Tampere University of Applied Sciences

COVID-19 Impacts on Business

Case study of three men's cosmetics companies based on revenue stream analysis and financial performance measures

Juha Juntunen

MASTER'S THESIS
November 2021

Master's Degree in Business Administration
International Business Management

ABSTRACT

Tampereen ammattikorkeakoulu
Tampere University of Applied Sciences
Degree Programme in International Business Management

Juha Juntunen
COVID-19 impacts on business: Case study of three men's cosmetics companies based on revenue streams and financial performance measures

Master's thesis 66 pages, appendices 4 pages
October 2021

This study focuses on evaluating the COVID-19 impacts to the men's cosmetics industry by means of a case study of three companies. The study was conducted to discover how the pandemic impacted the selected case companies and possibly the men's cosmetics industry in general.

2020 was different in so many ways for all of us. The COVID-19 pandemic shocked the world and impacted billions of people. The pandemic had an immediate impact to different industries all around the world. Some industries were paralysed or put to a halt, and other prospered due to the new normal. This study targets to present the COVID-19 impacts to the case study companies from March 2020 to March 2021. The objective was to discover how the companies performed during the pandemic and what kind of consequences COVID-19 has left to the men's cosmetics industry.

This study utilises balanced scorecard as a foundation to evaluate the COVID-19 impacts from four perspectives. The case study companies are thereby researched from internal, innovation and learning, customer and financial perspectives. Internal perspective focuses on supply chains, Innovation and learning perspective utilises marketing mix, customer perspective looks into distribution channels, and financial perspective is based on financial performance measures (financial ratios). Moreover, the objective with each perspective is to discover what kind of impact COVID-19 has possibly had to the companies' revenue streams and financial performance. As a result, COVID-19 impact balanced scorecard was made for each company to highlight how the pandemic impacted them from the four different perspectives.

The main findings of this study show how COVID-19 has impacted the case study companies and what kind of general impacts the pandemic has produced to men's cosmetics industry for the future.

Key words: COVID-19 impacts, men's cosmetics industry, balanced scorecard, supply chain, marketing mix, distribution channels, financial performance measures

CONTENTS

1 INTRODUCTION

On 31st of December 2019 the first COVID-19 cases are reported to World Health Organization (WHO). Back then the virus was still unknown as well as how it will impact the world (*CNN*, 2021). In March 2020 these impacts changed Europe and the other western countries. On the 11th of March 2020 WHO declares the COVID-19 is a pandemic (*WHO/Europe*, n.d.). On the 16th of March 2020 Finland and UK among other European countries declared a state of emergency and announced counter measures to protect the population from the virus (Institute for Government, 2021). Several cities and countries entered lockdowns and non-essential businesses had to close their doors for the time being. COVID-19 shut down the world in 2020 and thereby impacted different industries globally. International travel basically stopped and cities all over the world became quiet (*UN News*, n.d.). At that moment, many of us didn’t know what the pandemic would do to the world.

We all have a fairly good understanding what the pandemic has done for the travel and event industries. But how has COVID-19 impacted the beauty industry? This research focuses on revealing the impacts the COVID-19 pandemic has caused to men’s cosmetics industry by means of a case study of three companies. The case companies are Greasy Fingers Oy (Finland), who also commissioned this research, Dapper Dan Ltd. (England) and Inzo Lars Bratt AB (Sweden). As the commissioning company, Greasy Fingers Oy is interested in finding out how the pandemic has impacted other similar types of businesses in Europe. Furthermore the company wants to know if the possible COVID-19 impacts are permanent or will there be a shift back to the old normal, as it was known before March 2020.

1.1 Case Study Companies

Greasy Fingers Oy (later referred as Greasy Fingers) is a Finland based brand house, which has launched different men's cosmetics brands since the company was founded in 2014. The company is best known for its Dick Johnson men's grooming brand. Dapper Dan Ltd. (later referred as Dapper Dan) is Sheffield based company founded in 2011. The company offers different styling products for men, such as hair pomades, waxes and beard care products. Inzo Lars Bratt AB (later referred as Inzo) has created different hair care, beard and styling brands and the portfolio consists of a wide product range. The company is founded in 1996 and is based in Tyresö, Sweden.

Picture 1, Products (brands' media assets bank)

The companies were selected based on the following criteria in order to match the commissioning company Greasy Fingers:

- Company is based in Europe
- Has own men's cosmetics brand(s)
- Small size, revenue under 10M€ per fiscal year
- Operates internationally
- Utilises multiple distribution/sales channels

Greasy Fingers Oy
Head office: Pirkkala, Finland
Founded: 2014
Revenue in 2020: 4,2M€
Best known men's brand: Dick Johnson
Website: https://dickjohnson.fi

Dapper Dan Ltd.
Head office: Sheffield, England
Founded: 2011
Revenue in 2020: 1,6M€
Best known men's brand: Dapper Dan
Website: https://dapperdanbrand.com

Inzo Lars Bratt AB
Head office: Tyresö, Sweden
Founded: 1996
Revenue in 2020: 3,7M€
Best known men's brand: The Dude
Website: https://www.inzo.se

Since the case study companies are based in different countries, they also have experienced different set of measures set by their governments. In Finland and UK the restrictions affected the men's cosmetics industry since it temporarily closed, for example, barbershops and hair salons. In the UK, the lockdown closed barbershops in three different occasions (Institute for Government, 2021). On the other hand, these restrictions, or lockdowns, did not occur in Sweden, which had a different strategy in the fight against the virus. As it was stated on BBC news, some European tourists have even swapped the lockdowns and travelled to Sweden "in search of a beer or even a haircut" (BBC, 2020). The question is, how did COVID-19 impact these companies?

1.2 Thesis Goals

This thesis aims to discover COVID-19 impacts to small size men's cosmetics industry by means of case study. The three above introduced companies are analysed by using the balanced scorecard framework (R. S. Kaplan & Norton, 1992), as introduced and described in chapter 2, as a foundation for this research. The companies are analyzed from four different perspectives in order to have a good overall understanding how the pandemic has impacted them and potentially the men's cosmetics industry in general. The purpose of the research is not only to discover the impacts that already has happened to the companies, but also, how they might impact them in long-term. Finally, it is important to point out that the COVID-19 impacts are not necessary negative ones.

The strategic questions that guides this research are:

1. How COVID-19 has impacted the companies' supply chains?
2. Has COVID-19 impacted the companies' sales and marketing strategies?
3. How has COVID-19 impacted the companies' distribution or sales channels?
4. Has COVID-19 impacted the companies financially?
5. How long will COVID-19 impact the companies?

The research is structured and divided into 5 parts:

Figure 1, Research design

Literature review

This part creates the theoretical framework for the research. As introduced above, the balanced scorecard framework builds the core foundation for the research. In addition, relevant supporting theories are used to cover all the four balanced scorecard perspectives. Since the objective is to analyse COVID-19 impacts, the chosen theories need to be suitable for evaluating these possible impacts.

Data collection

In this part, all the case study companies are interviewed in order to learn how the pandemic has impacted their businesses. During each interview, a questionnaire based on theoretical framework is completed.

Data Analysis

Here all the data from the interviews is analysed to discover how COVID-19 has impacted each case study company from the four balanced scorecard perspectives.

Research Findings

In this part, a COVID-19 impact scorecard is made for each company to summarize the findings. Conclusion and recommendations can be made after this part.

2 THEORETICAL FRAMEWORK

This chapter introduces the main theoretical concepts of the research. The theoretical framework is built around the foundation and the backbone created by the balanced scorecard. Moreover this chapter outlines and explains the supporting theories, which complete the four perspectives of the balanced scorecard, thus creates the overview about the COVID-19 impacts for the case study companies.

The chosen academic literature is focusing on theories and models that are relevant to revenue streams and financial performance measures to answer the main research questions and objectives.

2.1 Balanced Scorecard - The Foundation

How to have an overview and to measure the performance of the business? In 1992 Robert S. Kaplan and David P. Norton created a performance management tool called the Balanced Scorecard. The core idea of the balanced scorecard is to offer a set of measures that provides managers a comprehensive overview of the business (R. S. Kaplan & Norton, 1992).

Although the balance scorecard was initially created to measure performance, it can also be seen to measure the company’s strategy (Robert S Kaplan, 2001). Therefore the framework works as an evaluation framework in this research to discover how the COVID-19 pandemic has impacted the case study companies. The start of the COVID-19 pandemic put companies’ strategies into a real pressure test and, therefore, the research also takes into consideration the COVID-19 impact on strategies as well. Primarily these strategies are sales and marketing related.

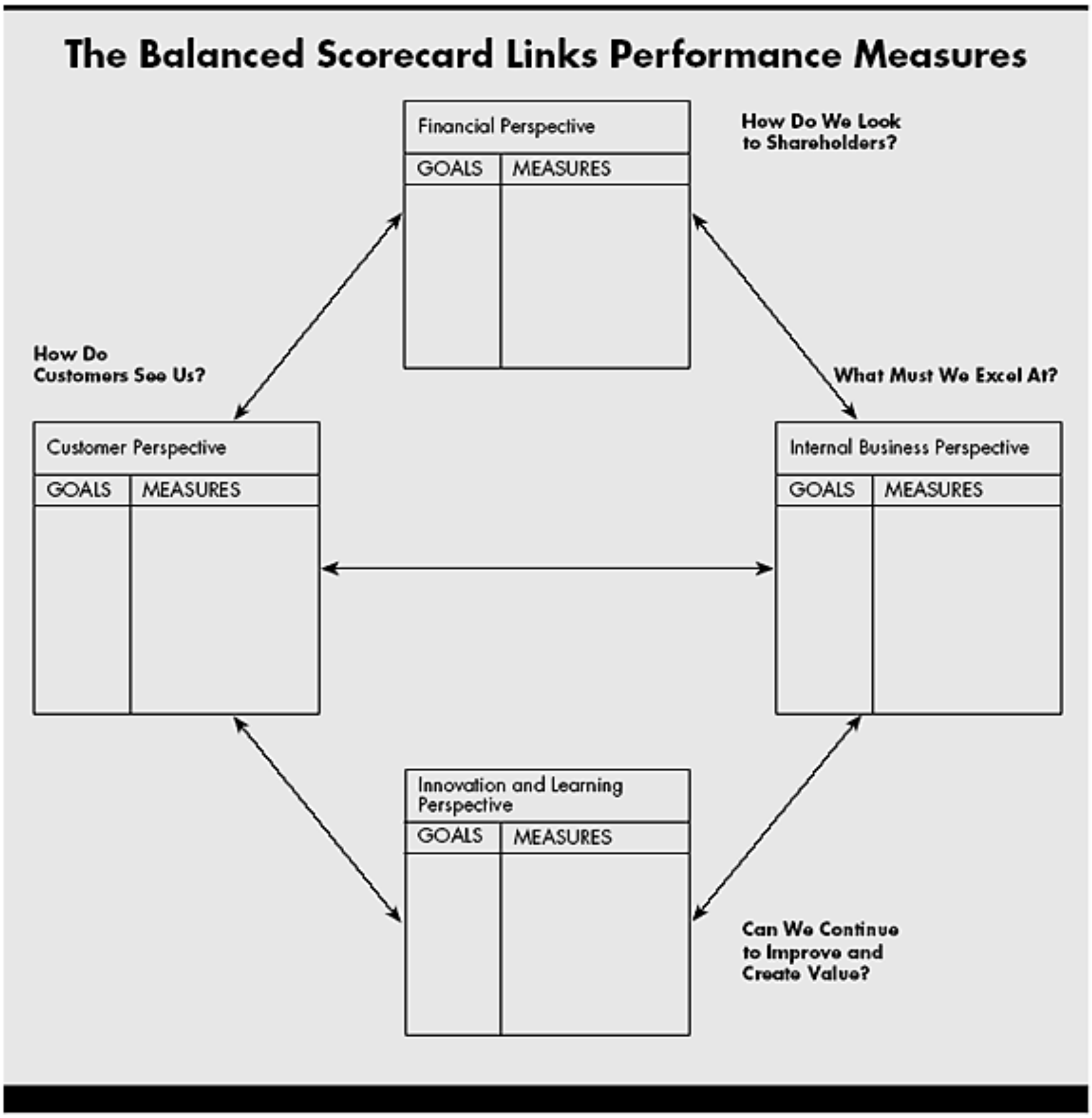

Figure 2, Balanced Scorecard (R. S. Kaplan & Norton, 1992). The Balanced Scorecard Links Performance Measures

According to Kaplan and Norton (R. S. Kaplan & Norton, 1992) The balanced scorecards includes four important perspectives:

1. **Internal perspective**
2. **Innovation and learning perspective**
3. **Customer perspective**
4. **Financial perspective**

The fundamental idea of the four perspectives is to “minimise information overload by limiting the number of measures used” (R. S. Kaplan & Norton, 1992). What is measured under each perspectives depends on each company’s objectives (R. S. Kaplan & Norton, 1992). Since the objective of this thesis is to focus on the revenue streams and financial performance measures, the perspectives follow these two main topics.

The balanced scorecard creates a foundation for the theoretical framework and for the research itself. The four perspectives are further analysed and interpreted below.

2.2 Internal perspective

The internal perspective focuses on processes that have the biggest impact on customer satisfaction, and what the company has to do in order to meet customers expectations (R. S. Kaplan & Norton, 1992). Since measuring customer expectations are not part of the research, the focus in this perspective, is on other internal activities that have the biggest impact on customers.

According to Sople (Sople, 2012) " Supply chain management encompasses the planning and management of all activities involved in sourcing and procurement, conversion, and all logistics management activities. Importantly, it also includes coordination and collaboration with channel partners, which can be suppliers, intermediaries, third party service providers, and customers".

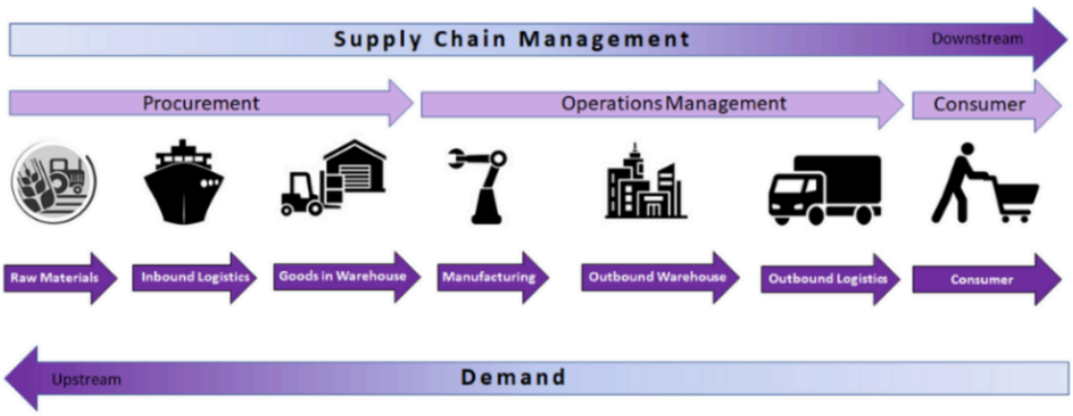

Figure 3, Supply Chain Management (*What Is a Supply Chain? | CIPS*, 2020)

Supply chain plays an important role when evaluating the COVID-19 impacts on business for the case companies from the internal perspective. Possible disruptions in supply chain can be seen to have a direct impact on consumer (or customer), and thereby to revenue streams and financial performance. As presented in Figure 3, every supply chain step has an impact to consumer.

