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Abstract

This thesis investigates COVID-19 effect on global value chains, as well as investigate how multinational enterprises utilizing global value chains can overcome some of the difficulties that COVID-19 has brought forward. The thesis initiates its investigation through conducting a literature review on COVID-19 and global value chains. The objective of the literature review is to obtain a theoretic foundation, on which an empirical investigation can be built upon. The unit of analysis within the literature review is macroeconomic. The literature review is followed by a microeconomic empirical investigation on how Danish small and medium-sized multinational enterprises working within the Danish Shipping and Retailing industry has been affected by COVID-19. The empirical investigation contains a primary interview with the Danish freight forwarder Coolrunner, supplied by various secondary sources. The objective of the investigation is to provide potential beneficial strategic opportunities for Danish SME's working within the two investigated industries, as well as investigate whether these opportunities can be applied within another industry and country context. The investigation concludes five value contributing strategic opportunities during COVID-19, being to define/re-define the business model to integrate e-commerce, to gain balance between global value chain resilience and profitability, to outsource non-profitmaking activities, to distribute leadership and decision making, and lastly to increase organizational flexibility.

Executive summary

This thesis investigates how COVID-19 impacts GVC as well as investigate strategic opportunities of SME's in a specific country and industry context. The country and industry context that is being applied in this thesis is Danish SME's utilizing GVC and working within the Danish shipping and retailing industry.

The thesis initiates its investigation with a literature review, conducted on a total of 35 academic journal publications. The intention of conducting this literature review is to gain a macroeconomic theoretical foundation, that can be drawn upon in the empirical investigation. After the literature review a post-understanding of the investigated phenomenon is introduced, and from here on the empirical investigation starts. The unit of analysis here changes from its previous focus on macroeconomic, to now focusing more on a meso and microeconomic level.

The objective of the investigation is to answer the research problem: "How are global value chains affected by COVID-19, and how can Danish SME's utilizing GVC's strategize, in a time where international partnerships are in chaos?". To answer this research problem, five research questions is being investigated, being.

1. How are global value chains affected by COVID-19?
2. How are Danish SME's affected by COVID-19?
3. How are Danish SME's using GVC's within the shipping industry affected by COVID-19?
4. How are Danish SME's using GVC's within the retail industry affected by COVID-19?
5. Are strategic opportunities available in one industry able to be applied to other industries. If so, to what degree?

To answer these five research questions, a thorough empirical investigation is being conducted. This empirical investigation includes primary sources such as a qualitative interview, accompanied by a large quantity of secondary data from various small, medium, and large sized organizations.

This thesis concludes that a Danish SME utilizing GVC's in the retailing and shipping industry can draw strength from strategizing according to at least five potential value creating factors. These are to define/re-define the business model to integrate e-commerce, to gain balance between global value chain resilience and profitability, to outsource non-profitmaking activities, to distribute leadership and decision making, and lastly to increase organizational flexibility.

The investigation suggests that these five opportunities can be applied onto other industry and country contexts, given that they can be adapted and modified onto other industry and country context characteristics. Furthermore, on a theoretical level, the thesis suggests that when investigation COVID-19, the complexity of the pandemic will always require investigators to investigate in a predetermined context.

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1. Introduction

The explosive outburst of COVID-19 that originated in the last quarter of 2019 has spread throughout the world and had massive detrimental damage. The introduction of COVID-19 has brought forward massive uncertainties and risks that no academic scholars would have been able to predict. Throughout the entire world chains of infections creates second and third waves of society lockdowns, and what the world believed to be the end of COVID-19 during 2020, seems only to be the start of a much more comprehensive situation. International business and the process of internationalization has met large difficulties during COVID-19, and these difficulties are not expected to suddenly disappear. Organizations of all sizes has met adversity, and how to endure and potentially overcome these difficulties is the focus of this thesis. This thesis investigates the theoretic approach of how to overcome the difficulties of managing a business during COVID-19. The thesis initiates its investigation in a macroeconomic perspective. After this, the thesis moves towards a meso and microeconomic perspective, where the difficulties and opportunities of the individual firm and country is investigated. Through conducting a qualitative interview, supplied by various secondary data, this thesis investigates how small and medium-sized Danish multinational enterprises located in the retail and shipping industries can overcome the difficulty of being reliant on global business partners during the effects of COVID-19. To accomplish this, this thesis attempts to answer the research problem; *How are global value chains affected by COVID-19, and how can Danish SME's utilizing GVC's strategize, in a time where international partnerships are in chaos?* To answer this research problem five research questions is being investigated. These have been investigated by interviewing a Danish small and medium-sized global value chain-dependent company, being the freight forwarder Coolrunner, as well as supplying this information with other relevant industry and country specific secondary data, including statements from amongst other the Danish retailers Shaping New Tomorrow and Nemlig.com and the British freight forwarder Royal Mail and GLS.

The result of this paper is relevant for Danish SME's located in the shipping and retailing industry, however, can also be applied to other industry and country contexts.

2. Conceptualization

The objective of this chapter is to supply the reader with an understanding of which concepts are being investigated within this thesis. The conceptualization chapter will include an introduction to the general theme, as well as the specific topics, that this thesis is investigating. Further the chapter will include a framework presenting the main concepts investigated in the literature review, and lastly the research problem, with the 5 research question, that this thesis intends to answer.

The structure of this chapter is based on John Kuada's book; Research methodology: a project guide for university students (Kuada, 2012).

2.1 Project theme

The theme that this thesis has chosen as its focal point, is the sudden explosive outburst of COVID-19. The author of this thesis is currently studying a master's degree in international business economics, which is why this thesis investigates COVID-19's effect on an international business aspect. Furthermore, this thesis investigates how COVID-19 has affected the performance of international businesses, and to what degree internationalized businesses will be able to survive, thrive and cope with the difficulties that COVID-19 has introduced to the internationalized field.

COVID-19 originated in 2019, and at this very moment, it has been in globally spread in approximately 1,5 years. This also result in the thesis' theme evolving around the relatively new COVID-19 phenomenon, and the debates that currently exist on how the phenomenon should be characterized and defined, both among academics and scholars, but also among the non-academic population.

2.2 Research topic

The research topic, and the specific subject that this thesis has chosen to investigate is COVID-19's effect on global value chains. Thus, this thesis investigates MNE's creating value in other countries, then their home country. In addition, this thesis has also chosen to solely investigate small and medium-sized enterprises. SME's have been chosen since they represent approximately 90% of all businesses worldwide, as well as being responsible for more than 50% of the worldwide employment (The World Bank, 2021). Reports by McKinsey present that a failure to protect SME's will create long-term systematic ripple effects, where the speed of economic recovery will be at great risk (Albaz,

Mansour, Rida, & Schubert, 2020). Thus, the importance of SME's is not questionable, and research on what their opportunities are, could be of very big value for the entire global economy.

Another topic that this thesis investigates, is the microeconomic approach to COVID-19. A large degree of the current available academic publications focusses on macroeconomic aspects, which provides scholars with a great view into how entire economies are expected to endure the pandemic. However, the number of publications focusing on microeconomics and the options for the individual organizations are slim. Therefore, this thesis chooses to specifically focus on the individual opportunities of the individual organization.

To achieve a microeconomic approach to COVID-19, this thesis initiates its investigation through researching on a macroeconomic level. In order to gain an understanding of microeconomic factors, it is important to understand that these are often influenced by macroeconomic factors. The investigation of this thesis initiates in a literature review, where the unit of analysis focusses on macroeconomics, and the macroeconomic level. The objective of conducting this macro-focused literature review, is to gain a theoretical understanding and foundation, that the upcoming empirical investigation will draw some of its preunderstandings from. After the literature review the specific industry and country contexts applied in the analysis will be introduced. The analysis initiates its investigation on a macroeconomic level and finishes on a meso and microeconomic level. In order to obtain a microeconomic perspective, this thesis relies on the opinions and experiences of SME's. To achieve these opinions and experiences of the pandemic, one Danish SME's have been interviewed and analyzed by the author himself. This primary source is companied by various other sources that all focuses on the focal point of this thesis.

To uncover what debates are currently occurring regarding COVID-19, this thesis has chosen to investigate 6 concepts and theories within its literature review. All these theories and concepts are believed to have a large effect on how scholars perceive the attractiveness of having a global value chain during the effects of COVID-19. Some of the investigated subjects presented within Table 1 beneath affects GVC's directly, while other affect GVC's indirectly.

Table 1: Concepts and theories investigated.

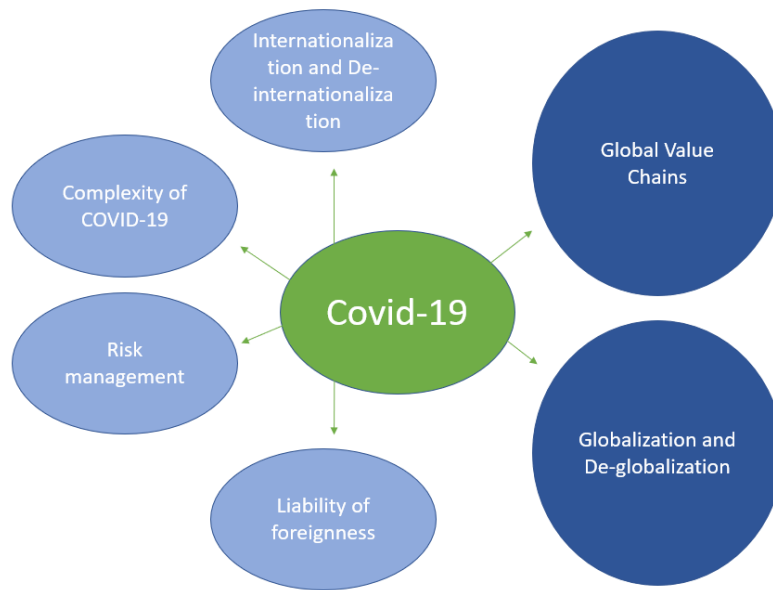
Theory/Concept	Description
Global value chains	A linked sequence of value adding activities across companies and borders. Each activity adding value to the product or service.
De-internationalization	A voluntary or forced action that reduces an organizations engagement to international activities
De-globalization	A process of reducing interdependencies between countries and regions in the world
Liability of foreignness	A disadvantage that foreign organizations experience in a host country, because of its non-native status
Risk management	The process of managing and identifying uncertainties and risks that can affect an organization.
Complexity of COVID-19	The difficulties of comprehending COVID-19, and all the different factors that it affects.

Source: The author

The main concept that is being investigated is global value chains, and more importantly how companies that relies on the use of global value chains are being affected by COVID-19. To achieve a broader understating of the global value chain, other surrounding and related theories and concepts has also been investigated. These surrounding concepts and theories are the complexity of COVID-19, internationalization and De-internationalization, globalization and De-globalization, liability of foreignness and lastly risk management. As presented below in Figure 1 the two theories; Global value chains and globalization/deglobalization is the main theories investigated in the literature review.

The five concepts and theories, surrounding GVC's, that is being investigated in the upcoming literature review has been chosen based on their appropriateness for investigating the chosen topic. Their appropriateness was deemed valuable simply based on the authors own pre-understanding of the upcoming investigated phenomenon before the investigation had been conducted.

Figure 1: Theories and concepts investigated in the literature review.



Source: The author

2.2.1 Research problem

After having achieved an understanding of how academic journals articulates the 6 theories and concepts, as well as the developments and differences that they have experienced because of COVID-19, this paper has come up with a research problem that it intends to answer.

The central point that this thesis intends to analyze and investigate is GVC's during COVID-19. Throughout the last decades the reasoning for many MNE's internationalization and replacing of supply chains has been focused on cost reduction and profit optimization. However, this does no longer seem to be the case. Cost reduction and profit optimization has been substituted for risk reduction, GVC resilience, and supply chain resilience. Supply chains is an area that contributes with a lot of impactful influence on MNE's ability to reduce risk in its product/service manufacturing and distribution processes, however it cannot explain the entirety of reducing business model associated risks. For this purpose, value chains, and in the context of this thesis, global value chains, has been chosen as the critical area investigated in the analysis. The reason being that it compared to supply chains can provide the thesis with a more comprehensive understanding of risk reduction and resilience. This not only being from a view on the product/service manufacturing and distribution factors, however also from the perception of the business model.

With all of this in mind, this thesis intends to investigate the following research problem:

“How are global value chains affected by COVID-19, and how can Danish SME’s utilizing GVC’s strategize, in a time where international partnerships are in chaos?”

To answer this research problem, this thesis attempts to answer the following five research questions.

1. How are global value chains affected by COVID-19?
2. How are Danish SME’s affected by COVID-19?
3. How are Danish SME’s using GVC’s within the shipping industry affected by COVID-19?
4. How are Danish SME’s using GVC’s within the retail industry affected by COVID-19?
5. Are strategic opportunities available in one industry able to be applied to other industries. If so, to what degree?

Research question one is investigated with the intention of gaining knowledge on how GVC’s has been affected by COVID-19. Question one is also investigated to see if there is a difference between GVC’s managed outside of Denmark compared to GVC’s managed inside of Denmark. Research question two is investigated to gain an understanding of how the Danish economy as well as specific Danish industries has been affected by COVID-19. Research question three and four is investigated to gain direct knowledge on two chosen Danish industries. Finally, research question five is investigated to gain an understanding of the external validity of the thesis, as well as to see whether the potential strategic business model opportunities can be applied to other industries and countries in different contexts.

The reasoning for the creating of these five research questions, is based on the possibility that they give to divide the answering of the overall research problem that this thesis investigates. This thesis acknowledges that it is not able to investigate how all Danish SME’s utilizing GVC’s can strategize during COVID-19, which is why it chooses to focus its investigation on two industries. The overall objective of the given five research questions is to provide a stepwise investigation and answering of the overall research problem. This is why research question one and two investigates on a macroeconomic level, research questions three and four investigate on a microeconomic level, and research question five investigates on a meso level, where the investigation focusses on whether macro and micro can be combined, and to what degree.

To answer the research questions, this thesis relies on a literature review to gain a clear understanding of the related concepts and gain a basic theoretic foundation. Further the thesis relies on an interview

of the Danish small and medium-sized global value chain dependent company, Coolrunner. This data will be supplied by various secondary sources, all deemed valid in answering the five research questions.

3. Literature review

In this section the literature review of the thesis will be presented. The objective of this literature review is to uncover what literature is available on the chosen topics. This literature review intends to gather and investigate the most recent, and most interesting and relevant journal publications, that can supply the thesis with an overview of how and to what degree international business has been affected by the COVID-19 pandemic. Not only does this literature review supply the reader with an understanding of how different concepts and theories are perceived in the literature at this current moment, but it also investigates the existing debates, that is currently intensifying as a result of the different perceptions of COVID-19.

A large degree of the literature has been published during COVID-19, so that it would be able to reflect in a COVID-19 context, and not in a general crisis management context.

This results in the literature review not focusing as much on older perceptions of theories and concepts, but more on how they have changed because of COVID-19.

This literature review is being conducted during the COVID-19 pandemic, more specifically in the first and second quarter of 2021. Thus, the author acknowledges that many other relevant journal publications could become attractive to investigate in the future. However, the intention of this literature review, similarly to the following empirical investigation, is to showcase what the current available literature on the concepts that this thesis has chosen to investigate is. The objective is to gain a snapshot of the current perceptions. A more detailed description of this will be explained in the methodology chapter.

A total of 35 academic journal publications has been analyzed and investigated, focusing on specifically COVID-19 in relations to international business as well as the difficulties and potential opportunities the pandemic presents.

Prior to conducting this literature review, a pre-understanding of the investigated phenomenon will be introduced.

3.0 Pre-understanding of phenomenon

This authors pre-understanding is being explained since it provides the reader with an understanding of how the author of the literature review perceived the soon-to-be investigated phenomenon before the investigation had begun.

The pre-understanding that the author had prior to the investigation was that COVID-19 had created a large amount of chaos within international business. In a microeconomic aspect, the author believed that many countries experienced sanctions on conducting business together, and that international business was in danger of being knocked back in its development. The expectation was to see countries starting to regionalize, and that obtaining economic growth would become a regional race, creating similar worldwide situations as the trade wars that has happened lately between USA and China. In a microeconomic aspect, the author believed that a large quantity of MNE's would experience a change in their pre-covid-19 business models. The author believed that the sizes of the MNE, as well as the size of their international foreign business partners would be able to determine a large degree of the MNE's survivability. Meaning that MNE's with bigger foreign partner, will not be able to find other attractive partners during this period, whereas MNE's with smaller partners would have an easier time adapting to regional and might even national business partners. All of this would create opportunities for smaller non-internationalized companies to gain access to partnerships, that were not previously obtainable before COVID-19, since the large MNE's would be dependent on using regional or national suppliers.

3.1 Methods applied in literature review

When conducting the literature review this thesis have chosen to utilize the thematic approach, as opposed to the systematic literature review. This decision has been made since, given the current situation, this provides the reader with the most optimal understanding of the chosen phenomenon. Based on the arguments of Mark Petticrew and Helen Robert, a systematic literature review is generally a more optimal way of conducting literature, since it reduces bias as much as possible, while making it possible for the reader to recreate the review and receive similar results (Petticrew & Roberts, 2006). Petticrew and Roberts argue that the use of a systematic literature review is optimal, if the objective of the paper is to find an objective and reliable understanding of the truth (Petticrew & Roberts, 2006). Other scholars would then be able to reproduce the investigations, and hopefully receive outcomes of similarity (Petticrew & Roberts, 2006).

However, trying to investigate research problems regarding COVID-19 through the use of a systematic literature review would seem quite difficult, since systematic literature reviews often requires previous experiences, that can somewhat be compared to what is currently happening. When taking this into consideration, one can see that what the world is currently experiencing cannot be compared with previous crisis'. This being the case since COVID-19 is not only an economic crisis,

but also a health crisis, as well as having an effect on some many other aspects, that is is simply difficult for an individual to comprehend. Having an economic crisis, health crisis, mental health crisis and so many other crises' simultaneously has never happened before, thus this thesis chooses not to utilize the findings from previous crisis'. Reason being that this thesis does not believe the findings to be reliable in an actual COVID-19 related context. Further, a systematic review also requires a large quantity of academic papers to supply the reader with a valid and reliable answer (Petticrew & Roberts, 2006). This also seems challenging since the subject of COVID-19 is still relatively new, and a large quantity of academic papers has to this day still not been published. Further, the ones that have, relies on a large degree on expected outcomes of the future, and not on actual empirical evidence.

Even though a thematic literature review isn't a flawless methodic approach, the thesis has chosen this, since it provides the reader with a better and more reliable understanding of what the current situation looks like, and which academic debates are currently ongoing, about the effects of COVID-19 on international business.

The general method and guidelines that this thesis follows in order to assure having the optimal approach to the knowledge gathering process, is through the use of Shaofeng Li and Hong Wangs chapter on Traditional Literature Review and Research Synthesis in the book *'The Palgrave Handbook of Applied Linguistics Research Methodology'* (Li & Wang, 2018). The conduction of the literature review will be based on the six steps that that Li and Wang present within their chapter. The six steps by Li and Wang are: defining the problem, searching for the literature, selecting studies, reading the literature, organizing the data, and lastly to writing the review (Li & Wang, 2018, pp. 126-129).

The research problem that this thesis is investigated has already been introduced in a previous chapter and will thus not be introduced again.

3.1.1 Paper searching strategy

To find papers that investigate the subject of global value chains, strategy and COVID-19, this paper utilized three platforms. The first one utilized to gain a broad understanding of the phenomenon, was the platform Google Scholar, which presented a wide arrangement of publications from many different journals. Secondly the thesis utilized Aalborg University library's online platform AUB. AUB gave the thesis an opportunity to become much more specific on the journals, in which the

papers were released. The last platform utilized for this thesis, was investigating the publications from the journal: Journal of International Business Studies. This gave the thesis much more specificity, and only papers on international business were deemed as relevant for this literature review. Throughout the entire process of gathering relevant papers on the chosen investigated phenomenon, ancestry chasing has been conducted. This meaning to investigate the reference section of publications to obtain the primary studies, and thus reduce potential subjective arguments presented by the secondary researchers.

3.1.2 Paper Selection criterion

Although a thematic literature review usually does not inform how papers has been selected, Li and Wang argue that presenting the reader with a behind the scenes understanding of how the researcher makes decision is of great value. In this way the reader would have an easier time understanding whether the thesis contains the aspects that makes an investigation valid and reliable (Li & Wang, 2018).

During the investigation of the literature the thesis has always tried to be as representative as possible. To achieve this representativeness, the thesis has focused on finding papers with differences in their perspectives on the phenomenon investigated. Finding differences in opinions amongst scholars has in some instances been difficult, given that COVID-19 is still relatively new, and the number of publications is still relatively low.

Almost all of the papers investigated for this review has been found within academic journals that focusses on international business. Further the literature review has focused on finding papers that has been peer reviewed, to assure the quality of the review.

3.1.3 Knowledge extraction strategy

In this subchapter step number 4 and 5 of Li and Wangs description of how to conduct thematic literature reviews will be presented.

When investigating and reading the papers that was found relevant, some restrictions were deliberately chosen. First one being that the found papers had to have a critical approach to other scholars' findings. Further, when reading the papers, the author of this thesis also had to be critical towards the knowledge gained. Second one being the age of the paper. This thesis estimated that to be found relevant, the paper had to be released as a minimum in the second quarter of 2020. This

restriction was chosen since most of the initial writings on COVID-19 were estimating the consequences of COVID-19 on international business in a different context than now. Since then, second and third waves have occurred, and the knowledge on COVID-19 has expanded quite a bit, at least to such an extent, that what previously were perceived as the difficulties of COVID-19 now have evolved drastically.

All the main findings, obtained through reading the papers, have been gathered and stored within a table. The table is presented in “*Appendix 1: Organization and findings within academic journal publications*”, and it shows the study notes that the author has written, in order to gain an overview of the debates that are currently ongoing in the academic literature on COVID-19’s impact on international business.

