

SMALL STARTUPS AND SEED FUNDING AMID COVID-19: CHALLENGES AND OPPORTUNITIES

By

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ABSTRACT

This study examined developments in the seed funding landscape and the opportunities and challenges faced by SMEs during the COVID-19 pandemic, with a focus on the UK. Semi-structured interviews with investors and business owners revealed that reduced customer demand, limited supply chains and restricted start-up finance are key issues facing SMEs but epidemic provided new opportunities for entrepreneurs who quickly changed course and modified Government support schemes like Bounce Back Loan Scheme (BBLs) and Coronavirus Business Interruption Loan Scheme (CBILs) have also shown significant performance. Shortcomings of the study, however, include its small sample size, qualitative approach and limited focus on the UK. Further research should look at the long-term impact of the pandemic on corporate models, the psychological effects of entrepreneurs, and the changing preferences of investors for initial funding. This study provided insight into the resilience of unpredictable situations and helped to understand how small businesses dealt with the outbreak.

Keywords: Small startups, Seed funding, COVID-19 pandemic, Business resilience