



Survey on the impact of COVID-19 on Canadian SMEs

Tracking survey, wave 5

Research and Market Intelligence at BDC
As of April 29, 2020

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01.

Methodology



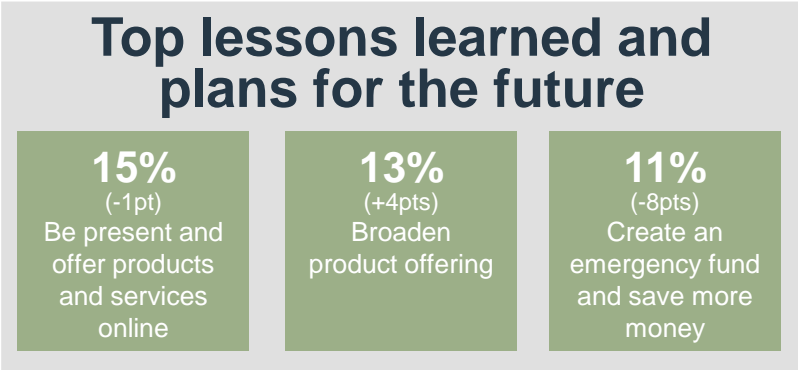
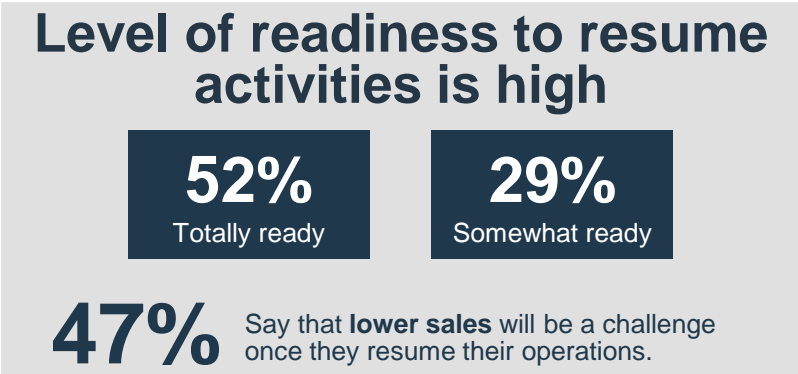
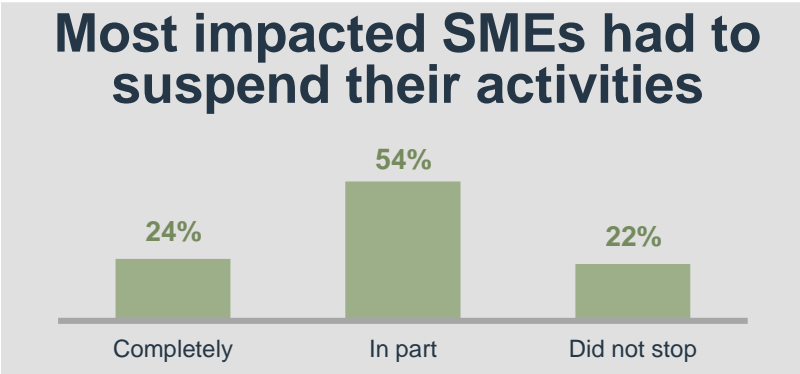
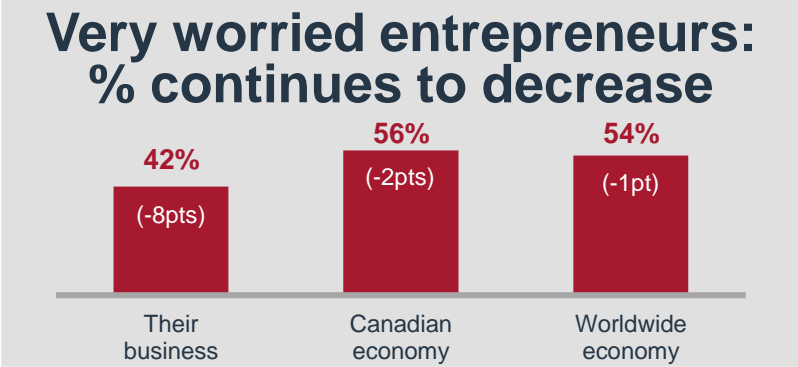
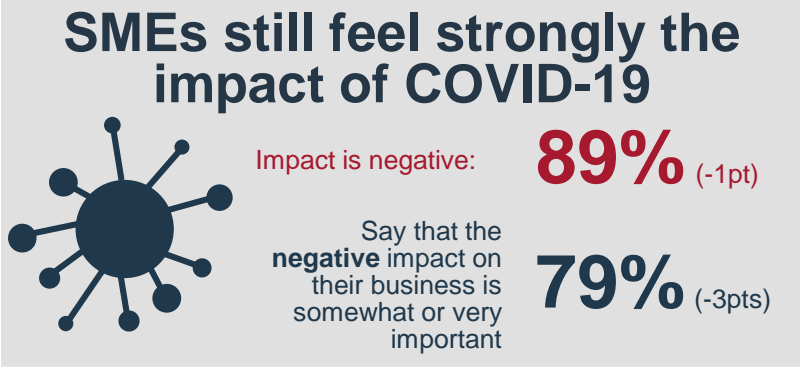
- **Survey methodology:** Online tracking survey.
- **Respondent profile:** Business owners and business decision-makers from the BDC ViewPoints panel.
- **Survey dates:**
 - Wave 1: March 11-13, 2020
 - Wave 2: March 14-18, 2020
 - Wave 3: March 30 to April 1, 2020
 - Wave 4: April 14-16, 2020
 - Wave 5: April 27-29, 2020
- **Margin of error:** For a probability sample of 1,061 respondents (wave 5), the maximum margin of error is ± 3.0 percentage points, 19 times out of 20. However, as this survey is based on a non-probability sample, this information is provided for reference only.
- **Data processing and analysis** were performed by the BDC Research and Market Intelligence team.
- **Weighting factors:** Results were weighted by region and number of employees to be representative of the Canadian SME population.