3.2 Findings

International business and the process of internationalizing a company or an organization has become a subject on which there has been written a great quantity of academic publications on. Terms such as hyper-globalization has undeniably had a large and influential impact on the possibilities for companies of all sizes to internationalize. However, the question now remains, is the benefits of a hyper-globalized world still at play or has the sudden occurrence of the pandemic COVID-19 had a deadly effect on the future of internationalization, and international business as a whole.

Amongst the literature there seems to be coherence between how different academics describes the survivability of international business. All the papers examined within this literature review share a similar believe, that the concept of international business will not be eliminated because of COVID-19. However, what they do not share similar believes on, is how, and to what degree COVID-19 will affect businesses worldwide.

This literature review will be conducted in a macroeconomic perspective. It is critical to know that one requires a good understanding of how macroeconomic factors are being affected, in order to understand how microeconomic factors will be affected. Macroeconomic factors ultimately affect the possibilities of microeconomic factors, which is why a general understanding of macroeconomic factors are essential in order to conduct a microeconomic investigation.

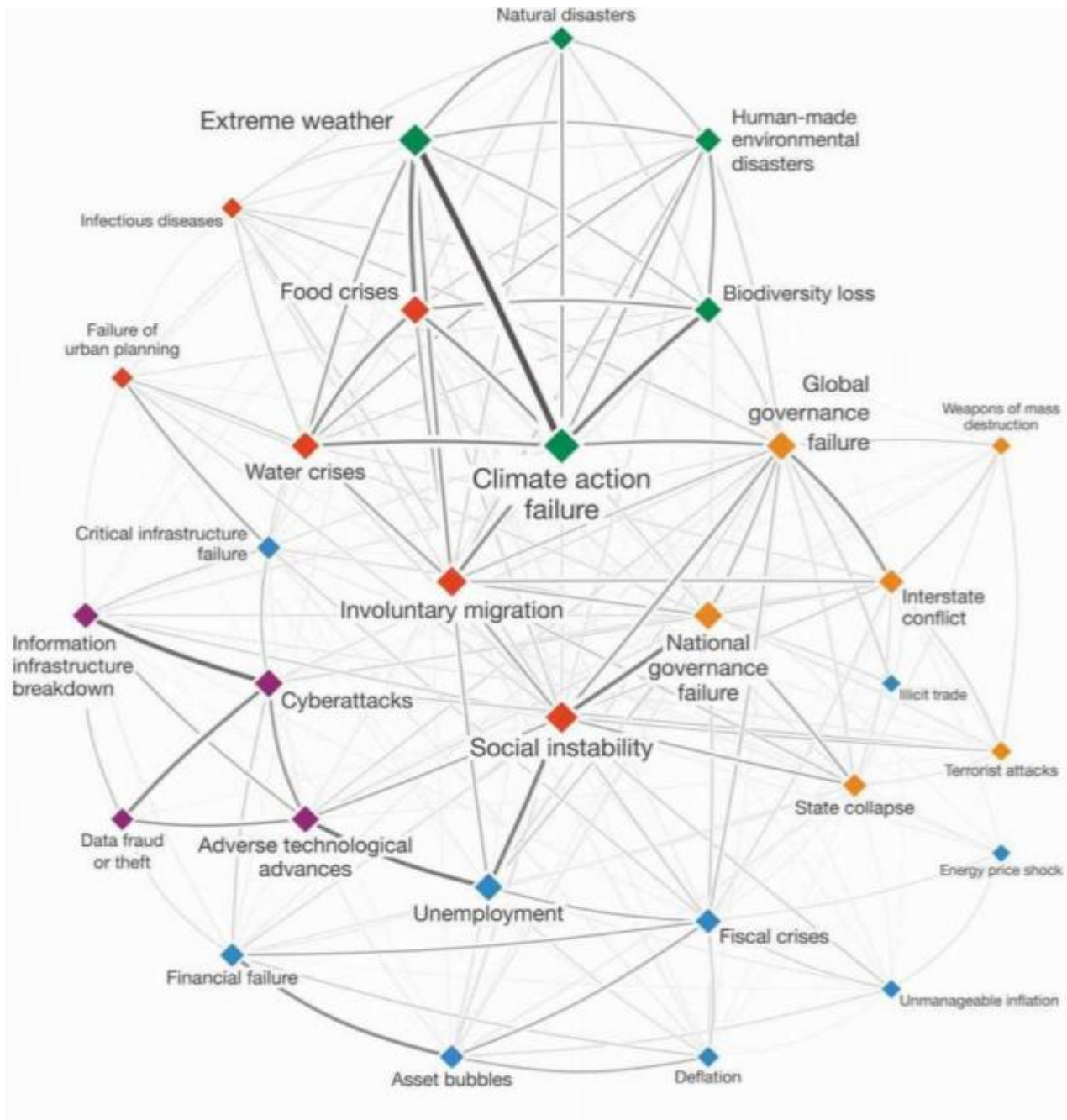
The six areas investigated will now be introduced, and finally a post understanding of the investigated phenomenon will be introduced.

3.2.1 Complexity of COVID-19

The explosive outburst of COVID-19 is a very complex matter, that not only affects economic aspects. The complexity of the pandemic is very visible when investigating what makes COVID-19, as a crisis, so difficult to comprehend.

In a recently published book by Klaus Schwab and Thierry Malleret, the academics argue that the pandemic is not only affecting a small number of variants within the global world, however that the crisis is affecting so many bigger and smaller aspects of the world, that it is almost impossible for the individual to comprehend (Schwab & Malleret, 2020). Within the book Schwab and Malleret present a macroeconomic table that shows just how many aspects COVID-19 affects.

Figure 2: Schwab and Mallerets Complexity of COVID-19 in a macroeconomic aspect.



Source: (Schwab & Malleret, 2020, p. 15)

With their figure, presented above in Figure 2, Schwab and Malleret shows that the COVID-19 pandemic is a very complex crisis, in which researchers are required to know that a lot of the shown aspects are dependent of each other.

Another paper on the complexity of the pandemic is also contributing to the academic debate. In a paper by (Sahin, et al., 2020) a loop diagram has been created in order to understand COVID-19. The

paper argues that the complexity of the pandemic is difficult to comprehend, since it transcends Economic, Societal, Health and environmental boundaries (Sahin, et al., 2020). The interdependency arguments presented by (Schwab & Malleret, 2020) and (Sahin, et al., 2020) is also being found among other academic publications. Among other by Constantin Bratianu who in a study, trying to implement a grounded theory approach toward getting an understanding of the complexity of the pandemic, found that there is a dependency between COVID-19 and economic systems, health systems, government policies and people's behaviors (Bratianu, 2020).

Another aspect of the complexity of COVID-19 can be seen on the economic forecasts of the pandemic. A report written by the Congressional Research Service concludes that the global economy should expect economic growth equal to approximately -4,5% to -6,0% in 2020 (Jackson, et al., 2021). Further, the global economy could expect a growth of 2,5% to 5,2% in 2021, and that well established economies should expect to be affected by COVID-19 until a minimum of three years from now (Jackson, et al., 2021). The Congressional Research Service argues that this is the case, simply because of the second waves that has occurred all throughout the world. However, these forecasts are difficult to stand by, simply because third waves now start to appear, which is becoming more of a reality for most European countries, and these are not a part of the calculations within the Congressional Research Service report (Jackson, et al., 2021).

3.2.2 Globalization and de-globalization

Within the field of research on globalization and de-globalization during COVID-19, there is a quite comprehensive debate on how the pandemic has affected the interdependence between countries, regions and the entire world trade.

Globalization and de-globalization are among scholars discussed, however not all of them refers to an actual definition of this term. The definition that this thesis has chosen to utilize, is to understand globalization and de-globalization like Hag-Min Kim, Ping Li and Yea Rim Lee, who defines these terms:

“Globalization is the process of increasing interdependence and integration toward a world society. Deglobalization is the opposite context of globalization and is the process of diminishing interdependence and integration between certain units around the world, typically nation states.” (Kim, Li, & Lee, 2020, pp. 83-84)

In a recently published paper on globalization during COVID-19, Farok J. Contractor argues that the challenges that the pandemic introduces to international business is marginal, however that they should not be defined as fundamental to the concept as a whole (Contractor, 2021). Contractor argues that the introduction of an increased popularity in nationalism and protectionism should not be considered as a devastation of international business. According to Contractor the marginally higher risks that will be introduced as a result of COVID-19 can easily be handled and ameliorated through a well strategized organization (Contractor, 2021). Contractor argues that the chance of de-globalization should not be given a high likelihood. This being because of the high amount of education, knowledge, borderless information flow and literacy that is present in the world today, as well as the required and demanded sustainability solutions that is still being developed, distributed and are in demand worldwide today (Contractor, 2021).

The arguments presented by Contractor is supported amongst other academics. In a recent paper written by Marian Gorynia on COVID-19s effect on globalization, Gorynia argues that COVID-19 is not being portrayed accurately. Gorynia argues that most scholars writing on the subject has been most likely overexaggerating the consequences of COVID-19, at least in terms of its effect on globalization (Gorynia, 2020). Contractor and Gorynia argues to a similar degree that the developments that has happened within globalization throughout the last 30 years cannot and should not be recognized as easily in regression (Contractor, 2021; Gorynia, 2020).

Gorynia states.

“The reports on the death of globalization are greatly exaggerated and premature. Globalization is good, but it is not as good as it could be. Let us do everything we can to make it better.” (Gorynia, 2020, p. 73).

Gorynia argues that COVID-19 will not kill globalization, however that it should be seen as a factor that will dictate how the phenomenon will be seen in the future (Gorynia, 2020).

Andrew Delios, Gordon Perchthold and Alex Capri further support this believe, and state in their paper that with the aggressive emergence of various international business models, the COVID-19 pandemic has a potential to substantially damage international relationships (Delios, Perchthold, & Capri, 2021). Similarly, Pol Antrás argue that the world is not in a state defined by de-globalization, however, the world is simply currently experiencing a decline in the growth rates of globalization

(Antràs, 2020). Antràs recognizes this to be natural, given that the hyper globalization started in the 1980's, and its popularity has increased ever since (Antràs, 2020).

However, to what degree globalization will be affected by COVID-19, is not shared among all academics. In a recent paper by Shaker A. Zahra, the argument goes, that the current competition that focusses on studying COVID-19, and developing vaccines, raises quite a bit of questions regarding the effectiveness, relevance, stability, and compatibility of international institutions (Zahra, 2021). The argument goes, that the competition that has appeared between some regions, and even countries to some degree, can harm the future of their collaborative interest in the future (Zahra, 2021). Zahra argues that global value chains, de-globalization and selecting specific world regions to do business with, is not only a result of COVID-19 being a health crisis, but also because of the competitiveness between regions and countries (Zahra, 2021). Thus, Zahra argues that some countries will be less cooperation post-COVID-19 since their specific economic and health conditions has been set aside by other neighboring countries, who have focused more on their own competitiveness, instead of the global health wellbeing (Zahra, 2021).

The believes and concerns that Zahra presents can be supported by other academics. In a recent paper by Ilan Alon, the argument goes that the healthy borderless collaborations that has happened throughout the European Union in the past many decades could be at stake (Alon, 2020). Alon argues this being an effect of the increased focus on the competitiveness of individual countries, instead of on EU as a whole (Alon, 2020). Alon points out that in EU, the statistics of the spread of COVID-19 is shown at a national level, and not at an EU level. This means that the competitiveness of becoming the least spreading countries have created some frustrations between some of the countries (Alon, 2020). Among these were the financial help, as well as COVID-19 related products shipped to Spain and Italy. Alon argues that during the initial first wave of COVID-19 most EU countries focused on their individual development, instead of looking at the entirety of EU (Alon, 2020). Because of this, most of Spain and Italy's financial aid originated from Russia and China, which has resulting in the two countries creating stress between the European Union's country members. For this Alon shows a concern stating that this could potentially damage the future collaboration between EU countries (Alon, 2020). Not only has the increased focus on competitiveness had a negative effect on the total EU involvement of the disease, but it has also introduced a mismatch between the rules which are applying to the EU countries, where some countries like Hungary and Poland have chosen to defy EU-defined rules (Alon, 2020). A great example to see the difference between the arguments of

(Contractor, 2021; Gorynia, 2020) and (Zahra, 2021; Alon, 2020) is with the following statement from Alon;

“The Westphalian system of the nation-state showed its primacy in the face of global adversity. In the post-COVID-19 world, forces and voices supporting nationalism and protectionism will rise, and those of unrestrained globalization will drown.” (Alon, 2020, p. 1)

When comparing this statement from (Alon, 2020) with the one presented by (Contractor, 2021; Gorynia, 2020) there does not seem to be an agreement amongst academics on this matter. Another paper that also supports the believes that globalization is weakening because of COVID-19 is Marin A. Marinov and Svetla T. Marinova in their recent paper on COVID-19s effect on international business (Marinov & Marinova, 2020). Marinov and Marinova concludes in their paper.

“While global cooperation for overcoming the economic consequences of the COVID-19 pandemic may be much desired, it is nation-states and de-globalization that are overriding the world scene. “ (Marinov & Marinova, 2020, p. 15).

The arguments presented by Marinov and Marinova is further supported by another paper, written individually by Marinov. In the paper Marinov investigates COVID-19s effect on international business and argues that it would seem like small and well managed business and economies, will no longer be able to be reliant on globalization (Marinov, 2020). Further Marinov argues that globalization is shrinking at a velocity that is speeding up (Marinov, 2020).

Another argument as to why this disagreement is visible within the academic literature could be because of the difference in perceptions on to which degree COVID-19 is viewed as a initiating force that brings forward changes in international business, or whether it is part of an already changing international business era. In a recent paper by Jaqueline Pels, Pels discusses the characteristics of COVID-19, and whether the pandemic has brought forward a change of era, or whether the pandemic is a part of an already occurring era, characterized by changes (Pels, 2020). Within this paper Pels argues that COVID-19 could be seen as being a part of an era of changes, however that it is very likely that the current situation can be a tipping point for the world to initiate a new era. Further pels argues that it is impossible to make predictions on how the world will be in the future, however that one thing is certain, being that the world no matter what will change in the future (Pels, 2020). Similar believes are presented by Schwab and Malleret, who argue that COVID-19 should not be defined as

a restart, meaning that industries at some point will be able to reobtain their old ways of conducting business (Schwab & Malleret, 2020). Schwab and Malleret argue that the crisis should be seen as a reset, and returning to what was once normal pre-crisis, will not be a possibility for most industries in the future (Schwab & Malleret, 2020).

Regarding the same topic, Marinov argues, in a recent paper on COVID-19 and international business, that COVID-19 should not be considered as an era changer, however, should be defined as an accelerator of an already established era characterized by changes (Marinov, COVID-19: Challenges to international business, 2020). These changes started way before the outburst of the COVID-19 pandemic. Marinov argues that the current era has been defined by numerous international business activities, such as the global crisis in 2008-2009, Brexit, trade wars between countries, and economic uncertainties originating from the policies implemented in the US (Marinov, COVID-19: Challenges to international business, 2020).

3.2.3 Global value chains

Global value chains have opened for the opportunities of countries to become a part of the global economy. In a pre-COVID-19 released book named “Handbook of Global Value Chains” by Stefano Ponte, Gary Gereffi and Gale Raj-Reichert, the authors argue that GVC has opened for the opportunity of emerging countries, to become a part of the global economy (Ponte, Gereffi, & Raj-Reichert, 2019). The Handbook of Global Value Chains draws upon the findings of other scholars in GVC and brings arguments together in this book. Further the book explains the development of how GVC became popular, and how the concept originated (Ponte, Gereffi, & Raj-Reichert, 2019). In the book Ponte, Gereffi and Raj-Reichert argues that GVC’s has brought forward opportunities, however with those also follows risks and uncertainties. GVC’s has been able to redraw the international boundaries of knowledge, and the competitiveness in most industries are no longer only defined by national boundaries, however, have expanded to be defined by the outlines of international production networks (Ponte, Gereffi, & Raj-Reichert, 2019). Ponte, Gereffi and Raj-Reichert defines global value chains as.

“The term ‘global value chain’ refers to the full range of activities that firms, farmers and workers carry out to bring a product or service from its conception to its end use, recycling or reuse. These activities include design, production, processing, assembly, distribution, maintenance and repair, disposal/recycling,

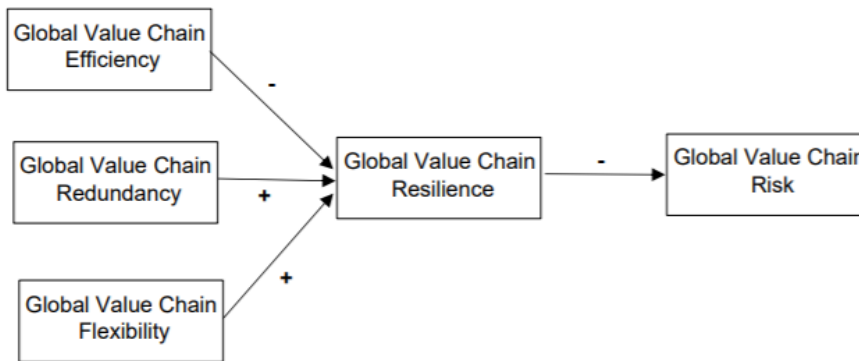
marketing, finance and consumer services” (Ponte, Gereffi, & Raj-Reichert, 2019, p. 1)

Further the authors argue that GVC’s has become the central nervous system and backbone of the world economy. The increased attractiveness in GVC has made it possible for companies to specialize in their field, even if the company’s home-country is not able to build their own industrial systems (Ponte, Gereffi, & Raj-Reichert, 2019).

Since COVID-19s beginning many academic papers has been published on the subject of MNC being forced to reshore as a result of uncertainties or different countries’ government laws. In a 2020 paper on COVID-19 effect on GVC’s, the paper argues that an eventual reconfiguration of GVC’s will to a large degree be reliant on the company’s national governments (Strange, 2020). The argument of policymakers having a significant impact on the reconfiguration is similarly shared by (Barbieri, Boffelli, Elia, Fratocchi, & Kalchschmidt, 2020). In the two papers (Barbieri, Boffelli, Elia, Fratocchi, & Kalchschmidt, 2020; Strange, 2020) the authors brings up examples from Japanese, Australian, American and south Korean governments, where the countries try to decrease the interdependence to China (Strange, 2020; Barbieri, Boffelli, Elia, Fratocchi, & Kalchschmidt, 2020). Further the papers also present evidence, that some governments are only prepared to financially aid their companies, if they back-shore or re-shore from some specific countries (Barbieri, Boffelli, Elia, Fratocchi, & Kalchschmidt, 2020; Strange, 2020). Further, Strange also presents arguments, that COVID-19 has brought cash-flow problems in many European countries. Because of this Strange argue that foreign takeover bids have and will start to appear, and because of this, the European commission has had to warn members to strengthen their companies, to decrease the vulnerability of acquisitions from overseas (Strange, 2020).

Professor Jonas S. Eduardsen has also recently investigated the effects of COVID-19 of global value chains, and how to limit the damages that unpredictable black swans can have on companies (Eduardsen J. S., 2020). In the paper Eduardsen argues that most companies use GVC’s to obtain profit optimization, and that this to a large degree should be shifted towards risk reduction and resilience (Eduardsen J. S., 2020). However, it is important to balance the two. Eduardsen introduces the following figure.

Figure 3: Antecedents and Consequences of Global Value Chain Resilience, by Jonas S. Eduardsen.



Source: (Eduardsen J. S., 2020, p. 187)

Presented above in Figure 3 is a table showing the outcome of only investing in achieving GVC resilience. Risk reduction and resilience should be prioritized more since that would make companies more prepared towards overcoming COVID-19 and any future unforeseen event. However, having a focus on efficiency is also important, since without, would make MNE's to become uncompetitive. The important thing is to find a good balance between profit optimization and value chain resistance (Eduardsen J. S., 2020).

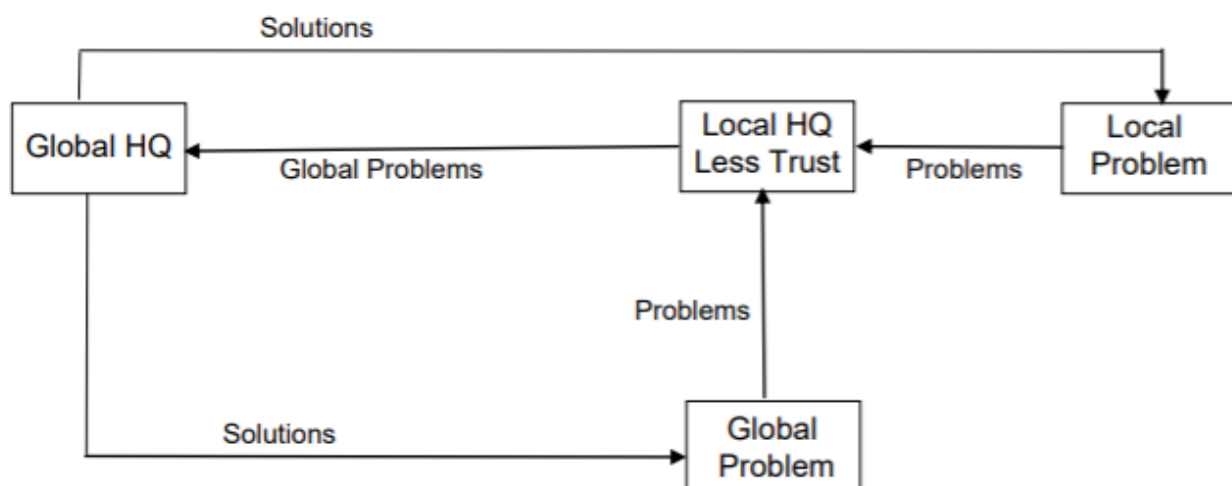
A large degree of the publications on COVID-19's impact on GVC's has been based on simulations, however a recent 2021 study from Japan on COVID-19's impact on GVC claims to be the first paper to make an actual empirical investigation on observed trade data, on how the trade of final goods have been affected by the pandemic (Hayakawa & Mukunoki, 2021). This paper examined bilateral trade in machinery products, by comparing 2019 and 2020 figures in between 35 and 185 countries (Hayakawa & Mukunoki, 2021). Based on the empirical investigations, the paper finds that countries importing product-inputs from a country that is very affected by COVID-19, is much more likely to be negatively affected (Hayakawa & Mukunoki, 2021). Further the paper finds that COVID-19 in general has had a significantly negative effect on exporting countries' export, and that the pandemic has had very little effect on the trade of importing countries (Hayakawa & Mukunoki, 2021). The paper finds that the negative effects of COVID-19 on exporting countries, are less significant in intra-Asian trade, and that for most exporting countries, the addressing of having both domestic and international supply chains would be the most important factor for minimizing the impact of COVID-19 (Hayakawa & Mukunoki, 2021).