As the COVID-19 pandemic started, it caused significant disruptions to supply chain (Magableh, 2021). Magableh (2021) identified three interrelated factors, which caused disruptions to the supply chain operations:

1. Demand volatility
2. Supply disruptions
3. Governments' response

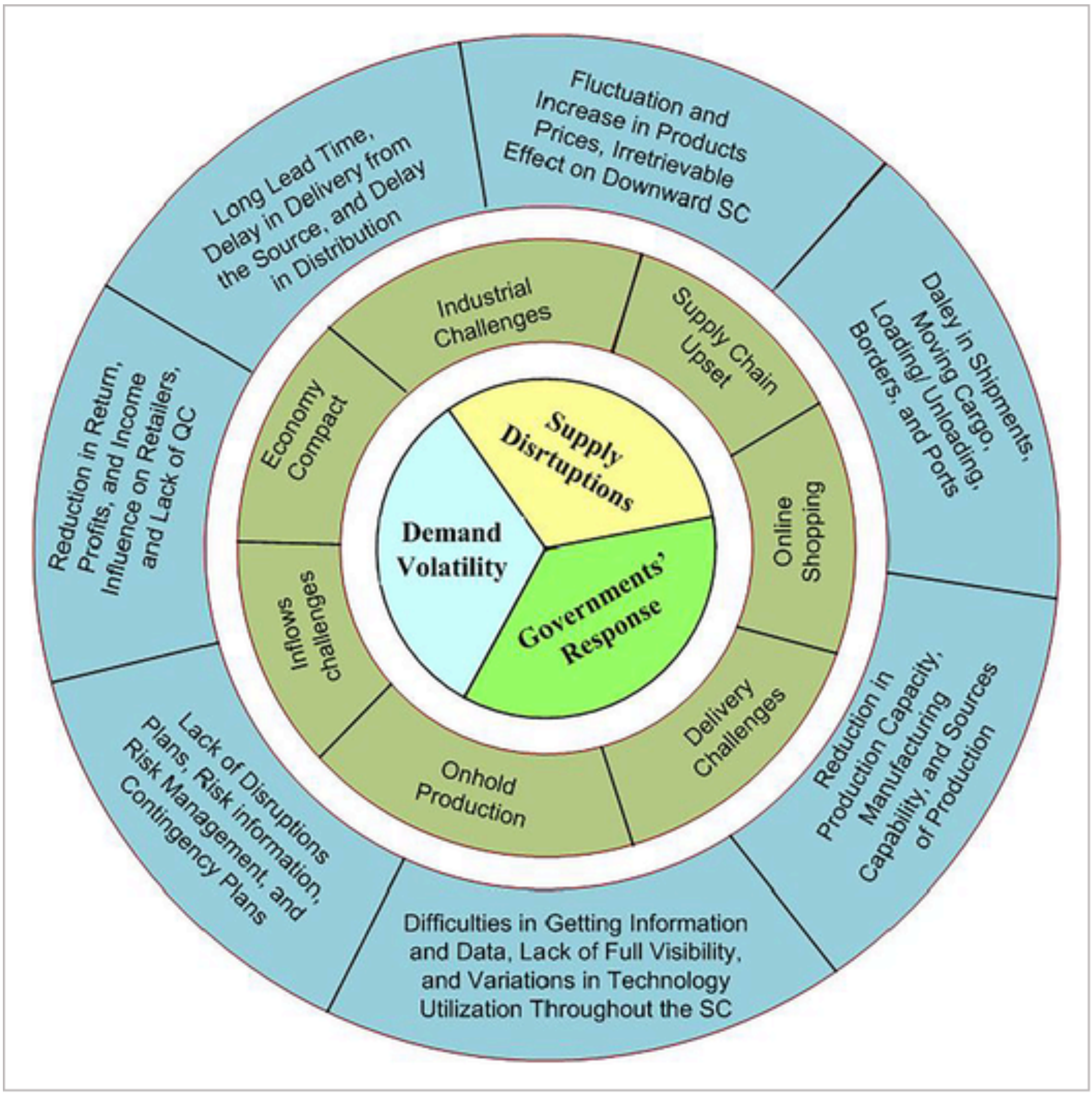

Figure 4, Impact of the COVID-19 pandemic on SCs (Magableh, 2021)

Figure 4 outlines the COVID-19 impact on supply chain and the seven main supply chain disruption trends. This research focuses on evaluating the affects of the seven trends for the case study companies.

1. *Fluctuation and Increase Products Prices, Irretrievable Effect on Downward Supply Chain*

2. *Long Lead Time, Delay in Delivery from the Source and Delay in Distribution*

3. *Delay in Shipments, Moving Cargo, Loading/Unloading, Borders, and Ports*

4. *Reduction in Return, Profits, and Income Influence in Retailers and Lack of Quality Control*

5. *Reduction in Production Capacity, Manufacturing Capability, and Sources of Production*

6. *Lack of Disruptions Plans, Risk information, Risk Management, and Contingency Plans*

7. *Difficulties in Getting Information and Data, Lack of Full Visibility, and Variations in Technology Utilisation Throughout the Supply Chain*

When evaluating the supply disruption trends, the duration of the possible impact are considered ***short-, medium-,*** and ***long-term***. Short-term duration is considered to be less than six month from the day the pandemic started in March 2020. Medium-term covers the new normal and unique times until the end of 2021, and long-term is the future of post pandemic time (Magableh, 2021) that is assumed to start from 2022 onwards.

To better discover the magnitude and impact of the disruption to the supply chain, the other balanced scorecard (emphasis on customer and financial perspectives) perspectives are also taken into consideration as well.

2.3 Innovation and learning perspective

This perspective identifies the parameters the company considers the most important for competitive success in order to increase shareholder value (penetrate new markets, increase revenues and margins) through ability to create new products, value to the customers and continual operating efficiency (R. S. Kaplan & Norton, 1992).

When looking into different success factors “many studies have highlighted the important role that marketing plays in contributing to a firm’s competitive success“ (Brooksbank et al., 2003). As marketing plays a big role in companies’ strategy, it is relevant to find out how the COVID-19 has impacted it.

The marketing mix concept creates the foundation even for modern marketing (Majaro, 2013), and for that reason, it is used to cover the innovation and learning perspective element of the Balanced Scorecard. As there are several different versions and interpretations of the marketing mix, this research utilises Majaro’s (Majaro, 2013) version.

The marketing mix involves uncontrollable and controllable elements (Majaro, 2013). This perspective takes into consideration the controllable elements of the marketing mix: Product, Price, Promotion, Personal Selling and Distribution.

External –uncontrollable elements: Environment, competition, institution, legal systems.
Internal – controllable elements: Product, price, promotion, personal selling, distribution.
(Majaro, 2013)

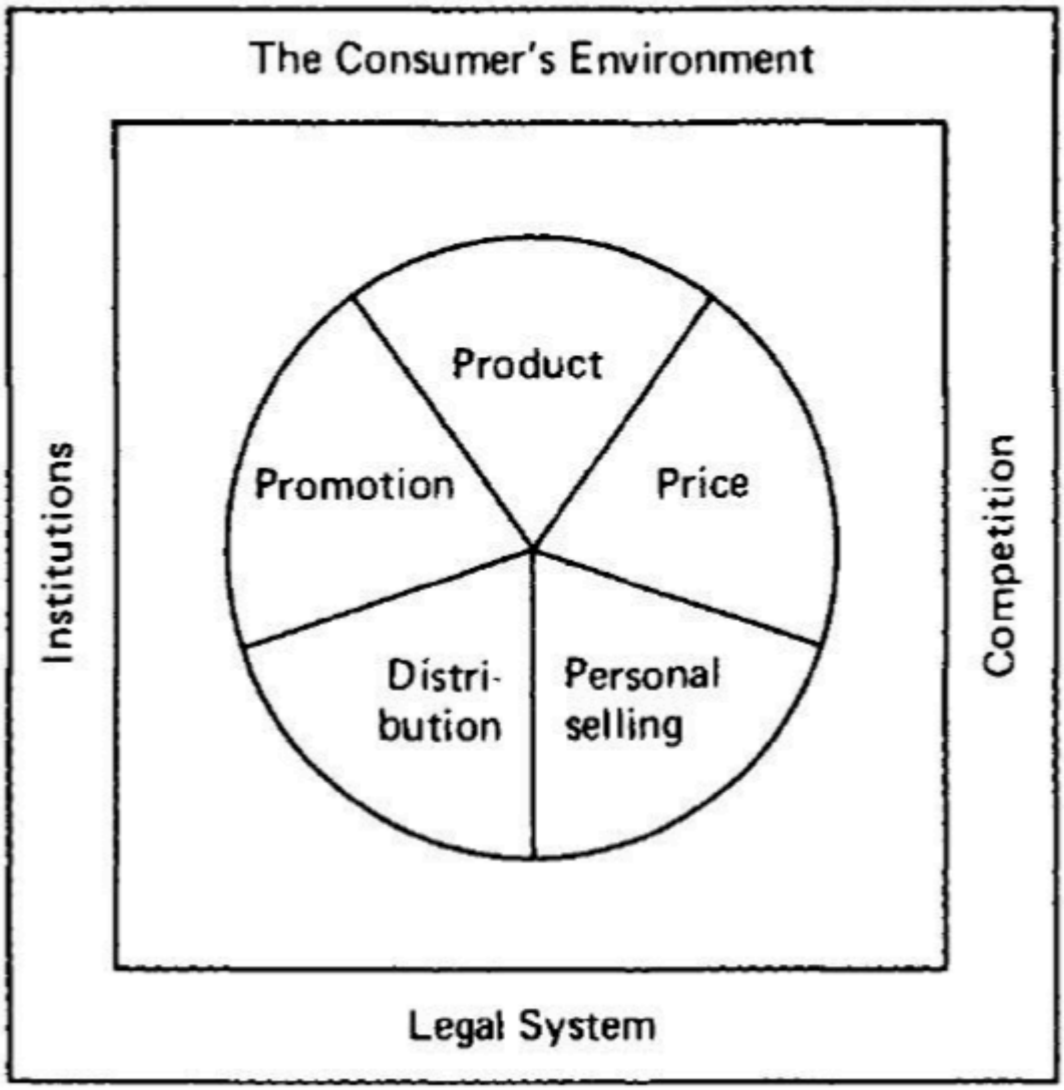

Figure 5, The marketing mix within an environmental framework (Majaro, 2013)

Figure 5 shows the marketing mix model (Majaro, 2013), which can be further divided to include the following aspects:

Product

- Service, Quality, Design, Features, Brand name, Packaging, Sizes, Services, Warranties, Returns (Kotler et al., 2010)

Price

- List price, Discounts, Allowances, Payment period, Credit terms (Kotler et al., 2010)

Promotion

- Sales promotion, Advertising, Sales force, Public relations, Direct marketing, Internet (Kotler et al., 2010)

Personal Selling

- Provider, Persuader, Prospector, Problem solver, Procreator (Donaldson et al., 2015)

Distribution

- Consumers, Retailers, Virtual market places, Distributors (Ailawadi, 2020)

The research aims to identify the possible magnitude of impacts the COVID-19 pandemic has caused to these controllable marketing mix elements (including the aspect listed under each element), for the case study companies. Furthermore, the purpose is to find out how these impacts have potentially changed the marketing (and sales) strategies during the pandemic for Greasy Fingers, Dapper Dan and Inzo.

As the different distribution channels create the customer base, thus generate the revenue streams, the channels are further analysed in the customer perspective, chapter 2.4.

2.4 Customer Perspective

As already shown in Figure 3, the customer (or consumer) is at the end of the supply chain management model. The next perspective of the balanced scorecard focuses on the case study companies' customers. The customer perspective focuses on different distribution channels the companies are using and utilising to create their revenue streams.

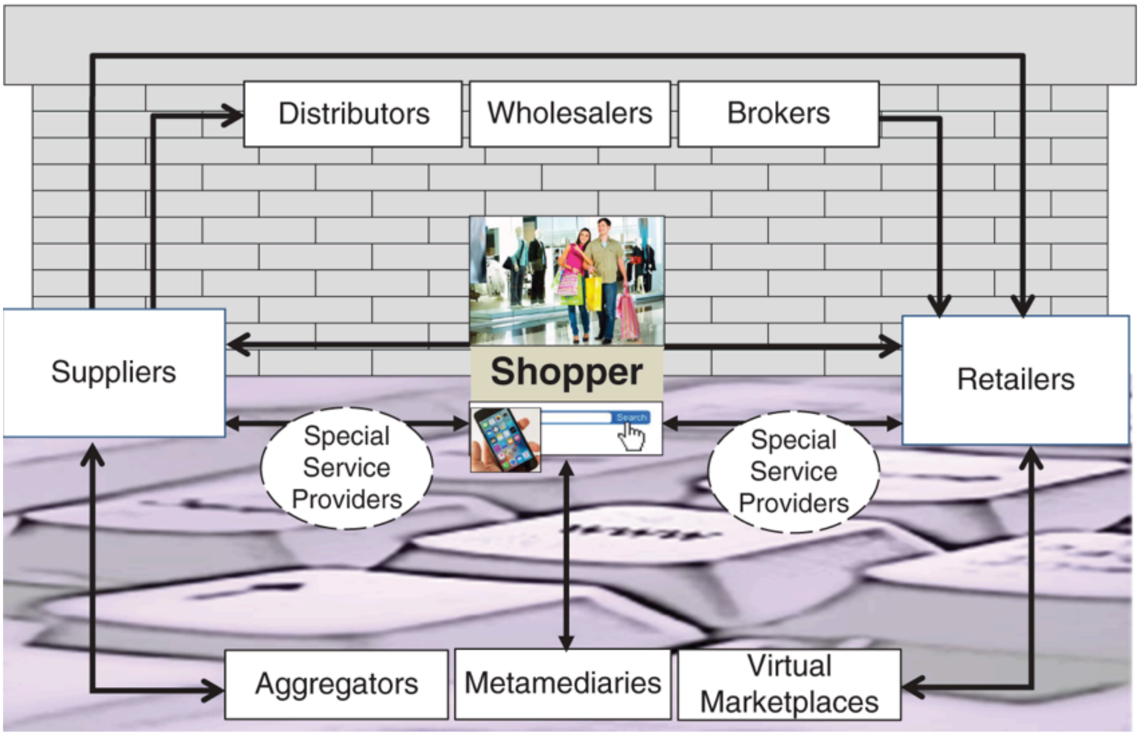

Figure 6, Physical and digital distribution in today's channel ecosystem (Ailawadi, 2020)

According to Ailawadi (Ailawadi, 2020) the distribution channels from supplier's perspective can be divided as:

1. Supplier to consumer
2. Supplier to retailer
3. Supplier to aggregators, metamediaries and virtual marketplaces
4. Supplier to distributor, wholesalers and brokers

For the case companies, the direct sales (1) to consumers are primarily done via their own online stores. Retailers (2) also include hair salon and barbershop customers. To aggregators, metamediaries and virtual marketplaces (3) mainly consists of sales on Amazon and EBay. Distributor, wholesalers and brokers (4) channel creates the non-domestic sales, or the export sales.

In the case study the different distribution channels are analysed ***before***, ***during*** and ***post COVID-19***, in order to identify the possible changes caused by the disruption and how it might have affected the sales strategy. The post COVID-19 is based on case study companies' predictions for 2022 onwards.

As stated above, the distribution channels create the revenue streams for the case study companies. In the research, the COVID-19 impacts to each channel are also investigated to learn how the companies see it from their perspectives.

2.5 Financial perspective

The fourth perspective of the balanced scorecard is about financial performance. Moreover this perspective measures how the COVID-19 has possibly impacted the case study companies' financial situation. In order to measure and compare the results before and after the pandemic, a set of measurement indicators needs to be selected.

"Financial ratios are useful indicators of a firm's performance and financial situation" (Goel, 2016). Ratios can also be very useful when comparing companies financial health (McLaney & Atrill, 2016). The financial ratios are a good tool to analysing and assessing profitability, liquidity and solvency (Goel, 2016). It is rather difficult to specify how many financial ratios are needed, however the used ratios should be connected to each company's strategy and be industry specific (Elwin & Hirst, 2007). Between four and ten financial ratios are recommended to be calculated in order to gain good financial perspective (Elwin & Hirst, 2007). Since the objective is to discover the possible financial impacts of the COVID-19 pandemic to the case study companies, the following ratio analysis are used:

- *Profitability*
- *Efficiency*
- *Liquidity*
- *Solvency*

Each ratio is calculated by using 2-3 most suitable ratio calculations to get a good overview of the situation how the pandemic has possibly impacted the companies from the financial perspective.

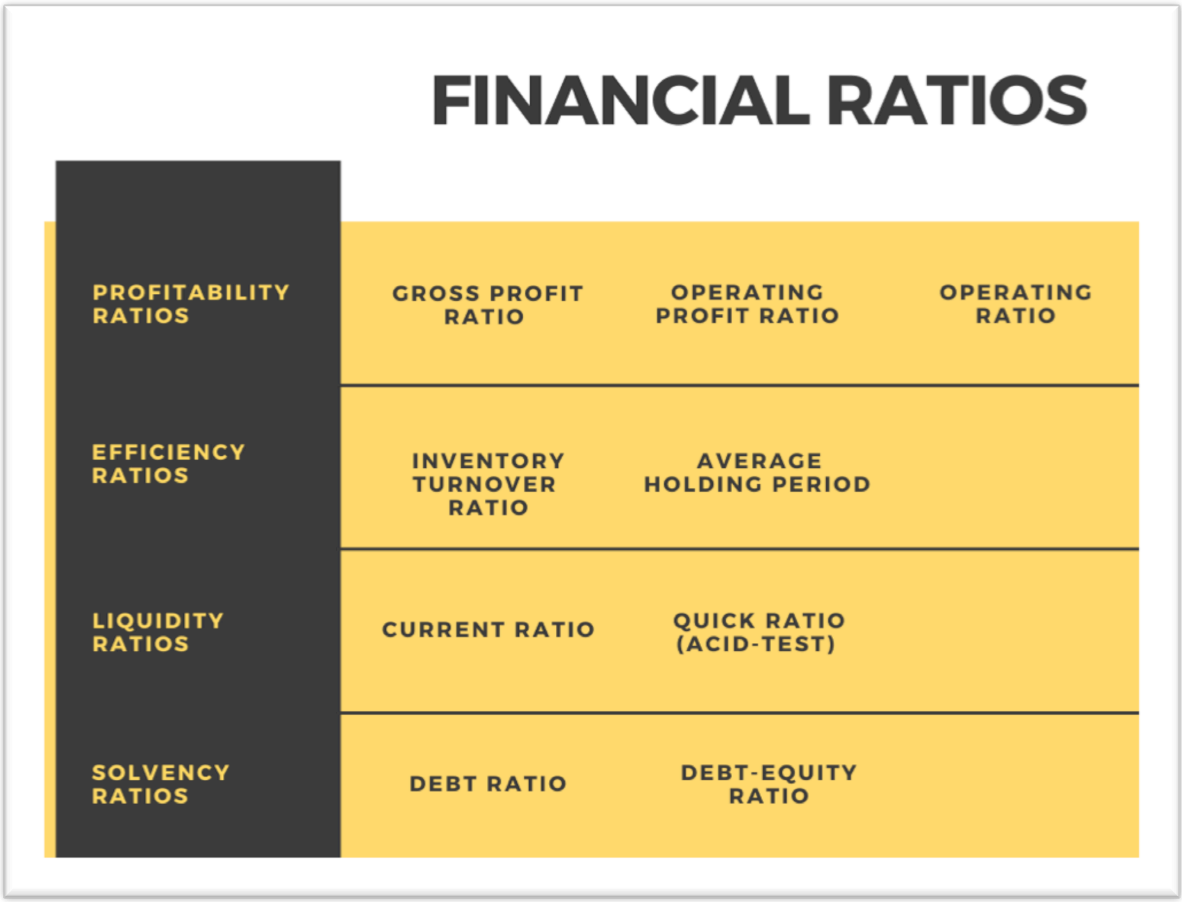

Figure 7, Financial Ratios

The financial ratios were chosen based on their relevancy to this case study, and, which can be seen as the most applicable to the research. The selected financial ratios are introduced next.

