial market. The impacts of this scenario were immediate, especially for the hospitality sector, so managers had to investigate how to overcome and avoid permanent risks to the health of the business.

This study sought to provide insights into how the use of financial tools is important and how it was used in the COVID-19 period by corporate finance managers in the hospitality sector. Thus, the investigations exposed the multiple opinions and narratives associated with the performance of managers in the evaluation, organization and monitoring of financial activities and strategies, as well as the application of tools for the decision-making process.



The results indicated that financial tools, such as monitoring cash flow, budget, risk management, and e-marketing are essential to generate great returns for industries, but when analysing SME, it is understood that few of these tools are applied in management or when they are applied, the manager is not always knowledgeable about and makes decisions based on "personal feelings" due to experience in the field. In the scenario caused by COVID-19, the managers interviewed demonstrated the move to adjust the business model and invest in strategies that benefit the development of operations. Thus, two interviewees showed greater knowledge of financial tools and were able to gain competitive advantages to get through this difficult time and better manage their resources. On the other hand, the other three participants, despite not being so knowledgeable about all the tools or not seeing the need to invest in them, somehow applied some tools to adapt their business model to get through this moment.

Therefore, it can be concluded that the tools are present in any business strategy for growth, development, and survival. Thus, investing in the application of all the tools presented in this research can bring benefits and security for any manager to conduct their business in times of uncertainty in the market.

## **5.2 Limitations**

The limitation of this research was found in the elaboration of the literature review, where the researcher found it difficult to access articles and research that supported the theme, so after analysing several articles, enough material was found to develop the topics. In addition, the time zone of some participants living in other countries and the limited availability hours of others, the researcher found it difficult to carry out the interviews, which may have affected the veracity of the results, limiting the quality of the research. Finally, the biggest limitation of the research was that the topic was specific, and some participants were not able to fully respond, which made it difficult to analyse the results.

## **5.3 Recommendations**

It is recommended that managers consider applying financial tools for the most effective running of the business. Based on the research findings, the application of the tools will position the business in a safer environment and be better designed to achieve its goals. Due to the limitations found and the importance of the study, it is recommended that further research observe the development of new business models applied by businesses in the hospitality sector after the COVID-19 pandemic, to understand how financial tools are being used. In addition, it is recommended to carry out research based on a larger number of samples, to obtain more assertive results.

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## Appendices

### Appendix I: Informed Letter of Consent Plain Language Statement

#### **Informed Consent Form / Plain Language Statement for Business Research Project for BABS BAM /BAAF students in year 3 Independent College Dublin.**

Research Study Title: How has the financial management of small and medium hospitality businesses been coping with COVID-19?

Purpose of Research: This research aims to validate the research question by providing the importance of financial management tools for the hospitality business and how they can help in uncertain times.

Dear .....,

You are being invited to take part in this research study as you have had experience in the hospitality field. This research study aims to gain an understanding of the challenges and issues that owners and managers find, and the strategies related to accounting field to keep the business.

This research is being carried out by Thiago Murakawa as part of a Degree in Accounting and Finance in Independent College Dublin. The study is being conducted under the supervision of Prof Geoff Wright and Dr. Daniel O'Sullivan (School of Business ICD).

Type of participant:

- I ..... voluntarily agree to participate in this research study.
- I understand that even if I agree to participate now, I can withdraw at any time or refuse to answer any question without any consequences of any kind.

- I understand that I can withdraw permission to use data from my interview within two weeks after the interview, in which case the material will be deleted.
- I have had the purpose and nature of the study explained to me in writing and I have had the opportunity to ask questions about the study.
- I understand that participation involves...[outline briefly in simple terms what participation in your research will involve)
- I understand that I will not benefit directly from participating in this research.
- I agree to my interview being audio-recorded
- I understand that all information I provide for this study will be treated confidentially.
- I understand that in any report on the results of this research my identity will remain anonymous.

This will be done by changing my name and disguising any details of my interview which may reveal my identity or the identity of people I speak about.