3.2.4 Liability of foreignness

Liability of foreignness is in a paper by Lorraine Eden and Stewart R Miller defined as the cost of conducting business in a foreign host country or region (Eden & Miller, 2004). The factors that one can determine the liabilities of foreignness through is threefold. Overall foreignness is determined through institutional distance, consisting of regulative, normative, and cognitive differences (Eden & Miller, 2004). Eden and miller conclude that for most companies to overcome legitimacy in external host countries, the use of local partners would be beneficial, since normative and cognitive differences often relies on tacit knowledge (Eden & Miller, 2004).

However, the question is now how COVID-19 is affecting the traditional way of overcoming liability of foreignness. In a recent paper by William W. Baber and Arto Ojala, overcoming liability of foreignness has only become more difficult with the introduction of COVID-19. In their paper Baber and Ojala investigates how international business models are expected to change, because of the crisis. In the paper, the authors argues that the information flows, and the decision-making structure will be affected to a large degree. In Figure 4 below is presented a figure showing the difficulty of having non-local decision making during COVID-19.

Figure 4: Low trust due to lack of expatriates, by Baber & Ojal.



Source: (Baber & Ojala, 2020, p. 109)

Baber and Ojala argues that the distribution of tacit knowledge will become very difficult, being the result of not having the possibility to have expatriates in the host country (Baber & Ojala, 2020). Because of the current difficulty of having expatriates, Baber and Ojala argues that the trust that companies usually tie to local headquarters will be weakened, and that local problems is expected to

be solved by global headquarters and not local ones, which puts the global headquarters in a far from optimal situation (Baber & Ojala, 2020). Decisions making has to consist of more remote management, is the argument presented by George Tesar. If MNE's would not have an effective host-country decision making process, it will require too many resources, and managing a business will be too difficult (Tesar, 2020). In addition, Tesar argues that online community platforms should not be recognized as a substitute for an effective host-country decision making process (Tesar, 2020).

The difficulties of achieving optimal host-country conditions are not only presented by Baber, Ojala and Tesar. In a 2020 paper Andrei Kuznetsov and Olga Kuznetsova presents that COVID-19 is likely to demand a more local and region-focused supply chain as well as business models that to a larger degree concentrates on resilience and not efficiency (Kuznetsoy & Kuznetsova, 2020). Kuznetsoy and Kuznetsova argues that to overcome the difficulties of operating in a non-native host country, MNC's should improving their focus on achieving cooperatives with locally rooted, and community orientated organizations (Kuznetsoy & Kuznetsova, 2020). This should result in the MNC's achieving a better chance of being integrated into a foreign economy, and thus have a better chance of overcoming liability of foreignness (Kuznetsoy & Kuznetsova, 2020).

In a 2021 paper focusing on empirical investigation of New Zealand SME exporters, the paper found that most SME's that did not have strong network relationships pre-crisis could have a substantial liability during times of crisis (Fath, Fiedler, Sinkovics, Sinkovics, & Sullivan-Taylor, 2021). The reason being, is that COVID-19 has brought forward many partnership breakdowns, and if this occurs, a SME in the pursuit of new partners, would be forced to accept temporary alliances until the world economy recovers. The possibility of making new partnerships are in most cases defined as good, however being forced to make alliances, will often result in the partnership being weak, thus resulting in even bigger liabilities (Fath, Fiedler, Sinkovics, Sinkovics, & Sullivan-Taylor, 2021). The paper argues that with the current conditions, it is not an optimal strategy to stride for creating strong relationships, and that only companies with strong pre-crisis relationships should analyzing whether it is worth it to improve them (Fath, Fiedler, Sinkovics, Sinkovics, & Sullivan-Taylor, 2021).

3.2.5 Internationalization and De-internationalization

As an effect of COVID-19 many MNE's has been forced to de-internationalize, meaning they have had to decrease their international activities, or eliminate all activities in some foreign countries (Strange, 2020; Barbieri, Boffelli, Elia, Fracocchi, & Kalchschmidt, 2020). Amongst the literature

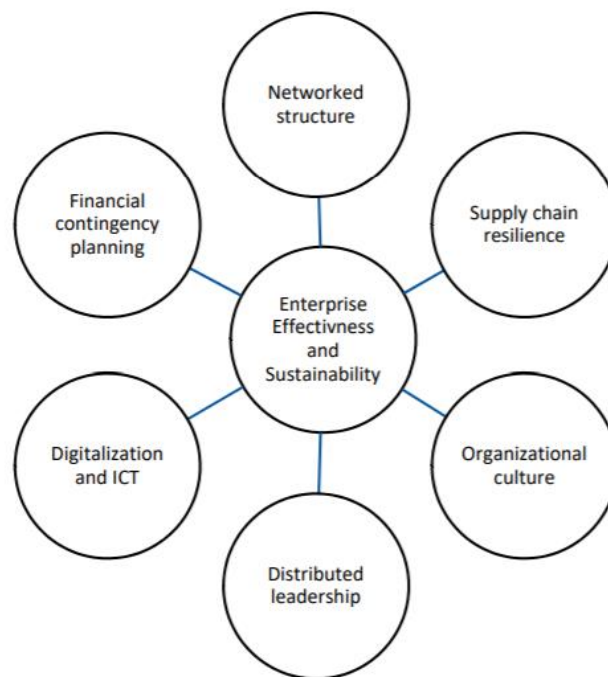
there has already been conducted lots of empirical evidence, showing that near-shoring and re-shoring has been forced upon many MNE's, both by the managers of the companies themselves, however to a large degree also as a result of the home country policies on the reduction of the chain infection of COVID-19 (Strange, 2020; Barbieri, Boffelli, Elia, Fratocchi, & Kalchschmidt, 2020). One of the reasons as to why some MNE managers might feel forced to decrease their international activities, could be because of their difficulties to create sustainable value for their stakeholders, and another one could be because of host-country institutional difficulties (Arslan, Khan, Kontkanen, & Tarba, 2020)

Internationalization and the difficulties that the process of internationalization presents, has for most industries only become more difficult in times of COVID-19. In a recent paper, Vanessa Ratten argues that de-internationalization has become a reality for many MNE's all over the world (Ratten, 2020). Ratten argues that the only way to accommodate the difficulties that COVID-19 has brought, is through companies constantly investigating the host-country institutional developments, and thus are required to acquire a strategy focused on adaptation and flexibility (Ratten, 2020). Similar believes are also present within the literature, with some arguing that the reconstruction the business, and downsizing activities might also be a possibility and necessity for some companies (Kuckertz, et al., 2020). Similarly focusing on only value generating activities, that gives value to the company at this very moment, might also be a consequence (Kuckertz, et al., 2020).

International business performance might also change in the future. International businesses tend to benchmark themselves against other companies, however according to (Caligiuri, Cieri, Minbaeva, Verbeke, & Zimmermann, 2020) how performance will be defined in the future, will very much depend on the ability to bounce back. In their 2020 paper, (Caligiuri, Cieri, Minbaeva, Verbeke, & Zimmermann, 2020) argue that performance is expected in the future to be defined by enterprise resilience, and the ability for companies to bounce back from shock events to their original state (Caligiuri, Cieri, Minbaeva, Verbeke, & Zimmermann, 2020). Other scholars also present other potential consequences of COVID-19. Based on Kari Liuhtos believes in a recent paper on international business post COVID-19, Liuhtos presents some potential outcomes of COVID-19, being that the amount of FDI will decrease significantly, the international world trade will be on the brink of collapsing, supply chains will shorten, blocks between economies will emerge and the global production model that has increase as a result of hyper globalization will not be fully restored (Liuhto, 2020). Many of these believes are to some degree supported by other scholars, including (Marinov & Marinova, 2020), (Zahra, 2021) and (Alon, 2020).

Internationalized companies will in the future have to optimize on some aspects, in order to accommodate the pandemic. In a recent 2020 paper based on several case studies on enterprise effectiveness and sustainable business models during COVID-19, the paper concludes that MNE's should focus on 6 aspects. These 6 factors are presented beneath in Figure 5 by (Obrenovic, et al., 2020)

Figure 5: Enterprise Effectiveness and Sustainability Model during Pandemic, by Obrenovic, et. al.



Source: (Obrenovic, et al., 2020, p. 14)

All of the aspects that is presented by (Obrenovic, et al., 2020) has been found through investigation many studies. (Obrenovic, et al., 2020) acknowledges that their figure is a general and average approach to dealing with a pandemic, and that it may not apply to some specific industries or countries, however advises MNE's to fully investigate and optimize these six factors, to obtain better tools to overcome the consequences of the COVID-19 pandemic (Obrenovic, et al., 2020).

(Obrenovic, et al., 2020) describe their figure as being conducted based on a theoretical foundation, and states in their paper, that they have not yet been able to accept or reject the figure in a case study conducted by the authors themselves. The figure is thus based on other scholars' findings, and (Obrenovic, et al., 2020) have not been able to apply it onto their own investigation.

3.2.6 Risk management

Risk management is a concept that has received much debate in the last decades. In a recent 2020 paper on internationalization and risk, it is seen that risk is conceptualized different among the literature. Eduardsen and Marinova find in their literature review based on 134 peer viewed journal publications, that risk is generally divided into three main risk conceptualizations, being risk as variance, risk as downside loss and risk as an opportunity (Eduardsen & Marinova, 2020). Similar arguments, and a reason as to why there is this divergence in defining risk, is presented by Peter W. Liesch and Lawrence S. Welch in chapter 3, of the book “International Business in a VUCA World: The Changing Role of States and Firms” (Liesch & Welch, 2019). Liesch and Welch argue that this is because MNE’s do not finding themselves in the same situation. Liesch and Welch argue that companies have different VUCA’s (volatilities, uncertainties, complexities, and ambiguities) within the industries that they operate in, and thus risk management cannot be defined as a “one fits all” concept (Liesch & Welch, 2019; Juergensen, Guimón, & Narula, 2020). The hyper globalization, of which there exist a lot of literature on, has created the opportunity for businesses of all sizes to join the global factory. A factory in where value chains has become increasingly global, resulting in an increased possibility of profit maximization, however at the same time made businesses dependent on the host-countries (Liesch & Welch, 2019). In internationalization Marinova and Eduardsen find that risk can broadly be classified into 6 categories, being institutional, political, economic, cultural, country, and convertibility/foreign exchange risks (Eduardsen & Marinova, 2020). These papers were written pre-COVID-19, however the arguments presented are still relevant, as portrayed by Eduardsen in his recent paper on risk during COVID-19. In his paper, Eduardsen argues that neither profit optimization, nor value chain resilience should be the focus, however that a balance between the two should be found (Eduardsen J. S., 2020). To achieve balance, many scholars argue that policy makers are of great importance, and that an important job is to assure companies with some degree of resilience in their global supply chains (Assche & Lundan, 2020; Barbieri, Boffelli, Elia, Fraticchi, & Kalchschmidt, 2020; Strange, 2020). Assche and Lundan also finds that there is a lot of similarities between pre-COVID-19 and during-COVID-19 defined risks. The only difference being that some of the risks has been enhanced because of the crisis. This according to Assche and Lundan is the difficulty and risks associated with not being able to communicate tacit knowledge optimally (Assche & Lundan, 2020).

Among the literature on risk management, discussions on uncertainty versus risk also exist. One of the key differences between a risk and an uncertainty, is the subjectivity, as well as the possibility to

anticipate and calculate a potential loss (Sharma, Leung, Kingshott, Davcik, & Cardinali, 2020). Most risks can be calculated, however uncertainty on the other hand, is often way more difficult to control, and thus work around, especially in the times of COVID-19 (Sharma, Leung, Kingshott, Davcik, & Cardinali, 2020). Especially social and informational uncertainty are some of the additional difficulties that most MNE's has to deal with, as a result of COVID-19. The crisis should therefore not only be defined as a risk introducing phenomenon, but it should also be associated with its huge potential for creating uncertainties all over (Sharma, Leung, Kingshott, Davcik, & Cardinali, 2020).

3.2.7 Post-understanding of phenomenon

After having conducted this literature review the understanding of the phenomenon has been modified. The situation that international business is currently experiencing can still to a large degree be characterized by chaos and uncertainty. However, it seems that many scholars argue this to have been a reality for a longer period in time. Granted COVID-19 is definitely a black swan that has had enormous effect on the entire field of international business, however different scholars argue for this always being the risks of having such an interdependent world economy. COVID-19 should perhaps not be defined as an era changing phenomenon however, it might just be another part of an era characterized by changes.

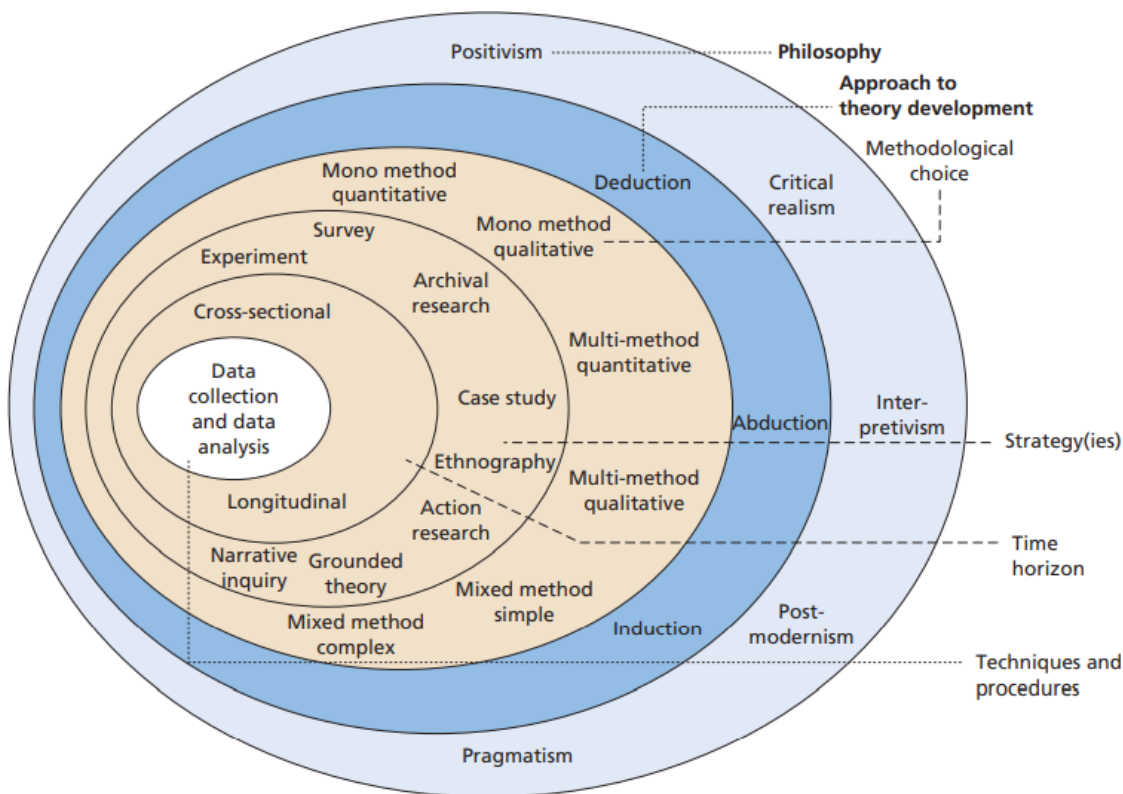
Comprehending and investigating on basis of the entirety of COVID-19, and all the factors that it affects, will never be a possibility, given the complexity that COVID-19 has. Thus, the generalizability of any investigation conducted on COVID-19, at least in the times of COVID-19, will be restricted on an appliance to a specific context.

4. Methodology

This chapter has the objective of supplying the reader with an understanding of which approach the thesis has taken to address the research problem and research questions that has been introduced previously in the conceptualization chapter. This chapter will go into detail regarding how the thesis has chosen to collect and analyze data. Further this chapter will giving an understanding of how the author has seen his own role in uncovering and investigating the research problems. This chapter should be acknowledged as a blueprint or a knowledge extracting strategy, on how, and in which context, data will be procured and investigated.

The execution of this chapter is based on Mark Saunders, Philip Lewis, and Adrian Thornhill's research onion. Saunders, Lewis, and Adrian's research onion is presented below in Figure 6.

Figure 6: The Research Onion.



Source: (Saunders, Lewis, & Thornhill, 2016, p. 124)

Saunders, Lewis, and Adrian divide the research onion into six layers. First one being the philosophy, followed by approach to theory development, then methodological choice, strategy(ies), time horizon and finally techniques and procedures (Saunders, Lewis, & Thornhill, 2016). All of these layers will now be applied and explained.

4.1 Philosophy

Saunders, Lewis, and Adrian argue that there exist five major philosophies in business and management. These being positivism, critical realism, interpretivism, postmodernism and lastly pragmatism (Saunders, Lewis, & Thornhill, 2016). Further the three authors argue that a research is able to distinguish between the mentioned philosophies through three types of research assumptions, being ontological, epistemological, and lastly axiological assumptions (Saunders, Lewis, & Thornhill, 2016). Ontology refers to the investigations assumptions towards the nature of reality. Epistemology refers to the assumptions about knowledge, and how one can obtain valid knowledge. And lastly axiology refers to the of ethics and values within the researching process (Saunders, Lewis, & Thornhill, 2016, p. 127).

As mentioned previously Saunders, Lewis, and Adrian argue that there exist five major philosophies in business and management investigations. The one that thesis has found most optimal in order to answer the given research questions in an appropriate nature of reality is interpretivism.

The characteristics of interpretivism, the reasoning behind the choice of interpretivism, and how it affects the investigation will now be introduced. The remaining four philosophies will not be described or discussed.

Interpretivism is a critique of positivism, where the critique evolves around the subjective perspective of the investigator. The philosophy emphasizes that studying humans is very different from studying physical phenomena, because of the meaning that humans create. Thus, physical phenomenon and human-created understandings cannot be investigated in the same way (Saunders, Lewis, & Thornhill, 2016, pp. 140-141). The philosophy's central idea is that people are different, based on their culture, being in different circumstanced, being in different times and have different social realities. Interpretivism argues that if an investigator tries to conduct an objective investigation, trying to find a universal law, it will lose its rich insights of the human, and its subjectivism (Saunders, Lewis, & Thornhill, 2016, pp. 140-141). Interpretivism thus tries to collect knowledge on what is important for the research's participants. An investigator using interpretivism acknowledges that there exists a degree of subjectivisms, and that their own values and beliefs has an important impact on the research process. This is why the biggest challenge for an investigation utilizing this philosophy is to understand they social world, from the participants point of view (Saunders, Lewis, & Thornhill, 2016, pp. 140-141).

For this investigation interpretivism is utilized because it gives a unique opportunity to investigate a phenomenon that is characterized differently throughout the world. It provides the opportunities of being objective, and critically assess the validity and reliability of the investigation, while still being able to acknowledge that subjectivity plays a large role in investigation such a complex phenomenon as COVID-19. However, since it is not positivistic I as the investigator acknowledges that I will never fully be able to achieve the objective truth that can be applied in all contexts, thus this will not be the objective of conducting this investigation.

4.2 Approach to theory development

This layer of the research onion describes the investigations approach to theory, and more specifically the extend on how to utilize theories at the beginning of the research (Saunders, Lewis, & Thornhill, 2016, p. 144).

In this thesis, the inductive approach was utilized in order to obtain a theory development. In the inductive approach theory follows data. In an instance where data follows theory, an investigator would have used a deductive approach (Saunders, Lewis, & Thornhill, 2016, p. 144). In the inductive approach, the investigator initial objective is to collecting data, for then ultimately to make sense of it, and present it in theory, often presented as a framework (Saunders, Lewis, & Thornhill, 2016, p. 144). For this thesis, an understanding of the phenomena has been introduced before the collection of empirical data, and the understanding that the investigator got from conducting the literature review will now be acknowledged as the theoretical foundation, that the upcoming empirical investigation will be based upon. The inductive approach has been utilized since the focus point of this investigation is to gather data, for then to be utilized to create potentially new theoretical contributions.

The deductive approach could also have been used, however this would have been more difficult, since the number of theoretic frameworks in the context of COVID-19 are currently slim. Further the inductive approach has also been chosen since the focus point of this investigation has been to collect data on what the interviewee found interesting, and not what the interviewer found interesting.

4.3 Methodological choice

This part of the research onion refers to the research design, and more specifically which methods to utilize to gain knowledge, either being quantitative, qualitative, or mixed methods (Saunders, Lewis,

& Thornhill, 2016, p. 165). Since this investigation is conducted on the interpretive philosophy, and the objective is to gain an understanding of the investigated subject, this paper draws on the conduction of qualitative data findings. However, this thesis also relies on a lot on quantitative secondary data. To conduct the investigation many official published data, as well as other quantitative investigations have been analyzed.

To gain data, this thesis is conducted on a mixed method research design, where both quantitative secondary data, and qualitative primary and secondary data has been analyzed and discussed. Mixed method has been utilized since it gives the investigation the opportunity to investigate the phenomenon, both through quantitative key figures, as well as qualitative statements, from both primary and secondary sources.

4.4 Research strategy

This layer refers to the strategy the researcher has adapted or utilized to answer the research questions (Saunders, Lewis, & Thornhill, 2016, p. 177). To collect primary data on the shipping industry this thesis relies on the utilization of a single case study, where the author interviewed a shipping company, more specifically Coolrunner.