Profitability Ratio

Gross Profit Ratio: Gross profit/sales

- This is also known as gross profit margin. This ratio indicates how well the company is using its resources (e.g. raw materials and manufacturing) to generate profit (Goel, 2016). This ratio measures the difference between revenue and the cost of good sold before any other expenses are taken into account (McLaney & Atrill, 2016). In other words, what kind of profit the company makes for selling it products or services before any operational expenses (e.g. salaries and rent). The bigger the ratio (%), the better.

Operating Profit Ratio: EBIT or Operating Profit/sales

- This ratio measures the profit the company makes before interest and taxes when all the cost and expenses are taken into consideration. Operating profit ratio is a better indicator for the long-term prosperity compared to the gross profit ratio (Goel, 2016). The bigger the ratio (%), the better.

Operating Ratio: Total Operating Expenses/sales

- Considers the total operating expenses of the company with regard to sales (revenue). This ratio should be as low as possible (Goel, 2016). Basically all the company wants to keep its expenses low and sales as high as possible.

Efficiency Ratio

Inventory Turnover Ratio: Sales/Average Inventory

- Inventory turnover ratio (ITR) measures the times a company's inventory is sold and replaced during a selected period. The bigger the number, the better (Goel, 2016).
- This ratio can also be calculated as COGS divided by Average inventory

Average Holding Period: Days in a year/ITR

- This ratio uses the above stated ITR (inventory turnover ratio) Shows how many days the company is holding its inventory and, therefore, indicates how quickly/slow the inventory is converted into sales. The lower the average holding period, the better (Goel, 2016).

Liquidity Ratio

Current Ratio: Current Assets/Current Liabilities

- Compares the assets the company can turn into cash (liquid assets) to current liabilities (e.g. short-term debt and account payables). Liquid assets are cash and other assets, which the company can soon convert into cash. The bigger the ratio, the better (McLaney & Atrill, 2016). In other words, it is better for a company to have a lot of liquid assets and less short-term debt and payables.

Quick Ratio (acid-test): Liquid Assets/Current Liabilities

- This ratio is more stringent and conservative test of liquidity compared to the current ratio. The ratio only takes into consideration the assets a company can quickly convert into cash, hence inventory is excluded, Ideal ratio is 1:1 (McLaney & Atrill, 2016). The bigger the ratio, the better.

Solvency Ratio

Debt Ratio: Total Debt/Total Assets

- Indicates how much a company's assets are funded with long-term debt instead of its own equity. The lower the ratio, the better as principal and interest payments can eat a big portion of the company's cash flows (Goel, 2016).

Debt-equity Ratio: Long-term Liabilities/Equity

- Goel (2016) suggests, the high ratio means that a company funds its growth with long-term debt. 2:1 ratio is seen as an average (Goel, 2016), therefore, the lower the ratio, the better.

Other financial measures

In addition to financial ratios, the financial perspective takes into consideration revenues and profits from the three previous fiscal years. By doing this, the objective is to discover how COVID-19 might have impacted to the case study companies' top and bottom lines, so sales and profit.

2.6 Summary of the Theoretical Framework

The balanced scorecard creates the foundation for the theoretical framework and it is used as an evaluation structure for this case study. The objective is to identify and analyse the COVID-19 business impacts, which can be seen to influence the revenue streams and financial performance for the case study companies. The research process is done by utilising different theoretical models to cover each perspective and to create an overall picture of the COVID-19 impacts on case study companies in men's cosmetics industry.

Figure 8 summarises the balanced scorecard on how the COVID-19 impacts are measured and evaluated for the case study companies Greasy Fingers Oy, Dapper Dan Ltd and Inzo Lars Bratt AB.

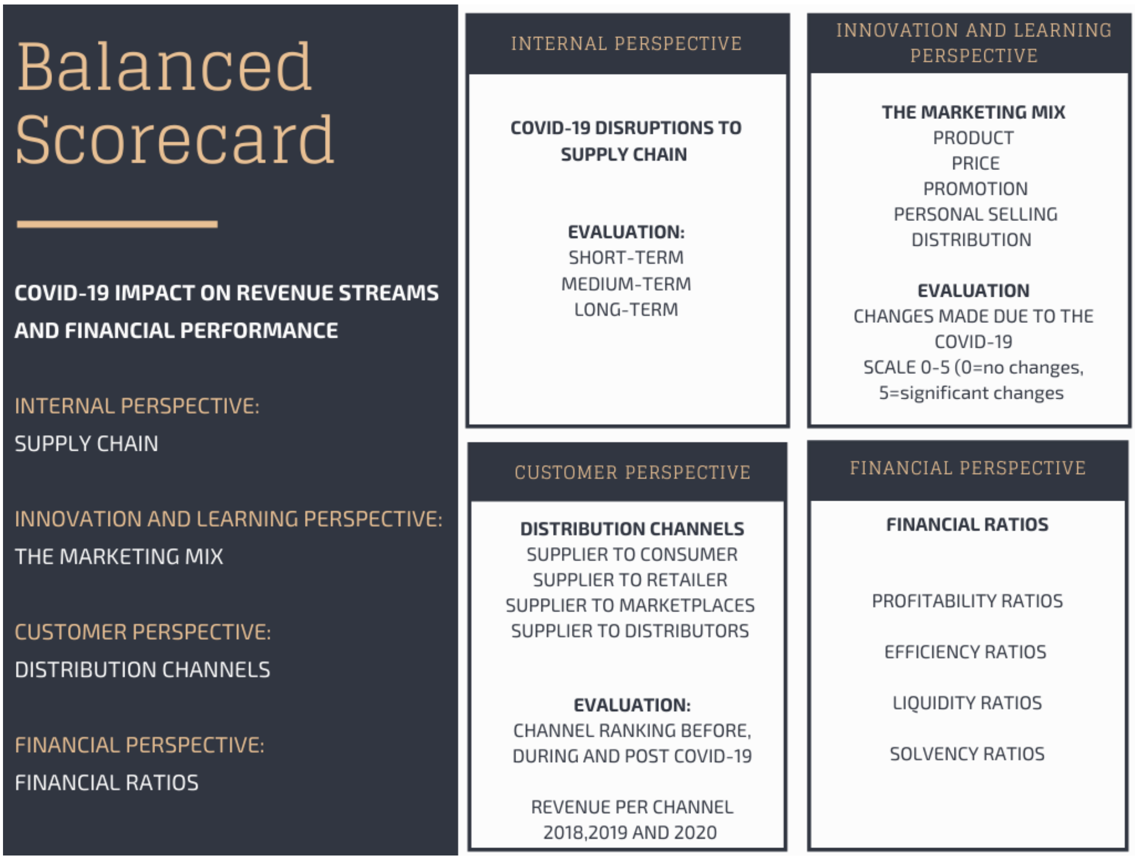

Figure 8, The Summary of Theoretical Framework

3 RESEARCH METHODOLOGY

This chapter describes how the research was conducted and how the input from the case study companies was collected during the process. Furthermore, this chapter shows how the theories and theoretical models introduced in chapter 2 are utilised in the research process.

Data collection

The data collection was done by using the balanced scorecard, as shown in Figure 8, as the foundation for the data collection. The balanced scorecard worked as a questionnaire, which was completed (excluding the financial perspective) during an online interview with the case companies. The CEOs of each case company was interviewed on an online Teams call.

Interviewees:

- Greasy Fingers Oy: CEO Leevi Kangas and CFO Juuso Sandberg
- Dapper Dan Ltd: CEO James May
- Inzo Lars Bratt AB: CEO Stefan Tall

The interview followed strictly the balanced scorecard structure and the interviewees were guided during the interview process. The financial perspective required specific financial information from the profit and loss account and the balance sheet. These financial documents include confidential information for the case companies and, therefore, the companies wanted to fill in the ask numbers/figures themselves together with their bookkeepers and/or CFO. The companies sent this financial information separately.

In order to compare the COVID-19 business impacts, each balanced scorecard perspective was analysed separately by creating a separate scorecard to compare the results.

Interviews

The interviews were held online with each CEO in June and early July. The interviews were recorded, excluding Greasy Fingers Oy interview, since the questionnaire was completed in in-person meeting at the company's head office.

The balanced scorecard questionnaire was sent to each CEO approximately two weeks prior the interview, hence the CEOs had the time to familiarize with the different research questions the questionnaire included.

The Balanced Scorecard Questionnaire

As introduced in chapter 2, the balanced scorecard questionnaire was divided into four parts (perspectives). Here is a summary of the perspectives and how they were applied in the research.

1. Internal Perspective
2. Innovation and Learning Perspective
3. Customer Perspective
4. Financial Perspective

Internal Perspective aims to discover the impacts of COVID-19 to supply chain and how the impacts potentially affected the customers. The impacts were considered based on magnitude and duration.

Innovation and Learning Perspective utilises the marketing mix as a foundation to discover the potential COVID-19 impacts to marketing (or sales) strategy. The research was conducted by evaluating the changes (1 to 5) the pandemic caused to each marketing mix element.

Customer Perspective compares how the pandemic have affected the different distribution channels the case study companies are using to generate revenue. The comparison was done by ranking the different distribution channels (pre-, during and post-COVID-19) and evaluating the impacts to each channel.

Financial Perspective focuses on investigating the financial impacts of COVID-19 by using a set of financial ratios. The objective for the financial ratios is to discover the financial effects of COVID-19 to each case company.

The complete balanced scorecard questionnaire can be found from appendix 1-3.

Data analysis

In order to compare the results (COVID-19 impacts) between the case study companies, a separate scorecard is created. The scorecard gives points for each question allowing easier analysis of the results.

Limitations

It is important to point out that the research also had different limitations. Two of three companies were interviewed online making the interviewers' role challenging. Since English is not the first language (or native tongue) for everyone involved in the research, misunderstandings or misinterpretations could have been occurred during the interview process. Moreover the questionnaire used in the interview could have been explained more in-depth.

The financial documents were not shared completely, due to confidentiality reasons hence it is not certain if the given financial data was inserted (or understood) correctly and if the figures for the ratios were the right ones. Accounting methods might have varied between the companies and therefore not all the information for the financial ratios was received.

The researcher interpreted some of the questionnaire/interview answers and therefore there's a possibility of misunderstanding which might have affected the results.

4 CASE ANALYSIS –TRANSLATING COVID-19 IMPACTS

The fourth chapter shows the results of the research and translates how the COVID-19 has impacted the case companies. The chapter reveals the COVID-19 Impact Balanced Scorecards for each company based on the four balanced scorecard perspectives.

4.1 Analysis of the results – How to interpret them

There is a score given for majority of the questions within each perspective. This is done to help to interpret each answer/result, in order to have a good perspective of the COVID-19 impacts.

The less impact points the company scores, the lower the COVID-19 impacts have been for them. Additionally, the scores give an indication how long the impacts are likely to be for the companies.

Notice: The purpose is not have a competition between the case study companies but, moreover, to better understand the magnitude of the COVID-19 impacts for each company.

4.2 Internal Perspective - Scorecard

Figure 9 shows the results how the companies evaluated the disruptions caused by the pandemic to supply chain. Some of the disruptions were not applicable hence no points (0 points) were given. Since the disruptions were primarily evaluated from short- to long-term, low to high, the scale from zero to three (impact points) was seen as the most appropriate for this perspective.

Maximum amount of points is 70 in this perspective. However the minimum amount of points can be set for total scores from 0 to 28 (all the scores 1 or lower.

Scoring:

- *Yes is 1 point, No is 0 points*
- *Short-term or Low is 1 points*
- *Medium-term or Medium is 2 points*
- *Long-term of High is 3 points*

1. Fluctuation and Increase Products Prices, Irretrievable Effect on Downward Supply Chain

	Impact on company		Duration of disruption		Impact on revenue stream		Impact to customers	
Company	Yes/No		Short-,medium- or long-term		Short-,medium- or long-term		Low, medium, high	
Greasy Finges Oy	Yes	1	Long-term	3	Long-term	3	Low	1
Dapper Dan Ltd.	Yes	1	Long-term	3	Long-term	3	High	3
Inzo Lars Bratt AB	Yes	1	Medium-term	2	-	0	Medium	2

2. Long Lead Time, Delay in Delivery from the Source and Delay in Distribution

	Impact on company		Duration of disruption		Impact on revenue stream		Impact to customers	
Company	Yes/No		Short-,medium- or long-term		Short-,medium- or long-term		Low, medium, high	
Greasy Finges Oy	Yes	1	Long-term	3	Long-term	3	Low	1
Dapper Dan Ltd.	Yes	1	Short-term	1	Short-term	1	High	3
Inzo Lars Bratt AB	Yes	1	Medium-term	2	Medium-term	2	Medium	2

3. Delay in Shipments, Moving Cargo, Loading/Unloading, Borders, and Ports

	Impact on company		Duration of disruption		Impact on revenue stream		Impact to customers	
Company	Yes/No		Short-,medium- or long-term		Short-,medium- or long-term		Low, medium, high	
Greasy Finges Oy	Yes	1	Short-term	1	Short-term	1	Low	1
Dapper Dan Ltd.	Yes	1	Medium-term	2	Medium-term	2	High	3
Inzo Lars Bratt AB	Yes	1	Medium-term	2	Medium-term	2	High	3

4. Reduction in Return, Profits, and Income Influence in Retailers and Lack of Quality Control

	Impact on company		Duration of disruption		Impact on revenue stream		Impact to customers	
Company	Yes/No		Short-,medium- or long-term		Short-,medium- or long-term		Low, medium, high	
Greasy Finges Oy	No	0	-	0	-	0	Low	1
Dapper Dan Ltd.	Yes	1	Medium-term	2	Short-term	1	High	3
Inzo Lars Bratt AB	Yes	1	Short-term	1	-	0	Low	1

5. Reduction in Production Capacity, Manufacturing Capability, and Sources of Production

	Impact on company		Duration of disruption		Impact on revenue stream		Impact to customers	
Company	Yes/No		Short-,medium- or long-term		Short-,medium- or long-term		Low, medium, high	
Greasy Finges Oy	Yes	1	Long-term	3	Long-term	3	Low	1
Dapper Dan Ltd.	Yes	1	Medium-term	2	Medium-term	2	High	3
Inzo Lars Bratt AB	Yes	1	Medium-term	2	Medium-term	2	Low	1

6. Lack of Disruptions Plans, Risk information, Risk Management, and Contingency Plans

	Impact on company		Duration of disruption		Impact on revenue stream		Impact to customers	
Company	Yes/No		Short-,medium- or long-term		Short-,medium- or long-term		Low, medium, high	
Greasy Finges Oy	No	0	-	0	-	0	Low	1
Dapper Dan Ltd.	Yes	1	Medium-term	2	Short-term	1	High	3
Inzo Lars Bratt AB	Yes	1	Medium-term	2	Medium-term	2	Low	1

7. Difficulties in Getting Information and Data, Lack of Full Visibility, and Variations in Technology Utilisation Throughout the Supply Chain

	Impact on company		Duration of disruption		Impact on revenue stream		Impact to customers	
Company	Yes/No		Short-,medium- or long-term		Short-,medium- or long-term		Low, medium, high	
Greasy Finges Oy	Yes	1	Short-term	1	Short-term	1	Low	1
Dapper Dan Ltd.	Yes	1	Medium-term	2	Medium-term	2	High	3
Inzo Lars Bratt AB	No	0	-	0	-	0	Low	1

Figure 9, Internal Perspective COVID-19 impact Scorecards

4.2.1 Internal Perspective COVID-19 Impact Scorecards

The seven main supply chain disruption trends (caused by COVID-19) are analysed below for each case study company. Later, Internal Perspective Scorecards are made for the companies and the COVID-19 impacts are summarised.