- I understand that disguised extracts from my interview may be quoted in my research project
- I understand that if I inform the researcher that myself or someone else is at risk of harm they may have to report this to the relevant authorities - they will discuss this with me first but may be required to report with or without my permission.
- I understand that signed consent forms and original audio recordings will be retained in [specify location, security arrangements and who has access to data] until [specific relevant period – for students this will be until the exam board confirms the results of their dissertation].
- I understand that a transcript of my interview in which all identifying information has been

removed will be retained for [specific relevant period – for students this will be two years from the date of the exam board].

- I understand that under freedom of information legalisation I am entitled to access the information I have provided at any time while it is in storage as specified above.
- I understand that I am free to contact any of the people involved in the research to seek further clarification and information.

Signature of research participant

-----

Signature of participant          Date

Signature of researcher

I believe the participant is giving informed consent to participate in this study

Thiago Murakawa

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## Appendix II: Sample Questionnaire

Why the importance of cash flow control?

- How do you monitor the cash flow of your company?
- How can you see that cash flow is important to achieving the success of a business?
- From your daily experience, can you identify through cash flow monitoring when cash surpluses and deficits are likely to arise so that action can be taken to invest or borrow? How?

What is the impact of the pandemic on the budget of companies in the hospitality industry?

- How is the budget tool used in your business?
- What impacts has it generated for the formulation of a future budget for your business in the face of market uncertainty during and after the impact of COVID-19?
- What adjustments have been made due to this scenario?

What are the advantages of businesses investing in risk management?

- How do you see the importance of using risk management to minimize losses in your business?
- How did risk management help the business to continue operating during the pandemic?
- Using risk management, have you ever identified any risk that could compromise the business and how did you overcome this factor?

How is e-marketing beneficial for the hospitality business?

- How do you see e-marketing bringing benefits to your business?
- Could you describe to me how is the use of this tool in your business? Do you have any difficulties using this tool?



- Can you describe to me how the pandemic was crucial for e-marketing investment in your business? or do you believe that this tool has never been so necessary and effective?

Can a business invest safely in an uncertain environment?

- Could you describe to me how it is possible to invest safely in uncertain times?
- What gave you security in investing or opening your business with doubts about the normalization of the market? What were your biggest challenges and limitations for this?
- How do you think investing in moments of uncertainty can bring opportunities, commercial initiatives, and growth to a business? or do you think it is necessary to hold on to capital to avoid losses until the market is stable and it is safe to invest?

## **Appendix III: Interview Transcript**

### **Interviewee 1**

#### **Theme 1 - The importance of cash flow control**

##### 1) How do you monitor the cash flow of your company?

When I started working at this company, I realized that there was no financial tool applied to the business, which showed me that they had no control over the inflow and outflow of money.

For months I collected data to see the health of the company and identified numerous issues related to finance, then I found that the previous manager completely ignored the finance process. As the owner of the business changed in 2018, he understood that he needed to start the company from scratch and trusted me. So, I planned strategies to define an organized financial process bringing the company to a healthy environment.

The first thing I did was price everything, negotiate payments due with all suppliers, and apply cash flow monitoring.

After organizing the entire financial area, we brought a system where we see all expenses and receivables. This allows me to assess my cash flow daily and meet all my obligations.

For example, if I know that this month is going to be a big event in the country, I can predict 10 or 15 per cent higher sales than other months, so I can stipulate a higher cash flow in this period. About payment, I have fixed dates and costs agreed with suppliers, so I check this through the system. In addition, I can see when I must pay the cost, salaries and other liabilities and check when I will receive payments. This gives me data to design the next financial step for the company.

I believe that to make your business work, you must know it well.

2) How can you see that cash flow is important to achieving the success of a business?

Cash Flow is essential for any business, but when you have a hospitality business, you face a lot of costs. Therefore, you must control your cash flow every day as is an important tool for management.