02.

Key highlights

COVID-19 survey highlights, April 27-29, 2020



Note: Figures in parentheses indicate the fluctuation with the previous wave of the survey (April 14 to 16), when available.



03.

Main results

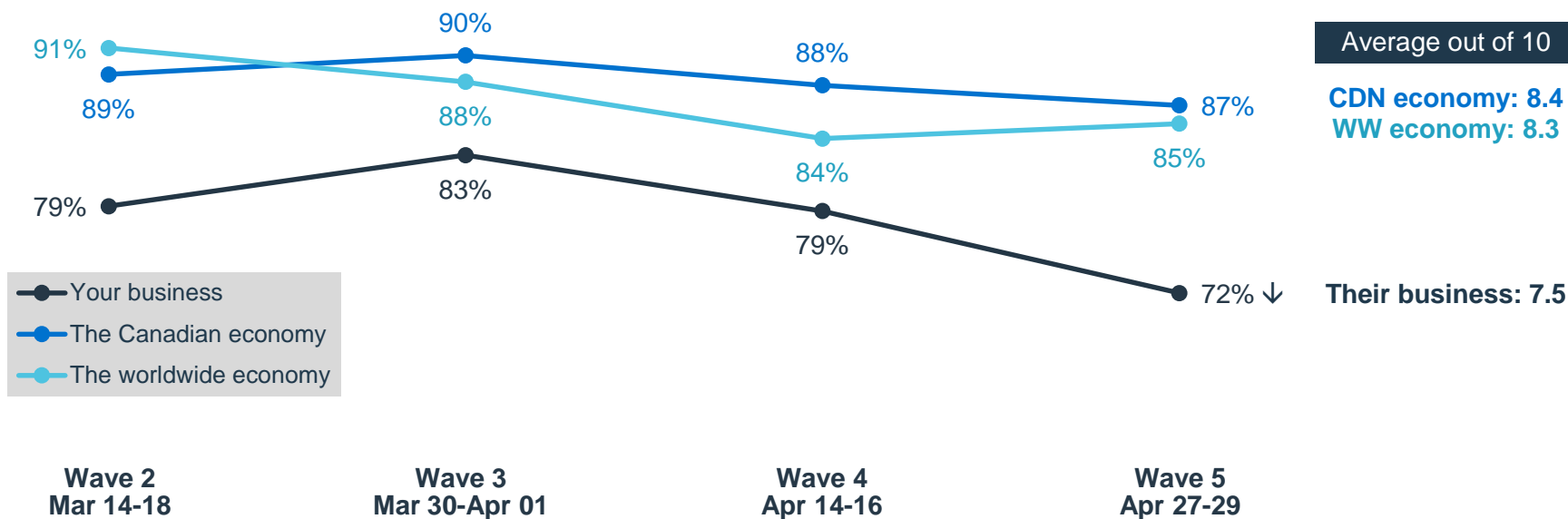
The level of worry about the business has **decreased significantly**; other results remain relatively stable.



Q.0 How **worried** are you about the impact of COVID-19 on ...?
 Opinions were expressed using a scale from 0 to 10, where 0 means "Not worried at all" and 10 means "Extremely worried".

Significantly ↑ proportion of respondents worried about their business among:

- Businesses in the Prairies (81%)
- No- or low-growth businesses (77%)
- Businesses in retail (84%)