1) Fluctuation and Increase Products Prices, Irretrievable Effect on Downward Supply Chain

This disruption has impacted all three companies and it has been the most challenging supply chain issue. Greasy Fingers and Dapper Dan believe this disruption to continue in long-term and having a long-term impact on revenue as well. These two companies are prepared to face the consequences for upcoming years. Inzo thinks this to more medium-term disruption, however all the companies think that raw materials, packaging and manufacturing costs will increase more towards the of 2021. For this reason, the impact has not really impacted in short-term, but it is yet to hit the companies and the industry in general.

Greasy Fingers and Dapper Dan also see the impact to revenue streams in long-term. Inzo didn’t see the disruption impacting their revenue streams now or in the near future. Greasy Fingers and Dapper Dan both believe the increase in manufacturing costs (e.g. raw materials and packaging) will have a long-term impact to their revenue streams as well.

Impact to customers varies from low to high among the companies. Dapper Dan and Inzo both consider this disruption to cause increase in retail pricing, which automatically impacts their consumer and business customers. Greasy Fingers don’t think this disruption trend only to have a low impact to their customers. In other words, Greasy Fingers don’t think they will need to increase their prices (both consumers and business) due to this supply chain disruption.

2) Long Lead Time, Delay in Delivery from the Source and Delay in Distribution

The disruption has again impacted all three companies. All the companies consider differently when it comes to the duration of this disruption. Greasy Fingers think it will be a long-term, Dapper Dan sees it as short-term, and Inzo as medium-tern disruption. The companies have all experienced significant increases with this disruption trend since the pandemic started. Inzo even mentioned the lead times being up to nine weeks longer than usual.

The case study companies see the impact to revenue streams the same way as they did with the duration. Greasy fingers see the impact as long-term, Dapper Dan short-term and Inzo medium-term. Dapper Dan and Inzo don't forecast this disruption to cause challenges to their revenue streams from 2022 onwards, as Greasy Fingers does.

No consensus among the companies here as well. The impact to customers varies from low to high. Even Dapper Dan saw this disruption causing a high impact to their customers, when Inzo as medium. It is interesting to point out that although Greasy Fingers sees this as disruption to continue in long-term, they don't consider it impacting their customers. Dapper Dan sees the disruption causing a high impact to their customers in short-tem.

3) Delay in Shipments, Moving Cargo, Loading/Unloading, Borders, and Ports

Again has impacted all three case study companies. According to the companies, especially the availability of empty shipping containers has caused major disruptions since the COVID-19 pandemic started. Dapper Dan and Inzo see the duration of this disruption as medium-term and Greasy Fingers short-term. Basically, the companies don't consider this disruption to continue after 2021.

As it was with the duration, Dapper Dan and Inzo see the disruption having an impact on their revenue streams on medium-term and Greasy Fingers short-term. The companies don't believe this disruption to affect their revenue streams from 2021 onwards, as it was with the duration as well.

Dapper Dan and Inzo saw the disruption impacting their customers as high when Greasy Fingers low. Greasy Finger manufactures majority of their best selling products in domestically (in Finland) and therefore this disruption only impacted a small amount of products manufactured or sourced overseas. Dapper Dan and Inzo import some parts of their packaging overseas, and for that reason, shipping delays has had a high impact to their customers.

4) Reduction in Return, Profits, and Income Influence in Retailers and Lack of Quality Control

Has impacted Dapper Dan and Inzo. Greasy Fingers didn't recognise this disruption impacting the company. The duration of this disruption was seen a short-term by Inzo and medium-term by Dapper Dan.

According to Inzo, the disruption didn't have an impact on the company's revenue streams. For Dapper Dan the impact was only short-term. As above, Greasy Fingers didn't consider this as a disruption for the company.

Dapper Dan believed this disruption having a high impact their customers in short-term, since the company was closed three months in 2020 due to the COVID-19 pandemic. Inzo and Greasy Fingers both saw the impact of this disruption to their customers as low. Overall, this supply chain disruption trend only had a fairly small impact to the companies.

5) Reduction in Production Capacity, Manufacturing Capability, and Sources of Production

The disruption has had an impacted to all three companies. Greasy Fingers saw the duration of this disruption as a long-term when Dapper Dan and Inzo as medium-term. According to Dapper Dan, the manufacturing companies have had COVID-19 outbreaks among employees or have operated with limited workforces, hence have reduced the production capacity. All the companies reported that lead times from different suppliers have significantly increased as the pandemic started.

The disruption caused medium-term (Dapper Dan and Inzo) and long-term (Greasy Fingers) impacts to the companies' revenue streams due to the poor availability of certain products or raw materials. If certain products are out of stock, it naturally has a negative impact to sales. Furthermore, since the companies see this disruption to continue in medium- to long-term, this could be a wider issue that requires actions for the whole supply chain management.

Greasy Fingers and Inzo evaluated the impact to customers as low when Dapper Dan high. The difference can be explained, to some extended, Dapper Dan having smaller product portfolio compared to Inzo and Greasy Fingers. This means, Dapper Dan as a company suffered if the longer lead times applied to all of their key or best selling products.

6) Lack of Disruptions Plans, Risk information, Risk Management, and Contingency Plans

Had an impact on Inzo and Dapper Dan, as Greasy Fingers didn't see this having an impact to their operations. Inzo and Dapper Dan identified the duration to be medium-term because there was no actual mitigation plans in place. Both of the companies don't see this as a disruption affecting them anymore.

Same appliers to the impact on revenue streams, since Dapper Dan and Inzo labelled the disruption as a challenge of the past. Both of the companies recognised this disruption only having a relatively small impact to their revenue streams. For Greasy Fingers, there was no impact.

Greasy Fingers and Inzo believe the impact to be low to their customers, as when Dapper Dan saw it has high because of 2-3 of their key products could not be shipped to their customers due to lack of disruption plans.

7) Difficulties in Getting Information and Data, Lack of Full Visibility, and Variations in Technology Utilisation Throughout the Supply Chain

This disruption had no impact to Inzo. Both Greasy Fingers and Dapper Dan experienced impacts and they were primarily caused by lack of information provided by their suppliers (manufacturing related). Greasy Fingers saw the duration as short- term and Dapper Dan medium-term; however, both of the companies don't consider this to be an issue anymore.

Impact to revenue streams was short-term for Greasy Fingers and medium-term for Dapper Dan. All in all, this supply chain disruption was causing challenges in 2020 when the pandemic paralysed the global business for the time being.

Greasy Fingers and Inzo identified this disruption causing a low impact to their customers and Dapper Dan high, as they did with all the seven disruption trends. Dapper Dan considered their customers experiencing difficulties due to the supply chain disruptions caused by the COVID-19 pandemic.

	Impact on company	Duration of disruption	Impact on revenue stream	Impact to customers	Total
Company	Points	Points	Points	Points	Points
Greasy Finges Oy	5/7	11/21	7/21	7/21	**30/70**
Dapper Dan Ltd.	7/7	14/21	12/21	21/21	**54/70**
Inzo Lars Bratt AB	6/7	11/21	8/21	11/21	**36/70**

Figure 10, Internal Perspective COVID-19 impact Scorecards

Figure 10 summarises the scores for the internal perspective of the COVID-19 impact Balanced Scorecard. The COVID-19 disruption to supply chain has impacted all the case study companies. For Greasy Fingers and Inzo the impacts have been medium when Dapper Dan it can be seen relatively high.

With regard to the internal perspective and supply chain, the case study companies are prepared and expecting to have the impact disrupting their operations in long-term (Post-COVID-19). The companies are expecting to have increases in different manufacturing and production related costs. These increases are starting in Q2/2021 or even later. It was somewhat surprising to discover that these increases occurs more towards what we now consider as the Post-COVID-19 era.

When it comes to the men’s cosmetics industry in general, it can be expected that manufacturing and production costs will increase in the future. It is yet difficult to predict if the increase is permanent. The other important question is that who pays the difference on the supple chain when the manufacturing and production related costs increases (in the procurement part of the supply chain)? It is predicted that supply chains will face major changes in the near future (Harapko, 2021) and the companies should be prepared for these.

4.3 Innovation and Learning Perspective COVID-19 impact Scorecards

Innovation and learning perspective focussed on finding out the possible changes COVID-19 caused to the controllable elements of the marketing mix (Majaro, 2013) as introduced in the chapter 2.3. These elements are product, price, promotion, personal selling and distribution. The elements can be seen to formulate a big part of the companies marketing and sales strategy and therefore the changes can impact the companies as a whole.

The COVID-19 impact to each marketing mix element is evaluated with the scale from 0 to 5. This scale was chosen in order to have a better picture of the possible impacts, especially if there was a small, or no impact (0 or 1), or if the impact was a significant (4 or 5). Therefore using a scale from 0 to 3 might not have indicated clearly enough the most compelling scores. Furthermore, there is more room to analyse the scores because the scale is wider.

It is important to point out that sizes, services, warranties and returns (part of the product element of the marketing mix) are not shown in the innovation and learning perspective scorecard, since they all were scored with 0 points by all the companies. For that reason these scores are not show, but the companies were given 0 impact points each from these four product elements. The maximum amount of points is 160 in this perspective.

Scoring:

- From 0 to 5
- 0= No changes were made due to the pandemic
- 1= Very small changes were made
- 2= Small changes were made
- 3= Medium changes were made
- 4= Big changers were made
- 5= Very significant changes were made due to the pandemic
- Sizes, Services, Warranties and Returns are not shown in the scorecard

Product

	1 to 5	1 to 5	1 to 5	1 to 5	1 to 5	1 to 5
Company	Service/product variety	Quality	Design	Features	Brand name	Packaging
Greasy Finges Oy	1	0	0	0	0	0
Dapper Dan Ltd.	0	0	1	1	0	1
Inzo Lars Bratt AB	0	0	0	0	0	0

Price

	1 to 5	1 to 5	1 to 5	1 to 5	1 to 5	
Company	List price	Discounts	Allowances	Payment period	Credit terms	
Greasy Finges Oy	0	2	0	2	2	
Dapper Dan Ltd.	0	2	0	0	4	
Inzo Lars Bratt AB	3	2	0	3	2	

Promotion

	1 to 5	1 to 5	1 to 5	1 to 5	1 to 5	1 to 5
Company	Sales promotion	Advertising	Sales force	Public relations	Direct marketing	Internet
Greasy Finges Oy	0	0	0	0	0	0
Dapper Dan Ltd.	3	2	0	2	0	3
Inzo Lars Bratt AB	4	0	0	0	3	2

Personal Selling

	1 to 5	1 to 5	1 to 5	1 to 5	1 to 5	
Company	Provider	Persuader	Prospector	Problem solver	Procreator	
Greasy Finges Oy	0	3	0	1	0	
Dapper Dan Ltd.	0	3	0	3	0	
Inzo Lars Bratt AB	-	-	-	-	-	

Distribution

	1 to 5	1 to 5	1 to 5	1 to 5	1 to 5	1 to 5
Company	Consumer	Retailers	Virtual marketplaces	Distributors	Direct marketing	Internet
Greasy Finges Oy	5	3	0	4	1	5
Dapper Dan Ltd.	4	5	4	5	0	4
Inzo Lars Bratt AB	1	0	0	2	2	1

Figure 11, Innovation and Learning Perspective COVID-19 impact Scorecards

Product

Only a couple of very small changes we made to case study companies' products due to COVID-19. Greasy Fingers added hang sanitizing gels into assortment but no changes were made to existing products. Dapper Dan made small changes to a new product but they were not done purely because of the COVID-19 outbreak. Inzo, on the other hand, didn't make any changes.

It is obvious that the companies didn't see the pandemic as a reason to make any real changes to their products. Overall the product element was not really impacted by COVID-19 and the score 4 out of 150 is a very strong indicator of that.

Price

Small changes were made to the price element of marketing mix because of the pandemic outbreak. Greasy Fingers offered discounts, longer payment periods and better credit terms to business customers in order to make sales during the first months after the pandemic started. For B2C costumers there were no changes made with this element. Dapper Dan offered discounts to their business customers and better credit terms in order to secure sales. These were relatively modest changes. Inzo made medium-level changes to price elements due to the COVID-19 outbreak. The prices to their customer (B2B and B2C) will increase in Q4/2021. The company offered discounts, longer payment periods and better credit terms to their business customers.

The COVID-19 impact to the price element was higher compared to the above product element, but still on the small side. The total impact score for all the three companies is 22 out of the possible 75. To summarise, changes were made to pricing and pricing strategies by the companies because of the pandemic.

Promotion

Again, relatively small changes were made to the promotion element of the marketing mix due to the COVID-19 pandemic. Greasy Fingers didn’t make any changes because of the pandemic, and therefore, 0 impact points were given. Dapper Dan executed more pandemic related promotion online aiming to produce more sales (e.g. bundle deals) by encouraging their business customers to stock up and prepare for the reopening after the COVID-19 lockdown. The company also produced more online promotions by means of discount deals for consumers. This activity was rarely used before the pandemic. Inzo offered more sales promotion and marketing in order to enhance their B2C sales through their own online store.

The total score (for all the companies) of 19 out of the possible 90 impact points gives a certainty that the pandemic did not cause more than small changes to the promotion element of the marketing mix.

Personal Selling

Only very small changes occurred with the personal selling element of the Marketing Mix because of the COVID-19 pandemic. Greasy Fingers aimed to persuade their business customers to purchase COVID-19 related products, such as hand sanitizers. Dapper Dan utilised more persuader and problem solver roles to produce more sales with their business customers. For Inzo this part was not applicable and 0 points were given.

As already stated above, COVID-19 only caused the companies to make very small changes with the personal selling element. The total score of 10 out of the possible 75 provides a solid support for this.

Distribution

For Greasy Fingers and Dapper Dan, the more significant changes happened with different distribution element of the marketing mix. Greasy Finger noticed immediate increase in sales from their own online B2C online store. In other words, the pandemic made a positive change. On the other hand, sales to retailers and distributors declined rapidly in short-term for Greasy Fingers. For Dapper Dan the biggest change has been the increase of sales through virtual marketplaces (Amazon). The company saw a drop in sales to retailers and distributors and therefore COVID-19 did have a negative impact to this element as well. Inzo experienced fairly small changes with the different distribution channels. For Inzo the distributor channel had a small level negative chance and direct marketing positive at the same time. It is important to point out that for the case study companies the channels consumer, direct marketing and Internet mean the same. All the companies use their online stores to sell directly to consumers.

The distribution element were impacted the most compared to the other marketing mix element. The total score of 46 out of the possible 90 pinpoints that COVID-19 has had a medium impact to the case study companies' distribution

	Product	Price	Promotion	Personal Selling	Distribution	Total
Company	Points	Points	Points	Points	Points	Points
Greasy Finges Oy	1/50	6/25	0/30	4/25	18/30	**29/160**
Dapper Dan Ltd.	3/50	6/25	10/30	6/25	22/30	**47/160**
Inzo Lars Bratt AB	0/50	10/25	9/30	0/25	6/30	**25/160**

Figure 12, Innovation and Learning Perspective COVID-19 impact Scorecards

Figure 12 summarises the COVID-19 impact scorecards for the innovation and learning perspective. As it is seen from the scorecards, the COVID-19 impacts didn’t cause the companies to make major changes in product, price, promotion and personal selling elements of the used marketing mix model. However, medium level changes occurred with the distribution element. Many of the changes were positive as all the three companies experienced, to some extend, increase in sales to consumers primarily through their own online stores. Greasy Fingers sales to consumers significantly increased from the moment the COVID-19 pandemic started in Finland. Moreover, the companies increased their sales to retailers that operate primarily online (e-commerce retailers).

As reported by the case study companies’, sales to distributors, brick and mortal stores and hair salons/barbershops dropped in short-term. Although many parts of Europe were under lockdown as the pandemic started, the consumption of men’s cosmetics didn’t decline but moved even more to online, at least in short-term.

The total score of 101 out of the possible 480 impact points marks that the COVID-19 impact to this perspective was small and basically didn’t cause the companies to make any significant changes to their marketing and sales strategies. As it is today, near the post-pandemic time, also the distribution channel changes have shifted more towards what it was before COVID-19. All the case study companies have reported that they have recovered the sales to the distribution channels, which were declining in the beginning of the pandemic.

The next perspective goes deeper into the different distribution channels the companies are utilising.

4.4 Customer Perspective COVID-19 impact Scorecards

The research on customer perspective targeted to discover how COVID-19 impacted the different distribution channels the case study companies are using. The impact was measured by means of (distribution) channel ranking before-, during-, and post-COVID-19. Number 1 is the most important distribution channel and number 4 is the least important channel. In addition, using a scale of small, medium, large or no impact evaluated the magnitude of COVID-19 impact on each distribution channel. Therefore the Customer Perspective focuses on discovering the 1) possible changes in the channel rankings and 2) how the pandemic has possibly impacted the distribution channels.

