



## RESEARCH ARTICLE

## ENTREPRENEURS' OPERATIONAL RISKS AND SERVICE STRATEGY: A REVIEW DURING PANDEMIC

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## ABSTRACT

The economic impact of the coronavirus disease (COVID-19) is unprecedented and uncertain. No matter the firm, sector, or industry, the pandemic has forced the world to adapt to the current conditions. This paper was focused on the valuation of operational risks and its perceived effects on the service strategy of small and medium businesses in Laguna Province during pandemic. Descriptive type of research and purposive sampling technique were employed with 136 retrieved and treated questionnaires. The self-made questionnaire undertook pilot testing with acceptable to good internal consistency. Data were assessed using tools in statistics such as frequency, rank, mean, weighted mean and anova. The highest weighted mean for the operational risks relative to management is the Untimely management during strategy - setting process in accepting risk. Whereas, in terms of waste identification, High staff turnover, got the highest weighted mean. On the other hand, service strategy was described in moderate performance by the business owners. Management and waste identification in operational risks have significant difference when grouped according to type of service business. Whereas service strategy resulted to have significant differences in business category as to capital, number of employees and type of service business. The findings recommended that Local Government and businesses may create programs that may more greatly assist the industry to fully recover from the effects of the pandemic.

## KEYWORDS

Operational Risks, Service Strategy, Small, Medium Enterprises, COVID-19 and Business

## 1. INTRODUCTION

People's lives and economic activities are strictly limited to safeguard health and control the spread of the virus. Quarantines have been accompanied by travel prohibitions, temporary closures of institutions and enterprises, and social isolation. Meanwhile, private sector businesses have crop production also as service delivery and are forced to temporarily lay off employees. They face a scarcity of capital, making it difficult to continue operating. Prolonged containment of COVID-19 increases the danger of business failure and bankruptcy. The challenges from the pandemic are multifaceted—from the disruption in the availability of inputs to the need to guarantee safe working conditions for workers or recreate broken relationships with customers. As a response, online platforms have played a vital part, and their systemic importance has grown. After the shutdowns and ongoing necessity for social distancing end, a new normal will emerge, with different global patterns of consumer activity. The platforms provided services and tools that made the lockdowns tolerable.

Some firms reorganized production and distribution processes like takeaway and delivery in the hospitality industry. Businesses are struggling with how to continue servicing their customers and communities throughout the world as the coronavirus humanitarian crisis evolves on a daily basis. Although many businesses may have grown in 2018 and into 2019, the severe slump that followed the pandemic's outbreak and reaction looks to have wiped out any gains. This paper fills the gap on the missing guide to strategic recovery plan to service businesses in the province as it the most affected industry in the business world. Businesses in the Philippines already experienced the pain of

COVID-19. Philippine economy was on the verge of collapse, as some businesses have been forced to close. Since the establishment of the Enhanced Community Quarantine, in year 2020 and 2021. Businesses have been struggling to keep up with the increased demands and regulations (ECQ). It's tough to describe and comprehend the service industry.

There are several methods for determining the sector, its divisions, industries, and job kinds within them. The service division encompasses a wide range of industries, but it can be classified as primarily consumer-oriented (providing a service directly to a consumer), primarily business-oriented (providing a service directly to another business), or mixed (providing a service directly to both consumers and businesses) (providing services to both businesses and individual consumers). Physical, intellectual, aesthetic, and other experiencing activities can also be described as part of the services division's economic activity. Repairing automobiles, landscaping, cutting hair, and cooking a meal are examples of physical activities that entail working with items.

Providing education or training, such as at a university or trade school, is an example of intellectual pursuits. Consumers are provided with creative or visual experiences through aesthetic activities such as museums, theater performances, art displays, and musical performances. Finally, other experience activities include offering recreation to clients, such as in amusement and theme parks, zoos, and campers. Aside from business resources and industry considerations, there are a variety of macroeconomic factors which will have a major influence on a business recovery during this CoViD-19 pandemic. These elements must be thoroughly evaluated in specific scenarios, like new initiatives or product

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launch concepts, to assess how important they are to the organization's success.