3) From your daily experience, can you identify through cash flow monitoring when cash surpluses and deficits are likely to arise so that action can be taken to invest or borrow? How?

This tool has been the fundamental portrait to help us to make financial decisions.

The answer to this question is yes for both scenarios because when I started to apply the cash flow control, I could see that the company was operating close to the negative. So, I was sure that the going concern was compromised.

## **Theme 2 -The impact of the pandemic on the budget of companies in the hospitality industry**

4) How is the budget tool used in your business?

The budget is used for general control of the company, to moderate costs. As the person responsible for all the finances, I set a purchase target for the week and the number of working hours. If by any chance the stock runs out, I analyse if the sales of the week are higher than normal, or if it is a problem of waste.

5) What impacts has it generated for the formulation of a future budget for your business in the face of market uncertainty during and after the impact of COVID-19?

We took 2 months to find out the impacts because that scenario was completely messy. Then, we had to evaluate our business model to set a new budget, as a result, this took time and cost. However, we had to learn new strategies to be prepared for any unpredictable event that could compromise the business.

6) What adjustments have been made due to this scenario?

The COVID-19 period taught us that the way the budget was configured does not apply in the same way today, as we had to adjust our processes to define the budget. Before, we were not so restricted in terms of budget, but today when purchases exceed the budget defined for a given month, we try to understand why and prevent it from exceeding again in the following month.

### **Theme 3 - The importance of investing in risk management in a business**

7) How do you see the importance of using risk management to minimize losses in your business?

The concept of risk management is you evaluate the business and all the risks that may arise and then see your next step. So, I find risk management important because without this you can compromise your business with a bad decision an investment. Every business has losses at a certain time however the manager must identify what brings this result and fix it.

8) How did risk management help the business to continue operating during the pandemic?

Through risk management, we noticed that was important to create a saving accounting, reduce some costs and be stricter with any decision.

- 9) Using risk management, have you ever identified any risk that could compromise the business and how did you overcome this factor?

Applying the concept of risk management, I was able to identify that the risk that could compromise that business was the disorganized process of cash flow, budget, decisions and investments. I overcame these risks by defining a process for each department and negotiating with all suppliers. When you have a professional who knows the business, you can mitigate most of the risk and before this company had no one to take on this responsibility.

#### **Theme 4 - The benefits of e-marketing for the hospitality business**

- 10) How do you see e-marketing bringing benefits to your business?

Unfortunately, many businesses do not invest in e-marketing as it can be quite expensive, but with this belief, they deprive themselves of growing much more.

This tool has the benefit of reaching many users who may become customers. For the hospitality business is essential the e-marketing because through this tool we can inform people about our new products, offers, jobs, and much other important information. Especially during COVID-19 when many businesses started operating more on Deliveroo.

- 11) Could you describe to me how is the use of this tool in your business? Do you have any difficulties using this tool?

We have been investing in social media and other ads that pop up on websites. So, we have some people that look after the post, pictures, and interactions. And we have the budget for that, which we don't use at all.

12) Can you describe to me how the pandemic was crucial for e-marketing investment in your business? or do you believe that this tool has never been so necessary and effective?

We are a restaurant known for good food and various cocktails; so, to leverage our sales during the restrictions we decided to also sell cocktails through delivery and takeaway. We know that the young audience consumes social media a lot, so during COVID-19 we used this tool to inform these people about and the results were positive. I can conclude that e-marketing was crucial for us to keep operating during that time.

### **Theme 5 - Investing in an uncertain environment**

13) Could you describe to me how it is possible to invest safely in uncertain times?

Before the pandemic, we had a greater appetite to invest and expand the restaurant further. We were more aggressive in this regard because everything was going well. After the pandemic, we decided to cut investments a lot and evaluate more the issue of opportunities and needs.

The possibility of a safe investment only happens after evaluating the entire current scenario, cash flow, liabilities, market, and need. COVID-19 has shown that it is important for us to organize meetings to evaluate the possibility of an investment. We are much more conservative these days compared to 2019.