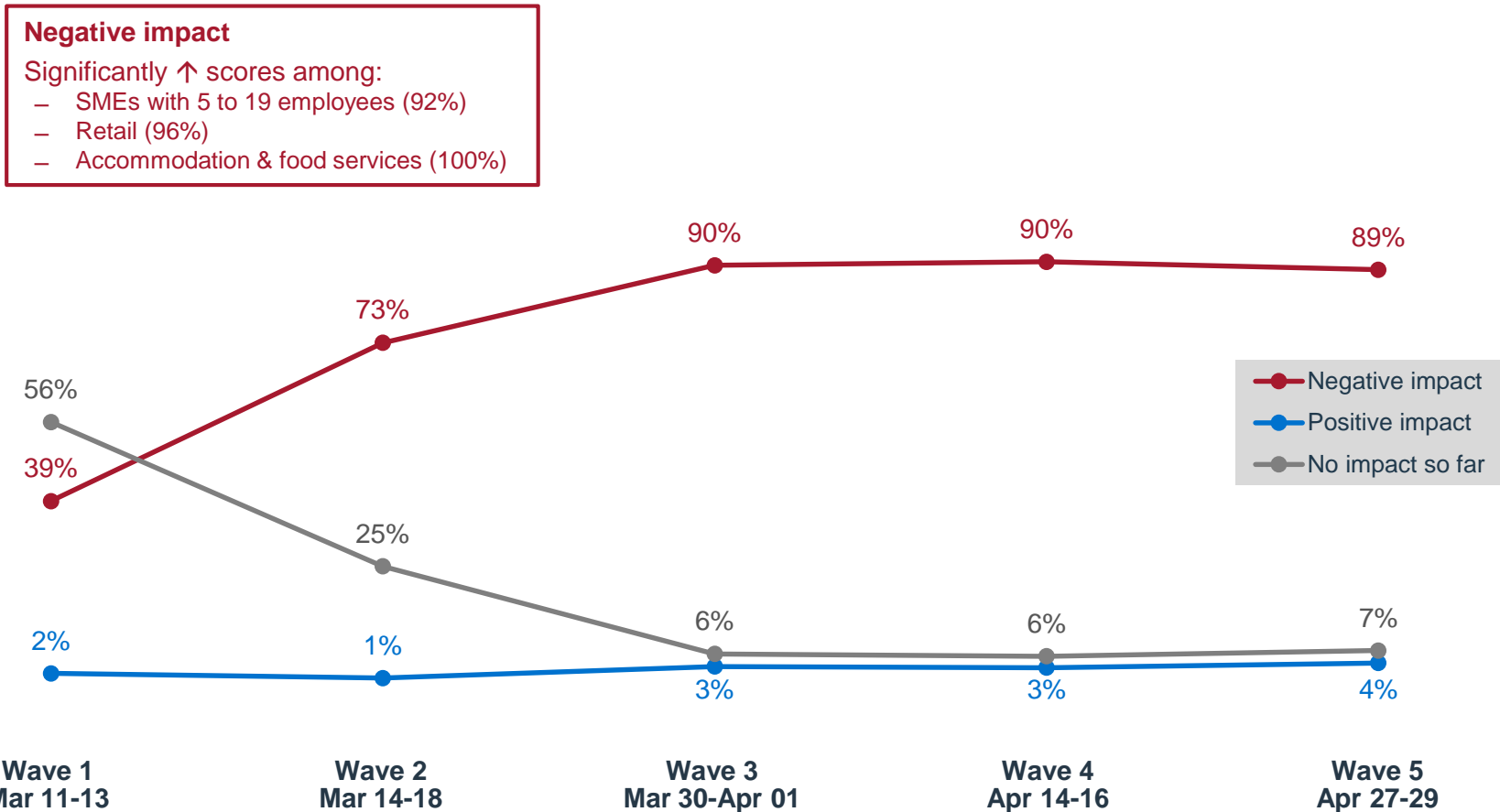


Base: All qualified respondents (n wave 5 = 1,049-1,061). Results are presented in terms of those worried with the situation (scores of 7+ out of 10). Due to rounding, totals may not equal to 100%. The average score (wave 5) was calculated by excluding those who didn't know or preferred not to answer, whereas the scale includes these respondents. Arrows accompanying results indicate statistically significant differences between the current and the last wave.

Results regarding the nature of the impact on businesses remain stable, with a **great majority** of entrepreneurs still **negatively affected**.



Q.1 Have you **felt the impact** of the coronavirus on your business so far?



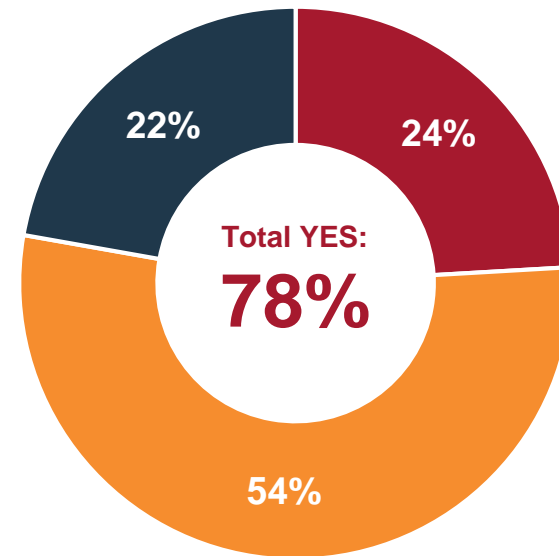
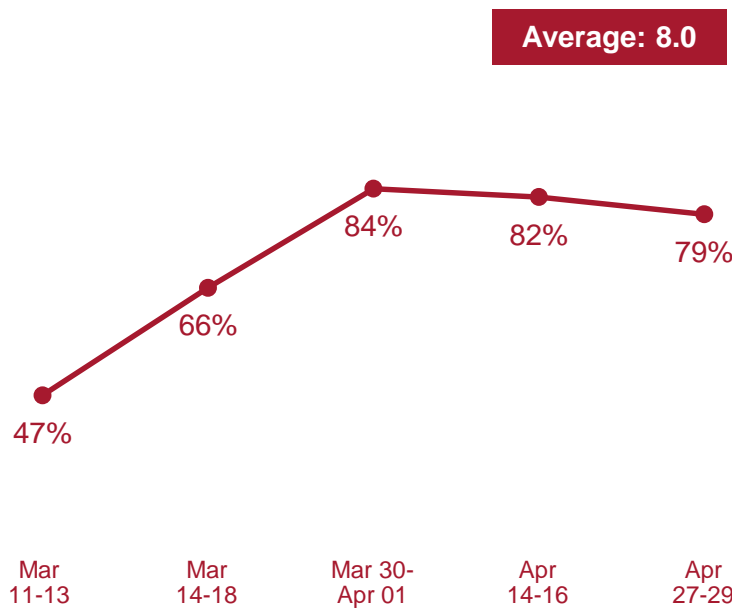
Base: All qualified respondents (n wave 5 = 1,061). Due to rounding, total may not equal to 100%. Arrows accompanying results indicate statistically significant differences between the current and the last wave. Please note that to simplify the presentation, we have included in the calculations but excluded from the presentation those who did not know.

The **magnitude** of the impact continues to **decrease**. Of those affected, over three-quarters have had to **suspend activities**, mostly in part.



Q.2 To **what extent** has your business been impacted **negatively**? (Scale from 1 to 10)

Q.2b Did your company have to **suspend its activities** completely or in part in response to the COVID-19 crisis?



■ Yes, completely ■ Yes, in part ■ No

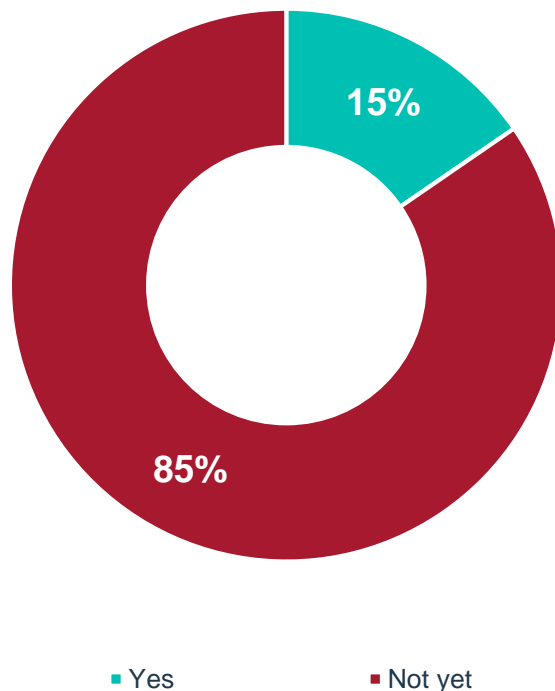
A significantly greater proportion of businesses in Quebec (84%) and in rural areas (87%) had to suspend their operations. The same is true for businesses in retail trade (94%) and accommodation & food services (97%).