## 1.1 Objectives of the Study

The study intentions to find out the intensity of operational risks in terms of management and waste identification experienced by the entrepreneurs under small and medium enterprises in the Province of Laguna. Similarly, it sought to determine the industry performance as to the service strategy as perceived by the Entrepreneurs. Moreover, the paper seeks to realize the significance of operational risks and service strategies when grouped based from their business profile factors.

## 2. LITERATURE REVIEW

### 2.1 Operational Risks

Author of the article Operational Risk Management in Financial Institutions: A Literature Review Suren Pakhchanyan, reviews the literature on operational risk, focusing on its definition, classification, features, measurement, and management (Pakhchanyan, 2016). Furthermore, he claims that operational risk is "really a contentious topic, which has spawned a new strand of research that did not exist ten years before". Galloppo and Rogora conduct a literature review, focusing on operational risk measurement approaches that have been employed in the literature. They find that under the Loss Distribution Approach, generalized parametric distributions, such as the g-and-h distribution, as well as several limit distributions under extreme value theory, such as the Generalized Pareto Distribution, can be used to estimate the fat-tailed behavior of operational risk (LDA).

Operational risk management (ORM) is crucial for any firm, and analytical tools for ORM are emerging faster than ever in the big data era. From the standpoint of data analytics, this research reviews current developments in academic ORM literature. We are primarily interested in discovering current ORM trends in relation to various forms of natural and man-made disasters that have posed a threat to many sectors of life. Despite the fact that we look at the broader operations management (OM) literature, we concentrate on works published in reputable OM journals, including both empirical and analytical publications. (Araz, O.M,2020 <https://onlinelibrary.wiley.com/doi/abs/10.1111/dec.12451>)

For 100 different companies, four different industry sectors, and five different countries, the operational risk of developed and developing market corporations is assessed. For starters, operational risk is consistently higher in emerging market companies than in developed market companies. Second, it is discovered that operational risk is not only influenced by the industry sector, but that market development is the most important component. Finally, the structure of the operational risk distribution, particularly tail and skewness risk, is revealed to be influenced by market development and sector. In addition, a method for measuring operational risk that is appropriate to emerging markets is offered. Proponents' findings are consistent with emerging market underinvestment in decision support systems, implying operational risk.

Many sorts of risk must be evaluated in the world of risk management, which includes the business continuity disciplines. The most common focus is on financial risk, followed by product and market hazards. Operational risk is another crucial area that often goes unnoticed or is under-appreciated. Many sorts of risk exposure fall under this category, including those involving building structures and systems, environmental issues, nature, neighbors, clients, regulatory compliance, network, and data security, among others. Internal hazards are occasionally assessed by insurance carriers, although these analyses rarely entail more than a cursory examination of other categories of operational risk. Risk evaluations are essential in strongly regulated workplaces, although they may not necessarily contain full assessments of operational risks. Vulnerabilities may persist or go unreported for a long time.

The degree of information asymmetry between enterprises and investors is expected to increase as operational risk occurs. We investigate the influence of operational risk disclosures by US financial businesses from 1995 to 2009 on several indicators of information asymmetry in the firms' equity markets. Effective spreads and the price impact of trades have been observed to grow around the first announcements of such events and then revert when the settlement is announced. This is especially true when it comes to internal fraud and business practices. Market makers increase the quoted depth to allow increased trade volumes in response to elevated information risk around the initial press cutting date.