The data collected on the shipping industry has further been supplemented by secondary findings, from archival and documentary research. Archival and documentary research has been gathered through government sources such as publications, reports as well as national statistics. The intention of this, was to receive further knowledge, as well as comparing and seeing whether there are similarities between the arguments presented by different individuals in the shipping industry.

The thesis has been required to investigate and analyze the Danish retailing industry's approach to COVID-19 using only secondary sources. A more detailed description of why this has been the case for this investigation, can be found in the limitations chapter 7.1. Similarly for the analysis of this industry, the thesis utilizes archival and documentary research, that similarly to the analysis of the shipping industry consists of government publications, reports as well as national statistics.

Other data collection tools such as surveys and ground theory could also have been used. Such data would definitely be valuable, however given the available resources, this investigation focused all of its resources on a case study as well as archival research, since these were redeemed to require fewer total resources.

4.5 Time horizon

This layer of the research onion refers to how long the investigator sees its investigation as representative. Saunders, Lewis, and Adrian divide time horizon into 2 categories (Saunders, Lewis, & Thornhill, 2016, p. 200). First one being cross-sectional, where the investigator wants the investigation to be a snapshot of a phenomena at a specific time. Second one being longitudinal where the investigator tries to conduct a representation of a phenomena over a given period (Saunders, Lewis, & Thornhill, 2016, p. 200).

Since this thesis evolves around COVID-19, which is a pandemic that has been apparent within the world for a relatively short period of time, this investigation chooses and accepts being a cross-sectional study. This means that that investigation accepts that it is a snapshot of the knowledge on the phenomenon investigated at this very moment. Further the researcher acknowledges that COVID-19 is still a relatively new investigated area, resulting in a large quantity of theoretical and empirical investigations not yet being published. Thus, the objective of this investigation is not to achieve a representation of the entire pandemic, but instead to gain an understanding of the current situation. A cross-sectional study has simply been chosen since it was deemed to be most fitting, since the investigated phenomenon is COVID-19, and the future at this very moment seems very uncertain.

4.6 Data collection and analysis

This is the final layer of the research onion, and the objective here is to describe which techniques are being used, to collect data (Saunders, Lewis, & Thornhill, 2016).

To collect data, a semi-structured in-depth interview with the co-founder and co-director of Coolrunner, Kenneth Kragelund, has been conducted. This interview has provided the thesis with an in-depth and specific understanding of how Coolrunner is operating during COVID-19. Further, it has also given the thesis an understanding of how the shipping industry is affected in general. Gaining an understanding of how individual business activities has been affected, was of great value for the thesis.

When conducting the interview, a semi-structured interview approach was utilized to gain a broad, but also specific, understanding of the investigated phenomenon. The semi-structured approach has given the interviewee the opportunity to talk about what they believe to be most essential. Further,

the semi-structured approach has been utilized since it has given the thesis the opportunity to be gain a holistic view, where the interviewee can give more extensive answers on the investigated themes (Kvale & Brinkmann, 2014). The interview with Kragelund were conducted physically, with me, the investigator, as the interviewer sitting in front of the interviewee. Further the interviews were conducted in the headquarters of Coolrunner in Nørresundby. This interview is the only primary data that this thesis has conducted, thus meaning that the remaining data originates from secondary sources.

To achieve information regarding the Danish retail industry, the thesis has made contact to many Danish retailers, including the companies Shaping New Tomorrow and Tee-Shoppen. Unfortunately, none of the companies had the necessary resources, to make time in their schedule for an interview. Thus, the thesis relies solely on secondary sources in order to obtain data that were relevant to answer the research questions.

4.7 Validity, reliability, and generalizability

To judge the quality of the research, the terms validity and reliability is often used. In short terms validity refers to the accuracy of the analysis, and the reliability refers to the replication and consistency of the investigation (Saunders, Lewis, & Thornhill, 2016, p. 202).

Within reliability there exists two dimensions, internal reliability, and external reliability. Internal reliability refers to consistency during the research. External reliability refers to the data collection techniques, and to what degree another independent research would be able to get the same result, based on similar data collection techniques (Saunders, Lewis, & Thornhill, 2016, p. 202).

To achieve as much internal reliability as possible, this thesis has tried to view all the utilized sources from different points of view. This thesis is conducted by only one person, which has given some difficulties in achieving a natural internal reliability.

To achieve external reliability this thesis has conducted much of its investigation on government databases, peer reviewed research papers, and large well-known organizations. Thus, the investigator has tried to conduct a study that is reliable, and can be replicated by another independent investigator, and achieve the same conclusion.

Within validity there also exists two dimensions, internal validity, and external validity. Internal validity refers to whether the data you are collecting is accurately able to answer the research question that you are trying to investigate. External validity refers to whether an investigation can be

generalized to other settings or groups (Saunders, Lewis, & Thornhill, 2016, pp. 203-204).

With the aim of achieving internal validity, this investigation has throughout the entire writing process tried to reflect upon, whether the data is sufficient in answering the research question. The thesis has tried to keep the validity high by using peer reviewed articles, government sources and sources from well know organizations working within the industries that is being investigated. Further the investigation has tried to use sources that is specifically written about COVID-19, GVC, the retailing and shipping industry.

This thesis has also tried to gain external validity. This has been done though analyzing and comparing the similarities and differences between the two investigated industries. This comparison is being introduced in a table, which later will be discussed upon, as well as concluded upon. This table will be introduced in the analysis chapter 5.2.3.

On a theoretical aspect on the generalizability of this investigation, this thesis acknowledges that investigating COVID-19 is challenging. From the post-understanding written after having conducted the literature review, this thesis found that an investigation on COVID-19, will always be restricted on some form of context. COVID-19 is not an objective truth, it is a subjectively defined phenomenon. Because of this, the generalizability of the results of this investigation will always be up for debate. This should not discourage investigators from investigating the phenomenon, however, should be seen as a natural part of investigating a subjectively defined phenomenon.

4.8 The researcher's role

As has been explained in the past subchapters, many choices have been made on the methodological approach toward conducting this investigation. My role as the researcher has been to investigate how individuals and individual organizations perceives COVID-19. My role has not been to investigate whether objectivity can be found within the perception of COVID-19, however on the contrary, it has neither been to obtain an intersubjectivity with either the interviewee from Coolrunner nor statements from organizations. My role as the investigator has simply been to investigate data independent of myself, while acknowledging that the individual interviewed, and the organizations analyzed, have perceptions that are being affected by their surroundings.

5. Analysis

In this chapter the primary data conducted within the interview with Kenneth Kragelund will be introduced, as well as supplementary secondary data from various sources. The objective of this chapter is to answer research question 1, 2, 3, 4, and 5 which were introduced previously in the conceptualization chapter. This chapter will investigate SME's and GVC's during COVID-19, as well as investigate COVID-19's effect on Denmark, and later specifically on the Danish retailing and shipping industry. Finally, a comparison between the Danish retail industry and the Danish shipping industry will be conducted.

5.1 SME's and GVC's during COVID-19

The objective of this subchapter is to investigate research question 1 and parts of research question 2, being: How are global value chains affected by COVID-19? And: How are Danish SME's affected by COVID-19?

This subchapter's objective is to investigate what data is available on SME's and GVC's during COVID-19 before specific country and industry contexts are being applied. The unit of analysis within this subchapter is on a macroeconomic level.

Companies of all sizes has experienced massive uncertainties and difficulties in managing their business in these current times. When comparing large MNE's with small and medium-sized multinational enterprises, the literature and data suggest that both business sizes has distinguished advantages and disadvantages. In a report by McKinsey, three general COVID-19 related difficulties for SME's are presented (Albaz, Mansour, Rida, & Schubert, 2020). McKinsey argue that these difficulties are more difficult for SME's to cope with, compared to their older counterparts. The first factor that McKinsey introduce is the plunging demand that COVID-19 introduced, as well as the lower liquidity reserves that SME's often have (Albaz, Mansour, Rida, & Schubert, 2020).

The second factor that McKinsey introduce is the supply chains of SME. Albaz, Mansour, Rida and Schubert argue that most SME's do not have adequate core functions within their organization, to act upon commercial pressure. This according to the McKinsey will manifests itself on SME's ability to be flexible and quickly adaptable to new supply chains (Albaz, Mansour, Rida, & Schubert, 2020). The last argument presented by McKinsey is SME's versus larger companies' distribution within different industries. Albaz, Mansour, Rida and Schubert present data from OECD showing that 60 to 70 percent of the SME's located in the OECD countries are working within the industries that have

been the most affected by COVID-19 (Albaz, Mansour, Rida, & Schubert, 2020). These include the retailing industry and the entertainment service among other. To explain this distribution, the report refers to the lower entrance barriers being present within these industries, as well as the OECD countries' differences in demands, compared to other non-OECD countries (Albaz, Mansour, Rida, & Schubert, 2020).

In a paper conducted by International Monetary Fund, on the forecasted failure rates of SME's because of COVID-19, the paper estimated that the world should expect a nearly 9 percent point increase in the failure rates of SME's, if no governance support was given (Kalemli-Ozcan, Gourinchas, Penciakova, & Sander, 2020). The forecast is based upon data from companies located within 17 countries, and the authors of the paper describes the data as being reliable and representative (Kalemli-Ozcan, Gourinchas, Penciakova, & Sander, 2020).

The organization OECD has also analyzed this paper, and refer to it as generally representative, however that one should take into consideration that the data collected from the 17 countries, mostly consisted of European countries. To be exact 15 originating from Europe, with the only two not, being Japan and Korea (OECD, 2020). Based on the findings of (Kalemli-Ozcan, Gourinchas, Penciakova, & Sander, 2020), OECD argued that business failure rates would increase from 4,5% to 12,1% in 2020 if there were no policy inventions (OECD, 2020). Further when investigating the shipping and retailing industry, Wholesale and Retail were estimated to increase in bankruptcies from 9.12% to 18,21% and the transportation industry from 7.64% to 13.28% (Kalemli-Ozcan, Gourinchas, Penciakova, & Sander, 2020; OECD, 2020).

The general tendency that the world has seen during COVID-19, is that many international-based companies has chosen, or in some cases been forced, to reshore their supply chains and value chains, in order to become more regional, or might even national. This was evident from the literature review conducted previously in this thesis.

In a recent article written by Piergiuseppe Fortunato from UNCTAD (United Nations Conference on Trade and Development) Fortunato argue that COVID-19 has exposed the fragility of GVC's, being their high independencies between countries (Fortunato, 2020). In his article Fortunato argue that a business model driven by GVC is very fragile towards external shocks. These external shocks have appeared as an effect of COVID-19. Fortunato argue that the reshoring that has occurred during the last year, allows MNE's to become more flexible and adjustable towards changing demand, and thus

mitigating the MNE's risk of external shock (Fortunato, 2020). From this Fortunato argue that MNE's could rethink their strategies and mitigate risks through reshoring (Fortunato, 2020).

However, the views and results presented by Fortunato and UNCTAD is not shared among all empirical evidence. When analyzing a recently released paper by the OECD on GVC's efficiency and risks during COVID-19, one can see that the article by Fortunato and the paper from OECD finds conflicting results (OECD, 2021). OECD presents empirical figures. These figures are based on simulations, where the organization used its computable general equilibrium (CGE) trade model called METRO, in order to simulate the developments of some predetermined macroeconomic key figures. The simulation was conducted to see what would happen in different scenarios (OECD, 2021). According to the estimates from OECD, policies implying to increase the incentives to reshore will damage the majority of economies in the world. OECD states.

“The majority of countries are better off in the interconnected regime, both in terms of levels and stability of economic activity. Thus, the modelling results suggest that the economic case for reshoring GVCs is indeed weak, while pointing to benefits of using a range of government policies to make supply chains more resilient” (OECD, 2021, p. 3).

In the paper, and to make the simulations, OECD refer to hypothetical countries using one of two hypothetical policy regimes. First one being the localized regime, where MNE's are recommended to decrease their international dependencies. The second one being interconnected, where MNE's are advised to maintain their original GVC's (OECD, 2021). In terms of vulnerability towards external shocks, OECD, oppositely to Fortunato, argue that localized companies would be more vulnerable towards shocks (OECD, 2021; Fortunato, 2020). OECD concludes:

“The localised regime, where economies are less interconnected via GVCs, has significantly lower levels of economic activity and lower incomes. Furthermore, the localised regime is also found to be more – not less – vulnerable to shocks, as shown by greater instability of key economic variables such as real GDP” (OECD, 2021, p. 3).

Hence the OECD warns countries and MNE's not to initiate processes that would start to reshore the value chains of MNE's. Furthermore, OECD similarly warns people not to blindly insinuate that

reshoring will generate more resilience towards shocks, as well as create more stable national GDP developments (OECD, 2021).

Similar arguments to those presented by OECD is depicted in an article from VOXEU. The paper refers to two previously released papers studying the economic impact of COVID-19, however states that neither of them consider the importance of balance between costs and benefits, in situations of crisis. The VOXEU refers to the OECD trade model simulations as being the most reliable gap filler, that is more accurately able to determine the balance between cost versus outcome (Arriola, Kowalski, & Tongeren, 2020).

On the topic of international global value chains, a very recent paper by Heli Simola, from The European Money and Finance Forum, also called SUERF, has been released. In the paper, SUERF investigates and compares the characteristics, and the current outcome, with the outcomes of similar crisis that has occurred over the last two decades (Simola, 2021). Like the VOXEU paper (Arriola, Kowalski, & Tongeren, 2020), SUERF (Simola, 2021) also refers to the OECD trade model estimates. In her paper Simola compares the economic and GVC outcomes of COVID-19 with the outcomes of the global financial crisis, as well as the flood in Thailand and massive earthquake in Japan in 2011 (Simola, 2021). Simola argue that these three previous crises' is great examples of global chocks in supply and demand. The financial crisis being a substantial reduction in demand, and the Japanese earthquake and Thailand's floods being an obvious shock in supply chains on a global basis (Simola, 2021).

Simola argue that similarly to the 2007 financial crisis, COVID-19 is not expected to result in a great GVC restructuring. Even though the financial crisis often only is being associated with decrease in demand, Simola argues that similarities between the financial crisis and COVID-19 can be made. Simola argues that even though COVID-19 has also brought supply difficulties, the main factor of the COVID-19 crisis has been reduction in demand (Simola, 2021). To explain the supply and demand changes that COVID-19 has brough forward, Simola states:

"Although the current crisis is also associated with supply shocks, it now seems that the main blow has again come from the sharp drop in demand. Supply chain problems have affected production in several countries and sectors, but most GVCs appear to have been quite resilient." (Simola, 2021, p. 3)

Further when investigating the supply chains, Simola argues that the two natural disasters, being the ones in Japan and Thailand, did not lead to any significant reshoring on the long run, but in some

cases resulted in quite the opposite (Simola, 2021).

Simola explain that a lot of the reason as to why many MNE's throughout time has chosen not to initiate a reshoring process during natural disasters or economic crisis's is simply because of risk management. Simona argues that the adjustments available through risk management, is much more appropriate and valuable then reconstructing one's global value chain (Simola, 2021).

One of the few empirical-based investigations, which has been released after the (OECD, 2021) estimation paper, is a paper by the European Parliament from March 2021 (Raza, Grumiller, Grohs, Essletzbichler, & Pintar, 2021). The paper investigates global value chains, and what the options for MNE's are to reshore back to Europe. The paper concludes that the world is currently in a state where the number of exogeneous shocks upon GVC is likely to increase in the future (Raza, Grumiller, Grohs, Essletzbichler, & Pintar, 2021). Because of this the European Parliament argues that promoting resilience instead of reshoring is of much importance, however that it is important to understand the differences between industries, as well as economies (Raza, Grumiller, Grohs, Essletzbichler, & Pintar, 2021). The European Parliament argue that some industries and countries are expected and estimated to increase its reshoring in the post-COVID-19 times. These include emerging economies that is expected to become interesting for China and US, because of their economic races. Further they also include industries working with the green transitions, since international trade is likely forecasted to become more expensive as well as cumbersome (Raza, Grumiller, Grohs, Essletzbichler, & Pintar, 2021).

5.2 COVID-19 in Denmark

This subchapter investigates research question 2 being how are Danish SME's affected by COVID-19? This subchapter's objective is to investigate how Denmark has been affected by the COVID-19 crisis, and the economic development that Denmark has experienced throughout the last 1,5 years, where COVID-19 has been present. The unit of analysis for this part of the investigation is on a macroeconomic level, moving towards a meso level since the Danish country context has been added.

The COVID-19 pandemic has had colossal and detrimental effects on countries and industries throughout the entire world, Denmark being no exception to this. The effects of COVID-19 have been present in the world in approximately 1,5 years, at the time of this thesis being written, and throughout this time, different perceptions and forecasts has been made. Denmark has at this current moment experienced two society lockdowns and is currently in the process of re-opening from a lockdown

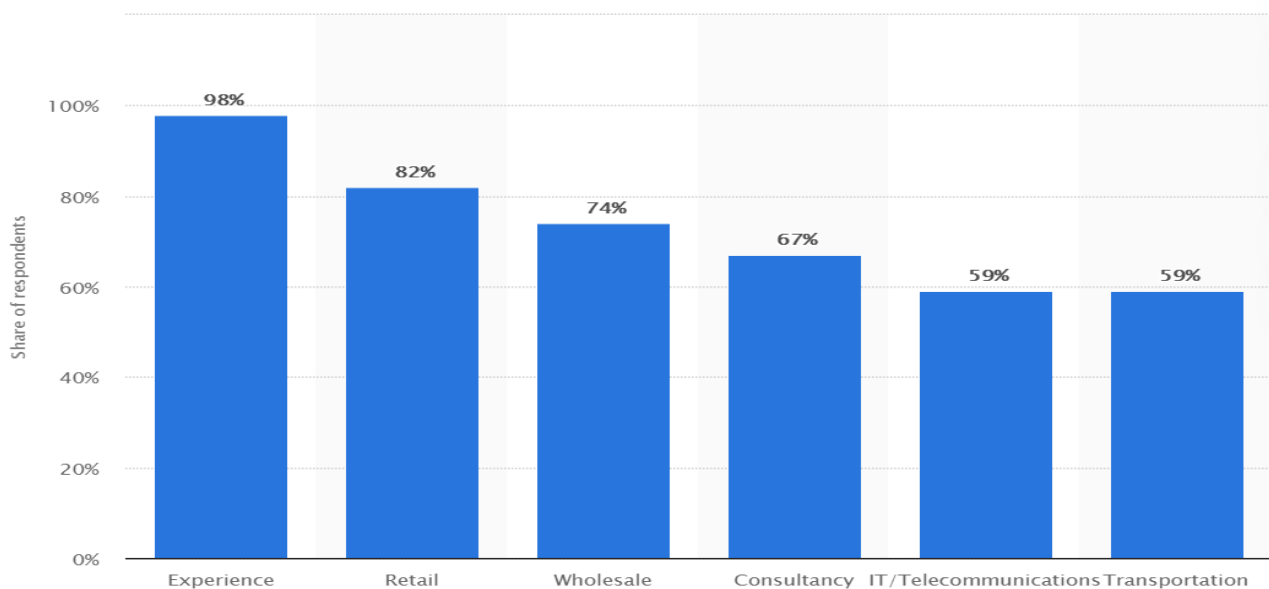
that was initiated by the Danish prime minister Mette Frederiksen in the last quarter of 2020 (ThinkEurope, 2021). Since the beginning of COVID-19, the Danish governance and united Danish parliament has offered several economic relief packages to all businesses in Denmark, as long as they had a CVR number (Copenhagen Capacity, 2021).

The pandemic has affected many parts of the Danish society, and the Danish prime minister refers to the COVID-19 pandemic as being the worst crisis that Denmark has experienced since World War 2 (Frederiksen, 2021). Denmark experienced the first case of COVID-19 on the 27th of February in 2020 and kept for the majority of 2020 a low number of infection cases (Statista, 2020). Denmark experienced a rise in COVID-19 cases in the 4th quarter of 2020, and as a result had to initiate a second lockdown to reduce the all-time highest amount of infected in Denmark (Statista, 2020).

Unfortunately, it seems that the opening process that is currently happening is having a negative effect on the development of COVID-19 cases in Denmark (Videnskab, 2021).

In the first initial phase of COVID-19 a report released by Statista on COVID-19's effect on different industries, show that many industries experienced revenue losses because of COVID-19.

Figure 7: Share of Danish companies experiencing revenue loss in 2020 due to COVID-19, by industry.



Source: (Statista, 2020)

Figure 7 above is based on a survey conducted on 1015 respondents who were all part of Dansk Erhverv. Dansk Erhverv is one of Denmark's biggest business and employee organizations, and it presents a wide range of different companies in different industries (Dansk Erhverv, 2021). The

survey was conducted in April 2020, and it shows that many industries has been experiencing loss in revenue because of COVID-19 (Statista, 2020).

In one of the most recent reports by Danmarks statistik from March 2021, it seems there is many reasons to why companies have experienced these difficulties. According to Danmarks Statistik the GDP of Denmark fell with 2,7% in 2020. However, where this negative development originates from, is not equally spread among all industries. According to the report 75% of the reduced GDP in Denmark can be directly connected with industries in transport, hotels, restaurants, culture, and lastly spare time activities (Danmarks Statistik, 2021). Further the report points out that the Danish relief packages given to Danish companies, has created deficits in the general government balance (Danmarks Statistik, 2021).