In this research, the post-COVID-19 era is interpreted to start from 2022 onwards. 2022 is perhaps, and likely, not the year when the post-COVID-19 era starts, but it was used as a reference point in this research.

In the channel ranking part, the scoring is based on the amount of times channel ranking has changed from the pre-COVID-19 era. One change equals one impact point, two changes equals two points and so forth. For the channel impact part, the scoring is based on the magnitude of COVID-19 impact from no impact to large impact.

Scoring of channel ranking:

- Measured from before COVID-19

- No change is 0 points

- One change is 1 point

- Two changes is 2 points

- Three changes is 3 points and so forth

Scoring of channel impact:

- No impact is 0 points

- Small impact is 1 point

- Medium impact is 2 points

- Large impact is 3 points

Distribution Channels

Greasy Fingers Oy	Channel used	Channel ranking	Channel ranking	Channel ranking	Impact on channel
Distribution channels	Yes/No	Before COVID-19	During COVID-19	Post COVID-19	Small, medium or large
Supplier to consumer	Yes	1	1	1	Large
Supplier to retailer	Yes	2	2	2	Medium
Supplier to virtual market places +other	Yes	4	4	4	No impact
Supplier to distributor, wholesalers and brokers	Yes	3	3	3	Large

Distribution Channels

Dapper Dan Ltd.	Channel used	Channel ranking	Channel ranking	Channel ranking	Impact on channel
Distribution channels	Yes/No	Before COVID-19	During COVID-19	Post COVID-19	Small, medium or large
Supplier to consumer	Yes	4	4	4	Small
Supplier to retailer	Yes	2	3	2	Large
Supplier to virtual market places +other	Yes	3	2	3	Large
Supplier to distributor, wholesalers and brokers	Yes	1	1	1	Large

Distribution Channels

Inzo Lars Bratt AB	Channel used	Channel ranking	Channel ranking	Channel ranking	Impact on channel
Distribution channels	Yes/No	Before COVID-19	During COVID-19	Post COVID-19	Small, medium or large
Supplier to consumer	Yes	3	3	3	medium
Supplier to retailer	Yes	1	1	1	medium
Supplier to virtual market places +other	No	4	4	4	medium
Supplier to distributor, wholesalers and brokers	Yes	2	2	2	medium

Figure 13, Customer Perspective COVID-19 impact Scorecards

Greasy Fingers Oy

The pandemic has not impacted the ranking of different distribution channels the company is using. Direct sales to consumer remained as the most important channel during the pandemic. The company believes the ranking to be the same once the pandemic is over.

The impact to the consumer channel has been large on a positive note. The direct to consumer sales on the company's online store grew 18% from 2019. To put this increase into perspective, the growth between 2018-2019 for the online store was 14,3%. The impact to the retailer channel has been medium. As COVID-19 started in Finland in March 2020, the sales to retailers declined momentarily (two to three months). However, the sales to online retailers increased at the same time. For virtual marketplaces, aggregators and metamediaries there was no impact. This channel doesn't play an important role hence generate only small annual revenue. The impact of the pandemic to distributors, wholesalers and brokers channel has also been large. Majority of the company's international distributors supplies only hair salons and barbershops. Due to the lockdowns in several European countries, hair salons and barbershops were closed for several months.

The total score of 8 out the possible 80 pinpoints that the COVID-19 impact to the customer perspective has been nearly medium. However, it is important to point out, that each distribution channel grew in 2020 compared to 2019. The pandemic primarily increased the sales to different channels, although the pandemic impacted negatively some channels in short-term. If only the negative impacts would have been taken into consideration, the results would have been close to zero, meaning COVID-19 has had a very small impact to the distribution channels.

Dapper Dan Ltd.

The pandemic has caused a small impact to the channel ranking. Virtual marketplaces, aggregators and metamediaries became the second most important channel during the pandemic over retailers. The change can be explained by the lockdown in the UK, which forced hair salons and barbershops to close their doors for a period of time.

The impact on the consumer channel has been small and this channel remained as the least important distribution channel for Dapper Dan. For the retailer channel the impact has been large on a negative note, due to the fact that hair salons and barbershops were temporarily closed because of the lockdowns. On the other hand, the impact to virtual marketplaces, aggregators, and metamediaries has been large on a positive note. The company increased its sales to this channel during the pandemic. Therefore the channel became the second important distribution channel during the pandemic. The impact to distributors, wholesalers and brokers channel was large (negative). This channel is the most important for the company and, for that reason; decrease in sales had a large negative impact for Dapper Dan. The annual revenue of the company declined in 2020 compared to 2019 by 8%.

The total score of 12 out the possible 20 points suggests that the COVID-19 pandemic has had a medium level impact to Dapper Dan’s distribution channels. Although some of the impacts were positive, the pandemic has impacted the distribution channels primarily negatively.

Inzo Lars Bratt AB

The pandemic has not had any impact to the channel rankings. Retailer channel remained as the most important distribution channel for the company and it is predicted to stay like that after the pandemic as well. For Inzo, majority of the sales come from the domestic hair salon and barbershop customers.

The COVID-19 impact to the consumer channel has been medium on a positive note. The company believes that the online sales (direct to consumer) will keep on increasing in the post-COVID-19 era. The impact on the retailer channel has been medium. The impact on virtual marketplaces, aggregators, and metamediaries has been medium as well, although this channel is not widely used by the company. The distributors, wholesalers and brokers channels were also impacted by the pandemic on a medium level. As with the other channels, the impact didn't have a significant impact to the company.

All the impacts were generally negative for Inzo, however it didn't affect the company significantly. The score of 8 points out of the possible 20 confirms the medium COVID-19 impact to the distribution channels. The company hopes and believes that the distribution channels will go back to normal in the post-COVID-19 era.

	Channel ranking	Impact on channels	Total
Company	Points	Points	Points
Greasy Finges Oy	0/8	8/12	**8/20**
Dapper Dan Ltd.	2/8	10/12	**12/20**
Inzo Lars Bratt AB	0/8	8/12	**8/20**

Figure 14, Customer Perspective COVID-19 impact Scorecards

Figure 14 summarises the scores from the customer perspective. COVID-19 has had an impact to all of the companies, but in different way in many cases. Greasy Fingers and Dapper Dan both had negative and positive impacts on their distribution channels. Greasy Fingers were able to grow their most important channels (consumer and retailer) during the pandemic and the company primarily experienced positive impacts. For Dapper Dan the negative impacts occurred on the two most important (from revenue perspective) distribution channels causing the revenue to drop from 2019. For Inzo, the impacts on the different distribution channels were relatively low and didn’t produce any significant differences to their operations or strategy.

It is interesting to see that the companies have different channel rankings. For Greasy Fingers the consumer channel is the most important, when for Dapper Dan it is the distributor channel, and for Inzo the retail channel (hair salon and barbershop customers). The companies are in the same industry but have very different emphasis on the distribution channels. The difference can be simply explained by the companies having different strategies. It would be interesting to do the distribution channel ranking and analysis again in five to ten years to see how COVID-19 has impacted the companies in more long-term basis.

4.5 Financial Perspective - Scorecard

Financial perspective investigated the case study companies’ financial performance by means of the selected financial ratios. The performance is measured by comparing average ratios from 2018 and 2019 (previous period) to average ratios of 2020 and Q1/2020 (current period). The change percentage is used to compare the ratios from the before mentioned periods and score the points. These periods were chosen in order to have a broader understanding how COVID-19 has impacted the financial performance. Since Q1 (January-March) doesn’t represent the full fiscal year, using averages, 2020 and Q1 of 2021, can produce a more accurate outcome for the Financial Perspective.

Unlike the other balanced scorecard perspectives, the financial perspective measures only the negative COVID-19 impacts. Meaning, all positive scores are given zero points. The scoring uses a scale from 0 to 5 in order to have a better understanding of the magnitude of the negative financial impacts.

Scoring of the financial ratios

- 0 points if the change is 0% or more (has remained the same or improved)

- 1 points if the change is -1%-10%

- 2 points if the change is -11% to -20%

- 3 points if the change is -21% to 30%

- 4 points if the change is -31% to -40%

- 5 points if the change is -41% or more

Current period: Financial period of 2020 and Q1 of 2021.

Previous period: Financial years of 2018 and 2019.

Inzo Bratt Lars AB financial year is from 1st of September to 31st of August. Therefore the financial ratios can't be directly compared to the other two case companies which financial year follows the calendar year.

Notice: * for Operating ratio, average holding ratio, debt ratio and debt-equity ratio, a lower ratio means a better result. Hence the points are given opposite.

1. Profitability: Gross Profit Ratio (GPR) - Gross profit/Sales

	GPR	GPR	GPR AVERAGE	GPR	GPR	GPR AVERAGE	GPR	
Company	2018	2019	2018 & 2019	2020	Q1 2021	2020 & Q1/2021	CHANGE %	POINTS
Greasy Finges Oy	59,3%	55,7%	57,5%	56,2%	47,5%	51,8%	-10%	1
Dapper Dan Ltd.	48,1%	43,3%	45,7%	49,1%	50,3%	49,7%	9%	0
Inzo Lars Bratt AB	48,4%	46,8%	47,6%	49,5%	52,3%	50,9%	7%	0

2. Profitability: Operating Profit Ratio (OPR) - Operating profit/Sales

	OPR	OPR	OPR AVERAGE	OPR	OPR	OPR AVERAGE	OPR	
Company	201800,0%	201900,0%	2018 & 2019	202000,0%	Q1 2021	2020 & Q1/2021	CHANGE %	POINTS
Greasy Finges Oy	3,7%	4,1%	3,9%	11,6%	2,5%	7,0%	78%	0
Dapper Dan Ltd.	26,8%	21,5%	24,2%	26,5%	22,3%	24,4%	1%	0
Inzo Lars Bratt AB	5,1%	3,7%	4,4%	8,7%	9,4%	9,0%	106%	0

3. Profitability: Operating Ratio (OR) - Total Operating Expenses/Sales

	OR	OR	OR AVERAGE	OR	OR	OR AVERAGE	OR	
Company	2018	2019	2018 & 2019	2020	Q1 2021	2020 & Q1/2021	CHANGE %	POINTS
Greasy Finges Oy	0,96	0,95	0,96	0,90	0,98	0,94	-2%	0*
Dapper Dan Ltd.	0,21	0,22	0,22	0,24	0,30	0,27	26%	3*
Inzo Lars Bratt AB	0,95	0,96	0,96	0,91	0,91	0,91	-5%	0

4. Efficiency: Inventory Turnover Ratio (ITR) - Sales/Average Inventory

	ITR	ITR	ITR AVERAGE	ITR	ITR	ITR AVERAGE	ITR	
Company	2018	2019	2018 & 2019	2020	Q1 2021	2020 & Q1/2021	CHANGE %	POINTS
Greasy Finges Oy	3,04	3,09	3,07	2,44	2,12	2,28	-26%	3
Dapper Dan Ltd.	-	-	-	-	-	-	N/A	-
Inzo Lars Bratt AB	1,97	1,92	1,95	1,69	0,98	1,34	-31%	4

5. Efficiency: Average Holding Period (AHP) - Days in a Year/ITR

	AHP	AHP	AHP AVERAGE	AHP	AHP	AHP AVERAGE	AHP	
Company	2018	2019	2018 & 2019	2020	Q1 2021	2020 & Q1/2021	CHANGE %	POINTS
Greasy Finges Oy	120	118	119	150	172	161	35%	4
Dapper Dan Ltd.	-	-	-	-	-	-	N/A	-
Inzo Lars Bratt AB	185	190	188	215	372	294	57%	5

6. Liquidity: Current Ratio (CR) - Current Assets/Current Liabilities

	CR	CR	CR AVERAGE	CR	CR	CR AVERAGE	CR	
	2018	2019	2018 & 2019	2020	Q1 2021	2020 & Q1/2021	CHANGE %	POINTS
Greasy Finges Oy	1,26	1,49	1,38	1,78	2,1	1,94	41%	0
Dapper Dan Ltd.	2,59	1,92	2,26	2,9	4,11	3,51	55%	0
Inzo Lars Bratt AB	3,40	2,70	3,05	3,03	3,85	3,44	13%	0

7. Liquidity: Quick Ratio (QR) - Liquid Assests/Current Liabilities

	QR	QR	QR AVERAGE	QR	QR	QR AVERAGE	QR	
	2018	2019	2018 & 2019	2020	Q1 2021	2020 & Q1/2021	CHANGE %	POINTS
Greasy Finges Oy	0,61	0,60	0,61	0,65	0,44	0,55	−10%	1
Dapper Dan Ltd.	2,11	1,45	1,78	2,56	3,66	3,11	75%	0
Inzo Lars Bratt AB	1,28	1,04	1,16	1,25	1,45	1,35	16%	0

8. Solvency: Debt Ratio (DR) - Total Debt/Total Assets

	DR	DR	DR AVERAGE	DR	DR	DR AVERAGE	DR	
Company	2018	2019	2018 & 2019	2020	Q1 2021	2020 & Q1/2021	CHANGE %	POINTS
Greasy Finges Oy	0,81	0,83	0,82	0,65	0,57	0,61	−26%	0*
Dapper Dan Ltd.	0,38	0,50	0,44	0,63	0,57	0,60	36%	4*
Inzo Lars Bratt AB	0,44	0,51	0,48	0,48	0,42	0,45	−5%	0

9. Solvency: Debt-Equity Ratio (DER) - Long-term Liabilities/Equity

	DER	DER	DER AVERAGE	DER	DER	DER AVERAGE	DR	
Company	2018	2019	2018 & 2019	2020	Q1 2021	2020 & Q1/2021	CHANGE %	POINTS
Greasy Finges Oy	0,50	0,69	0,60	0,33	0,27	0,30	−50%	0*
Dapper Dan Ltd.	-	-	-	0,84	0,80	0,82	N/A	-
Inzo Lars Bratt AB	−0,02	−0,03	−0,03	−0,02	−0,03	−0,03	0%	0

Figure 15, Financial Ratios for the case study companies

4.5.1 Profitability Ratios

Gross Profit Ratio: Gross profit/sales

Figure 16 summarizes the gross profit ratios for the case study companies. The gross profit ratio has declined for Greasy Fingers Oy -10% during the measured period. It is important to point out the drop from 56% of 2020 to 48% of Q1/2021. On the other hand, the sales in general increase during the last half of the year and especially during the last quarter due to holidays such as Father’s Day and Christmas.

For Dapper Dan this ratio has improved despite of COVID-19 and declined revenue. The difference can be party explained by the chance in the channel ranking during the pandemic. Supplier to aggregators, metamediaries and virtual market places became the second important distribution channel for the company, enabling higher profit margins compared to sales to retailers and distributors. The 9% gross profit ratio improvement can be seen as significant. The company predicts an increase in different raw materials in the near future, which can negatively impact the gross profit ratio in the future.

Inzo has been able to improve its gross profit ratio by 7% compared to the previous period; therefore COVID-19 has not negatively impacted this ratio. The company has been able to increase gross profit at the same the revenue has increased. The growth has not been done by neglecting gross margins during the pandemic period. It is important to remind, that Inzo's financial year runs from September to August. The 2020 financial year starts in September 2019 and ends August 2020. Q1 of 2021 actually means September 2020 to March 2021. This doesn't mean the ratios are not valid, however, not directly comparable with Greasy Fingers and Dapper Dan.

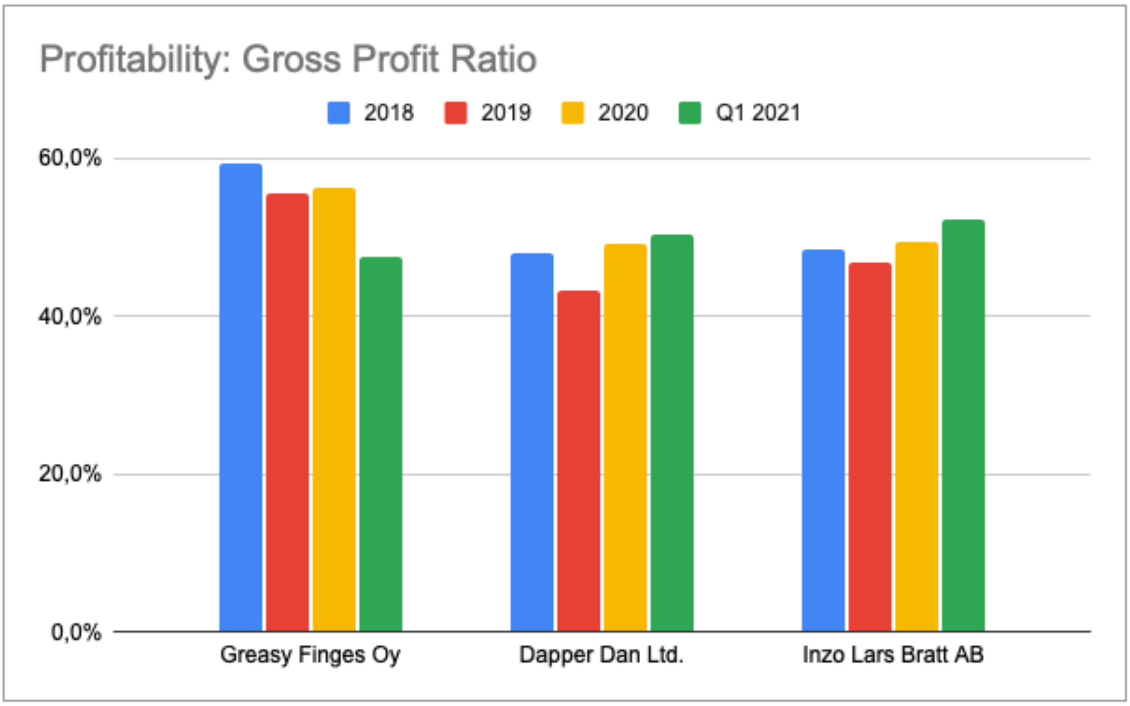

Figure 16, Gross Profit Ratios

Operating Profit Ratio: EBIT or Operating Profit/sales

Even though the gross profit ratio declined for Greasy Fingers, the operating profit ratio improved from 4% to 7% causing 78% change. The operating profit ratio for 2020 was 12% and it also can be expected that the ratio improve from the 7% toward two-digit numbers. There's no actual rule to thumb, however operating profit ratio higher than 10 is often considered as excellent.