The risk management function and the bank's governance structure may have an impact on the degree of knowledge asymmetry surrounding operational risk incidents. When organizations have weaker governance structures—lower board independence ratios, smaller executive director

equity incentives, and lower levels of institutional ownership—we find that knowledge asymmetry rises more strongly following the first announcements of events. The risk management role, on the other hand, has little to no impact on information asymmetry. This leads us to believe that the risk management role is predominantly driven by regulatory compliance requirements. The findings of this study add to our knowledge of information asymmetry in the context of operational risk announcements. They assist in illuminating the role that legislation and corporate governance can play in establishing efficient corporate governance.

In lean contexts, Value Stream Mapping (VSM) is a popular method for representing production flows, mapping the value stream of a product or family of goods, and identifying waste. Despite its popularity, this tool has certain shortcomings, as numerous publications have pointed out, particularly in terms of exhibiting most sorts of waste and its inability to depict multiple manufacturing paths. The goal of this research is to introduce the waste identification diagram (WID), a new tool for representing manufacturing units and their many types of waste that addresses some of the VSM's shortcomings. The primary findings are that WID is more effective than VSM in representing complex industrial units and identifying more types of waste in general. WID must, however, overcome certain of its shortcomings, such as the lack of representation of information flow and ties to suppliers and clients.

For the past fifty years, multiperiod inventory models have centered on assuming that the problem of managing demand risks All orders are completely filled. Firms frequently deal with each other in practice. The providers who aren't exactly dependable and only produce on time a proportion of any particular arrangement that is chosen at random. This type of supply is available. Risk comes as a result of uncertain yields and disruptions such as natural disasters, fires, hurricanes, strikes, sabotage, and terrorist acts, to name a few examples. A replenishing batch's failure to meet quality criteria. Spreading orders across multiple suppliers is one strategy for dealing with supply risks.1 Toyota, for example, began looking for multiple suppliers after a fire at its almost exclusive provider (Aisin) forced the closure of its assembly plants in 1997; Trece began looking for multiple suppliers after a fire at its almost exclusive provider (Aisin) forced the closure of its assembly plants in 1997. Suppliers may be ready to take on some of the supply risks, but only if orders are placed long ahead of time, allowing them to engage in numerous manufacturing rounds and reduce inventory pools.

Customers' waiting times are one of the most critical predictors of their views of service quality and overall satisfaction with a service. The purpose of this study is to see how lighting color affects consumers' perceptions of waiting times. According to a study involving 68 participants, the perception of the length of the waiting time before receiving meals in a restaurant differed significantly depending on the color of the illumination in the service area. Customers thought the wait time was less when the restaurant's illumination was green. In addition to the risk of operations in businesses particularly in service industry, Yuejen Zhao mentioned in their article published in December 2017, that High staff turnover adds to the already high expenses of providing primary care in rural and distant regions, costing an extra \$50 per appointment on average.

This amounts to an extra A\$400 000 per clinic per year, or A\$21 million for the NT government each year. Long-term investments in building a more stable primary care workforce should improve primary care in rural locations while also lowering the costs of excessive turnover and overall service delivery. This article complimented the results of the previous article in operation risk that "Operational risk" is described as "the risk of loss as a result of insufficient or failing internal controls." external events, processes, people, and systems This concept encompasses legal risk but does not include the risk to reputation and strategy".

### 2.2 Service Strategy

The understanding of service strategy in the advanced age by unequivocally thinking about innovation as a focal driver of service strategy. It is progressively understood that innovation is changing service and that assistance is shifting focus over to innovation to drive creative service strategies (Rust and Huang 2014; Merrett 2015). A service strategy is more customer-centric and is centered on the usage of customers and their relationships. Service strategy ought to be framed so that it fulfils the client assumptions or comes nearest to it. the progress of an organization is estimated as far as the help that they give which is the reason it is significant for associations to not run the make great items but rather additionally offer a magnificent support (Bhasin, 2019). Service strategy stage guides us on planning, creating and afterward executing IT Service the executives. During the Service Strategy stage an association recognizes

its market: where they need to target and how to improve their presence in the market than its rivals (Eshna,2020).

