

# 04 → Business resilience: An analytical measurement framework and key findings from MSE surveys ↗



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## SMEs surveyed

- 400 in the state of Hidalgo
- 4,000 Techreo customers

## Business resilience analysis framework

The framework includes 4 types of capabilities that, together, promote the resilience of MYPES. The survey revealed the most relevant aspects for business resilience under each capability:

- FINANCIAL CAPABILITIES**
- Saves Frequently
  - Can Access Emergency Credit

- BUSINESS CAPABILITIES**
- Manages the business following rules
  - Keeps written records of business matters

- DIGITAL AND OPERATIONAL CAPABILITIES**
- Uses digital tools for the business
  - Has the ability to restore the supply of inputs

- PSYCHOSOCIAL CAPABILITIES**
- Has a persistent attitude
  - Feels in control of the business
  - Can access business networks

## Some research questions

- How many MSEs faced an unexpected expense or emergency in the past year?
- What are the predominant unexpected expenses or emergencies that they face?
- What are the most common survival mechanisms they employ when facing a crisis?
- What is the level of resilience among MSEs?
- Which capabilities need to be strengthened the most?
- How can capabilities for resilience be improved?
- What differences exist in terms of resilience between MSEs led by men and those led by women?



**Women-led MSEs** are overrepresented in less vulnerable sectors, such as beauty salons and restaurants, but they often lack attributes that contribute to greater resilience, such as higher incomes and the use of digital tools.

## Findings



All surveyed MSEs in Hidalgo and just over half of the MSEs in Techreo reported a reduction in their income in the past year.



Half of the surveyed MSEs experienced unexpected expenses or emergencies that led to a 50% reduction in their profits.



Saving is the first-line strategy. The primary survival strategy for minor emergencies is saving. Borrowing money becomes more relevant for emergencies that take longer to resolve.



Illnesses, price increases, and a drop in sales were the three main factors that reduced income in both regions.



Frequent saving increases the probability of overcoming an emergency in a short time (less than a month) by 43% for MSEs in Techreo.



MSEs in Techreo that use four or more digital tools have a daily profit that is 442 pesos higher than those that use none.



Both surveys found a positive association between resilience and the ability to find suppliers.

## What Aspects Play a Key Role in the Resilience of MSEs?

Type of Emergency

Survival Strategies Utilized

Number of People Employed

Economic Activity Sector

Profit Level

Resilience Capabilities: Especially Saving, Digitalization, and Reliable Supply Chain