The operating profit ratio has remained on the same excellent level for Dapper Dan; hence COVID-19 has not impacted this ratio. Overall the average 24% operating profit ratio from 2018 to 2021 Q21 is impressive and shows that the company makes good profit with the sales of its products.

For Inzo the operating profit ratio has significantly improved in 2020 and 2021 compared to financial years 2018 and 2019. The average 9% operating profit ratio can be seen as good. This ratio is on the same line with the gross profit ratio.

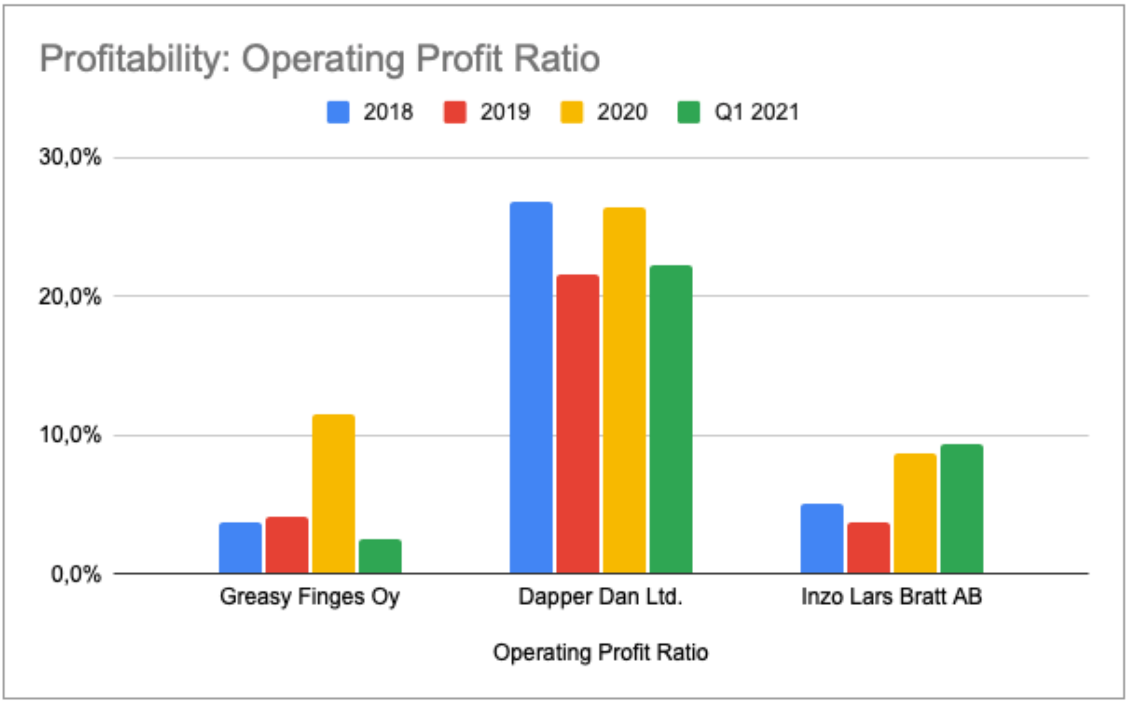

Figure 17, Operating Profit Ratios

Operating Ratio: Total Operating Expenses/sales

COVID-19 pandemic has had a small impact to Greasy Fingers' operating ratio. The impact is -2% and therefore not a significant difference. However the operating ratio is on a relatively high level, because the operating expenses has nearly 1:1 ratio with sales, making it challenging to produce high profit margins. The 0,90 operating ratio from 2020 fiscal year was better compared to 2018 0,96 and 2019 0,95 operation profit ratios.

Dapper Dan's operating ratio has been affected by the pandemic. The ratio has shifted from 2018 and 2019 average 0,22 to 0,27 (26% change). The lower the operating ratio is, the better it is for the company. The operating ratio of Q1 of 2021 is 0,30. This ratio is on an excellent level, however there might different bookkeeping methods compared to the other two case study companies.

The operating profit ratio has gone down from 0,96 to 0,91 giving 5% change percentage. Since the ratio has improved, it is safe the say COVID-19 has not had (negative) impact for Inzo's operation profit, as well as, the other profitability ratios.

4.5.2 Efficiency Ratios

Inventory Turnover Ratio (ITR): Sales/Average Inventory

ITR for Greasy Fingers has changed -26% during the period. This indicates that the company has not been able sell its inventory as fast as before. This can be interpreted that the company has intentionally increased its inventory, or the products have not sold as anticipated. Either way the difference compared to two previous financial years is high.

This ratio, as well as the other efficiency ratio, was not received from Dapper Dan and therefore this ratio could not be calculated.

For Inzo, the ITR has decreased from 1,95 to 1,34. This means the company has sold its inventory nearly twice per financial year in 2018 and 2019 and less than 1,5 times in the current period. The ITR for 2021 is 0,98 (1,69 in 2020), which may indicate the company has stocked more inventory and other raw materials needed for the production. As already mentioned in Internal Perspective, the companies are expecting the supply chain disruptions to continue and, for that reason Inzo and Greasy might have increased their inventory levels. COVID-19 can be seen to have a big impact for this ratio for both companies.

Average Holding Period: Days in a year/ITR

As already indicated by the ITR, also the average holding period has increased from 119 to 161 between the periods. The company has hold its inventory 42 days longer compared to the average from the two previous financial years. As already stated above, the difference could be explained that the company has intentionally grown its inventory in order to avoid the possible supply chain disruptions caused by the pandemic. It is important to keep in mind that this type of difference may have an impact on company's cash situation.

The needed information for this ratio was received from Dapper Dan and for that reason it was not analyzed.

Like Greasy Finger's, Inzo's average holding period has also increased from 2018 and 2019. The most significant increase has happened in 2021, however the same explanation may apply here, as it is above with Greasy Fingers. For this ratio, it is perhaps better to solely take a look at 2020, which also points out that the average holding period is increasing. COVID-19 has had an impact for 2020 ratios and it will most likely be more significant in 2021.

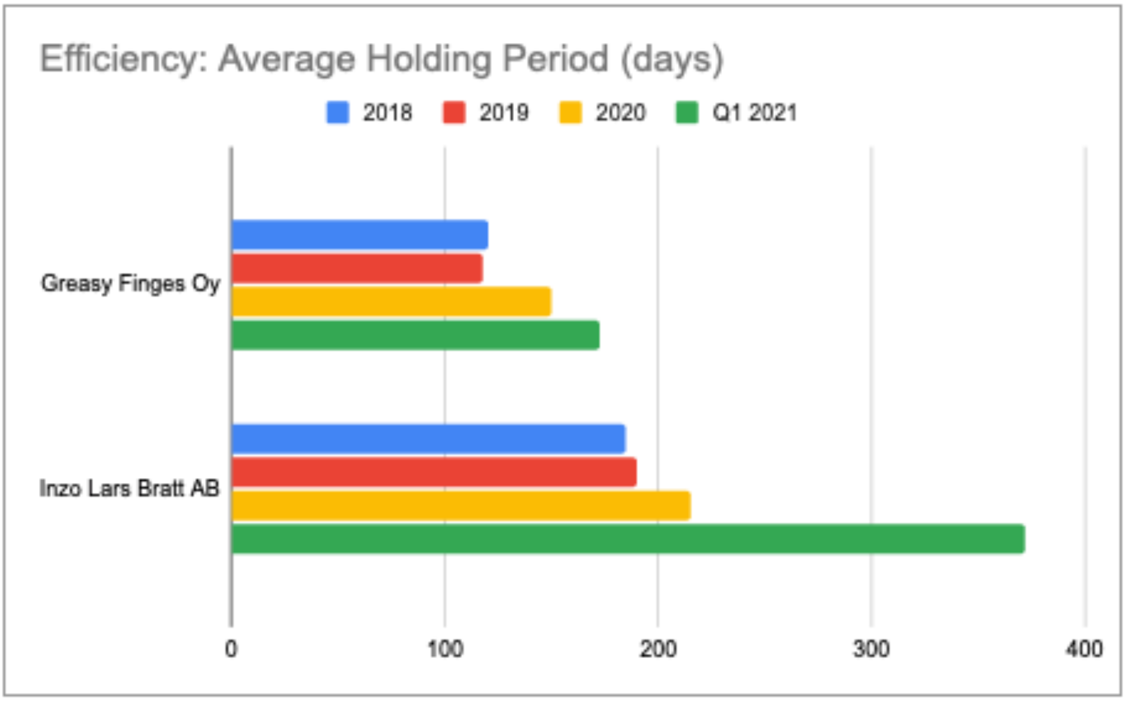

Figure 18, Average Holding Periods

4.5.3 Liquidity Ratios

Current Ratio: Current Assets/Current Liabilities

This first liquidity ratio has significantly improved for Greasy Fingers for the period. The 1,94 current ratio is nearly 2:1, which is generally seen as an ideal (Goel, 2016) ratio. The result indicates that the company has been able to enhance its liquidity during the pandemic.

Dapper Dan has been able to improve its already strong current ratio from 2,26 to 3,51. This means the company has 3,5 times more assets (which can be converted into cash) compared to liabilities. COVID-19 can be seen to have a positive impact to this ratio for Dapper Dan. It is important to notice that a high current ratio can also mean that the company funds are tied up in some assets and therefore not invested the most product way (McLaney & Atrill, 2016).

Inzo has also been able to enhance its current ratio from 3,05 to 3,44 (13%) during the latest period. The current ratio for Inzo has dropped to 2,7 from 3,4 in 2019 fiscal year, but has improved again in 2020 and 2021. The result suggests that COVID-19 has not had an impact to this liquidity ratio.

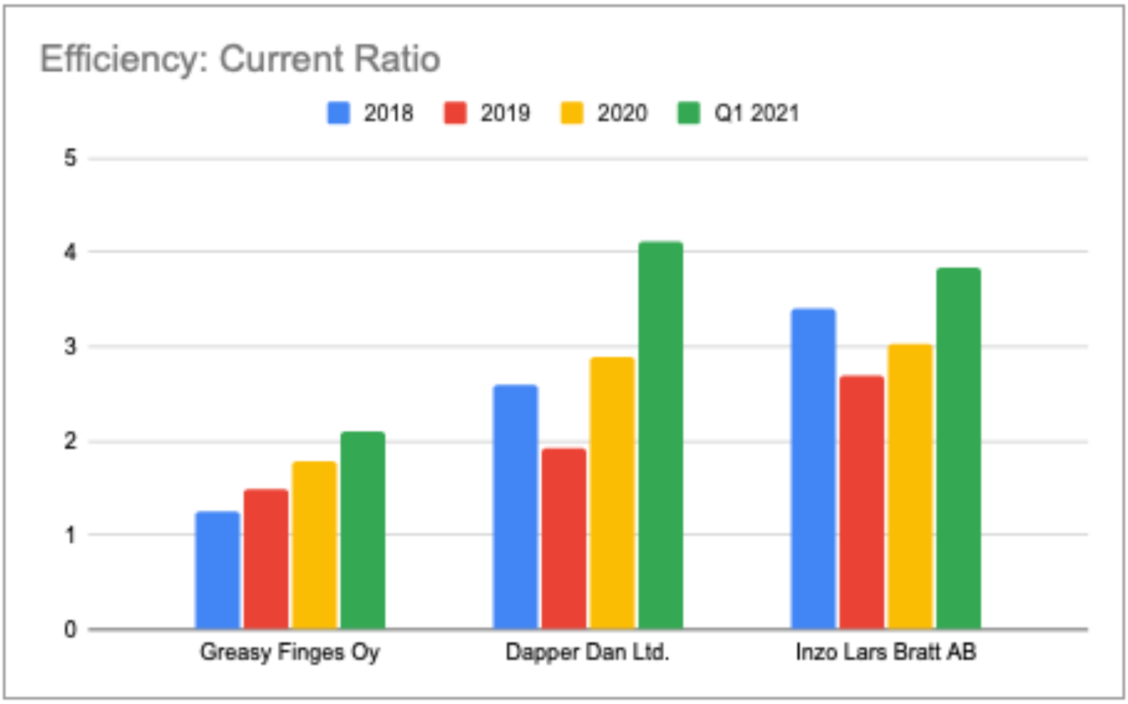

Figure 19, Current Ratios

Quick Ratio (acid-test): Liquid Assets/Current Liabilities

For Greasy Fingers the quick ratio has been on a relatively same line the past three financial years. However on Q1 of 2021 there has been a fairly big drop from 0,65 to 0,44 causing the quick ratio to change -10% from the period compared to 2018 and 2019 quick ratio average. 1:1 is considered as an ideal quick ratio and Greasy Finger’s 0,55 (0,55:1) can be seen as relatively modest.

Dapper Dan’s quick ratio has significantly improved from the 2018 and 2019 average. The ratio went from 1,78 to 3,11, which is 75% increase. 3,11:1 is a very strong quick ratio indicating the company has plenty of liquid assets (cash and cash equivalents) compared to its short-term liabilities.

Quick ratio for Inzo is on the same line with the previous ratio. The company has been able to enhance this ratio from 1,16 to 1,35 (16%). The result is better compared to the suggested ideal quick ratio of 1:1 and, therefore, it can be stated that Inzo has strong liquidity and the pandemic has not impacted it.

4.5.4 Solvency Ratios

Debt ratio: Total Debt/Total Assets

Debt ratio is the first ratio analyze solvency in this case study. Greasy Fingers Debt ratio has improved from 0,82 to 0,61 making the change percent 26% (5 points). The company has been able to reduce its debt and increase the amount of assets from 2018 and 2020 to the latest period of 2020 and Q1 of 2021. The company did not have to take more debt due to COVID-19.

Dapper Dan can be seen to have excellent, improving ratios in liquidity. When it comes to the debt ratio, it has declined on the other hand. The company has taken more long-term debt in 2020 causing this ratio to shift from 0,44 to 0,60. According to Dapper Dan, the loan was taken as a precaution for the uncertainties caused by the pandemic. The change percentage of 36% is, however the company still has more assets compared to total debt. This ratio from Q1 of 2021 is 0,57, indicating that it might be declining compared to the 2020 financial year.

Inzo's debt ratio has improved from 2018 and 2019 period from 0,48 to 0,45 (the lower the ratio, the better). The change percentage is 5%, making the difference between the periods relatively small. The company's long-term liabilities has decreased from the previous period, however, Inzo was given a COVID-19 related small loan from the government. Overall this ratio has not changed due to the pandemic.