A service strategy ought to recognize how the service provider to become and stay significant to their clients in an extraordinary manner, what are the targets it means to accomplish as far as the business results it needs to empower, what is the expected remarkable strategy of the service provider for the creation and conveyance of significant worth to the clients and what are the requirements and the cutthroat options that the service provider ought to work with. (Gillingham, 2021). Forming a service strategy is a complete undertaking that should be lined up with the generally speaking corporate goals and technique. The help technique definition process should integrate significant drives that exhibit how the assistance business will add to the general organizations' prosperity. A help methodology is along these lines nitty gritty by, for example, depicting which targets are sought after with which portfolio. (Osterrieder and Friedli, 2021).

For any business to develop and succeed it necessities to have a compelling customer service strategy. A service strategy is the norm and interaction of administration and care that your business will propose to purchasers alongside a method for estimating those principles. (<https://www.grohawk.com>, 2020). A customer service strategy is a careful arrangement to deal with client connections. It allows you to give a predictable client experience all through the client venture (DINARDI, 2019). A customer service quality assists organizations with consumer loyalty, it assumes an indispensable part in understanding your client needs and building consumer loyalty. Expanded in Loyalty making clients blissful and driving repeating business. It likewise assists in building and further developing associations with past, existing clients. Conveying Consistently, it is setting up cycles and frameworks for conveying reliable degrees of help and administration while constantly estimating its adequacy and supporting income, the clients become backers and bound to go wild about the item/administration to others. (<https://www.grohawk.com>, 2020).

A service strategy will cause learners to comprehend how systems can be created to give the business a stand apart benefits on the lookout. having legitimate techniques set up certainly gives the organization a useful and proactive way to deal with their business activities. (Eshna, 2020). Moreover, service strategy reflects the reasoning that interest for administration is heterogeneous and ought to be customized as per individual client needs. That personalization can upgrade consumer loyalty is very much perceived in the advertising writing (e.g., Rust and Huang 2014), however generally such a methodology was frequently prevented by the significant expense included.

### 3. METHODS

This dry research is descriptive research and used purposive sampling techniques. It was limited entrepreneurs with small and medium service-based businesses along Laguna Province. Researcher purposely chose 200 SMes and retrieved 136 answered questionnaires. Self-made survey questionnaires were made and validated with acceptable to good internal consistency results. It was consisted of three parts; the business profile, Intensity of operational risks experienced by the business owners during pandemic and perceived effects of operational risks to the performance of service strategy of the business. Frequency count and percentage were used to determine the business profile. Mean, composite mean and rank were used to calculate the intensity of operational risks experienced by

the entrepreneurs and its perceived effects to the service strategy of the businesses. Anova was used to identify the significant differences of the operational risks ans service strategy when grouped according to business profile factors.

### 3.1 Theories and Models

This paper was built based from La Conte's Strategic Risks Model, 2020 and Theory of Service, 2007. Operational risk is the second type in the La Conte's Strategic Risks Model, 2020. By generating outcomes, this is the motor that propels your company ahead. The majority of operational weaknesses arise when a series of actions leads to waste and inefficiency. Increased unpredictability and fault rates in daily operations (particularly noticeable following a Lean Six Sigma evaluation); ineffective hand-offs (wasted time and effort between process steps); and an increase in "leaks" in your service or product distribution cycle are a few examples of these.

While, understanding what is constant and typical in producing a service is known as service theory. Traditionally, this knowledge was only recorded orally by those who participated in the activity, but today, more and more of it is being written down by scholars. Although descriptive theory provides knowledge about past or present behaviors involved in providing or utilizing a service, it is not very helpful in adjusting it to better meet current needs. Studies of this kind are frequently academic or historical. They are commonly divided into two categories: intensive studies of one or a small number of cases vs extensive research of a large number of instances. The normative theory of service provides broadly applicable information and resources that can be used to produce the service, particularly for optimizing it or organizing future enhancements. Because normative theory needs a lot of cases as its source material, the research required to develop it is frequently lengthy.

