01. Methodology
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

- **Margin of error:** For a probability sample of 994 respondents (wave 4), the maximum margin of error is ± 3.1 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 14-16, 2020

Entrepreneurs continue to feel the impact of COVID-19

- Impact is negative: 90% (stable)
- Impact is positive: 3% (stable)
- No impact so far: 6% (stable)

Disruption remains caused by a lack of demand mainly

- Supply: 4% (+1pt)
- Demand: 62% (+1pt)
- Both: 31% (-1pt)

...and the extent of the negative impact remains major

- Say that the negative impact on their business is somewhat or very important: 82% (-2pts)

The proportion of very worried entrepreneurs has decreased

- Their business: 50% (-5pts)
- Canadian economy: 58% (-6pts)
- Worldwide economy: 55% (-7pts)

Top-3 areas/actions of the business impacted

- Ability to keep employees on payroll: 58% (-7pts)
- Ability to keep the business open: 52% (-9pts)
- Ability to repay their debt: 55% (-5pts)

How BDC could help (top-3 actions)

- 37% (-2pts): Create a COVID-19 relief loan
- 29% (-2pts): Offer a line of credit
- 25% (-8pts): Offer payment postponement

Note: Figures in parentheses indicate the fluctuation with the previous wave of the survey (March 30 to April 01).
03. Main results
After four weeks, the level of worry has **decreased significantly** for two of the three metrics: one’s own business and the Canadian economy.

Q.0 How worried are you about the impact of COVID-19 on ...?

*Opinions were expressed using a scale of 0 to 10, where 0 means the impact is minimal, and 10 means it is very important.*

Significantly ↑ proportion of respondents worried about their business among:
- Steady businesses (81%)

<table>
<thead>
<tr>
<th>Wave</th>
<th>Mar 14-18</th>
<th>Wave 3</th>
<th>Mar 30-Apr 01</th>
<th>Wave 4</th>
<th>Apr 14-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your business</td>
<td>91%</td>
<td>90%</td>
<td>88%</td>
<td>88%</td>
<td>79%</td>
</tr>
<tr>
<td>CDN economy</td>
<td>89%</td>
<td>88%</td>
<td>84%↓</td>
<td>CDN economy: 8.5</td>
<td></td>
</tr>
<tr>
<td>WW economy</td>
<td>79%</td>
<td>83%</td>
<td>79%↓</td>
<td>WW economy: 8.3</td>
<td></td>
</tr>
</tbody>
</table>

Average out of 10

**Your business**
- Wave 2: 91%
- Wave 3: 90%
- Wave 4: 88%

**The Canadian economy**
- Wave 2: 89%
- Wave 3: 88%
- Wave 4: 84%

**The worldwide economy**
- Wave 2: 79%
- Wave 3: 83%
- Wave 4: 79%

Base: All qualified respondents (n wave 4 = 983-994). This question was asked starting March 15. 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 4) is calculated by excluding those who didn’t know or preferred not to answer, whereas the scale includes these respondents. Arrows above results indicate statistically significant differences between the last two waves.
Level of negative impact of COVID-19 remains **high but stable**. Only a slight minority of businesses have taken advantage of the current crisis.

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

**Negative impact**
Significantly ↓ scores among:
- Large businesses (80%)
- Businesses with 100+ employees (72%)

**Base**: All qualified respondents (n wave 4 = 994). Due to rounding, total may not equal to 100%. Arrows above results indicate statistically significant differences between the latest two waves. Please note that to simplify the presentation, we have included in the calculations but excluded from the presentation those who did not know.
It seems that the **magnitude of the impact** has **stabilized**; it now stands slightly lower (-2 points) than two weeks ago.

Q.2 **To what extent** has your business been impacted **negatively**?

*Opinions were expressed using a scale from 1 to 10, where 1 means that the impact is minimal and 10 means the impact is important.*

**Extent of negative impact**

Significantly ↑ results among:
- Steady businesses (85%)
- Less than 5 employees (85%)
- Retail (92%)

**Base:** Those who see a negative impact (n wave 4 = 898-899) Results are presented in terms of those who said that the impact is somewhat or very important (scores of 7+ out of 10). The average score (wave 4) is calculated by excluding those who didn’t know or preferred not to answer, whereas the scale includes these respondents. Arrows next to results indicate statistically significant differences between the latest two waves.
The cause of the disruption remains the same and in very similar proportions, i.e. mainly a lack of demand.

Q.5 Is or will this disruption mainly be caused by a lack of supply, or a lack of demand, in your opinion?