Base: Those who saw a negative impact (n wave 5 = 945-948) Q.2: Results are presented in terms of those who gave a score of 7+ out of 10. The average score (wave 5) was calculated by excluding those who didn't know or preferred not to answer, whereas the scale includes these respondents. Arrows accompanying results indicate statistically significant differences between the current and the last wave. Q2b was added to the 5th wave of the survey.

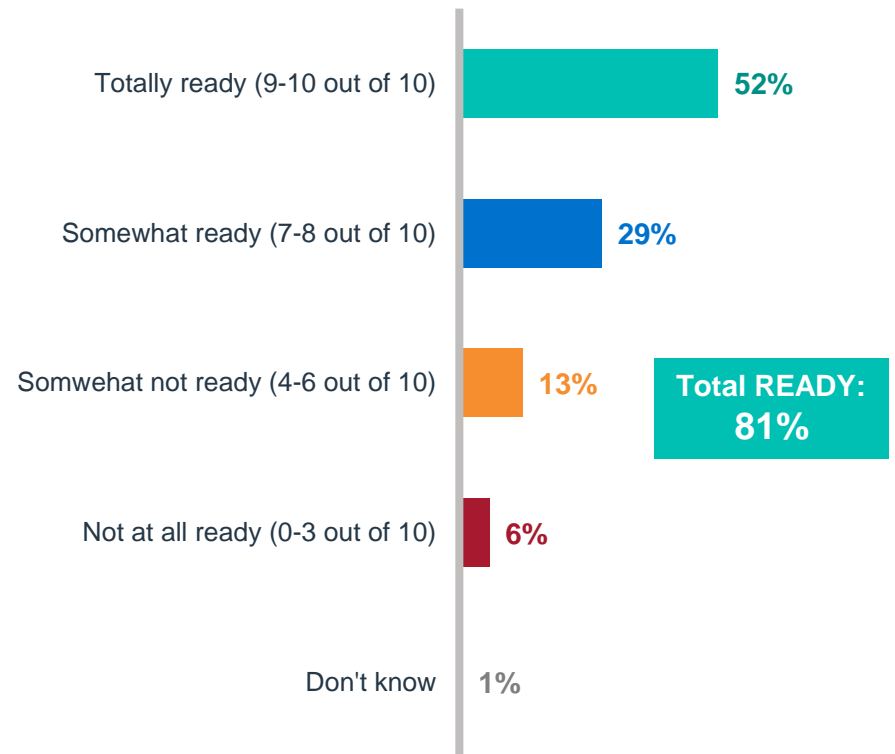
So far, only a **minority** have been able to **resume** suspended activities. The others clearly **feel ready** to resume operations.



Q.2c Have you been able to **resume your operations** since they were suspended in whole or in part?



Q.2d How **ready** do you feel to **resume operations** once it is possible for you to do so?



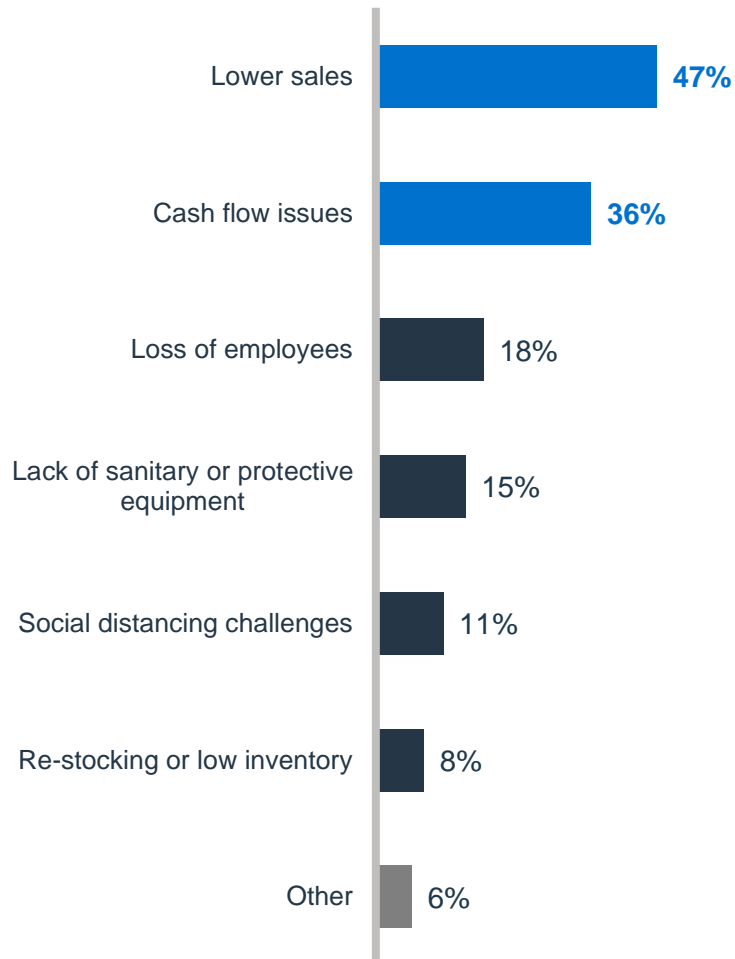
Businesses with annual revenues of \$10M or more are significantly more likely to say they are ready to restart (92%).

Base: Q2c = Those who had to suspend activities in response to the COVID-19 crisis (n wave 5 = 716) Q.2d = Those who have not yet resumed their operations normally (n wave 5 = 595). These two questions were added to the 5th wave of the survey.

The challenges ahead are varied, with the main concerns being related to a **decrease in sales** and **cash flow** issues.



Q.2e What **challenges do you expect to face** when you resume operations?