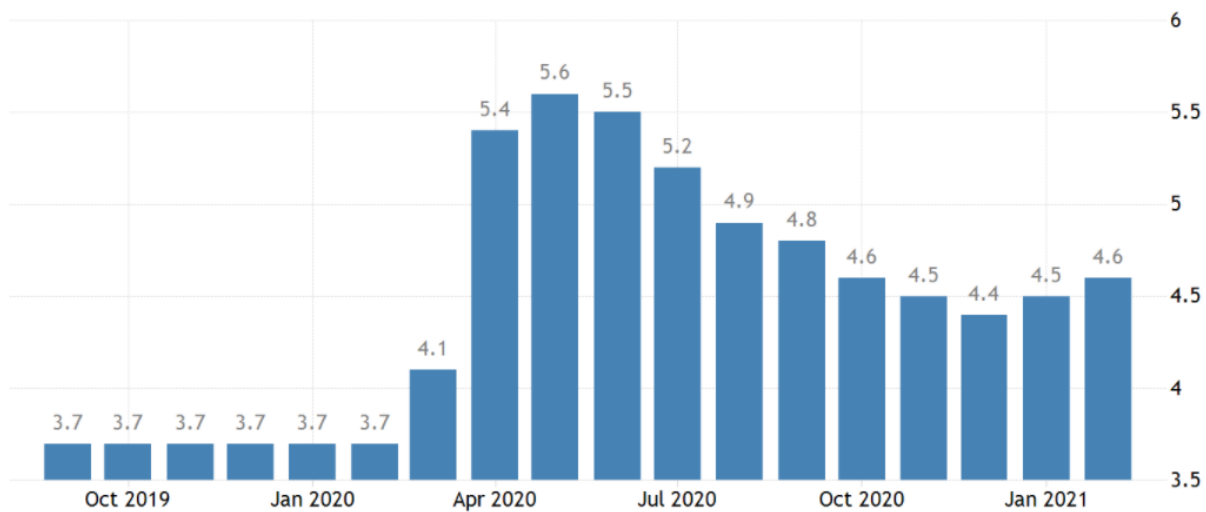
During COVID-19 many Danish consumers have also reduced the amount of money that they want to spend. According to the report Denmark is currently experiencing the highest ever household savings (Danmarks Statistik, 2021). According to the forecasted key figures in the report, the household savings is expected to have increased from 5% in 2019 to 7,3% in 2020 because of COVID-19 (Danmarks Statistik, 2021).

This key figure explains the Danish consumers in a broad perspective, but in a much more industry specific context, one can also see that COVID-19 is having severe impacts on the Danish economy through the restrictions on traveling. In total the export of Denmark has been reduced with 99 billion Danish crowns in 2020, and of this amount, 67,7 billion Danish crowns originate from service exports (Danmarks Statistik, 2021).

In a recent report by the Danish national bank the argument goes, that the reason as to why most Danish consumers save more money during COVID-19 is not because they choose to do so, but rather that it is a result of the COVID-19 related restrictions (Danmarks nationalbank, 2021). As a result of the first Danish lockdown the sales of pretty much all industries were reduced, with only the food industry being unaffected. Further almost all the industries returned to normal after the re-opening of the society, with a few exceptions (Danmarks nationalbank, 2021). According to the report from the Danish national bank only 5% of the reason as to why consumer used less money during the lockdown was because of caution, whereas 85% can be connected to the COVID-19 restrictions (Danmarks nationalbank, 2021).

As a result of COVID-19 the employment rate within Denmark has also experienced some fluctuations. In the past 5 years, the Danish unemployment rate has been between 3,7% and 4,3%, however in the last year, Denmark has experienced a spike in these rates (Trading Economics, 2021).

Figure 8: Unemployment rate in Denmark in percent from 2019 till now.

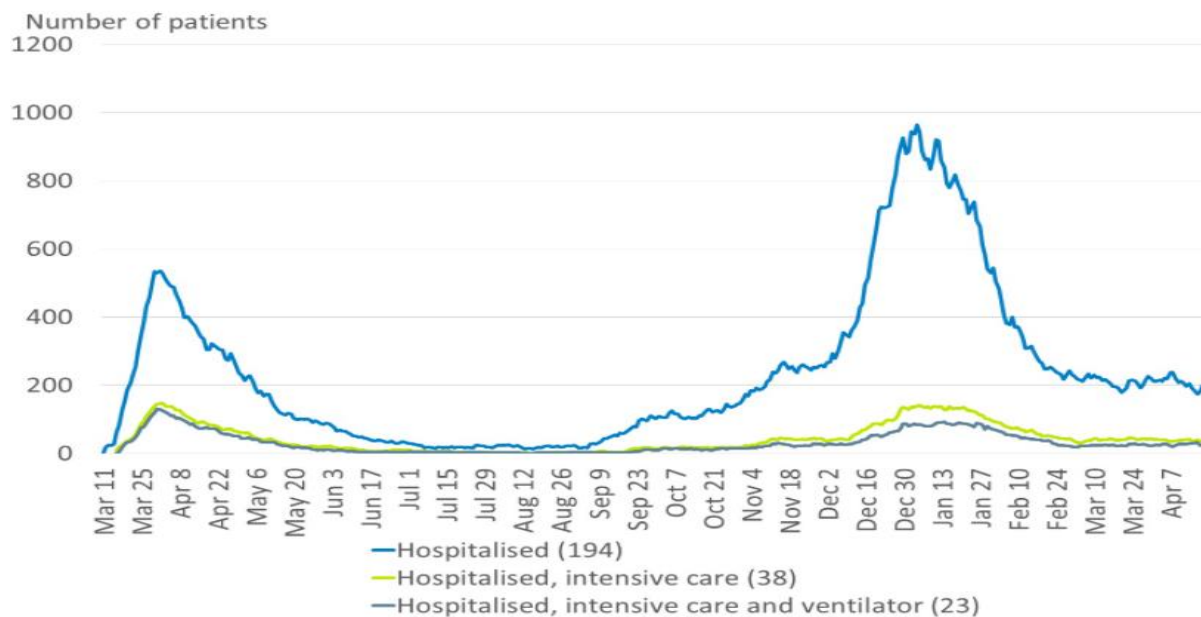


Source: (Denmark Unemployment Rate, 2021)

As depicted in Figure 8 above, Denmark experienced a rise in the unemployment rates during the first lockdown, being 5,6% (Denmark Unemployment Rate, 2021). These rates luckily decreased throughout the year. From Figure 8 it looks as if the unemployment rates within Denmark starts to increase again, however the latest available figures from the 18th of march 2021 by Danmarks Statistik shows that the unemployment rate within Denmark is not increasing but on the contrary decreasing (Danmarks Statistik, 2021). Although the current statistics shows that Denmark is moving towards a period with decreasing unemployment rates, these forecasts of the future rates are not shared among all people. According to Kragelund Denmark should expect a future with increasing unemployment rates. Kragelund states on the topic of uncertainty within Denmark that he does not expect that Denmark has experienced the highest number of bankruptcies yet, as a result of these COVID-19 times. Kragelund argues that he expects a future where the bankruptcies rates in Denmark will increase (Kragelund, 2021).

The COVID-19 infection rate has similarly also experienced some fluctuations. According to the most recent key figures from the Danish Health Authority Denmark has experienced two spikes of infections. The smallest one occurring during the first lockdown, and the biggest number of infections happening during the second lockdown (Danish Health Authority, 2021). The infection number are depicted below in Figure 9.

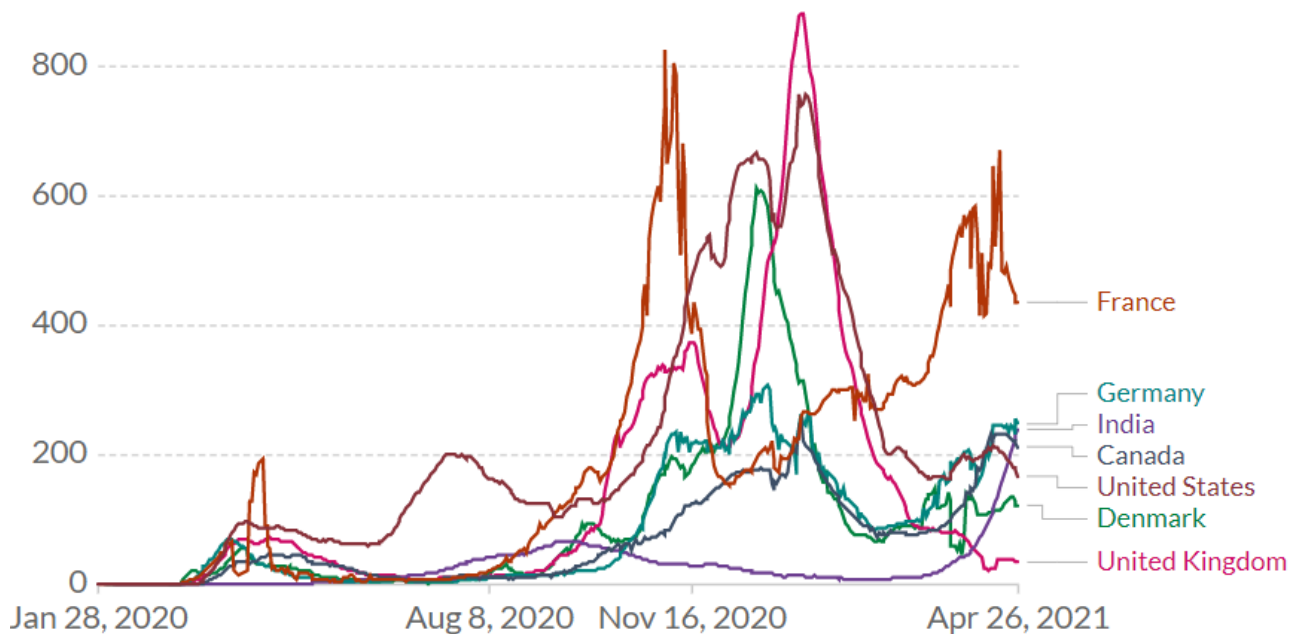
Figure 9: Number of Danish patients hospitalized with confirmed COVID-19, from 2020 until now.



Source: (Danish Health Authority, 2021)

When comparing the COVID-19 key figures of Denmark, with the key figures from the rest of Europe, one can see that Denmark is currently at a healthier level, then many other European countries.

Figure 10: Daily new COVID-19 cases worldwide, calculated per 1 million residents.



Source: (Ritchie, et al., 2021)

Shown above in Figure 10 is some of the most impacted COVID-19 countries. The countries has both been chosen based on their size, as well as their current development in confirmed COVID-19 cases.

Data sets from Our World In Data, on COVID-19 cases, that are constantly updated, shows that Denmark has experienced high fluctuations in their infection figures, but that they have started to dim down to one of the lowest in Europe. In addition to this, at this current moment, Denmark is also among the top 5 countries in the world, that has conducted most COVID-19 tests per inhabitant, showing that Denmark might have a more realistic picture of their COVID-19 status, compared to other countries (Ritchie, et al., 2021).

Furthermore, from this dataset, it looks like one of the countries that is experiencing the most extreme development in infections is India, who have a very steep infection development curve at this very moment (Ritchie, et al., 2021). The region in the world that is most affected by COVID-19 is based on the current available numbers Europe. However according to Our World in Data, this is not the actual case since many regions has limited testing (Ritchie, et al., 2021). Thus, Our World in Data suggest that Asia, and more specifically India is the country in the world, that is expected to have most confirmed and non-confirmed cases of COVID-19 (Ritchie, et al., 2021).

5.2.1 Shipping industry

The objective of this subchapter is to investigate research question 3 being: How are Danish SME's using GVC's within the shipping industry affected by COVID-19? The unit of analysis within this investigation is on a microeconomic level, where statements and arguments from individual organizations are being introduced.

COVID-19 has had a drastic influence on MNE's working with shipping and logistics. The shipping and logistics industry who work with helping businesses to get their products to the costumer or end consumer has been affected by the pandemic to a large degree. In the OECD countries the cost of logistics is between 6 to 8 percent of GDP, however in some less developed countries, logistics account for up toward 25 percent of GDP. This indicates that having optimal logistics is of considerable importance (International Finance Corporation, 2020).

The restrictions on distributions of goods and shortage of truck drivers have been felt throughout the entire industry, however not all MNE's working with logistics has been negatively affected by the restrictions that COVID-19 has brough upon the world. The Danish MNE Coolrunner, who works

with freight forwarding, has experienced a positive outcome from the COVID-19 pandemic. Coolrunner are the suppliers of web shops with e-commerce, and the director of Coolrunner Kenneth Kragelund states that the company has experienced 3 to 4 years of growth in only one year (Kragelund, 2021).

In a 2020 report by the IFC (International Finance Corporation) the report argues that logistics companies can adapt to certain factors, in order to positively affect the recovering process of COVID-19. These factors include e-commerce and GVC reconfigurations among others (International Finance Corporation, 2020). The argument that E-commerce and online shopping is a useful tool to overcome some of the difficulties of COVID-19 is not only presented by the IFC report, but also presented among various other literature.

NLINE argues in an article from 2020 on COVID-19's effect on shipping companies and freight forwarders, that:

"... online shopping represents an excellent way to spend your money from the comfort of your couch without risking your health by going to the store." (NLINE, 2020).

In the article NLINE argue that shipping and freight forwarding companies should draw on the benefits that E-commerce business partners could give them (NLINE, 2020).

Similarly, an article in a Danish transport newsletter, Transporttidende, also comments of the attractiveness of e-commerce during the pandemic. The article present data from Denmark's statistics showing that the amount of people doing online trading has increased with 5 percent points, from 70 to 75 percent, when comparing the 2011 figures with the 2020 figures (Transport Tidende, 2020). It is important to take into considerations that this figure only describe the increase in the percentage of the population who buys online, and not how much online sales has increased in general.

An argument presented by Kragelund also shows the value of e-commerce, when Kragelund talks about e-commerce being borderless for web shops. Kragelund states:

"But the crisis has definitely made many Danish web shops stronger, they have become more global and international. They have been forced to think outside of the Danish borders, so yeah, no doubt in my mind, that they are positioned better. They will always have difficulties, but the world has become way bigger." (Kragelund, 2021, p. 15).

In addition to Kragelund agreeing with e-commerce being stronger than ever because of the pandemic, he also shares similar beliefs as the ones presented by (Arriola, Kowalski, & Tongeren, 2020; OECD, 2021; Simola, 2021), stating through estimations and empirical evidence that GVC reshoring should not be advised (Kragelund, 2021). Kragelund argues on the contrary of (Fortunato, 2020) that expanding to more countries, will reduce the impact of COVID-19.

Kragelund claims that Coolrunner's success criterion number one has been that they are present in the entirety of Europe. Kragelund states:

"If you are only in Denmark, or Scandinavia, then you are quite vulnerable. While if you can spread out your business, to 8, 9 maybe 10 countries, then at least in a crisis like this, then you have a better opportunity to move around your marketing money and focus to another country." (Kragelund, 2021, p. 18).

However, Kragelund also stresses the importance of having a focused strategy for the country that you enter, at least for it to decrease risk and increase business flexibility. The foundation of establishing yourselves on a new country or choosing not to reshore in times of the pandemic, should be determined by the analysis' you make on the specific countries, and whether you are able to sell your goods in these markets (Kragelund, 2021).

Other than Coolrunner, another freight forwarder, with business activities in Denmark, that also has experienced economic growth during COVID-19 is the British based company Royal Mail. In Royal Mail's most recent full year business updates report, the MNE describes how COVID-19 has changed the demand and trends within the industry (Royal Mail PLC, 2020).

Royal Mail founded GLS (General Logistics Systems) in 1999 and base their report on the data from GLS. Coolrunner was founded in 2015 and is thus still a relatively new company, whereas GLS has been in the industry for a longer time, thus having more experience.

Royal Mail found that the pandemic has resulted in shifts in the attractiveness from B2B towards B2C. GLS's B2B activities had in the COVID-19 times decreased with approximately 20% whereas B2C increased with approximately 50%. This resulted in a volume split that is close to even, however an increase in overall turnover (Royal Mail PLC, 2020). Between Coolrunner and GLS there seems to be many similarities, at least in terms of their approach to the pandemic. Royal Mail argued that to gain a sustainable strategy for the future, the MNE would have to focus on being able to accelerate the pace of the core functions of the business, in times of changes. This implying that speed is of importance (Royal Mail PLC, 2020). When comparing with the statements of Kragelund on the

behalf of Coolrunner, there seems to be coherence. Kragelund argues that the consumers are choosing its freight forwarder based on four main aspects, being speed, availability, conveyors, and price (Kragelund, 2021).

To assure a high pace during COVID-19 Coolrunner has made use of having backup distributors in most of their markets. Kragelund argues:

“We have also tried to secure ourselves and investigate solutions. In almost every market we have 2 transport agreements. In England for example we have someone called “Hermes” and “Royal Mail”. Now Royal Mail have had 3-4 days delay because of COVID-19, then we change to the other transporter that do not have delays. In that way we always try to help the customers to have the best solution. “
(Kragelund, 2021, p. 19).

Kragelund also argues that in the freight forwarding industry it is very important to inform the consumer of what the status of their packages is (Kragelund, 2021). It is very important to be very active in pulling market specific COVID-19 related data to yourself, to supply the consumer with updates on their deliveries. Not only fast reactions are important, Kragelund argues that proactivity in informing their consumer of the current COVID-19 market specific situation, has been able to reduce their customer service with approximately 60% (Kragelund, 2021).

Even though speed is the most important factor in this industry, and having a backup distributor is of great value, it is still crucial for a business to secure their investment. In the case of Coolrunner, and on the topic of choosing solid partners Kragelund states:

“We go in and asses the credits of our customers, all of our customers are undergoing a credit assessment, and then we get a credit insurance for some of them. Meaning that if you have a customer, that we know run cargo transportation for us for 200.000 Danish crowns, if we can get a credit insurance for 100.000 – 150.000 Danish crowns, then it can never go completely wrong.” (Kragelund, 2021, p. 16)

Lastly another important aspect that MNE's working within the industry would be able to do is outsourcing. Kragelund argues that Coolrunner has experienced such a huge increase in demand, that they have had difficulties following up on it, both in terms of workforce, but also in terms of IT (Kragelund, 2021). Thus, Kragelund argues that Coolrunner has found

themselves in a survival state in the last year, where the company had to work at 100 percent (*Kragelund, 2021*). During this period Coolrunner experienced that they utilized way too many resources in trying to manage all aspects of their business internally, resulting in them spending too many resources on customers only creating small profits, and too little resources on customers that are a crucial part of making their economic growth (*Kragelund, 2021*). Only recently Coolrunner has realized that outsourcing had to be a necessity for the company. Kragelund argues that during the pandemic Coolrunner has simply invested too many resources in trying to keep all decision making internally. Instead Kragelund now argues that companies should locate their top X number of customers who are responsible for the economic wellbeing of the company, and then outsource the rest. Thus, prioritizing the profit-making activities, and outsource the rest (*Kragelund, 2021*).

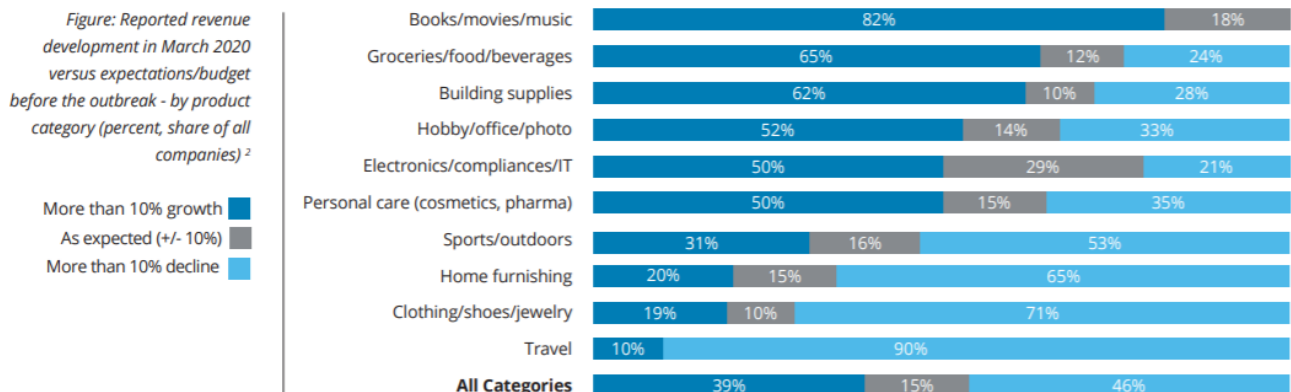
5.2.2 Retail industry

This subchapter investigates research question 4 being: How are Danish SME's using GVC's within the retail industry affected by COVID-19? The unit of analysis within this investigation is similar to the previous subchapter. It is on a microeconomic level where statements and arguments from individual organizations are being introduced.

The retailing industry is one of the industries in Denmark that has been affected the most by COVID-19. As depicted Figure 7: Share of Danish companies experiencing revenue loss in 2020 due to COVID-19, by industry, 82% of Danish retailers has experienced revenue loss because of the pandemic. Thus, the retailing industry is the second hardest affected industry in Denmark, only beaten by the experience industry (Statista, 2020).

During the first lockdown of the Danish society, Deloitte released a report showing how different retailers were affected by the pandemic in the first quarter of 2020 (Deloitte, 2020). These figures are depicted in Figure 11 below.

Figure 11: Reported Danish revenue development in March 2020 versus expectation before the outbreak - by product category (percent, share of all companies).



Source: (Deloitte, 2020, p. 1)

For some of these industries to accommodate the difficulties of the pandemic, Deloitte ends their report with introducing seven recommendations and areas, where companies could potentially optimize their COVID-19 approach (Deloitte, 2020). These being depicted below in Table 2.

Table 2: Deloitte's essential recommendations to transition a business during the COVID-19 crisis.

1	Explore the use of a digital business model.
2	Invest/overinvest in digital marketing channels.
3	Optimize online customer experience – Make sure physical stores are experienced with e-commerce channels.
4	Supply chain upgrades, and easy return policies.
5	Improve technical platforms – Potential for investment in advanced analytic capability.
6	Educate employees on how to adapt to the new organization.
7	Include e-commerce on the executive agenda.

Source: (Deloitte, 2020, p. 3)

The essentials of the seven recommendations that Deloitte presents, is that it is detrimental for businesses to respond to the new reality of e-commerce. The reason being as Deloitte states “COVID-19 will permanently reshape e-commerce as we know it, separating winners from the rest” (Deloitte, 2020, p. 3).

What is important to take notice of, is that these figures presented above in Figure 11 originate from the first and second quarter that Denmark experienced COVID-19 (Deloitte, 2020). Thus, it is critical to investigate whether there is more recent figures and investigations, that could show how the retailing industry looks, at least as of right now.