## 4. RESULTS AND FINDINGS

### 4.1 Business Profile

The majority service -based Small and Medium Enterprises Laguna is small with 91 over the total of 136 responses. In terms of number of employees, 108 or 79% of the total sample declared to have 10 to 99 employees. Moreover, a total of 57% of the businesses were operating from nine (9) years and above.

### 4.2 Operational Risks and Service Strategy

Table 1 presents the intensity of operational risks in terms of management and waste identification experienced by the business owners due to pandemic has the average composite mean of 3.62. In terms of management, Untimely management during strategy setting or process in accepting risk is very high and has the highest weighted mean of 4.45. In waste Identification, high staff turnover is moderate and has the highest weighted mean of 3.06. In line with the hypothesis of Baglee, that operational risk factors such as insufficient use of production capacity, obsolete production facilities, a lack of innovation, and an increase in the number of complaints are entirely dependent on company activities (Baglee, 2010). The study of operational risk found several parallels between small and medium-sized businesses. Due to the expansion of COVID-19, these entities are primarily concerned about underutilization of employees' capacity. Micro entities, on the other hand, normally face a low level of threat in their daily operations. Other conditions that pose a threat to operating operations are much more likely to affect the activities of all businesses, regardless of size.

**Table 1:** Operational Risks Experienced by the Small-Medium Entrepreneurs

Operation Risks	WM	AR	Rank
<b>Management</b>			
Lack of communication between employees and management.	4.37	Very High	2
Untimely management during strategy - setting process in accepting risk.	4.45	Very High	1
Untimely management during strategy - setting process in rejecting risk.	4.14	High	5
Business operation is inconsistent with the existing objectives.	4.32	Very High	3
Business operation failed to confirm deficiencies with employees.	4.20	Very High	4
Composite Mean	4.28	Very High	
<b>Waste Identification</b>			
Unreliable suppliers of products needed by the company to render the service.	2.83	Moderate	5
Increase waiting time of customers.	3.03	Moderate	2
Inconsistency in rendering of service to the customers.	2.92	Moderate	4
High staff turnover.	3.06	Moderate	1
Increasing number of customer complaints.	2.93	Moderate	3
Composite Mean	2.95	Moderate	
Average Composite Mean	3.62	High	

High staff turnover means increased in recruitment and training cost while reducing the productivity of the employees. The results imply that service industry identified that high staff turnover is indeed a waste to the business. However, based on the findings of similar study of a more plausible explanation is Staff turnover can also occur within an organization when personnel are relocated between departments, units, or divisions, promoted, demoted, or transferred, according to the author (Nzimande, 2012). There is a distinction between voluntary and involuntary turnover. Career possibilities, salary, supervision, geography, unforeseen event and personal reasons, according to the authors, can all contribute to voluntary turnover. Voluntary turnover appears to grow in proportion to the size of the company. Employees that do not follow

organizational norms and work rules, and hence do not reach expected performance requirements, cause involuntary turnover.

Great example is in manufacturing process used by small businesses is characterized by high labor intensity and low capital investment, the machinery park of such businesses is typically universal and adaptable to changes in production direction. As a result, businesses in this sector have a high level of flexibility in responding to changing client demand and are more likely to adapt to particular customer demands. As a result, microenterprises have the highest percentage of bad ratings. Simultaneously, small and medium-sized businesses are more affected by the slowdown in demand, resulting in excess demand of service capacity that is not employed during the pandemic.