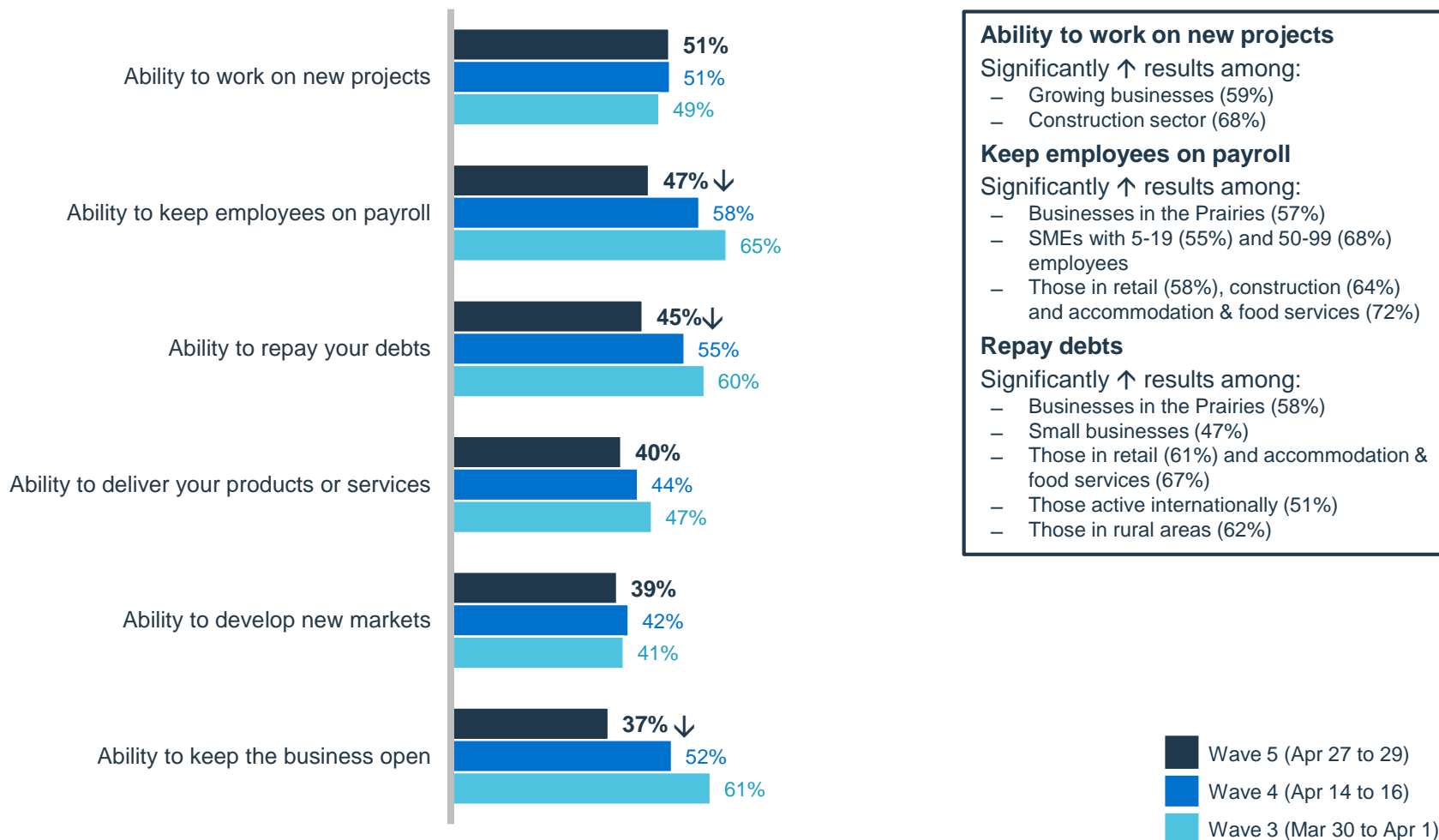
Cash flow! We are still waiting for help with cash flow. We are not in a position to rehire staff, even with the 75% subsidy!!!
(Original comment in French)

Very low customer turn out, and lots of challenges around keeping physical distancing, cleaning and disinfecting, keeping staff and having healthy staff, as restrictions ease up and we face a possible second wave. Cash flow for payroll, stock, rent and business loan repayments.

The ability to **work on new projects** and to **keep employees on payroll** most affect SMEs at this time, although the latter has significantly decreased.



Q.6 What **specifically** is or will be affected in your company as a result of the coronavirus?
Top answers