Some of the most recent figures that this thesis has been able to locate based on the Danish retailing industry, is from Realdania. Realdania is an organization, working with supporting the city life around the main cities of Denmark (Realdania, 2021). Realdania has conducted its empirical investigation based on eight small (7.500 to 15.000 inhabitants), medium (15.000 to 25.000 inhabitants) and large (25.000 to 75.000 inhabitants) Danish cities. All eight cities are widely geographically apart, and the investigation has been conducted based upon all grocery stores, departments stores, bars and restaurants, therapists as well as other clinics, in the chosen eight Danish cities (Realdania, 2021). In the article Realdania argue that based on their investigation, it is evident that the Danish retailers in general terms did well with their resilience throughout the last society shutdown (Realdania, 2021). Realdania argue that this result is based on two factors. First being that the companies have been able to receive economic relief packages, as well as being able to defer their taxes. The second one being that the retailers themselves have become good at accommodating the new trend towards online trading (Realdania, 2021). Realdania's investigating concludes that 3 percent of the retailers went bankrupt, during COVID-19, when comparing May with November 2020. This is by Realdania not a reason for too much worry (Realdania, 2021). Realdania's next data registration starts in May 2021, and for this, the organization expects that the most recent lockdown that happened during the fourth quarter of 2020 would have had a quite substantial effect on many retailers (Realdania, 2021). An investigation conducted by Dansk Industri on the Danish consumption patterns, concludes that conducting online business has come to stay. In their investigation the organization found that people above the age of 30 expects to use online business 6% more, and people between 18-29 expects to increase its use of online web shops by 13% (Dansk Industri, 2021).

A Danish SME working within the retailing industry that has experienced economic growth during the COVID-19 pandemic is Shaping New Tomorrow. Shaping New Tomorrow is a menswear brand, that was established in 2015 (Shaping New Tomorrow, 2021). Shaping New Tomorrow write in their 2020 annual report that approximately 70% of their turnover comes from online sales (Shaping New Tomorrow, 2021). Further 61% of their online sales originates from the Danish market, and the remaining 39% from international markets, meaning that Shaping New Tomorrow has experienced 270% growth on their international markets during COVID-19 (Shaping New Tomorrow, 2021).

In an interview with the Danish digital business media called Finans, the co-founders and directors of Shaping New Tomorrow explain how they have been able to handle COVID-19 with success. According to co-founder and CEO of Shaping New Tomorrow Kasper Ulrich, the keyword during the crisis has been flexibility (Finans, 2021). Ulrich states in the interview with Finans:

Flexibility has proven crucial during the corona crisis, which is why we maintain a business model of being online-driven. Online sales have no limits, while there are many financial obligations associated with the physical stores. If we are talking about an idea today, we need to be able to execute it tomorrow. Therefore, we will never open 50 or 100 stores in Denmark, and as of right now we have no plans to open more Danish stores. – Kasper Ulrich (Finans, 2021)

From this statement it seems like Shaping New Tomorrow deem a flexible online-driven business model, as being the determining factor, that has been able to supply the company with economic growth during the pandemic. However, when critically assessing the claims of Ulrich regarding the financial obligations associated with physical stores, there seems to be a mismatch between what Ulrich states, and what the company has chosen to do. This being the reason, since a very recent statement from the company shows, that it has just started investing in opening yet another physical store in Denmark (Mathiasen, 2021). This mismatch will be a topic for discussion in the discussion chapter 6 of this thesis.

In another interview by Finans, Shaping New Tomorrow also comment on their approach to decision making, both in Denmark but also in foreign countries. Until recently Shaping New Tomorrow only had one headquarter, located in Denmark, Aalborg (Shaping New Tomorrow, 2021). However, the company recently established a new one, in Germany. The headquarter in Germany is located on top of the first ever foreign physical store that Shaping New Tomorrow has had outside of Denmark. Seemingly showing that foreign fast decisions making is required, and that flexibility is of utmost importance (Finans, 2021).

Another Danish retailer that also has experienced growth during COVID-19 is Nemlig.com. The company is an online grocery store, present on approximately 83% of the Danish grocery markets. Nemlig.com offer the consumer the opportunity to buy groceries online, for then to be shipped to the consumer, resulting in no physical contact. In an interview with CEO of Nemlig.com Stefan Plenge, conducted by Eva Jung from Berlingske, Plenge comments on the future of the company post COVID-19. In the interview Plenge acknowledges that the company has received many customers because of COVID-19, which is a reason why one should be humble (Jung, 2020). Plenge argue that he does not fear for the future post pandemic, since he believes that the company has approached the rise in demand for online grocery shopping in the right way (Jung, 2020).

Plenge argues that businesses who rise because of COVID-19 should also be able to look past the

pandemic and set itself up for success post COVID-19. Thus, Plenge argue that companies who contribute a lot of their economic growth to COVID-19 should increase their focus on making future loyal customers, compared to only focusing on their current economic growth (Jung, 2020).

Similar arguments to the ones presented by (Jung, 2020) is also evident when investigating the restaurant industry. In an interview between Deloitte and Zaedo Musa, the CEO of a Guest Experience Management-platform called Superb, Musa argues that customer loyalty should be the focus during this crisis. Musa argues that companies should not base their decisions on their guts but utilize a much more data driven approach to making strategies during COVID-19 (Deloitte, 2021). Musa argues that on average in the restaurant industry it costs 120% more to acquire a new customer, compared to keeping an existing customer. If the company is able to utilize a data driven approach, the company would have an easier time gaining loyal customers is the argument presented by Musa (Deloitte, 2021). Musa argues:

“If you as a restaurant get through the corona crisis, you will be better equipped than ever before. Especially if you use business and guest data to gain control over how you run your restaurant - both now and in the future” (Deloitte, 2021)

From this, it seems it is important for the retailing industry to be proactive in their way of gaining loyal customers, and make their strategic decisions, based on their data, and not intuition of the market trends.

5.2.3 Comparison between industries

This comparison is conducted, with the objective of investigation research question 5, being: Are strategic opportunities available in one industry able to be applied to other industries. If so, to what degree? This subchapter compares the recommendations from the Danish retailing industry with the recommendations from the Danish shipping industry in order to see if there exists any coherence between recommendations. Ultimately the result of this comparison will be discussed in the discussion chapter, in order to gain an understanding of the external validity of this thesis.

The unit of analysis within this comparison, is on a meso level, meaning a combination between macro and microeconomics. The comparison investigates whether connections between macro and micro can be drawn, and to what degree.

From the previous two chapters, 5.2.1 and 5.2.2, it is evident that there is some similarities and differences between the two industries that have been under investigation for this thesis. These similarities as well as differences between the industries will be presented and described beneath. Lastly, they will be portrayed in table 3: Comparison table between the Danish shipping industry, and the Danish retailing industry's recommendations during COVID-19. by the end of this subchapter, with the intention of giving the reader an easy overview of the industries' characteristics during COVID-19.

Economic development experienced in the industries is the first factor to be compared. Based on Figure 7: Share of Danish companies experiencing revenue loss in 2020 due to COVID-19, by industry from (Statista, 2020), it is evident that both industries in have experienced revenue loss because of COVID-19. However, when investigating the shipping, it becomes clear that based on the figures presented by (Kragelund, 2021) as well as (Royal Mail PLC, 2020) that most of these revenue losses has happened within shipping firms operating with a large percentage of B2B customers. In general, B2B has experienced negative growth, whereas B2C has experienced growth, and based on the arguments by Kragelund and Royal Mail, the economic gain from B2C has been bigger than the economic loss from B2B (Kragelund, 2021; Royal Mail PLC, 2020). Comparing this to the retailing industry, it seems that the Danish consumers has either chosen, or as (Danmarks nationalbank, 2021) argue, been forced to save more money, resulting in a negative economic development.

The utilization of e-commerce and an online-driven business model is also up for comparison. From the articles, reports and investigations presented within the analysis' of the industries, it is evident that both industries promote the use of e-commerce. In the shipping industry, it is promoted to gain partners that utilize an effective online business model, thus being able to rely on their partners growth, and strengthening the partners business model (Transport Tidende, 2020; NLINE, 2020; Kragelund, 2021). For the retailing industry, it is promoted to use e-commerce since it provides great opportunity for economic growth at this very moment, as well as data showing a trend towards consumers shopping online, even after the crisis ends (Deloitte, 2020; Finans, 2021; Shaping New Tomorrow, 2021).

Flexibility and the urgency of being flexible is the next topic for comparison. Both industries refer to flexibility as being the key during COVID-19, however their approach to gaining flexibility seems to differ. According to Kragelund, the shipping industry competes on speed, availability, conveyors, and price, with the most important factor being speed (Kragelund, 2021). For the shipping industry, it

seems that flexibility is about optimizing the speed of distribution, and being able to have a backup plan, in case of COVID-19 outbursts. Whereas for the retailing industry, it seems that flexibility refers to financial obligations, consumer data utilization and speed of adaptation (Finans, 2021; Deloitte, 2021).

Customer loyalty is the last factor up for comparison. Within the literature gathered, there seems to be a difference in the two industries approach to gaining loyal customers. This is most probably the reason since the customer of a retailer is a private consumer, whereas the customer of a shipping firm often is a company. According to Stefan Plenge retailers experiencing economic growth because of COVID-19 should focus on future customer loyalty, instead of current economic growth (Jung, 2020). Compared to the shipping industry, customer loyalty still seems to be important, however customers whose contributions to the essentials of the company is low, could potentially be outsourced, if the number of resources used on these customers are deemed too high (Kragelund, 2021).

Table 3: Comparison table between the Danish shipping industry, and the Danish retailing industry's recommendations during COVID-19.

	Shipping industry	Retail industry
Economic development	B2B: Negative economic development B2C: Positive economic development	Negative economic development.
Online business model and E-commerce	Promotes the use of utilizing partners having online business models and rely on their success.	Promotes the use of online business models: - Opportunity for economic growth during the pandemic. - Data supporting future trend towards using E-commerce
Flexibility	Promotes flexibility through having a presence on multiple foreign markets. Flexibility achieved through alternative markets and partners.	Promotes flexibility through having low financial obligations and utilizing trends. Flexibility achieved through fast decision making and adaptability.
Customer loyalty	Encourages to focus on top contributing partners.	Encourages to focus on future loyal customers, as opposed to profit optimization in the current COVID-19 timeframe.

Source: The author

5.3 Reflections on generalizability

The investigation of the Danish shipping and retailing industries were conducted on a microeconomic level. However, to what degree the investigated primary and secondary sources can be generalized into other country and industry contexts is the focus point of this subchapter.

From the investigation conducted in subchapter 5.1 “SME’s and GVC’s during COVID-19” and 5.2 “COVID-19 in Denmark” it is evident that there is a difference when comparing the Danish COVID-19 effect on MNE’s with other countries’ COVID-19 effect on MNE’s. However, it does seem that there can be drawn some regional similarities.

An argument is that many of the statements does not refer to specific Danish values, however much more to European values. This applies both to the approach of internal business values, however also to external customer values. The investigator acknowledges that this thesis’ findings cannot be generalized to all country and industry contexts, however that they might be more generalizable on a European regional context.

6. Discussion

This part of the thesis has the intention to discuss some of the aspects that have been introduced in prior chapters. All of the aspects that this thesis discuss, has either been introduced previously, or has been deemed appropriate for discussion.

The first aspect that will be discussed, is how the COVID-19 literature has developed, from COVID-19 beginning until now. The first indications that COVID-19 would become an actual comprehensive crisis, both in terms of health, and economics, happened in the first quarter of 2020. This means that the world has been experiencing the effects of COVID-19 in a bit more than one year. Even though one year is a relatively short period, it seems very noticeable that the general public's opinion towards the destructive characteristics of COVID-19 has fluctuated to a large degree.

Within Denmark, one could argue that most of the population believed COVID-19 to be a minor inconvenience, that would be terminated rather quickly. However, when that did not become a reality, and the rates of COVID-19 cases raised rather quickly, the opinions towards the pandemic altered with great speed.

With the current Danish vaccine figures, an argument could be that the opinion towards COVID-19 has changed yet again. This is not only the case among the Danish population however it also seems to be visible in the literature released throughout the last year, regardless of country specifics. This is very evident when comparing the argument of (Fortunato, 2020), being that it is a good idea to reshore one's global value chains, to papers and estimations that was released later.

Similarly, one could also argue that this is apparent when comparing some of the paper presented within the literature review, with some of the more newly acquired Danish statistics and key figures.

In addition to the different phases that the COVID-19 related literature has gone through the last year, another topic for discussion is the key figures and estimates that has been forecasted on the Danish economy.

In chapter 5.2.2 Retail industry, some of the data that were presented originated from an investigation conducted by Realdania. Based on Realdania's investigation, the organization concluded that only 3% of Danish retailers had gone bankrupt as an effect of COVID-19 (Realdania, 2021). However, an important argument to take into considerations, is that this investigation only focusses on bankruptcies, and not the general economic situation among Danish retailers. Even though the report argues that retailers has not been affected as significantly as previously expected, it may be stated that this report should not be able to conclude anything on the general economic development in the retailing industry. This being the case since it only investigated bankruptcies versus non bankruptcies.

It did not investigate the development in the economy of the Danish retailers.

A great example of this can be portrayed, when comparing the conclusion of the Realdania report, with the arguments presented by Kragelund. Kragelund states on the topic of bankruptcies:

“At some point the bubble that we are currently in will burst. There will be a bill to pay at some point for all the billions put into Europe, and that can definitely have an influence. We have not seen the top of bankruptcies in Denmark yet, because of postponed VAT, so at some point, something will happen. We are not over the crisis yet.” (Kragelund, 2021, p. 16)

Similarly, the estimations conducted by the International Monetary Fund also concluded that the bankruptcies rates among European SME's was expected to almost double, on both the retailing and shipping industry. However, that does not seem to correlate with the findings from Realdania (Kalemli-Ozcan, Gourinchas, Penciakova, & Sander, 2020; Realdania, 2021).

Therefore, one could argue that the findings of Realdania might be misleading, at least if an investigator tries to use Realdania's investigation to answer questions regarding the general economic development of the Danish retailing industry. It can be assumed that a reason as to why the bankruptcies among the two Danish investigated industries, has not increased as much as (Kalemli-Ozcan, Gourinchas, Penciakova, & Sander, 2020) believed, could be because of the financial aid that the Danish government provided the companies. The financial aid would in that way have a direct influence on the bankruptcies, however, does not consider the individual economic situation of the particular organization. This is where the postponed VAT argument presented from Kragelund becomes interesting. This being the case since one could understand it as if Kragelund argues that the Danish bankruptcies rates in the long run, only has been postponed, instead of decreased.

From these differences in opinions, it becomes obvious that it is crucial to cover the empirical investigations and arguments presented in the COVID-19 related literature in a critical perspective to achieve an investigation that is both valid and reliable.

On the subject of global value chains, and the reshoring or nearshoring that has occurred during the last year, one could also argue that the literature on forecasts and estimations has fluctuated quite a bit during the COVID-19 crisis. As the literature review found, some countries even went as far, as only offering financial aid for their companies, if they reduced their involvement on some specific countries. This being a reality since they believed this restriction to become beneficial in the long run (Barbieri, Boffelli, Elia, Fratocchi, & Kalchschmidt, 2020; Strange, 2020).

However, a counter argument is that the latest estimates show another truth. Even though the initial idea behind reshoring was to achieve flexibility and give the opportunity to act fast upon unwanted activities happening in the markets, as presented by (Fortunato, 2020), newer findings found another truth. Both the OECD, an interview with Kragelund from Coolrunner, and statements from the CEO's of Shaping New Tomorrow shows that the majority of countries are better off in the interconnected regime. Based on these estimates and understandings, one could argue that reshoring does not contribute with increased flexibility, it actually contributes with quite the opposite.

In the literature review, an article by Jonas S. Eduardsen presented an argument, stating that it is very important for MNE's to both focus their attention on achieving COVID-19 related resilience, however, that it should not totally consume the profitability of the business model (Eduardsen J. S., 2020). You could argue that this approach to reshoring, has become more popular throughout the latest two quarters of 2021. The reason for this might differ in different industries, countries, and regions, however, it seems that the decision makings possibilities of MNE's has become more enlightened throughout the COVID-19 times, and thus affected companies' approach to managing it.

One of the reasons as to why some MNE's might not choose to reshore might be because of their business model then being unable to gain profits. If substituting one part of their value chain with another the business model would not be able to function properly anymore.

This argument is somewhat similar to the one presented by (Eduardsen J. S., 2020), however another argument might also be the future expectancy of shock-events. As presented previously a report by the European Parliament argued that the amount of exogeneous shocks upon GVC is likely to increase in the future (Raza, Grumiller, Grohs, Essletzbichler, & Pintar, 2021). From this point of view, the arguments presented by (Eduardsen J. S., 2020) also seems to gain support. This is simply the case since developing general business model resilience seems more appropriate, compared to adapting to every single exogeneous shocks, of which the quantity only seem to increase in the future (Raza, Grumiller, Grohs, Essletzbichler, & Pintar, 2021).

A simple argument on the approach towards global value chain reshoring, is that resilience has always been of great importance, both for the future economy of the MNE, but also for their country's future economy. For the first initial stages of COVID-19, many governments and academics thought that reshoring were the most optimal way of achieving resilience and flexibility. However, since then newer empirical investigations has shown this not to be the case, implying that in the long run, resilience and flexibility is achieved through having interconnected regimes.

Further the newest decision making performed within the retailing company Shaping New Tomorrow also implies that MNE's should not solely focus on achieving resilience during COVID-19. Based on the company's decision to open yet another physical store in Denmark during the COVID-19 crisis might imply that it is possible to expand during the pandemic, however, this only becomes a possibility as soon as the company develop an adequate amount of value chain and supply chain resilience.

In the literature review Figure 5: Enterprise Effectiveness and Sustainability Model during Pandemic, by Obrenovic, et. al." from (Obrenovic, et al., 2020) was presented, showing six factors to focus on, in order to achieve a sustainability business model during pandemics.

These six factors were: digitalization and ICT, financial contingency planning, networked structure, supply chain resilience, organizational culture, and distributed leadership.

Based on all the investigations, estimates literature and perceptions presented within this thesis, one could argue that all of these factors could have some influence on an MNE's opportunities for strategizing during the COVID-19 pandemic.

For the use of ICT and financial contingency plan, these recommendations seem rather obvious to be beneficial, at least since it is difficult to find conflicting arguments showing that having a back-up plan is a non-value creating idea. Similar arguments go for ICT programs. For the networked structure some of the examples from the analysis of the retailing and shipping industry showed that having a flexible business structure is definitely crucial in some industries, whereas for others, this parameter might not seem to create any substantial difference.

The entire debate presented on global value chain resilience and supply chain resilience also indicates that resilience is of much importance. An argument could be that based on the investigation conducted within this thesis, resilience is of much importance in both the Danish shipping and retailing industry. The difference between the two, being their definition of resilience, as well as how to practically implement the resilience.

Organizational culture also seems of much importance, especially when talking about the current and future trend of e-commerce and having an online business model. One could argue that this definitely has an impact on the retailing industry, however, that to some degree it could also apply to the shipping industry.

Lastly for distributed leadership, there also seems to be some arguments, stating that distributed and outsourced decision making could generate some benefits for companies working within both the retailing and shipping industry.

Based on the comparison between the two investigated industries it may be stated that there does not seem to be a big difference in how the literature and estimates suggest them to act, in order to reduce the impact of COVID-19. The comparison Table 3 shows that both industries promote the same tools to accommodate COVID-19, however with some diversification, that seems to be driven by the industry characteristics.

From a theoretical perspective on the subject of GVC's during COVID-19, one could argue that many papers have been released on COVID-19's influence on specific industries, however the current available literature requires more investigation on how the firms have been affected. More specifically the firms that is currently benefitting from the pandemic. In an interview with the CEO of Nemlig.com Stefan Plenge, a company that has experienced great success as a result of COVID-19, the interviewer, Eva Jung, asked the following question:

“It is a classic trap, that when the speed of growth is too great, the companies get suffocated in their own success. How will you avoid this?” (Jung, 2020)

On exactly this topic, being companies benefitting from COVID-19, one could argue that there only has been done a few if any investigations. An argument could be, that even though it is important for negatively affected companies to strategize their way out of COVID-19, it is similarly important for positively affected companies to utilize the opportunity that they have been given in the right way, so that they still can operate their business after COVID-19.

From the interview with Kragelund, an essential argument could be that this kind of critical reflection might be lacking in the management of Coolrunner, and if such considerations became more essential, the company could potentially benefit more in the long run, meaning post COVID-19.

Lastly up for discussion is the difficulty of conducting an investigation on COVID-19, during COVID-19. The pandemic has been in the world for approximately 1,5 years at this very moment, however it is still not over, and in some regions of the world, new waves of infections still appear, latest biggest one being in India (Morelle, 2021). Many of the results, forecasts and estimates builds on COVID-19 vaccines becoming more prevalent, and thus reducing the new amount of infection cases. An argument is that as long as new cases keep on appearing, and the vaccine production and distribution of countries such as India reduces, the entire worldwide vaccine program will be postponed. Because of this, estimates and forecasts should then also be postponed. Therefore, it is critical to recognize that many of the estimates are very vulnerable towards external changes.

7. Conclusion and implications

The objective of this thesis has been to investigate how global value chains has been affected by COVID-19, and further how Danish SME's using GVC's can strategize during the COVID-19 pandemic.

Based on the conducted investigation this thesis can conclude that the available academic literature, empirical findings, and estimations, from COVID-19's outburst until now, promotes different suggestions for MNE's utilizing GVC's, on how to overcome the difficulties of COVID-19. Initially some countries governments promoted GVC reshoring, with the intention of making their companies more flexible and to mitigate risks. Since then, newer investigations and estimates concludes this believe not to be accurate, and on the contrary conclude that localised regimes are found to be more, not less, exposed to external shocks.