**Table 2: Perceived effects of Operational Risks on Service Strategy on Small and Medium Businesses**

	WM	AR	Rank
<b>Service Strategy</b>			
Loyal customers' recommendations to other potential clients.	2.69	Moderate Performance	2
Continuous training of the employees	2.77	Moderate Performance	1
Composite Mean	2.73	Moderate Performance	

As interpreted in table 2, the perceived effects of Operational Risks on Service Strategy on Small and Medium Businesses, the weighted mean for indicator 1 is 2.69 and ranked 2, while indicator 2 got 2.77 weighted mean with the highest rank with a composite mean of 2.73 or moderate performance. As per service strategy, continuous training of employees as stated that training-intensive industries have a more defined market strategy and are more aware of business competition than their non-training-intensive competitors, thus, it is vital for new product success

(Perez-Bustamante Llander et al., 2016). As a result, businesses increased its spending on standard, off-the-shelf management approaches and extensive employee training (van Assen, 2020). While for the market penetration, indicator 2 got the weighted mean of 2.71, rank 2, and indicator 1 got the highest mean of 2.81 with the composite mean of 2.76 with moderate performance with an overall average composite mean of 2.75.

#### 4.3 Hypotheses Results

**Table 3: Significant Differences on Operational Risks Experienced by Entrepreneurs when Grouped by Business Profile Factors**

Operational Risks	Business Capital		Number of Employees		Years of Business Operation		Industry/Sector	
	F	p	F	p	F	p	F	p
<b>Management</b>								
Lack of communication between employees and management.	1.349	0.261	0.933	0.394	1.647	0.162	7.645	<0.000*
Untimely management during strategy - setting process in accepting risk.	0.740	0.478	3.749	0.024*	1.601	0.173	6.500	<0.000*
Untimely management during strategy - setting process in rejecting risk.	1.845	0.160	1.569	0.210	3.825	<0.000*	7.084	<0.000*
Business operation is inconsistent with the existing objectives.	4.138	0.017*	4.941	0.008*	9.627	<0.000*	8.820	<0.000*
Business operation failed to confirm deficiencies with employees.	1.928	0.147	1.675	0.189	4.854	0.001*	8.820	<0.000*
<b>Waste Identification</b>								
Unreliable suppliers of products needed by the company to render the service.	3.310	0.038*	4.064	0.018*	4.531	0.001*	26.788	<0.000*
Increase waiting time of customers.	0.705	0.495	3.291	0.038*	0.773	0.543	16.322	<0.000*
Inconsistency in rendering of service to the customers.	0.690	0.502	0.691	0.502	9.600	<0.000*	17.032	<0.000*
High staff turnover.	2.587	0.077	3.275	0.039*	8.588	<0.000*	14.690	<0.000*
Increasing number of customer complaints.	1.278	0.280	5.245	0.006*	2.075	0.084	26.299	<0.000*

\* Significant at 0.05 level

Table 3 shows the significant differences on Operational Risks experienced by entrepreneurs when grouped by business profile factors. As indicated by the data, as per industry/sector business profile, indicators of operational risks on management and waste identification got a significant p-value of <0.000. On the other hand, as to operation risks on management, indicator 2 got a significant value of 0.024, for indicator 3, got <0.000 in terms of years of business operation, while indicator 4 got overall significant value as grouped by business profile and in terms of years of business operation, indicator 5 got a significant value of 0.001. Furthermore, for operational risks on waste identification, as per industry/sector business profile, indicators got a significant value of <0.000. On the other hand, indicator 1 got an overall significant value as grouped by business profile while as per number of employees, indicator 2 got 0.038. Indicator 3 got <0.000 for years of business operation while

indicator 4 got 0.039 in terms of number of employees and <0.000 for years of business operation significantly. For indicator 5, in terms of number of employees, indicator got 0.006 p-value significantly.