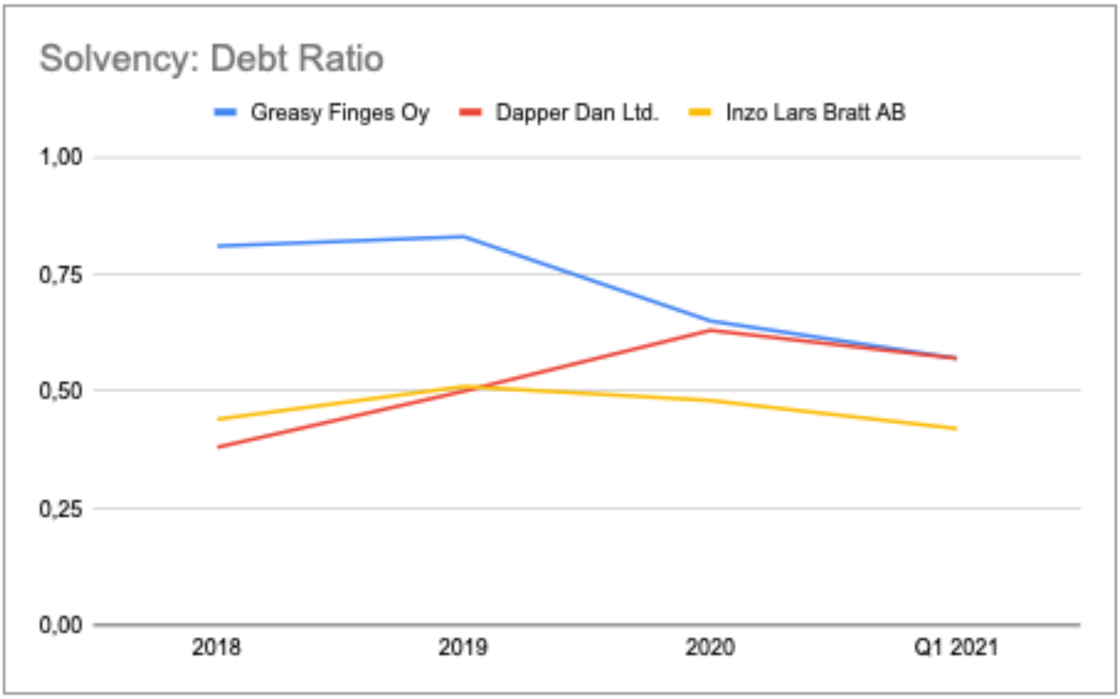

Figure 20, Debt Ratios

Debt-equity Ratio: Long-term Liabilities/Equity

As it was with the previous solvency ratio, the debt-equity ratio has also significantly improved for Greasy Fingers. The ratio average from the current period is 0,30, when it was 0,60 in the previous period. The debt-equity ratio in Q1 of 2021 is 0,27. This ratio is very much lower compared to the average ratio of 2:1, and it means the company has not aggressively funded its growth with debt. Also, it can be stated that COVID-19 has not negatively impacted this ratio.

According to Dapper Dan, the company did not have long-term liabilities in the previous period hence the ratio could not be calculated. In the current period, the average debt-equity ratio is 0,82. No points can be given for this ratio.

The debt equity ratio for Inzo has stayed the same between the periods. The negative ratio is caused be the negative total equity. The negative total equity has grown in 2020 but has improved again during the 2021 period. Inzo has a fairly small amount of long-term liabilities compared to the company size. If the company needs more bank loan in the future, the total equity has to improve, or the loan, needs potentially to be found elsewhere.

Other financial measures

Figure 21 shows how the revenues and profits have evolved during the last three financial years for the case study companies.

10. OTHER FINANCIAL MEASURES

	Revenue	Revenue	Revenue	2019/2020
Company	2018	2019	2020	CHANGE %
Greasy Finges Oy	2 564 687 €	3 326 064 €	4 181 561 €	26%
Dapper Dan Ltd.	1 245 930 €	1 705 309 €	1 561 741 €	−8%
Inzo Lars Bratt AB	3 591 196 €	3 441 312 €	3 680 254 €	7%

	Profit	Profit	Profit	2019/2020
Company	2018	2019	2020	CHANGE %
Greasy Finges Oy	54 870 €	86 543 €	363 040 €	319%
Dapper Dan Ltd.	264 623 €	298 258 €	310 131 €	4%
Inzo Lars Bratt AB	−102 485 €	−94 808 €	−200 004 €	−111%

Figure 21, Other Financial Measures

Greasy Fingers was able to increase its revenue from 3,3M€ to 4,1M€ (25%), and at the same time the profit has grown by over 300%. One factor behind this change was the growth the company was able to achieve from its direct to consumer sales, giving the company better margins. The other important factor is that the company was able to increase its revenue without increasing the personnel costs. COVID-19 did not have a negative impact for the company's revenue and profit.

Dapper Dan's revenue dropped in 2020 by 8,4% compared to 2019. However, the company was able to increase its profits at the same time. The financial ratios do not directly explain the reason, however the personnel cost might be the difference maker. According to Dapper Dan, the personnel costs dropped because COVID-19 affected the personnel's working hours during the lockout periods in the UK. The pandemic had an impact on Dapper Dan's revenue in 2020 and likely in 2021 also.

Inzo's revenue increased by 7% in 2020 compared to 2019. The company was able to grow it revenue to over 3,6 million euros despite of the pandemic. Since the financial year for Inzo ended in August 2020, perhaps the true impact to revenue can be seen when 2021 fiscal year ends in August 2021. The negative side is that Inzo's loss doubled compared to 2019. The loss was about the same in 2018 and 2019. Since the revenue has grown, it is relatively difficult to state if the increased loss is caused by COVID-19.

	Profitability	Efficiency	Liquidity	Solvency	Total
	Points	Points	Points	Points	Points
Greasy Finges Oy	1/15	7/10	1/10	0/10	**9/45**
Dapper Dan Ltd.	3/15	N/A	0/10	4/5	**7/30**
Inzo Lars Bratt AB	0/15	9/10	0/10	0/10	**9/45**

Figure 22, Financial Perspective COVID-19 impact Scorecards

Figure 22 summarises the results from the financial perspective. Based on the results, the overall COVID-19 impact has been small. For Greasy Fingers the biggest COVID-19 effect was on efficiency, which impact score was 7 out of 10. This translates that the company has not been able to sell its inventory as fast as before, or the inventory levels have been intentionally increased. According to the ratios, the pandemic did not have other financial impacts for Greasy Fingers. For Dapper Dan the most significant impact has been on solvency. The company took more (precautionary) debt because of COVID-19, however the loan was not necessary. Based on the used financial ratios, the pandemic has impacted the company's efficiency. The score 9/10 is a strong indicator that COVID-19 has had a high impact on Inzo's inventory levels. However, this might have been done as a strategic choice to secure sales for longer period if procurement part of supply chain is heavily impacted by COVID-19.

Limitations

The financial ratios show in many cases the differences from 2020 and Q1 of 2021 financial ratios compared to 2018 and 2019 fiscal years. However, it cannot be said for certain, that all the differences are caused by solely COVID-19. The case study companies might have chosen strategies for 2020, which have had impact to the used financial ratios. Moreover, different accounting methods might have also affected the analysis for the financial perspective. Some of the financial information was received in other language than English, which may have produced wrong data.

4.6 Balanced Scorecard Summary

Now that all the results are analysed for each perspective, it is time so create the Balanced Scorecards for the case study companies and summarise the COVID-19 impacts. The overall impact is given on a scale small, medium and large based on percentages: 0-33% Small, 34-66% medium and 67%-100% high.

COVID-19 Impact Balanced Scorecard - Greasy Fingers Oy

Figure 23 is the COVID-19 Impact Balanced Scorecard for Greasy Fingers Oy. Based on the points total, the impact of the pandemic has been small for the company. Supply chain disruptions (internal perspective) has caused the biggest challenges and the company is expecting these challenges to continue in long-term. There are several uncertainties in this perspective, such as price increases, shipping delays and other supply disruptions, which the pandemic is causing for 2022 and perhaps even years to come.

COVID-19 has had only a small impact on the company’s controllable marketing mix elements (innovation and learning perspective) and most of them are already in the past. The innovation and learning perspective has survived COVID-19 the best compared to the other balance scorecard elements.

Impact on distribution channels (customer perspective) has also been medium for the company, however more from the positive side. Greasy Fingers were able to significantly grow its direct to consumer sales through their online store. Most of the disruptions occurred in short-term basis and only partly affected the business.

Financial impacts have been small as well and, for that reason, the pandemic has not caused financial challenges for the company. Moreover, the company has been able to improve its financial situation compared to 2018 and 2019.

COVID-19 IMPACT BALANCED SCORECARD -GREASY FINGERS OY

Company	POINTS	OUT OF	IMPACT
Internal Perspective	30	70	MEDIUM
Innovation and Learning Perspective	29	160	SMALL
Customer Perspective	8	20	MEDIUM
Financial Perspective	9	45	SMALL
POINTS TOTAL	**76**	**295**	
COVID-19 IMPACT ON BUSINESS	**26%**		**SMALL IMPACT**

Figure 23, COVID-19 Impact Balanced Scorecard Greasy Fingers Oy

Although Greasy Fingers have experienced only small disruptions from the COVID-19 pandemic, from which many are positive, the company is expecting the disruption to continue and produce more challenges in the near future. Especially supply chain challenges are likely to happen on a bigger scale; product ingredients are starting to have price increases, as well as packaging and other raw materials needed for production has gotten more expensive and/or are delayed. Furthermore, the suppliers have started to inform about price increases for 2022, which will impact the whole business.

Greasy Fingers should start planning how the business keeps on thriving when the likely COVID-19 disruptions start occurring in the near future. It is most likely a lot easier to make the needed changes and adjustments beforehand.

COVID-19 Impact Balanced Scorecard – Dapper Dan Ltd.

Dapper Dan has experienced medium level impact on business due to the COVID-19 pandemic. The company experienced large impact on internal perspective as the pandemic started closing barbershops and hair salons in Europe. Unlike Greasy Fingers, Dapper Dan is forecasting the supply chain disruptions to be more medium-term and basically not continue after 2021. The company has started to see increases in raw material and shipping costs, but they have not caused price increases to their customers.

The company only experienced a small impact on innovation and learning perspective. The company only did small changes to the controllable elements of the marketing mix. Promotion and distribution were the most affected. Dapper Dan made only one modification to its new product based on COVID-19 recommendations. This perspective is likely the least important when talking about the challenges COVID-19 has produced.

Dapper Dan experienced medium impact to customer perspective. As stated above, the lockdowns had a large impact on Dapper Dan’s distribution channels. The sales to retailers and distributors dropped due to COVID-19. These two channels are the most important channels for Dapper Dan and the drop meant the revenue decreased from 2019. At the same, the sales via Amazon (virtual marketplace) improved, hence the large impact to this channel was positive.

COVID-19 only had a small impact to financial perspective. Only solvency dropped, when at the same time, majority of the used financial ratios actually improved. It is safe to say, COVID-19 has not had a negative impact to Dapper Dan from the financial ratios point of view, if the revenue dropped is not taken into account.

COVID-19 IMPACT BALANCED SCORECARD -DAPPER DAN LTD.			
	SCORE		
Company	POINTS		IMPACT
Internal Perspective	54	70	LARGE
Innovation and Learning Perspective	47	160	SMALL
Customer Perspective	12	20	MEDIUM
Financial Perspective	7	30	SMALL
POINTS TOTAL	120	280	
COVID-19 IMPACT ON BUSINESS	43%		MEDIUM IMPACT

Figure 24, COVID-19 Impact Balanced Scorecard Dapper Dan

Dapper Dan needs to think about its future strategies based on the forecast they have about continuous COVID-19 disruptions. It is important to know what type of strategic choices are needed and how they will affect their current revenue streams. Moreover the company should be aware of the supply chain disruptions, which may affect procurement and more importantly, production of the Dapper Dan products. If the supply chain disruptions continue, the company should analyse how it impacts their entire business and what the potential price increased could mean to their distribution channels.

COVID-19 Impact Balanced Scorecard – Inzo Lars Bratt AB

Figure 25 presents the COVID-19 Impact Scorecard for Inzo Lars Bratt AB. Overall, COVID-19 has had a small impact to the company from the start of the pandemic to the end of March 2021. Based on the created scorecard the impact has been 26% with the total score of 78 out of the possible 295 points.

The pandemic has had a medium level impact on internal perspective (supply chain) and the company expects the disruptions mostly to continue in medium-term, hence not after 2021. Inzo has experienced challenges with the procurement part of the supply chain. Different raw materials and packaging are more expensive now compared to the time before COVID-19. The same applies to lead times and shipping costs, which both have increased according to Inzo. Although the company believes this disruption to continue only in medium-term, they have already started to inform their business customers about the price increases starting from Q4 of 2021.

For the innovation and learning perspective, COVID-19 had a small impact, as it was with two other case companies as well. The company did more promotions and offered different discount based deals to their customers. These activities were mainly done in short-term basis and were not significant in nature. Inzo did not make any changes to their products because of the pandemic.

For the customer perspective the pandemic has had a medium impact. COVID-19 did not affect the company’s distribution channel ranking, since the impact hit all the channels. A sale to Inzo’s domestic retail customers (primarily hair salons) is the most important channel and the company believes it to remain this way in the post-pandemic era. Furthermore, the Inzo trusts that direct sales to consumers will increase in the future.

COVID-19 only has had a relatively small impact to the financial perspective. Most of the used financial ratios even improved during the pandemic. The biggest, and the only negative impacts, were on the two efficiency ratios. Inventory turnover ratio and average holding period both increased compared to the two previous (2018 and 2019) fiscal years. This means, the company either intentionally increased their inventory levels as a precaution, or the sales did not meet the forecast and the inventory was not sold as planned. Despite of the fact that revue grew in 2020, COVID-19 might have had big impact on the bottom line. The loss of was more than a double compared to the two previous financial years.

COVID-19 IMPACT BALANCED SCORECARD -INZO LARS BRATT AB			
	SCORE		
Company	POINTS		IMPACT
Internal Perspective	36	70	MEDIUM
Innovation and Learning Perspective	25	160	SMALL
Customer Perspective	8	20	MEDIUM
Financial Perspective	9	45	SMALL
POINTS TOTAL	**78**	**295**	
COVID-19 IMPACT ON BUSINESS	**26%**		**SMALL IMPACT**

Figure 25, COVID-19 Impact Balanced Scorecard Inzo Lars Bratt AB

As stated above, COVID-19 has only had a small impact to Inzo. The company experienced primarily medium-term challenges, which are not likely to have a negative impact after 2021. 2022 will be an interesting year for the company, due to their decision to increase prices for their business customers. It is somewhat difficult to say how this will affect their distribution channel rankings and even the overall revenue.

For Inzo, the biggest challenges are most likely around Internal (supply chain) and financial perspectives. The company needs to think how to keep their supply chain effective in the case the disruptions continue. Moreover, the inventory management should be done in an effective manner. Inzo should consider how to improve their equity situation. Probably the best way is to start focus on making profitable financial years. Having a good equity situation can help the company to secure bank loans if they are ever needed in the future.

5 CONCLUSION

Based on the COVID-19 Impact Scorecard, it can be said the pandemic had a relatively small impact to the case companies' businesses and therefore did not put them in jeopardy. The impact reached large score in only one occasion (internal perspective), when the rest were scored primarily small and medium. In some cases, COVID-19 had a positive impact, for example, Greasy Fingers' online sales significantly grew as the pandemic started and Dapper Dan was able to produce more profit compared to previous financial year.

Based on the research, the supply chain (internal perspective) disruptions have produced the biggest COVID-19 related obstacles for the case study companies. It is also expected by the companies that these obstacles are likely continue, and even enhance, in the future. Therefore the case study companies need to start rethinking their supply chain strategies in order to minimise, or even avoid completely, these possible future disruptions. After all, supply chain is one of the most critical elements for men's cosmetics business, since no products equals no sales.

The case study companies only had to make small changes in short-tem to their current marketing and sales strategies (innovation and learning perspective) due to COVID-19. The companies offered discounts and longer payment terms for their business customers during the first months of the pandemic to secure sales and produce security to their customers. Dapper Dan and Inzo did more promotion to grow to their online sales to consumers. Overall the changes in this perspective were made in short-term and did not have a bigger impact to the case companies strategies. It is safe to say that the pandemic had the least impact to this perspective.

The customer perspective investigated the different distribution channels the companies are using. The pandemic only caused one channel ranking to change (Dapper Dan) as the pandemic started compared to the situation before COVID-19 and projected post COVID-19 era. It can be said that the pandemic did not change the way the companies rank their distribution channels. The ranking basically shows which channels are producing the most turnover and the pandemic did not change this ranking. It can be said COVID-19 did not change the sales strategies for the case companies. This perspective also evaluated how the case companies saw the COVID-19 impact to each distribution channel. On the other hard, it turned out the pandemic had a medium to large impact to the way these distribution channels performed. For Greasy Fingers online sales to consumers grew, while sales business customers drop for short-term. For Dapper Dan, sales to consumers improved while sales to B2B customers experienced a large negative impact due to COVID-19. For Inzo, the impact was medium on all distribution channels. In addition, a question should be asked, why the ranking has remained the same? Does it translate to the case study companies not being able to transform and developed as the industry, and customer behaviours, have evolved and will keep on evolving?

The financial perspective also experienced a small impact from the pandemic based on the chosen financial ratios. Majority of the ratios improved during the 2020 and 2021 period compared to 2019 and 2018 period. COVID-19 has had the biggest negative impact to growing inventory levels (efficiency ratios). However, this could have been be done intentionally by the case study companies to secure enough stock in the case of possible supply chain (procurement) disruptions. Greasy Fingers and Inzo were able to grow and produce more revenue in 2020 compared to 2019 fiscal year. Despite of the fact Dapper Dan's revenue dropped in 2020, the company was able to make more profit compared to two previous fiscal years. Inzo made more loss in 2021 compared to 2019 and 2018 but the pandemic can't be directly linked to this. It is important to mention that the companies did not have to take any major loans because of COVID-19. Dapper Dan took a government loan just a precaution, not out of necessity.