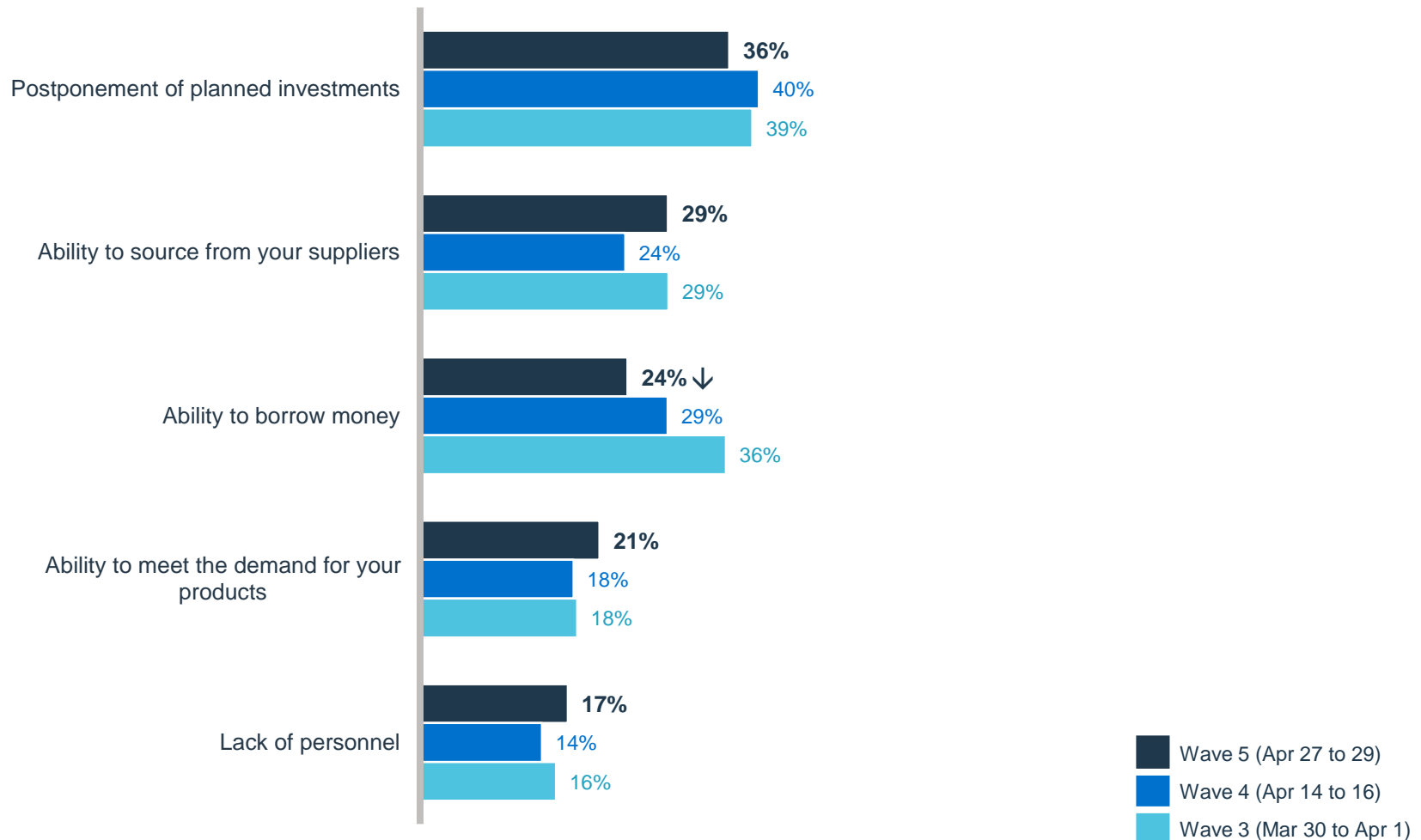


Base: Those who are impacted negatively or feel they will be impacted in the next 2 months (n wave 5 = 1,009). Multiple mentions allowed. Arrows accompanying results indicate statistically significant differences between the current and the last wave. Please note that to simplify the presentation, we only presented the last three waves of results for this question and answers mentioned by 5%+ respondents.

Again, **staff shortages** and the ability to meet demand are less of a concern. This may change as companies progressively reopen.



Q.6 What **specifically** is or will be affected in your company as a result of the coronavirus?
Less often mentioned answers



Base: Those who are impacted negatively or feel they will be impacted in the next 2 months (n wave 5 = 1,009). Multiple mentions allowed. Arrows accompanying results indicate statistically significant differences between the current and the last wave. Please note that to simplify the presentation, we only presented the last three waves of results for this question and answers mentioned by 5%+ respondents.



Intentions are high for increasing **online presence** and broadening **product offering**. Of greater concern is the lower perceived need for an **emergency fund**.

Q.7 What **lessons** have you learned from this crisis so far?
What do you **plan to change** in your business when things return to normal?

These were the most commonly mentioned lessons learned and plans for the future:

1. Be present and offer products and services online (15%) (-1pt)
2. Broaden product offering (13%) (+4pts)
3. Create an emergency fund or save more money (11%) (-8pts)
4. Put in place a remote work infrastructure (10%) (+2pts)
5. Cut expenses and streamline (7%) (-1pt)

We have greatly improved our ability to work remotely and safely. We are in the process of implementing better communication with our employees. We need to think outside the box to serve our customers.
(Original comment in French)

Learned so far: Keep our heads down and take the slower times to catch up on a backlog of development. The 75% wage subsidy has allowed us to keep our full time staff on board. The loan \$30K from the government has given us breathing room and confidence we can get through this with our cash flow.

I plan to follow up on my accounts receivable better. I had a nest egg for difficult times, so that has seen me through to the government funding available. I also need to focus on sales more, so we have more volume even if we experience a drop.