14) What gave you security in investing or opening your business with doubts about the normalization of the market? What were your biggest challenges and limitations for this?


We invested in improving the kitchen because it was a need, and what gave us the security to spend a high amount of money was our positive cash flow. After the restrictions went off, we have been making a lot of profits.


15) How do you think investing in moments of uncertainty can bring opportunities, commercial initiatives, and growth to a business? or do you think it is necessary to hold on to capital to avoid losses until the market is stable and it is safe to invest?


Every investment is a risk, although a good manager can use SWOT analyses to understand all the scenarios. Then you can find out which will be the higher, the risk or the opportunity. But I believe that if you have efficient management, you can find good opportunities in investment even in uncertain times, and I can tell that worked for us.

## Appendix IV: Email Exchange

### Participant 1

 Thiago Murakawa  
To: isra [redacted] Tue 10/25/2022 17:40

 [redacted] Consent Form template... 18 KB

 Interview Questionnaire.docx 17 KB

2 attachments (35 KB) [Save all to OneDrive](#) [Download all](#)

Hi [redacted]

I would like to thank you for participating in my research study, I really appreciate the help.

Please see attached the interview questionnaire and the consent.

Let me know if you need any clarification, please do not hesitate to contact me.

I'm looking forward to talk to you.

Thank you very much.

Best regards,

### Participant 2

 Thiago Murakawa  
To: Ra [redacted] Mon 10/24/2022 10:08

 Interview Questionnaire.docx 17 KB

 [redacted] Consent Form templa... 18 KB

2 attachments (35 KB) [Save all to OneDrive](#) [Download all](#)

Hi [redacted]

I would like to thank you for participating in my research study, I really appreciate the help.

Please see attached the interview questionnaire and the consent.

Let me know if you need any clarification, please do not hesitate to contact me.

I'm looking forward to talk to you on video call.


Thank you very much.



Best regards,



Thiago Murakawa



### Participant 3

 Thiago Murakawa  
To: ur [redacted] Mon 10/24/2022 10:00

 Interview Questionnaire.docx 17 KB  [redacted] - Consent Form templat... 18 KB

2 attachments (35 KB)  Save all to OneDrive  Download all

Hi [redacted]

I would like to thank you for participating in my research study, I really appreciate the help. Please see attached the interview questionnaire and the consent. If you need any clarification, please do not hesitate to contact me.

I'm looking forward to see you.


Thank you very much


Best regards


Thiago Murakawa

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### Participant 4

 Thiago Murakawa  
To: rob [redacted] Mon 10/24/2022 10:05

 Interview Questionnaire.docx 17 KB  [redacted] - Consent Form templat... 18 KB

2 attachments (35 KB)  Save all to OneDrive  Download all

Hi [redacted]

I would like to thank you for participating in my research study, I really appreciate the help. Please see attached the interview questionnaire and the consent. Let me know if you need any clarification, please do not hesitate to contact me.

Thank you very much.

Best regards,

Thiago Murakawa

## Participant 5



Thiago Murakawa

To: cia [redacted]

← ↶ ↷ ...

Mon 10/24/2022 09:52



Interview Questionnaire.docx  
17 KB



[redacted] Consent Form template....  
18 KB



2 attachments (35 KB) Save all to OneDrive Download all

Hi [redacted]

First of all, I would like to thank you for participating in my research study, I really appreciate the help. Please see attached the interview questionnaire and the consent. If you need any clarification, please do not hesitate to contact me.

Thank you very much

Best regards

Thiago Murakawa

## Appendix V: Copy of Ethical Form A

<b>Form A: Application for Ethical Approval</b>	
<b>Undergraduate/Taught Postgraduate Research</b>	
This form should be submitted to the module leader for the relevant initial proposal and/or the relevant supervisor is the proposal has already been accepted.	
Please save this file as <i>STUDENT NUMBER_AEA_FormA.docx</i>	
<b>Title of Project</b>	How has the financial management of small and medium hospitality businesses been coping with Covid-19.
<b>Name of Learner</b>	Thiago Murakawa
<b>Student Number</b>	51706687
<b>Name of Supervisor/Tutor</b>	Daniel O'Sullivan

Check the relevant boxes. All questions must be answered before submitting to the relevant lecturer / supervisor. Note: only one box per row should be selected.