After analysing all the COVID-19 impact scorecards perhaps the most important question remains; are the actual COVID-19 impacts even yet to start for men's cosmetics industry? Based on the research the three companies were able to produce good scores for the balance scorecards despite of the pandemic hammering cities and countries all over the world. Will supply chain challenges be the main concern for men's cosmetics industry? Price increases for product raw materials, such as ingredients and packaging, in addition to shipping costs and possible shipping delays will affect the whole supply chain. If the companies need to increase their product prices, who will pay the difference and how it will affect the companies and the whole industry?

To conclude, the COVID-19 pandemic disrupted and caused challenges the most for the case study companies in short-term. Overall the disruptions have been relatively small and the companies have survived the impacts of the pandemic well. COVID-19 did not paralyze the companies, nor create a real threat for them. The case study companies were able to produce good results and even grow during the period when many industries have suffered significant lost. COVID-19 has not, at least yet, been able to negatively impact men's cosmetics industry in a way that the industry would be in danger. Even though COVID-19 has negatively impacted the beauty and personal care industry growth in general, the men's cosmetics/grooming is still driving the industry boom (Baird, 2020).

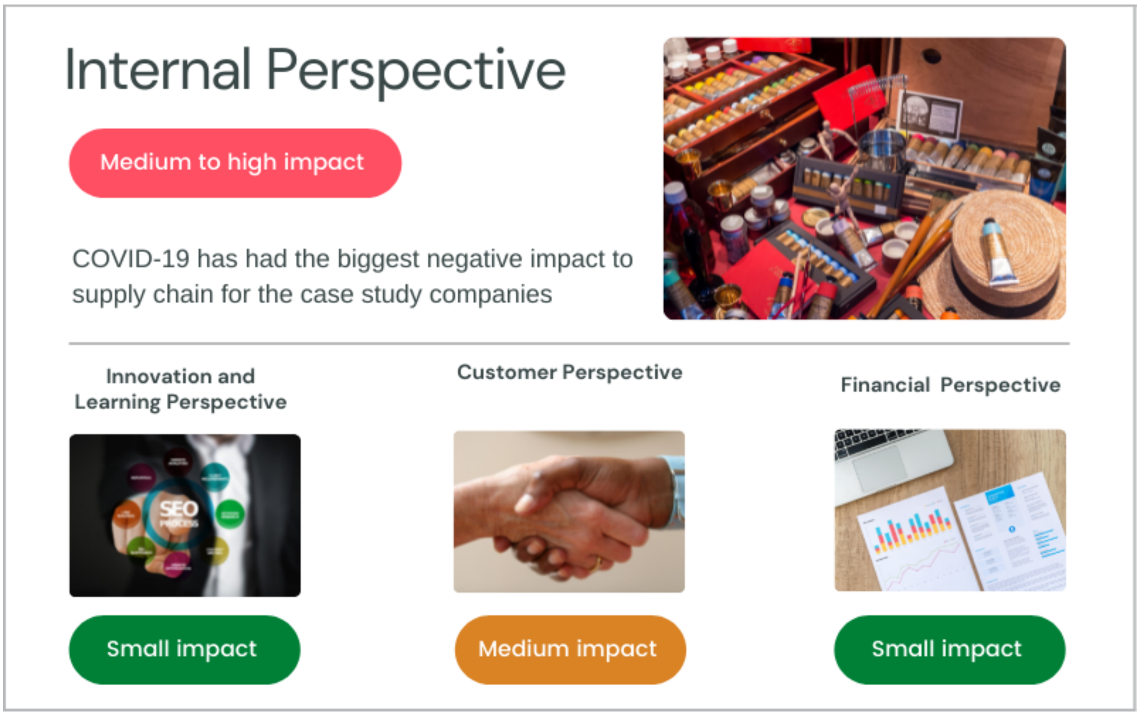

Figure 26, Conclusion of the COVID-19 impacts

6 RECOMMANDATIONS

As concluded in the previous chapter, the case study companies have experienced fairly small (negative) impacts due to the COVID-19 pandemic. However, the real COVID-19 threat might have not even started yet. The pandemic has changed many industries for good, and most likely it will someway change the men’s cosmetics industry as well. The case study companies should be aware of the requirements this change is demanding from them in order to prosper in the future.

COVID-19 is likely to cause changes to supply chain in long-term and therefore companies need to better understand their whole supply chain network (*PwC*, n.d.). Moreover the companies should focus on increasing visibility, efficiency and resilience across the different suppliers they are using (Harapko, 2021). One way is to analyse the possible bottlenecks and find options how to avoid or minimise them. Plan B’s, C’s, D’s and so forth, are most likely a good investment to make sure the business is not put to a halt if any of the supply chain drivers are failing. Holding larger inventories can be a band-aid, however it often eats cash reserves and affects negatively on efficiency ratios.

As stated by the case companies, the costs are increasing for ingredients and other raw materials needed for the production. This automatically means either reduced margins either for the supplier or customer(s) if the retail price is not increased. Again, who will pay the difference? Or, who can afford to pay the difference? Men’s cosmetics industry is competitive market and customers will always have another choice if the price doesn’t meet their expectations. For companies like Greasy Fingers, Dapper Dan and Inzo, it is highly important to make sure their products have enough margins to allow temporary increases with the production costs before their customers need to pay the difference.

The case study companies have followed the same strategy when it comes to their distribution channels. The channel ranking has remained the same since 2018 and most likely will remain that way for the case companies. The companies should carefully analyse what will happen to their businesses if the most important distribution channel becomes obsolete? The pandemic already showed that hair salons, barbershops and shopping malls could be closed; hence the retail distribution channel can suddenly stop producing sales. Therefore companies in the men's cosmetics industry should learn how to produce strong sales and results on more than one or two distribution channels.

Finally, the case study companies should make sure their financial position allows the possibility to secure funding (e.g. bank loan) if it is ever needed. The companies should select the financial ratios, which are relevant to measure their financial performance in order to keep tract of their financial development. Figure 27 summarises the recommendations.

Figure 27, Recommendations

REFERENCES

Ailawadi, K. L. (2020). Getting multi-channel distribution right. In *Getting multi-channel distribution right* (1st editio). John Wiley & Sons, Inc.

Baird. (2020). *Covid-19 on Beauty &. July*. https://content.rwbaird.com/RWB/sectors/PDF/consumer/Impact-of-Covid-19-on-Beauty-Wellness.pdf

BBC. (2020). *Coronavirus: The tourists swapping lockdown for Sweden*. https://www.bbc.com/news/av/world-europe-52930886

Brooksbank, R., Kirby, D., Tompson, G., & Taylor, D. (2003). Marketing as a Determinant of Long-Run Competitive Success in Medium-Sized U.K. Manufacturing Firms. *Small Business Economics*, *20*(3), 259–272.

COVID-19: Operations and supply chain disruption: PwC. (n.d.). Retrieved September 4, 2021, from https://www.pwc.com/us/en/library/covid-19/supply-chain.html

Covid-19 Pandemic Timeline Fast Facts - CNN. (n.d.). Retrieved August 12, 2021, from https://edition.cnn.com/2021/08/09/health/covid-19-pandemic-timeline-fast-facts/index.html

Donaldson, B., Marcos Cuevas, J., & Lemmens, R. (2015). Sales Management: Strategy, Process and Practice. In *Sales Management*. Macmillan Education UK.

Elwin, P., & Hirst, R. (2007). Guide to key performance indicators. *PriceWaterhouseCoopers*, 1–28. http://www.pwc.com/gx/en/corporate-reporting/assets/pdfs/UK_KPI_guide.pdf

Goel, S. (2016). Financial ratios. In *Financial ratios* (First edit). Business Expert Press.

Harapko, S. (2021). *How COVID-19 impacted supply chains and what comes next | EY - Global*. Ernst & Young. https://www.ey.com/en_gl/supply-chain/how-covid-19-impacted-supply-chains-and-what-comes-next

Institute for Government. (2021). *Timeline of UK government coronavirus lockdowns | The Institute for Government*. Web Page. https://www.instituteforgovernment.org.uk/charts/uk-government-coronavirus-lockdowns

Kaplan, R. S., & Norton, D. P. (1992). The balanced scorecard--measures that drive performance. *Harvard Business Review*, *70*(1), 71–79. https://hbr.org/1992/01/the-balanced-scorecard-measures-that-drive-performance-2

Kaplan, Robert S. (2001). The strategy-focused organization : how balanced scorecard companies thrive in the new business environment. In *The strategy-focused organization : how balanced scorecard companies thrive in the new business environment*. Harvard Business School Press.

Kotler, P., Keller, K., Brady, M., Goodman, M., & Hansen, T. (2010). Marketing Management. In *<h>Marketing</h> <h>Management</h>*. Pearson Education UK.

Magableh, G. M. (2021). Supply Chains and the COVID-19 Pandemic: A Comprehensive Framework. *European Management Review*.

Majaro, S. (2013). International marketing : a strategic approach to world markets. In *International marketing : a strategic approach to world markets*. Routledge.

McLaney, E., & Atrill, P. (2016). Accounting and finance : An Introduction. In *Pearson Education Limited*.

Sople, V. V. (2012). *Supply chain management* (1st editio). Dorling Kindersley India.

The virus that shut down the world: 2020, a year like no other | | UN News. (n.d.). Retrieved August 12, 2021, from https://news.un.org/en/story/2020/12/1080702

What is a Supply Chain? | CIPS. (2020). https://www.cips.org/knowledge/procurement-topics-and-skills/supply-chain-management/what-is-a-supply-chain/

WHO/Europe | Coronavirus disease (COVID-19) outbreak - One year of WHO/Europe's response to the COVID-19 pandemic. (n.d.). Retrieved August 12, 2021, from https://www.euro.who.int/en/health-topics/health-emergencies/coronavirus-covid-19/multimedia/one-year-of-whoeuropes-response-to-the-covid-19-pandemic

APPENDICES

Appendix 1. Questionnaire

Impact of COVID-19 to Supply Chain and to business

		Duration of disruption	Impact on revenue stream	Impact to customers
The main trends of supply chain disruptions	**Impact on your company (yes/no)**	**Short-,medium- or long-term, or no impact**	**Short-,medium- or long-term, or no impact**	**Low, medium or high**
Fluctuaation and Increase Products Prices, Irretrievable Effect on Downward Supply Chain				
Long Lead Time, Delay in Delivery from the Source and Delay in Distribution				
Delay in Shipments, Moving Cargo, Loading/Unloading, Borders, and Ports				
Reduction in Return, Profits, and Income Influence in Retailers and Lack of Quality Control				
Reduction in Production Capacity, Manufacturing Capability, and Sources of Production				
Lack of Disruptions Plans, Risk information, Risk Management, and Contingency Plans				
Difficulties in Getting Information and Data, Lack of Full Visibility				

Internal perspective

Sales Strategy

Were there changes made due to the COVID-19?

Score: 0 to 5 (0=no changes, 5=significant changes)

	Service/product	**Quality**	**Design**	**Features**	**Brand name**	**Packaging**	**Sizes**	**Services**	**Warranties**	**Returns**
Product										

	List price	**Discounts**	**Allowances**	**Payment period**	**Credit terms**
Price					

	Sales promotion	**Advertsing**	**Sales force**	**Public relations**	**Direct marketing**	**Internet**
Promotion						

	Provider	**Persuader**	**Prospector**	**Problem solver**	**Procreator**
Personal selling					

	Consumer	**Retailers**	**Virtual marketplaces**	**Distributors/wholesalers/brokers**	**Direct marketing**	**Internet**
Distribution						

Innovation and learning perspective

Distribution channels

		Channel ranking	Channel ranking	Channel ranking	COVID-19 impact
Distribution channels	**Channel used (yes/no)**	**Before COVID-19**	**During COVID-19**	**Post COVID-19**	**Small, medium or large**
Supplier to consumer					
Supplier to retailer					
Supplier to aggregators, metamediaries and virtual market places					
Supplier to distributor, wholesalers and brokers					

Customer perspective

Appendix 2. Questionnaire

Financial ratios

Year		**2018**	**2018**	**2018**	**2019**	**2019**	**2019**
Profitability	Formula	Gross profit	Sales	Gross profit ratio	Gross profit	Sales	Gross profit ratio
Gross profit ratio	Gross profit/sales						

Year		**2018**	**2018**	**2018**	**2019**	**2019**	**2019**
Profitability	Formula	EBIT/Operating profit	Sales	Operating profit Ratio	EBIT/Operating profit	Sales	Operating profit Ratio
Operating profit Ratio	(EBIT/Operating profit)/sales						

Year		**2018**	**2018**	**2018**	**2019**	**2019**	**2019**
Profitability	Formula	Total operating expense	Sales	Operating ratio	Total operating expense	Sales	Operating ratio
Operating Ratio	Total operating expenses/sales						

Year		**2018**	**2018**	**2018**	**2019**	**2019**	**2019**
Efficiency	Formula	Sales	Average inventory	Inventory Turnover Ratio	Sales	Average inventory	Inventory Turnover Ratio
Inventory Turnover Ratio	Sales/Average inventory						

Year		**2018**	**2018**	**2018**	**2019**	**2019**	**2019**
Efficiency	Formula	Days in a year	ITR	Averege Holding period	Days in a year	ITR	Averege Holding period
Average Holding Period	Days in a year/ITR						

Year		**2018**	**2018**	**2018**	**2019**	**2019**	**2019**
Liquidity	Formula	Current Assets	Current liabilities	Current ratio	Current Assets	Current liabilities	Current ratio
Current ratio	Current assets/Current liabilities						

Year		**2018**	**2018**	**2018**	**2019**	**2019**	**2019**
Liquidity	Formula	Liquid assets	Current liabilites	Quick ratio	Liquid assets	Current liabilites	Quick ratio
Quick ratio (acid-test)	Liquid assests/Current liabilities						

Year		**2018**	**2018**	**2018**	**2019**	**2019**	**2019**
Solvency	Formula	Total debt	Total assests	Debt ratio	Total debt	Total assests	Debt ratio
Debt ratio	Total debt/Total assets						

Year		**2018**	**2018**	**2018**	**2019**	**2019**	**2019**
Solvency	Formula	Long-term liabilities	Equity	Debt-equity ratio	Long-term liabilities	Equity	Debt-equity ratio
Debt-equity ratio	Long-term liabilities/Equity						

Financial perspective 1/2

Appendix 3. Questionnaire

3 (4)

2020	2020	2020	Q1/2021	Q1/2021	Q1/2021	COVID-19	COVID-19
Gross profit	Sales	Gross profit ratio	Gross profit	Sales	Gross profit ratio	Did it affect? (yes/no)	If yes, positive or negative effect?

2020	2020	2020	Q1/2021	Q1/2021	Q1/2021	COVID-19	COVID-19
EBIT/Operating profit	Sales	Operating profit Ratio	EBIT/Operating profit	Sales	Operating profit Ratio	Did it affect? (yes/no)	If yes, positive or negative effect?

2020	2020	2020	Q1/2021	Q1/2021	Q1/2021	COVID-19	COVID-19
Total operating expense	Sales	Operating ratio	Total operating expense	Sales	Operating ratio	Did it affect? (yes/no)	If yes, positive or negative effect?

2020	2020	2020	Q1/2021	Q1/2021	Q1/2021	COVID-19	COVID-19
Sales	Average inventory	Inventory Turnover Ratio	Sales	Average inventory	Inventory Turnover Ratio	Did it affect? (yes/no)	If yes, positive or negative effect?

2020	2020	2020	Q1/2021	Q1/2021	Q1/2021	COVID-19	COVID-19
Days in a year	ITR	Averege Holding period	Days in a year	ITR	Averege Holding period	Did it affect? (yes/no)	If yes, positive or negative effect?

2020	2020	2020	Q1/2021	Q1/2021	Q1/2021	COVID-19	COVID-19
Current Assets	Current liabilities	Current ratio	Current Assets	Current liabilities	Current ratio	Did it affect? (yes/no)	If yes, positive or negative effect?

2020	2020	2020	Q1/2021	Q1/2021	Q1/2021	COVID-19	COVID-19
Liquid assets	Current liabilites	Quick ratio	Liquid assets	Current liabilites	Quick ratio	Did it affect? (yes/no)	If yes, positive or negative effect?

2020	2020	2020	Q1/2021	Q1/2021	Q1/2021	COVID-19	COVID-19
Total debt	Total assests	Debt ratio	Total debt	Total assests	Debt ratio	Did it affect? (yes/no)	If yes, positive or negative effect?

2020	2020	2020	Q1/2021	Q1/2021	Q1/2021	COVID-19	COVID-19
Long-term liabilities	Equity	Debt-equity ratio	Long-term liabilities	Equity	Debt-equity ratio	Did it affect? (yes/no)	If yes, positive or negative effect?

Financial perspective 2/2

Link to the interview with James May, Dapper Dan Ltd:
https://www.dropbox.com/s/mgu6fcum5efpqgn/Thesis%20questionnaire-20210616_151013-Meeting%20Recording.mp4?dl=0

Link to the interview with Stefan Tall, Inzo Lars Bratt AB:
https://www.dropbox.com/s/2lu1q2ndwr0aiua/Thesis%20interview-20210706_114010-Meeting%20Recording.mp4?dl=0