Lack of demand
Significantly ↑ results among:
- Professional services (72%)
- No international activities (68%)

Base: All qualified respondents (n wave 4 = 950). Due to rounding, total may not equal to 100%. Arrows next to results indicate statistically significant differences between the latest two waves. Please note that to simplify the presentation, we have included in the calculations but excluded from the presentation those who did not know.
Main concerns have decreased significantly, although small companies and those in retail and accommodation and food services remain strongly impacted.

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

**Top answers**

- **Ability to keep employees on payroll**
  - Significantly ↑ results among:
    - Atlantic (73%) and Prairies (65%)
    - 5 to 99 employees (67%-81%)
    - Retail (70%)
    - Accommodation & food services (82%)

- **Ability to repay your debts**
  - Significantly ↑ results among:
    - Atlantic (70%)
    - Small businesses (60%)
    - Steady businesses (60%)
    - Less than 5 employees (59%)
    - Retail (71%)
    - Accommodation & food services (77%)

- **Ability to keep the business open**
  - Significantly ↑ results among:
    - Small businesses (56%)
    - Steady businesses (55%)
    - Less than 5 employees (55%)
    - Retail (70%)
    - Accommodation & food services (90%)
    - No international activities (59%)

- **Ability to work on new projects**
  - Wave 4 (Apr 14 to 16)
  - Wave 3 (Mar 30 to Apr 1)
  - Wave 2 (Mar 14 to 18)

- **Ability to deliver your products or services**
  - Wave 4 (Apr 14 to 16)
  - Wave 3 (Mar 30 to Apr 1)
  - Wave 2 (Mar 14 to 18)

- **Ability to develop new markets**
  - Wave 4 (Apr 14 to 16)
  - Wave 3 (Mar 30 to Apr 1)
  - Wave 2 (Mar 14 to 18)

- **Postponement of planned investments**
  - Wave 4 (Apr 14 to 16)
  - Wave 3 (Mar 30 to Apr 1)
  - Wave 2 (Mar 14 to 18)

- **Ability to borrow money**
  - Wave 4 (Apr 14 to 16)
  - Wave 3 (Mar 30 to Apr 1)
  - Wave 2 (Mar 14 to 18)

Base: Those who are impacted negatively or feel they will be impacted in the next 2 months (n wave 4 = 950). Multiple mentions allowed. Arrows indicate statistically significant differences between the latest two waves. Please note that to simplify the presentation, we only presented the last three waves of results for this question.
Ability to meet demand and personnel shortages remain low on the list of concerns at this time, probably because demand is still lower than normal.

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

<table>
<thead>
<tr>
<th>Concern</th>
<th>Wave 4 (Apr 14 to 16)</th>
<th>Wave 3 (Mar 30 to Apr 1)</th>
<th>Wave 2 (Mar 14 to 18)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability to source from your suppliers</td>
<td>24%</td>
<td>29%</td>
<td>30%</td>
</tr>
<tr>
<td>Ability to meet the demand for your products</td>
<td>18%</td>
<td>18%</td>
<td>18%</td>
</tr>
<tr>
<td>Lack of personnel</td>
<td>14%</td>
<td>16%</td>
<td>29%</td>
</tr>
<tr>
<td>Shutdown due to government instructions</td>
<td>2%</td>
<td>1%</td>
<td>Not available for wave 2</td>
</tr>
<tr>
<td>Ability for clients to pay</td>
<td>1%</td>
<td>2%</td>
<td>Not available for wave 2</td>
</tr>
<tr>
<td>Ability to pay fixed expenses</td>
<td>1%</td>
<td>Not available for waves 2 and 3</td>
<td></td>
</tr>
</tbody>
</table>

Base: Those who are impacted negatively or feel they will be impacted in the next 2 months (n wave 4 = 950). Multiple mentions allowed. Arrows indicate statistically significant differences between the latest two waves. Please note that to simplify the presentation, we only presented the last three waves of results for this question.
Top-three mentions remain the same. What BDC could do to help: offer a **relief loan**, offer a **line of credit** and offer to **postpone payments**.

Q.8 Which of the following actions from BDC would you feel would be **most helpful** for your business during these times?

**Top answers**

- **Offer a line of credit**
  - Significantly ↑ results among:
    - Ontario (34%)

- **Payment postponement**
  - Significantly ↑ results among:
    - Accommodation & food services (43%)

Base: All qualified respondents (n wave 4 = 994). Multiple answers (maximum 3) were allowed. Arrows indicate statistically significant differences between the latest two waves. This question was converted into a multiple-choice question on March 15.
Entrepreneurs expect BDC to play an **active and concrete role** in the crisis, that is, to offer them mostly financial solutions to their current problems.