The results of the data clearly stated that many of the recent (large-scale) financial failures have been caused by operational risks (Hardy, C., et al. 2020). According to the studies, operational risks are nothing new: human errors, fraud, theft, process failures, system errors, and external hazards such as fires and floods have all been around for decades. However, the impact of operational risks was frequently negligible. In contrast, recent trends such as globalization, global internet connectivity, and (value) chain dependencies have increased the importance of operational risks more than ever before (Chernobai et al., 2007; Breden, n.d.; Tarantino, 2008; Malik and Holt, 2013). For starters, operational risk is consistently

higher in emerging market companies than in developed market companies. Second, it is discovered that operational risk is not only influenced by the industry sector, but that market development is the most important component. Finally, the structure of the operational risk distribution, particularly tail and skewness risk, are revealed to be

influenced by market development and sector. In addition, a method for measuring operational risk that is appropriate to emerging markets is offered. Proponent's findings are consistent with emerging market underinvestment in decision support systems, implying operational risk.

**Table 4: Significant Differences on the Service Strategy when Grouped by Business Profile Factors**

Service Strategy	Business Capital		Number of Employees		Years of Business Operation		Industry/ Sector	
	F	p	F	p	F	p	F	p
Loyal customers are recommending its services to other potential clients.	1.094	0.336	1.402	0.248	3441.769	<0.000*	2.184	0.015*
The business provides continuous training for employees.	0.536	0.586	1.890	0.153	11312.989	<0.000*	4.439	<0.000*

\* Significant at 0.05 level

The results shown in the table above, indicate that there is a significant difference on service strategy which says that "the business provide continuous training for employees" among the business industry/sector and a significant difference to service strategy that says "loyal customers are recommending its services to other potential clients". These results build on existing evidence of companies that specialize in service industries such as hotels, hospitality, or entertainment should constantly upgrade and adjust their offerings to meet changing customer demand. However, certain companies, such as Dell and Apple, are involved in both product and service offerings. Both of these companies sell electronic devices and offer after-sales support. Apple comes out as the best in both categories because to its excellent after-sales service. A satisfied or loyal customer will not cost you anything but will add value to your business by spreading the word about company. This will save the business time and money because it is free advertising from a current customer to a future customer. Customer loyalty can have a significant difference on a company's bottom line. Increased client loyalty leads to increased customer satisfaction and a competitive advantage. As a result, every customer should be pleased with the service plan (Bhasin, 2019).

Furthermore, service strategy showed a significant difference on the years of business operation. Everyone know that the years of business operation is one good indicator whether a certain business was successful or not. To support that claim according to roughly 20% of new enterprises fail during the first two years, 45 percent within the first five years, and 65 percent within the first ten years (Seabury, 2022). Only 25% of new firms survive for 15 years or more. In his article, he stated that providing great service and market penetration is one of the nine tips for growing a successful business. If you provide better service to your customers, they will be more inclined to come to you the next time they need something rather than going to your competition. In today's hyper-competitive business market, the level of service provided by a business can frequently be the deciding factor between success and failure. In addition, in the study Apat, 2022 entitled Governance and Employee Retention: An Industry Risk and Outlook During Pandemic, the vision and mission statements, as well as clarification of strategic goals and development processes, will continue to be part of strategic development. These established strategic goals must be used by effective managers to implement, monitor, and evaluate operational strategies.

## 5. CONCLUSION

After the cautious investigation, it was concluded that entrepreneurs have very high risk regarding untimely management during strategy – setting process in accepting risk. Businesses have moderate performance during pandemic compared to the pre pandemic that their service strategy were very high performance. Operational risks are significantly different when grouped according to the service industry, years of business operation and number of employees. However, service strategy is significantly different when clustered based on the years of business operation and service sector/industry. Risk reduction seminars are encouraged from the Local government Unit so that the business owners will be more knowledgeable in setting the business and employees in handling risks that may occur or have occurred. Due to limited marketing strategies of service-based businesses compared to product businesses, intense marketing strategies like empowerment of the skilled employees, positive reviews and after service are encouraged. Moreover, the government may continue to provide free training in income and client management to the business owners. Also, other researches on risk management and pandemic effects to other industries are encouraged for deeper discoveries and possible output to aid business recovery due to the aftermath of COVID 19.

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