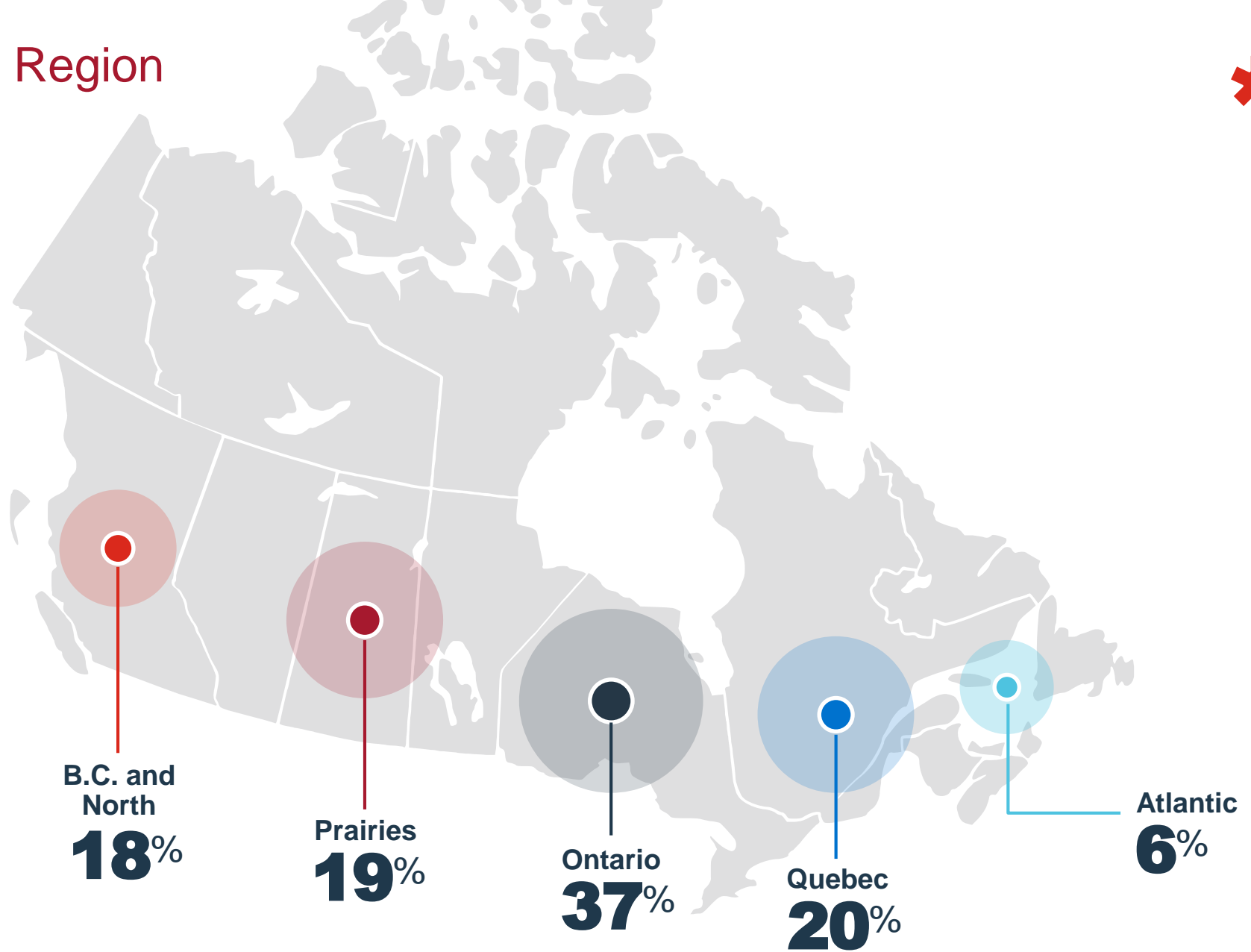
Agile... We will have to be ready to face such a crisis in the years to come without the impact being so great. The fluidity of systems and communications will be reviewed, as will the robustness of systems. "4.0 IT" will be activated in our company.
(Original comment in French)