Item	Question	Yes	No	NA
1	Will you describe the main research procedures to participants in advance, so that they are informed about what to expect?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Will you tell participants that their participation is voluntary?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Will you obtain written consent for participation (through a signed or 'ticked' consent form)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	If the research is observational, will you ask participants for their consent to being observed.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Will you tell participants that they may withdraw from the research at any time and for any reason?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Will you give participants the option of not answering any question they do not want to answer?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Will you ensure that participant data will be treated with full confidentiality and anonymity and, if published, will not be identifiable as any individual or group?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	Will you debrief participants at the end of their participation (i.e., give them a brief explanation of the study)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	If your study involves people between 16 and 18 years, will you ensure that passive consent is obtained from parents/guardians, with active consent obtained from both the child and their school/organisation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	If your study involves people less than 16 years, will you ensure that <u>active</u> consent is obtained from parents/guardians <u>and</u> that a parent/guardian or their nominee (such as a teacher) will be present throughout the data collection period?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11	If your study requires evaluation by an ethics committee/board at an external agency, will you wait until you have approval from both the Independent College Dublin and the external ethics committee before starting data collection.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Item	Question	Yes	No	NA
12	If you are in a position of authority over your participants (for example, if you are their instructor/tutor/manager/examiner etc.) will you inform participants in writing that their grades and/or evaluation will be in no way affected by their participation (or lack thereof) in your research?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13	If you are in a position of authority over your participants (for example, if you are their instructor/tutor/manager/examiner etc.), does your study involve asking participants about their academic or professional achievements, motivations, abilities or philosophies? (please note that this does not apply to QA1 or QA3 forms, or questionnaires limited to market research, that do not require ethical approval from the IREC)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14	Will your project involve deliberately misleading participants in any way?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
15	Is there any realistic risk of any participants experiencing either physical or psychological distress or discomfort?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
16	Does your project involve work with animals?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
17	Do you plan to give individual feedback to participants regarding their scores on any task or scale?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
18	Does your study examine any sensitive topics (such as, but not limited to, religion, sexuality, alcohol, crime, drugs, mental health, physical health, etc.)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
19	Is your study designed to change the mental state of participants in any negative way (such as inducing aggression, frustration, etc?)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
20	Does your study involve an external agency (e.g. for recruitment)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

21	Do your participants fall into any of the following special groups?  <i>(except where one or more individuals with such characteristics may naturally occur within a general population, such as a sample of students)</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
			<input type="checkbox"/>	<input checked="" type="checkbox"/>	
			<input type="checkbox"/>	<input checked="" type="checkbox"/>	
			<input type="checkbox"/>	<input checked="" type="checkbox"/>	
			<input type="checkbox"/>	<input checked="" type="checkbox"/>	

If you have ticked any of the shaded boxes above, you should consult with your module leader / supervisor immediately. You will need to fill in Form B Ethical Approval and submit it to the Research & Ethics Committee instead of this form.

There is an obligation on the researcher to bring to the attention of the Research & Ethics Committee any issues with ethical implications not clearly covered by the above checklist.

I consider that this project has no significant ethical implications to be brought before the relevant Research & Ethics Committee. I have read and understood the specific guidelines for completion of Ethics Application Forms. I am familiar with the codes of professional ethics relevant to my discipline (and have discussed them with my supervisor).

**Name of Learner**

Thiago Murakawa

**Student Number**

51706687

**Date**

18/05/2022

I have discussed this project with the learner in question, and I agree that it has no significant ethical implications to be brought before the Research & Ethics Committee.

**Name of Supervisor/Lecturer**

Daniel O'Sullivan

**Date**

18/05/2022