

The reality of Covid-19 is already hitting smaller busi...

Published: January 13, 2026, 11:15 pm

I had a fascinating conversation with the manager of a local business yesterday. The discussion was about her stock displays. It was apparent that she was agonising over how to present what was available, and given that we are acquainted as a result of my being a long term customer I could not resist asking why this was the case.

Her problem, it transpired, is in securing supplies of some very basic products that are core to her overall sales mix. I was a little surprised by some of the items that she could not easily procure. But she explained the problem was not that they were not on sale, but that her main supplier had gone bust, and a replacement had also already done so, and securing credit from anyone else was proving to be a problem, and cash flow was not so good that upfront payment was an option. To be blunt, the impact of Covid-19 was such that securing what she needed to make her business work was already problematic.

More significantly, whilst she was optimistic on some grounds, and most especially that come September some people might return to work and that this, plus schools back in operation, might restore an element of normality to her trade, she retained doubts on the viability of the store she managed. Almost none of her staff are wholly off furlough as yet, and if that scheme ends she knows she will have to face difficult decisions on redundancies. And, as I have long predicted, she agreed that there was no way that the current level of trade - constrained as it is - can cover the rent that the business owes, which makes her worried for the whole operation.

What I came away from the conversation with was a range of sentiments. The first was that here was an 'on-the-ground' manager already struggling with the reality of the trading problems that Covid 19 is creating.

The second was that in all this she was having to cling to the straw that a return to work, plus school reopening, would deliver a lifeline when no other currently seemed to be available. As she noted, a spike in infection rates and more lockdown would end that hope, and most likely (although it was left unsaid) the business itself.

And third, underneath her confident manner, which her job demands, there was a sense of realism that I sense to be wholly absent from political, and even broader debate at present, which apart from the likes of [Larry Elliott's recent articles](#), still seems to assume that we are on our way to a V-shaped recovery, fuelled by the reckless irresponsibility of the likes of [Andy Haldane at the Bank of England and the Daily Mail](#) audience that he panders to.

One other thing that the manager in question agreed with me upon was something that [I have been saying on this blog since March](#). That is that any attempt to fully reopen the economy is riskier to businesses like the one she manages than anything that has happened to date. But I very strongly suspect that those in the economic ivory towers have no clue of that. They need a lesson from the person I was talking to.