Through an empirical investigation between the shipping industry and the retailing industry, this thesis is able to contribute to the available literature on COVID-19's effect on different industries. This thesis suggesting that both industries' can utilize somewhat similar strategic tools, given that the utilization of these are not conflicting with the characteristics of the specific industry. Based on the investigation conducted within this thesis, five potentially value creating opportunities for Danish SME's utilizing GVC's has been made. These include defining/re-defining the business model to integrate e-commerce, obtaining a healthy balance between GVC resilience and profitability, outsource or reduce non-profitmaking activities, distribute organizational leadership, and lastly increase the focus on achieving a flexible organization. Furthermore, based on a comparison table this thesis can conclude that most of these tools can be incorporated onto other industries, if they can be adapted onto the industry characteristics.

On a theoretical, as well as empirical level, this thesis can conclude that comprehending and investigating on the entirety of COVID-19 will never be a possibility. This is simply because of its complexity, and the fact that it is a subjectively defined phenomenon. Thus, an investigation on this phenomenon will always be restricted on an appliance to a predetermined specific context.

Finally, this thesis can conclude that the quantity of literature and empirical investigation on the strategic opportunities for MNE's profiting, as a direct result of COVID-19, is currently insufficient. Thus, this thesis suggests that further empirical investigation is required on what MNE's can do to not suffocate in their own COVID-19 related success when the pandemic starts to decrease.

7.1 Limitations

This investigation has its limitations. Some of which were intended, and others that were unintended. These limitations originating from both the general structure of the thesis, as well as some individual choices made by the investigator.

The first limitation revolves around the amount of primary data conducted within this investigation. The investigation has been conducted based on one primary interview with a co-founder working within the shipping industry. This limitation would decrease if more primary interviews, in different organizations, could have been conducted within both the Danish shipping and retailing industry. One of the reasons as to why this limitation has occurred, at least when referring to the number of primary interviews within the retailing industry, is because of the time period that this investigation has been conducted in. In the initial stages of the investigation almost all physical retailers in Denmark were shut down. Since then, Danish retailers has open, however have been so focused on their re-opening that the resources to being interviewed, were not a high priority. Many companies have been e-mailed, asking for an interview, however unfortunately only one had the necessary resources at the moment of investigation.

Only being one person has also its limitations on the possibility of obtaining internal reliability. Naturally, a difficulty of perceiving data from different perspectives has occurred, thus also implying some limitations.

Furthermore, this thesis has been limited because of its restriction on text allowed to be written, being a maximum of 60 pages. This restriction originates since the investigator has chosen to conduct this investigation by himself. The restriction of 60 pages has resulted in the investigation being limited in its ability to research whether the findings found within the two Danish industries can be applied and adapted to other industry and country contexts.

Lastly one of the natural limitations that is evident, is that the investigated phenomenon in this thesis is COVID-19. This has been a limitation for this investigation since the current quantity of empirical investigations about COVID-19 is relatively low. Furthermore, most of these investigations has been conducted by national bureaus, investigating on a macroeconomic level, thus investigations in which the unit of analysis is microeconomic has been difficult to locate.

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9. Appendix

Appendix 1: Organization and findings within academic journal publications

N o.	Title	Year	Author(s)	Publisher	Keywords	Findings
1	International entrepreneurship in the post Covid world	2021	Shaker A. Zahra	Journal of World Business	International entrepreneurship, International new ventures, Covid-19, Institutional change, Digitalization, Innovation	<p>Argues that the competition that has been between countries to study COVID-19, raises questions about the relevance, stability, compatibility and effectiveness of international institutions.</p> <p>INV's from emerging economies might have difficulty staying international since they face complex and unstable institutions in foreign markets. COVID-19 is also decreasing cross-border investments.</p> <p>Further, this paper argues that INV's should pursue institutional entrepreneurship, which unfortunately increases the required resources.</p> <p>The paper argues that there are difficulties with global value chain, and opens the debate for potential de-globalization, and selecting specific world regions.</p> <p>Opportunities of COVID: E-commerce, global innovation and flexibility,</p>
2	Coronavirus and international business: An entrepreneurial ecosystem perspective	2020	Vanessa Ratten	Thunderbird International Business Review	Coronavirus, crisis, ecosystem, entrepreneurship, international business, pandemic	<p>This paper argues that De-internationalization has become an attractive strategy for many companies because of Covid-19. INV's should adapt and be flexible for the institutional difficulties that they are facing.</p>
3	Global Economic Effects of COVID-19	2021	James K. Jackson, Martin A. Weiss, Andres B. Schwarzenberg, Rebecca M. Nelson, Karen M. Sutter, Michael D. Sutherland	Congressional Research Service		<p>This paper estimates the virus could reduce global economic growth to an annualized rate of -4.5% to -6.0% in 2020, with a partial recovery of a rate of 2.5% to 5.2% in 2021. Further, major advanced economies is expected to be affected to at least 2024.</p> <p>Because of a second wave in Europe, this paper expects the economic recovery to begin at the soonest in the second quarter of 2021. Denmark is expected to be in the top 4 (Austria, the Netherlands, Denmark, and Sweden), of the countries in EU, where the GDP will be affected the least.</p>

4	Startups in times of crisis—A rapid response to the COVID-19 pandemic	2020	Andreas Kuckertz, Leif Brändle, Anja Gaudig, Sebastian Hinderer, Carlos Arturo Morales Reyes, Alicia Prochotta, Kathrin M. Steinbrink, Elisabeth S.C. Berger	Journal of business Venture Insights	Bricolage, Coronavirus , COVID-19, Crisis, Entrepreneurship, Policy	<p>This paper sums the opportunities for entrepreneurs during COVID-19. Among these are;</p> <ul style="list-style-type: none"> - Restructuring the company, to only focus on recently viable and value generating activities. And downsizing other activities - Discover opportunities solving consequences of the crisis. - Gather information through entrepreneurial networks, and use it in order to gain a positive influence.
5	Managing uncertainty during a global pandemic: An international business perspective	2020	Piyush Sharma, T.Y. Leung, Russel P.J. Kingshott, Nebojsa S. Davcik, Silvio Cardinali	Journal of Business research	Covid-19, Globalization, International business, Risk, Trade, Uncertainty	<p>This paper searches to identify different types of uncertainty, and how to cope with uncertainty. This paper argues that there is a substantial difference between risk and uncertainty, showcasing that most companies are able to calculate the financial risk of the business, however they may struggle with dealing with the uncertainty of the future of the company. Risk can be calculated, whereas uncertainty is much more based upon subjective feelings.</p> <p>This shows that uncertainty management is much more difficult than risk management. Among uncertainties, this paper concludes that social and informational uncertainty will likely have inevitable economic repercussions.</p>
6	Cohesion, COVID-19 and contemporary challenges to globalization	2021	Andrew Delios, Gordon Perchthold, Alex Capri	Journal of World business	Social pressures, Identity, Strategy, Organizational structure, Techno-nationalism, Immigration	<p>This paper has conducted their own primary data, and through this is able to conclude: Companies have two outcomes of the COVID-19. It can either crumble their cross-border and reshore their Global value chains, or they can grow stronger by taking advantage of the world they are living in, and utilizing the opportunities that COVID-19 presents.</p>
7	International relationships and	2021	Benjamin Fath, Antje Fiedler, Noemi Sinkovics, Rudolf R.	Journal of critical perspectives on	Resilience, SMEs, Network, Disruption, Crisis,	<p>This paper aims to empirically investigate how SME's have engaged with international network partners during COVID-19. The findings suggest that weak network relationships can become a liability in times of crisis, even if the outlook of the market looks</p>

	resilience of New Zealand SME exporters during COVID-19		Sinkovics, Bridgette Sullivan-Taylor	international business	COVID-19, Cross-border relationships, Weak/strong network ties, Exporters, New Zealand, Qualitative empirical study, Pattern matching	positive. In such cases, if the relationship breaks down completely, when look for new partners, firms may be forced to accept temporary, opportunistic alliances until the economy recovers. Further strong precrisis relationships on their own are not a sufficient condition for maintaining resilience of COVID-19, however that does not insinuate that they cannot. Further it is important to hold onto these relationships for future business. This study shows that it is not optimal to stride for creating strong relationships during COVID-19, and that only companies who had a strong relationship precrisis, are and should focus on improving their relationships.
8	Sustaining Enterprise Operations and Productivity during the COVID-19 Pandemic: “Enterprise Effectiveness and Sustainability Model”	2020	Bojan Obrenovic, Jianguo Du, Danijela Godinic, Diana Tsoy, Muhammad Aamir Shafique Khan, Ilimdorjon Jakhongirov	journal of environmental, cultural, economic, and social sustainability of human beings	COVID-19 business implications, sustainability in crisis; COVID-19 management. sustainable enterprise effectiveness; pandemic sustainability model; enterprise sustainability; COVID-19	<p>This paper is built upon theoretical backgrounds, as well as prior case studies, and intends to build an enterprise effectiveness and Sustainability Model during Pandemic. This model describes that an organization can stay effective if it is structured optimally in:</p> <ul style="list-style-type: none"> - Network structure - Supply chain resilience - Organizational culture - Distributed leadership - Digitalization and ICT (Internet and communication technology) - Financial contingency planning. <p>This model has never been tested before in practice and it is built on a theoretic foundation. This might be a very model to utilize in a discussion.</p>
9	COVID-19 and International Business: A Viewpoint	2020	Ilan Alon	Sage journals		This paper focusses on the development between the relationships between different countries and continents in the world. Especially EU will be under stress, both in terms of the situation that happened in Italy, where most EU-countries were not prepared to assist financially, but also with the Hungarian and Polish governments, since they deliberately chose to defy some of the EU-COVID-19 rules.

						Further this paper finds COVID-19 being an opportunity to make cost-benefit analysis in regard to traveling experiences, since international traveling has been decreased to a high degree.
10	European SMEs amidst the COVID-19 crisis: assessing impact and policy responses	2020	Jill Juergensen, José Guimón, Rajneesh Narula	Journal of Industrial and Business Economics	European SMEs · Innovation · COVID-19 · Economic impact · Policy responses	<p>This paper focusses on the short as well as long term opportunities and challenges for SME's in Europe during COVID-19.</p> <p>The paper concludes that:</p> <ul style="list-style-type: none"> - The policy mix will need to shift from its initial focus on the survival of European SMEs in the short term, towards a more structural and longer-term approach based on promoting their renewal and growth through innovation, internationalization, and networking. - It is not possible to apply a one-fits-all strategy to SME's. - Many European countries will lack the capacity to aggressively pursue a renewal and growth agenda. This also creates opportunities in the market. - Further, the COVID-19 crisis can also act as an accelerator of digitalization and sustainability transitions, as well as health technologies such as biotechnology and genetics
11	International HRM insights for navigating the COVID-19 pandemic: Implications for future research and practice	2020	Paula Caligiuri, Helen De Cieri, Dana Minbaeva, Alain Verbeke & Angelika Zimmermann	Journal of International Business Studies		<p>This paper focusses on the difficulties of managing international human resources, during and after COVID-19.</p> <ul style="list-style-type: none"> - This paper focusses on the importance of companies now being able to reduce their carbon fiber footprint in the world and grow through the environmental trend that has grown within this pandemic. - Argues that companies should redefine their definition of performance. Should change to enterprise resilience – The ability of an enterprise to respond or “bounce back” from shock events.
12	The world economy will need even more	2021	Farok J. Contractor	Journal of International	globalization; global supply chain strategies;	This paper proposes that the challenges that will be faced because of COVID-19 is marginal, but definitely not fundamental. Actually, this paper writes that the challenges can easily be handled.

	globalization in the post-pandemic 2021 decade			Business Studies	risk and risk exposure; decoupling; US-China relationship; contributions of multinational enterprises	<p>To do this, this paper concludes firms can do the following to reduce RISK:</p> <ol style="list-style-type: none"> 1. More sophisticated information systems amongst MNEs and traders 2. Close relationships between suppliers and buyers 3. Marginal increase in the diversification of input and assembly-point sources 4. A weighted-average decrease in “distance” 5. Common standards <p>Finally, this paper concludes that the world needs more globalization, which is why companies to some degree can rely on their governance to succeed in making partnerships. The reason being that the world need globalization to grow in sustainability, ethics and CSR. Lastly this paper concludes that with today’s cross-border flow of information, spread of education, literacy, knowledge, and technology makes it more difficult (although not impossible) for regression in globalization.</p>
13	From the editor: COVID-19 and international business policy	2020	Ari Van Assche & Sarianna Lundan	Journal of International Business Policy	COVID-19; MNE; policy; intangibles; globalization	<p>This paper investigates what difficulties COVID-19 brought to international companies. Among these are especially the difficulties of communicating tacit knowledge (Virtual communication has helped MNEs to cope with these challenges but it remains an imperfect substitute).</p> <p>The paper concludes that in order to make globalization more attractive, policymakers should focus on three aspects:</p> <ul style="list-style-type: none"> - Restoring the balance between sovereignty and integration - Making globalization more inclusive - Insuring some degree of resilience in global supply chains <p>However, this paper is sceptical that the current geopolitical climate is conducive to these changes</p>
14	COVID-19: THE GREAT RESET	2020	Klaus Schwab, Thierry Malleret	World Economic Forum		<p>This book is a macroeconomic approach to the impacts of COVID-19 on the entire global economy as well as the impact on individual industries.</p> <p>The book presents an excellent figure showing the difficulties of understanding the complexity of COVID-19, and see exactly how many factors all around the world it affects.</p>

15	Internationalisation and risk: Literature review, integrative framework and research agenda	2020	Jonas Eduardsen, Svetla Marinova	International Business Review	Risk, Risk management, Internationalisation, Multinationalism, Systematic review, Narrative synthesis, Bibliometric analysis, Bibliographical coupling, Risk mitigation	<p>Literature review based on 134 peer-reviewed journal articles. The objective of this paper is to offer an inductively developed integrative framework, which organises knowledge about risk in firm internationalisation. This paper finds many definitions of risk, however, believe that there is a need to clarify the risk concept and its role in internationalization.</p> <p>This paper divides risk into:</p> <ol style="list-style-type: none"> 1. Country risk 2. Institutional risk 3. Cultural risk 4. Political risk 5. Economic, convertibility and foreign exchange risk <p>This paper searches to answer 6 propositions, all of which are relevant to know when investigating approaches to COVID-19. The ones most interesting is 1, 2, 3c and 5.</p>
16	Covid-19 and International Business: Change of Era – Chapter 1: <i>International Business in the COVID-19 Pandemic.</i>	2020	Marin A Marinov, Svetla T. Marinova	Routledge		<p>This paper investigates the destruction and the consequences of Covid-19 regarding international business.</p> <p>In general terms, the paper argues that the COVID-19 pandemic will stay within international business for a long time.</p> <ul style="list-style-type: none"> - Drop in the value of international trade. - Fall in FDI - Reshoring of companies - Reduction in partnerships with China <p>The paper argues that the world is currently in a period of unpredictability and insecurity.</p> <ul style="list-style-type: none"> - Countries dependent of tourism will be affected will have to find attractive ways of reconstructing their economy. - Countries that is to a large degree being defined by GVC will also be affected hugely. - Deglobalization is a reality in the world scene.
17	Covid-19 and International Business: Change of Era – Chapter 2: <i>Change of</i>	2020	Jaqueline Pels	Routledge		<p>This paper will reflect on three COVID-19 and international business related issues.</p> <ol style="list-style-type: none"> 1. Thinking in a dichotomous way 2. Clarify “Change of era” or “Era of change”. 3. Whether COVID-19 is the cause of radical changes in international business.

	<i>Era or Era of Changes</i>					<p>What this paper argues is that currently the world is unable to focus on both improving the global economy, and global health. It has to one or the other. However, this paper argues that there should be a change of Era, in order to accommodate both aspects. International business is not over. However, we just have to change in relations to the new Era it will bring.</p> <p>This paper describes Covid-19 as being an accelerator of a new Era.</p> <p>This paper relies to a large degree on historical events that has changed the world. Draws a lot on the world currently “being” and therefore it will no matter what change in the future.</p>
18	Covid-19 and International Business: Change of Era – Chapter 3: <i>COVID-19: Challenges to International Business</i>	2020	Marin A. Marinov	Routledge		<p>This paper argues that international business has had a changing status over the recent years, due to many different factors influencing the international market. Thus COVID-19 should not be considered as a “changing factor” in itself, however it should be seen as an accelerator in the changes that has happened over the past few years.</p> <p>For most the disturbance of COVID-19 initially started with a huge fall of demand, however it has also now spread to the supplying forces.</p> <p>This paper argues that there are some similarities between COVID-19 and the Global Crisis 2008-2009, however COVID-19 is much more impactful, since the risk of their failure within the MNE’s GVC has increased immensely.</p> <p>On a national level, this paper argues that entire markets would shrink, due to employees getting fired, as well as reduced incomes.</p> <p>Long term impacts:</p> <ul style="list-style-type: none"> - Trade and FDI’s reduction - Host country legitimization difficulties - Location access to national strategic industries <p>This paper further argues that COVID-19 has to be fully overcome worldwide before international business is no longer negatively affected.</p>
19	Covid-19 and International Business: Change of Era	2020	Marian Gorynia	Routledge		<p>This paper investigates globalization, and how COVID-19 affects it.</p>

	– Chapter 6: <i>Will COVID-19 Kill Globalization ?</i>					<p>This paper argues that COVID-19 will not even significantly weaken globalization, however it will dictate how the phenomenon will be seen in the future. Further the author advises to not overestimate the extend of these COVID-19-affected changes.</p> <p>This paper argues that COVID-19 is unlikely to radically change the relatively new changes (slowdown of globalization) that has happened within international business in the last 30 years.</p>
20	Covid-19 and International Business: Change of Era – Chapter 7: <i>The Impact of the Great Lockdown on the Future of the World Economy and International Business</i>	2020	Kari Liuhto	Routledge		<p>This paper investigates the impact of COVID-19 on specially EU.</p> <p>This paper concludes that EU will be affected to a relatively large degree.</p> <ul style="list-style-type: none"> - EU will be completely different even before this decade is over. - Supply chains will shorten, and security of supply chains will increase. - Globalization will be replaced by a continent-based world order. - International free world trade will be at risk of collapsing. - A trade system between economic blocs will emerge. - FDI's will decline significantly. - After COVID-19 a global production model will not be fully restored. - Long term impact on tourism-supporting industries.
21	Covid-19 and International Business: Change of Era – Chapter 8: <i>COVID-19 and the Changing Perception of Strategic Industries. Implications for International Business</i>	2020	Ahmad Arslan, Zaheer Khan, Minnie Kontkanen, and Shlomo Tarba	Routledge		<p>This paper aims to offer a conceptual overview of strategies usable for certain industries, and then link the discussion to the changing perceptions of such industries in the times of crises.</p> <p>This paper is one of the first paper studying changing perception of strategic industries in IB perspective.</p> <p>The paper concludes that:</p> <ul style="list-style-type: none"> - FDI will be restricted to some countries. - Offshoring, reshoring or nearshoring will become relevant for some industries. - MNC's will have difficulties to sustainably create value for stakeholders

22	Covid-19 and International Business: Change of Era – Chapter 9: <i>Change of International Business Models during COVID-19 Will</i>	2020	William W. Baber and Arto Ojala	Routledge		<p>This paper argues that international businesses must be prepared for radical shifts within the business models of MNC's of all sizes.</p> <p>This paper applies 5 elements of business models from the BM literature on the digitalized world.</p> <ol style="list-style-type: none"> 1. Product/Service 2. Value Constellation 3. Finance Structure 4. Information Flow 5. Decision Making Structure <p>It is important to notice that any difference in one of these aspects, will affect the others.</p> <ol style="list-style-type: none"> 1. Some companies like Mercedes F1 and Kyrö Distillery Company changed their products because the demand for their original products decreased substantially. They instead started creating products fitting specifically for COVID-19. However, it depends very much on the industry, how and to what degree this is possible. 2. Networks has gone from being close/tight, to in the last 20 years becoming more broader and expensive networks. The partnerships/networks that will be created during COVID-19 will become more trusted after COVID-19. This paper finds a correspondence between “unoptimal” networks and resilience. 3. Argues that leasing, servicing, subscription etc. will become increasingly attractive in the post COVID-19 era. 4. Tacit knowledge will become difficult to distribute onto others. For some industries this will affect the possibilities. Less expatriates will be present. 5. Two very good figures are presented that shows how the trust and decision making is affected by not being able to have expatriates (fig. 9,1 & 9,2).
23	Covid-19 and International Business: Change of Era – Chapter 22: <i>Effects of</i>	2020	George Tesar	Routledge		<p>This paper investigates the difficulties and opportunities small international manufacturing business face during and after COVID-19.</p> <p>This paper argues that how each international venture should strategize should to a large degree be dependent on the context of themselves, and the industry that they are doing business in.</p>

	<i>COVID-19 on the Export Operations of Smaller Manufacturing Enterprises</i>					<p>The paper argues that manufacturing companies that are used to using the internet maintain a regular communication with their costumers, however “passive exporters” need to readjust their export operations if they want to survive.</p> <p>This paper argues:</p> <ul style="list-style-type: none"> - The traditional imminent managerial style will change (especially the traditional organizational hierarchy) - Decision making must become more remote managed (decisions has to be taken remotely, since decision making can require a lot of resources during COVID-19 (not all countries has the same online-communication possibilities)).
24	Covid-19 and International Business: Change of Era – Chapter 24: <i>The Power of Social Enterprises: Cooperatives as Partners of Multinational Firms in the Post - Pandemic Recovery</i>	2020	Andrei Kuznetsov, Olga Kuznetsova	Routledge		<p>This paper investigates the opportunities of being cooperative after COVID-19.</p> <p>Further this paper argues that MNC’s partnering with cooperatives can achieve:</p> <ul style="list-style-type: none"> - Improved image - Better integration back into the economy (on a local level) - Expand and diversify business partners. - Mitigate risk of alienation (on an anti-global/pro-local level) - Establish contacts with grassroots networks. <p>In total this will all have an effect on reducing the liability of foreignness.</p>
25	Developing a Preliminary Causal Loop Diagram for Understanding the Wicked Complexity of the COVID-19 Pandemic	2020	Oz Sahin, Hengky Salim, Emiliya Suprun, Russell Richards, Stefen MacAskill, Simone Heilgeist, Shannon Rutherford, Rodney A. Stewart and Cara D. Beal	Systems	COVID-19; pandemic, wicked problem, systems approach, leverage points	<p>This paper focusses on the complexity of COVID-19, and attempts to create a loop diagram, to give the reader an understanding of the complexity of the pandemic.</p> <p>The paper finds that the pandemic is difficult to comprehend because it covers:</p> <ul style="list-style-type: none"> - Economic boundrines - Societal boundaries - Health - environment

26	Toward understanding the complexity of the COVID-19 crisis: a grounded theory approach	2020	Constantin Bratianu	Management & Marketing	COVID-19 pandemic, grounded theory, health system crisis, economic crisis, people's behavior, qualitative research, codification	<p>This paper tries to create a conceptual model that is able to explain the complexity and the dependence between different factors that COVID-19 is affecting. Through the use of a grounded theory approach the paper creates a figure showing the dependency between COVID-19 and 4 surrounding macroeconomic factors. These being:</p> <ul style="list-style-type: none"> - Government public policies. - Economic systems approach. - Health systems approach - The behaviour of people
27	DISTANCE MATTERS: LIABILITY OF FOREIGNNESS, INSTITUTIONAL DISTANCE AND OWNERSHIP STRATEGY	2004	Lorraine Eden, Stewart R Miller	Advances in International Management		<p>This paper attempts to collect knowledge on the costs of doing business abroad.</p> <p>The paper presents definitions of what liability of foreignness is, and which factors it consists of.</p> <p>Further the paper concludes that liability of foreignness is driven by mostly cognitive and normative differences, and that in order to achieve external legitimacy, companies could mostly benefit from using local partners in host countries.</p>
28	Introduction to the Handbook on Global Value Chains	2019	Stefano Ponte, Gary Gereffi and Gale Raj-Reichert	Edward Elgar Publishing		<p>This is the first chapter of the book "Handbook on Global Value Chains".</p> <p>This is a book compiling a lot of the academic findings within the concept of global value chains over the last years. The book defines and argues why GVC has become so important for the world economy, and the risk that the use of GVC could create.</p>
29	The 2020 Covid-19 pandemic and global value chains	2020	Roger Strange	Journal of Industrial and Business Economics	Covid-19 virus · Pandemic · Global value chains · Resilience · Location · Governance	<p>This paper investigates the impact of COVID-19, and how global value chains has been affected by the crisis.</p> <p>The paper finds are:</p> <ul style="list-style-type: none"> - Reshoring is likely to increase the overall cost of running an effective GVC. - New opportunities will emerge, for larger economies to enter smaller economies.