Q.8 Which of the following actions from BDC would you feel would be **most helpful** for your business during these times?

**Less often mentioned answers**

- Extend loan repayment: 18% (Wave 4), 18% (Wave 3), 21% (Wave 2)
- Provide information to entrepreneurs: 17% (Wave 4), 14% (Wave 3), 10% (Wave 2)
- Offer other alternative loans: 10% (Wave 4), 9% (Wave 3), 12% (Wave 2)
- Offer more bridge financing: 9% (Wave 4), 8% (Wave 3), 8% (Wave 2)
- Reassure entrepreneurs: 7% (Wave 4), 6% (Wave 3), 8% (Wave 2)
- There is nothing BDC can do: 5% (Wave 4), 4% (Wave 3), 3% (Wave 2)
- I don't know: 2% (Wave 4), 2% (Wave 3), 4% (Wave 2)

Base: All qualified respondents (n wave 4 = 994). Multiple answers (maximum 3) were allowed. Arrows indicate statistically significant differences between the latest two waves. This question was converted into a multiple-choice question on March 15.
Several entrepreneurs told us that they will be more **prudent** with their **finances**, and that they will increase their use of technology.

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. Create an emergency fund and save more money (19%)
2. Be present and offer products and services online (16%)
3. Broaden product offering (9%)
4. Put in place a remote work infrastructure (8%)
5. Cut expenses and streamline (8%)

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**Improve telework, guides.** To be a company that makes decisions and develops processes and guides taking into account that 100% of employees and customers are at a distance. *(Original comment in French)*

**We will put a contingency plan in place.** We will change the way we manage our budget. We will be more in touch with our bank and our accountant. *(Original comment in French)*

**Learning about eCommerce and this is starting to work.** Sales minimal right now, but growing. Going through all aspects of the business to determine the best way to get everything done in an efficient manner. When things return to normal, the goal is to have expanded the product offerings and services offered.

**You have to be flexible and able to minimize costs, you need a liaison in your office to maximize government assistance.** We need to diversify our services significantly.

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Base: Those who accepted to answer this question (n wave 4 = 714). This question was added to the 4th wave and replaces the open-ended question on comments and observations on the situation. It is an open-ended question, for which answers were coded. Only most common answers related to the above-mentioned topic are presented on this slide.
04. Respondent profile
Survey wave 4
Region

B.C. and North 16%

Prairies 20%

Ontario 37%

Quebec 20%

Atlantic 7%

Base: All qualified respondents (n=994). Due to rounding, total may not equal 100%.
Number of employees

Base: All qualified respondents (n=994). Due to rounding, total may not equal 100%.
Sector of activity

Professional, scientific & technical services, finance and insurance: 26%
Manufacturing: 14%
Retail: 10%
Technology, information and cultural industries: 8%
Construction: 7%
Wholesale trade: 6%
Other services, private sector: 5%
Accommodation and food services: 4%
Arts, entertainment and recreation: 4%
Transportation and warehousing: 3%
Public services: 2%
Primary sectors: 2%
Real estate, rental and leasing: 2%
Other: 7%

Base: All qualified respondents (n=993). Due to rounding, total may not equal 100%.
Business annual sales

Annual sales

<table>
<thead>
<tr>
<th>Sales Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to $249,999</td>
<td>24%</td>
</tr>
<tr>
<td>$250,000 to $499,999</td>
<td>21%</td>
</tr>
<tr>
<td>$500,000 to $999,999</td>
<td>17%</td>
</tr>
<tr>
<td>$1 million to $1,999,999</td>
<td>14%</td>
</tr>
<tr>
<td>$2 million to $4,999,999</td>
<td>13%</td>
</tr>
<tr>
<td>$5 million and more</td>
<td>11%</td>
</tr>
</tbody>
</table>

Base: All qualified respondents (n=994). Due to rounding, total may not equal 100%.
Business annual sales growth

- Negative or 0%: 25%
- From 0.1% to <5% per year: 27%
- From 5% to <10% per year: 16%
- From 10% to <20% per year: 17%
- 20% or more per year: 13%
- The company did not exist last year: 1%

Base: All qualified respondents (n=994). Due to rounding, total may not equal 100%.
Thank you.

Research and Market Intelligence
For more info, please contact us at

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