04. Respondent profile

Survey wave 5

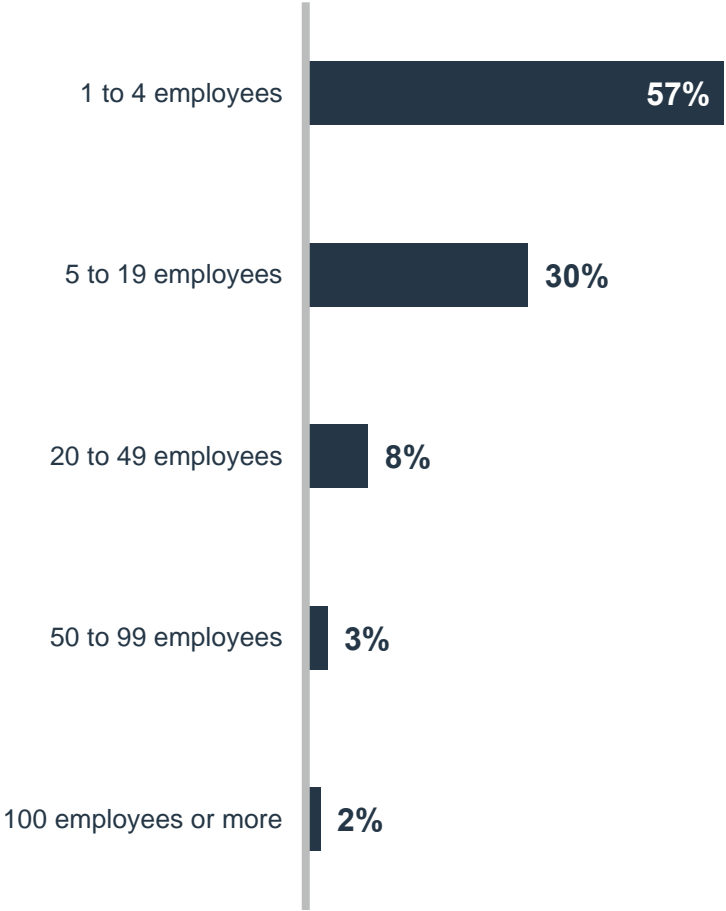
Region



Number of employees



Number of employees

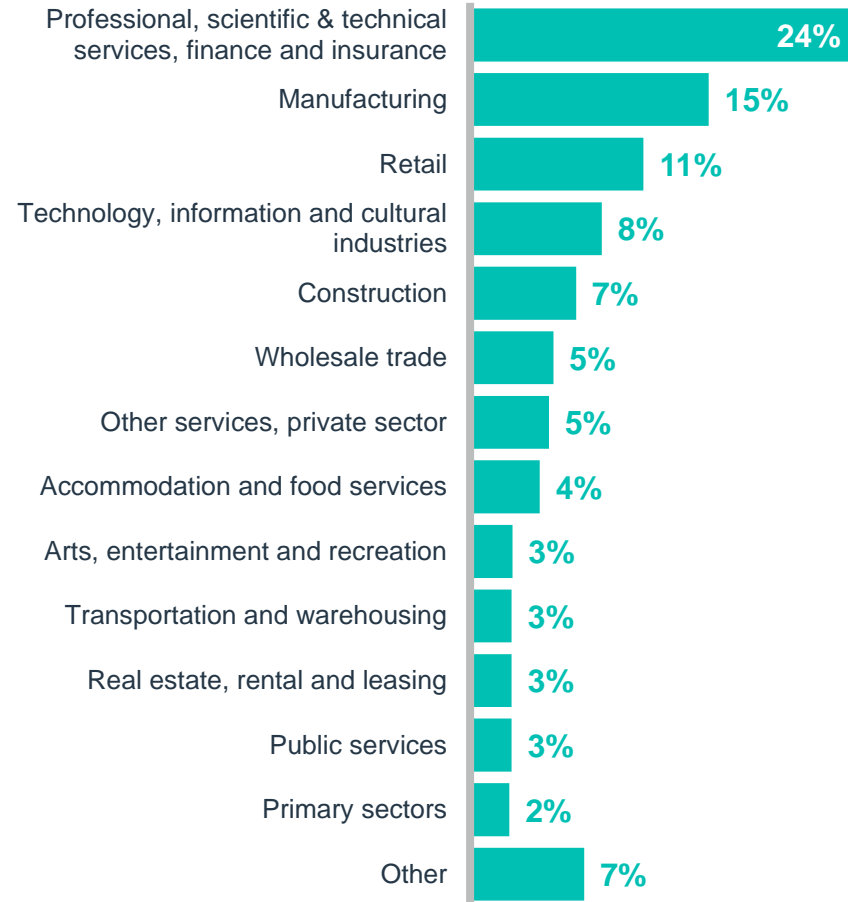


Base: All qualified respondents (n=1,061). Due to rounding, total may not equal 100%.

Sector of activity



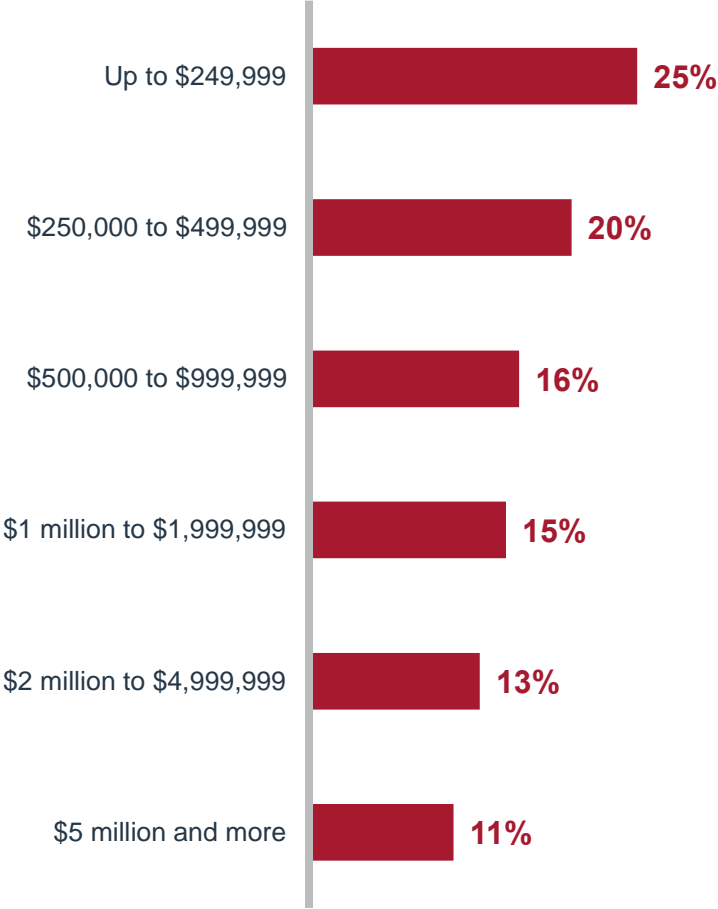
Sector of activity



Business annual sales



Annual sales

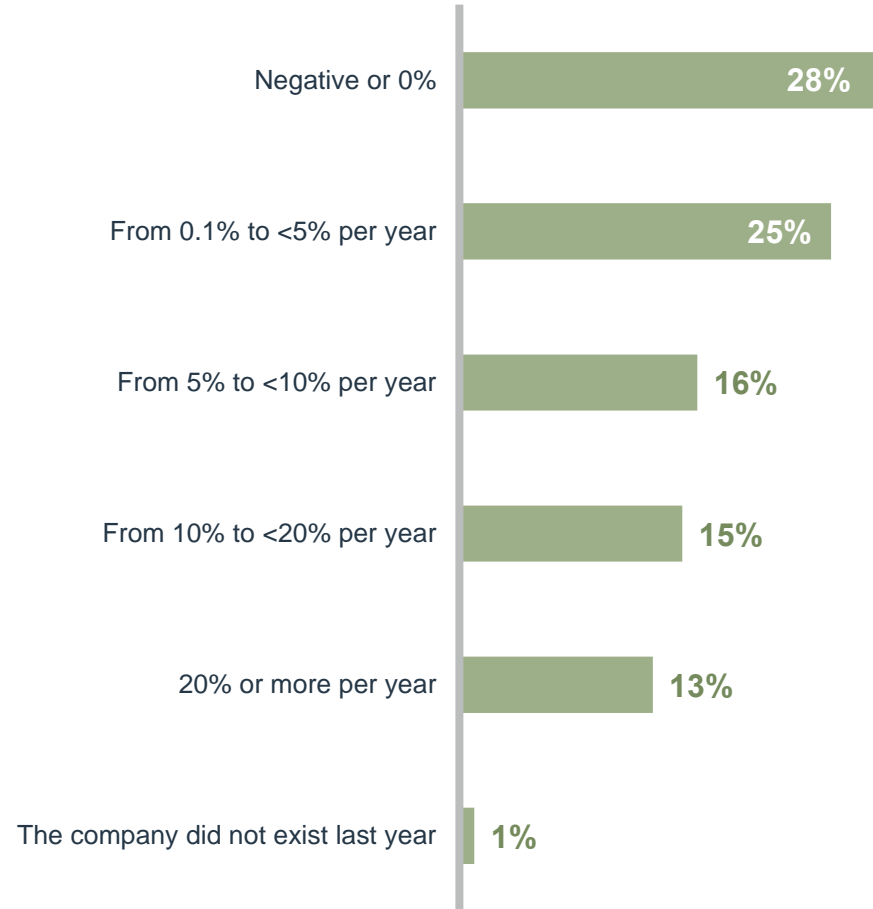


Base: All qualified respondents (n=1,061). Due to rounding, total may not equal 100%.

Business annual sales growth



Annual sales growth





Thank you.

Research and Market Intelligence

For more info, please contact us at

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