30	Covid-19 and International Business: Change of Era – Chapter 15: <i>COVID-19 and Global Value Chains: Reconfiguration of Activities across Borders</i>	2020	Paolo Barbieri, Albachiara Boffelli, Stefano Elia, Luciano Fratocchi, and Matteo Kalchschmidt	Routledge		<p>This paper investigates GVC, and which factors will affect the reconfigurations of GVC's in the future. The paper finds:</p> <ul style="list-style-type: none"> - Reconfigurations will to a large degree be dependent of the policymakers in the company's home-country. - Poor re-shoring or near-shoring has been due to issues regarding the home-countries economic system.
31	Covid-19 and International Business: Change of Era – Chapter 16: <i>COVID-19, Global Value Chains, Risk, and Resilience</i>	2020	Jonas Strømfeldt Eduardsen	Routledge		<p>This chapter investigates COVID-19's effect on international business and draws upon the experiences that the world has had, and how to avoid similar outcomes to happen if a future pandemic occurs. The paper concludes:</p> <ul style="list-style-type: none"> - Most GVC are made with focus on profit maximization. However, some companies has focussed to much on maximization, which has made them weak towards unpredictable occurrences, like COVID-19. - Risk and resilience concerns should be prioritized more since that would make companies more prepared to overcome COVID-19 and any future unforeseen event. - Companies should not only focus on either profit maximization or risk/resilience reduction. Focussing on only 1 would eventually bring downsides. Companies should find a balance.
32	Impacts of COVID-19 on global value chains.	2021	Kazunobu Hayakawa and Hiroshi Mukunoki	The Developing Economies	COVID-19; Global value chains; Asia	<p>This paper claims to be the first empirical investigation of COVID-19's impact on input-output aspects of the GVC. This paper finds that:</p> <ul style="list-style-type: none"> - Countries that receive inputs from other countries that are affected by COVID-19 to a large degree, have decreased their export. - Countries that rely on exporting has been struck the hardest by COVID-19. - Intra-Asia has been affected less then other countries.

33	DE-GLOBALISATION? GLOBAL VALUE CHAINS IN THE POST-COVID-19 AGE	2020	Pol Antràs	NATIONAL BUREAU OF ECONOMIC RESEARCH		<p>This paper investigates whether the world is in a state of de-globalization or not. The paper finds:</p> <ul style="list-style-type: none"> - The world is not currently in a de-globalization mode. The attractiveness of globalization is simply slowing down, which was also naturally expected, with its huge success during the hyper-globalization period.
34	THE FIRMS OF OUR TIMES: RISK AND UNCERTAINTY	2019	Peter W. Liesch and Lawrence S. Welch	International Business Research	Risk; uncertainty; markets; firm evolution; multinational enterprises; exchange	<p>This chapter focusses on the uncertainty and risks that more and more firms have seen, as a result of the world becoming more globalized. The chapter argues that companies see risk differently because of their different VUCA's.</p>
35	Observations of deglobalization against globalization and impacts on global business	2020	Hag-Min Kim, Ping Li, Yea Rim Lee	International Trade, Politics and Development	Deglobalization, Globalization, Trade impacts, International business risks, Global value chain, Technology change	<p>This paper investigates globalization vs de-globalization. It finds that the world has been in a general state of deglobalization since the financial crisis 2008, and that the difficulties that countries see, are to a large degree dependent on their home-country economy.</p>

Appendix 2: Transcription of interview with Kenneth Kragelund from Coolrunner

Interviewer: As a start I would like to ask, that if you have a broad look on Coolrunner, and the Corona crisis, how do you see that the Corona crisis has affected Coolrunner. Has it been an obstacle, a possibility, or a bit of both?

Interviewee: I would say, that when the Corona crisis, began in Denmark, and affected Denmark, we already on a managerial level had meetings about what do we do. Should we sent people home, should we already now start thinking about due diligence, and think about how to reduce the staff, if this will affect us negatively. We did not really know, we were afraid that our customers would also be affected to a large degree, however it did not take long, until we saw that the sale exploded among pretty much all of our customers. There were of course some that was not as lucky, however the majority exploded in growth. And that has resulted in us having set records in turnover in this and last year, and month by month we are way ahead of last year's figure, as well as previous years. And so do our customers. So, we were nervous in the beginning, and had many meetings, internally, but we have been affected positively from it to a large degree actually.

Interviewer: In terms of the development of the company, Coolrunner, and perhaps the entire industry, I would like to ask how what you think about Coolrunner's approach to the corona crisis? Have you been successful in the management of it?

Interviewee: It has been. It has been especially if you see it in the way that we have had a turnover higher, that what we have ever done before. We have moved more packages than ever before, we have hired more people than ever before. So, in that way it has of course been a success. If you look at it from a management perspective, then if you look in the past, you will see that if things go that fast, then it is difficult to have time to adjust to the changes. We have started different things in order to see if we can make some shortcuts to some things, some with success, and some with less success. But in general, we have managed to make more money, and have a bigger turnover, and hire people, so in that way it has been a success. However, when it goes that fast, it will always tear down on some parts of the organization. This process goes so fast, you do not have time to adjust, you will automatically tear on some aspects of the organization to a large degree. The thing that has been our success criterion number one, is that we are present in the entirety of Europe. So, our customers have been able to do their marketing based on the developments. For an example if England closes, then they will be marketing some products that are in Corona demand. Then the Netherlands closes, then they will begin their marketing there. Our export markets have exploded.

Interviewer: Are you present in the entire Europe?

Interviewee: Yeah, we deliver to the entirety of Europe. Inside of the EU and then to UK and Norway.

Interviewer: In terms of the company aspects, those I would also like to talk more about a little later. But if you look at the industry, E-commerce and freight forwarding, then how do you see the future of this industry? In terms of Corona.

Interviewee: We are the suppliers of web shops with e-commerce. What has happened now is that you have been given 3-4 years of growth because of COVID-19. A lot of people have been forced into using the internet, even my old parents, has started shopping over the internet, so you have been given some growth. What I think a lot will experience, is to find out whether they can follow this process. One can say that it might be easy to do it in a situation where there is a huge demand, however in times when it starts to go back to a normal level, and you still have a lot of marketing investments going on, and you have a lot of presences in different markets, then the competition will start to become hard again. Right now, there has been shortage of the goods, so it's not only price that are important, but also speed and availability, and then you always have a worry, that all online web shops experience being that what will happen because of Amazon establishing themselves in Sweden, and in the long term also in Denmark. But the crisis has definitely made many Danish web shops stronger, they have become more global and international. They have been forced to think outside of the Danish borders, so yeah, no doubt in my mind, that they are positioned better. They will always have difficulties, but the world has become way bigger. If you only look in Germany, and see how much we ship to Germany, it's a market of 90 million, so it makes a difference if you can function in these markets.

Interviewer: Now that we are talking about competition, then I would like to ask if this factor has become a focus for Coolrunner? And do they do anything different than your competitors?

Interviewee: As such, we do not have any direct competitors in Denmark at least, because we combine IT and the movement of packages. Some only have the IT, others only have the logistics, not many have them combined, at least not in Denmark. So, the competition for us is not big. We of course compete against Postnord, GLS, Bring, and all the others, but we believe in having local transporters. Meaning that if you have a Dutch person buying goods in Denmark, and he sees that it is "post NL" meaning his/her local transporters that delivers the packages, then they are more comfortable with it, compared to Postnord, because they do not know who that is in the Netherlands.

So that is our thought process, and not many companies work by this concept. We only focus on E-commerce, and we know that the end user, have a few criterions that will affect his decision making, and that is availability, conveyers and speed.

Interviewer: Okay so those are the three aspects that Coolrunner competes upon?

Interviewee: yeah.

Interviewer: Uncertainty, is one of the buzzwords that has appeared a lot though the corona crisis. How have Coolrunner managed uncertainty in Denmark, but also in foreign countries?

Interviewee: We are a healthy and reasonable company that makes money every single month, so we have a dime or two saved for a rainy day. We know that when you experience this kind of growth, and you experience some historically low interest rates, then the economy can overheat, and collapse at a certain point, there will be an economical cyclical fluctuation at some point, so we are fully aware of this, and always try to prepare to be sharp on the parameters that are important to us, which is IT, agreements with distributors, and because of that certain speeds, and as long as we are able to do this, then we will get by. But of course, if the demand in Europe reduces with 15% then our turnover will be reduced as well. But then again, we try to be selective of our customers, so that we only deal with good and healthy costumers. We are not a bank, and we don't want to take big risks with some costumers that only just gets by. Because in that moment when the demand reduces with 15%, then we are under pressure. So that is the biggest uncertainty that is present right now. At some point the bubble that we are currently in will burst. There will be a bill to pay at some point for all the billions put into Europe, and that can definitely have an influence. We have not seen the top of bankruptcies in Denmark yet, because of postponed VAT, so at some point, something will happen. We are not over the crisis yet.

Interviewer: How do you choose partners? You say that it's about having solid partners, but how do you determine that?

Interviewee: We go in and asses the credits of our customers, all of our customers are undergoing a credit assessment, and then we get a credit insurance for some of them. Meaning that if you have a customer, that we know run cargo transportation for us for 200.000 Danish crowns, if we can get a credit insurance for 100.000 – 150.000 Danish crowns, then it can never go completely wrong. It's worse with the customers, where they transport for 2-300.000 DKK a month, and we don't have any credit insurance on them. Suddenly they drag out the payment the first month, and conflicts with them

begin to emerge, then suddenly you have 6-700.000 DKK in flotation, and they can just “turn the key” and then we are sitting back with nothing to show for it. So, all our customers get a critical credit assessment. And if they cannot do that, then they must do an aconto or they will run it over their company card, where they have to buy each label in cash.

Interviewer: Domestic vs abroad. Where has the biggest difficulty been?

Interviewee: Domestic is just easy going. There is a little bit with the competition on price. The biggest challenge is always abroad. Especially during the corona crisis. We have seen areas closing, parcel shops partially closing, areas in Italy and Spain, that has completely shut down, and we have difficulties in controlling that in our system. Suddenly X number of postcodes in Italy shut down, and how on earth do we manage that? When a customer logs into Coolshop and wants to ship a package to Spain, how do we do that? So there has been lack of information, that we have not been able to get. The package gets down there, and then is later returned because it cannot be delivered. So abroad markets have definitely been the hardest. Then we have had Brexit on top of that, we have had delays on some of the markets with storage warehouses that has been affected to a large degree. In Sweden we have seen places where 30-40% of the warehouse staff have been struck by corona, so that definitely affects the speed of delivery. So, it has definitely been abroad, because we have had an easier time manoeuvring in Denmark. We are in almost 40 countries, and the situation is different in each country, so the difficulties appear in different stages and different times.

Interviewer: On this exact topic, partners in other countries, how have Coolrunner experienced to be dependent on foreign business partners during COVID-19? And are there any departments of the company that has been affected more than others?

Interviewee: There place where we have been affected the most is that we have had a difficulty to have one’s finger on the pulse in all these countries. They close, they open up, they restrict some areas, and they have delays. That has probably been the biggest difficulty. And then we have had a shortage on drivers. Its logical that when some countries put restrictions on drivers only being allowed to be at places in a specific amount of time, and some have to show negative Corona tests, then there has been a lot of barriers that made it difficult to navigate in. So, the corona crisis has definitely created difficulties. We have had a website for our customers, where we regularly tried to update, all of the country’s specific situation. Then we color-coded it, a bit like they do with the government do with traveling, and then the customers would easily be able to get an overview, of what was possible. Red being closed down, orange being partly closed down, and green being open. But basically, it has

still been difficult. There has not been that many critical situations, it has been things that were doable, but it's clear that when dialog is restricted, its difficult. The consumer in the Netherlands is never fond of being told that the delivery will take 2 days extra, and then our job is to inform him/her why that is, and what the situation is.

Interviewer: Is it because of the industry that you are in, that you experience that you internationalize more? Many industries go back. Re-shoring and near shoring is in all literature right now?

Interviewee: We think, and we have also many analysis' that show how the product range can be sold in exactly these countries. If you are only in Denmark, or Scandinavia, then you are quite vulnerable. While if you can spread out your business, to 8, 9 maybe 10 countries, then at least in a crisis like this, then you have a better opportunity to move around your marketing money and focus to another country. If Norway closes down, they you have a better opportunity to use the money in Finland or Sweden. If you only are in Denmark and Norway, then it would be more difficult, and then you will be affected faster. On e-commerce level the focus is on how much money you spend on google and facebook marketing, that results in how much you sell.

Interviewer: But then I guess it also a lot about flexibility. If one thing stops, then start with the next, or is it always a continuous chain?

Interviewee: You might say, you have to be established to a certain degree. The companies with success, is the companies with a targeted strategy only for Germany for example, or England. That is where they can actually achieve some growth.

Interviewee: Those who are just sitting and waiting for a random order, or 2 packages from Romania and 3 from Poland, that are a little harder to manage. But those who have a plan may be able to. We have seen people have 100% grown in England because they have used some focus on being international, instead of just thinking about Scandinavian. As a rule, it is easiest to start out with Scandinavia, I would also recommend people to do so, start out with the countries close by.

Interviewer: So, you actually spread the risk by being in multiple countries?

Interviewee: At least that is our philosophy. Because if you analyse yourself on the basis that you can sell these goods in the Netherlands and Germany, then you spread the risk. What we see today is that when the car is loaded to Holland this morning, then the goods that are scanned in Holland in the evening will be delivered tomorrow. So, we shop on the same terms as if the customers shopped in a Dutch web shop. We deliver from day to day.

Interviewer: You mentioned before that you had a website, where customers can see updates on each specific country. I read in your annual report that you monitored and acted on the spread of the Corona virus during 2020, and that it has had a positive effect on your suppliers and customers. Do you still do these things? Are you still very active in supplying information to your customers?

Interviewee: Yeah, we have this pallet scan, which are slips that we put onto every pallet. That pallet slip illustrates that all our packages is scanned on pallets. So, we know exactly what is on each pallet. So, when we have a shipment going to Norway, we know that when it is scanned into our app, that it has left Nørresundby at 4pm, and tomorrow before 12, the packages should receive another scan. If they are not scanned before 12, then we know exactly the packages that are on that specific pallet that have not been scanned, then we react proactively, and start a conversation with Bring in Norway, and ask why these pallets have not been scanned. And if we know some corona related issues is present pre-shipment, then we can inform exactly the end consumer, what the situation is. So, we are trying to make a proactive customer service. We don't just know that we have 50 packages on one pallet, we know exactly which 50 packages it is, and whom they belong to.

Interviewer: Exactly this approach, does that have anything to do with corona?

Interviewee: No, we already had that before, but it has become more relevant as a result of COVID-19. Before it was only when an individual pallet did not get scanned, now, and especially when much more were closed because of COVID-19, we used it all the time to see what is going on. So, you are able to take about 60% of your customer service proactively.

Interviewer: In terms of business perspectives, competitiveness, differentiation, and such, has some aspects become more and potentially less important during COVID-19?

Interviewee: In terms of focussing more upon, we have tried to be awake and actively searching for what is going on in the different markets. But of course, it is difficult. When you have to extract information from so many markets, it's difficult to also do it perfectly. We have also tried to secure ourselves and investigate solutions. In almost every market we have 2 transport agreements. In England for example we have someone called "Hermes" and "Royal Mail". Now Royal mail have had 3-4 days delay because of COVID-19, then we change to the other transporter that do not have delays. In that way we always try to help the customers to have the best solution.

Interviewer: So, you also have to be quite fast?

Interviewee: yeah, it might take 1 day or 2, but if you then find out that it starts to become a tendency that they are 3-4 days behind, then it makes great sense to change the entire flow, to only be shipped by one distributor. So, in that way we have more a lot more flexible, in the way to change, and communicate what's happening to the customers. And then of course since we have been so busy, and so many packages have to be shipped, then you are required to have good IT, and contentious optimization of it. We don't just need more hands on deck, we need to work smarter with the data. It is data that we are working with, so it's important for us to always analyse on what we get.

Interviewer: Optimization, is that a focus right now?

Interviewee: yeah well, we always try. In this flow we always try to optimize, which is also why we have just started to implement a new sorting belt, so we focus on it a lot. But we also focus on making our available data available for the customers, so that they can work smarter. We work with something called "Smart check-out" which is an optimization. We know that speed is the most important for the costumers. We know that if you want to deliver with Postnord then you have a cutoff at 4pm, then maybe with DAO from 4-5pm and then a cutoff from 5-7 with Bring. We have then chosen to make a cutoff systems that makes it possible for end consumers to make their web shop decide which transporter the package is sent with if you want the package as fast as possible. In that way the end consumer is always shown how to get the package the fastest, and then get the best experience. In a web shop you are only allowed to charge the money, the moment you ship the product. So, you are always focusing on getting the items out of the door as fast as possible.

Interviewer: If you look at Coolrunners approach to COVID-19 since its beginning. Do you think there is more that Coolrunner can do or should do, in order to control the situation better? Is it worth it to do more?

Interviewee: It will always be. We have to be super sharp and ready for changes. What we have been good at in Denmark, is to catch the opportunities that suddenly appears. Exactly in regard to a pandemic, I don't know, but we have learnt things from it. We have customers that already in March and April month start this Christmas calendar offer, where all the packaging for the calendar is ordered in China. Then China closes. If you have to sell 100.000 Christmas calendars, and you have everything to put inside of the calendar, but not the actual calendar wrapping, then it is problematic. So, they had to come up with a plan, saying that if this happens again, then we have a primary

production in China, alternatively an option in Turkey, and if all goes bad, then we have something in Denmark. 6 months is short sighted in many of these production lines, at least for them to have time to change some things. But I think that what we have learned is that we have to be very close to the costumers when these things happen. They are bewildered, we are bewildered, and if we can help them with what they are bewildered about, then we ultimately achieve some loyal customers.

Interviewer: Exactly this situation, for my final question I would like to ask: Overall, how do you evaluate Coolrunner experience with Corona so far? Have you been able to go smoothly through the crisis, or it was with constant re-approximation of the way in which you have been dealing with the challenges?

Interviewee: Well, when you get that big quantities of extra turnover, and extra amounts of goods that have to be shipped, then it starts to become a lot about survival. Understood in such a way, that when you are so busy, you might tend to forget to hire that extra employee. If you were at 100% then you worked 120% on getting those things corrected now. We have tried, and just started to correct some of this. We have just started to structure the business in a way where we can have more focus on the customers that are a crucial part of making our economic growth, and then outsource something else, so that our internal customers service is focused on top X customers, and those who only transport fewer packages a month, they receive an outsourced customer service. In that way we have an easier time to scale, without it having to be ourselves that have to hire more staff.

Interviewer: Lastly, is there any business functions that haven't been able to keep up the pace? Which are these?

Interviewee: There is. When we have received these 50-60% more packages, then naturally the amount of customer service cases also increases. More packages, more customer service cases. We have an employee customer service learning period of between 3-5 months till they are able to handle things by themselves. So, in that functions you are very fast to start lacking behind. One thing is that more packages give more cases, but on top of that a corona pandemic gives even more. That is probably where we have had the biggest challenges. Sometimes we have had to drop the cases, and other times everything goes smoothly until again somethings appear. That is where we are the most vulnerable.

Interviewer: Have you been able to make an overall strategy for this period, or is it a lot about survival?

Interviewee: It has been survival in the way that we have tried something, and then found out that it maybe could be done in another way, and then we would change. We also found out that it was better for ourselves to control the processes, then if we had other do it for us. It is a combination. Some things we have been able to do better, and on other things we have decided to say that that is not an important part of our business, so we can make others take the responsibility for that. And for other things like data, we have found that we must be in charge of that ourselves. So, you prioritize quite a bit. I think that we have grown in employees with 30-40% during COVID-19, so we are bigger today.