



Survey on the impact of COVID-19 on Canadian SMEs

Tracking survey, wave 4

Research and Market Intelligence at BDC
As of April 16, 2020

Table of contents



01 Methodology

02 Key highlights

03 Detailed results

04 Respondent profile



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
- **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.



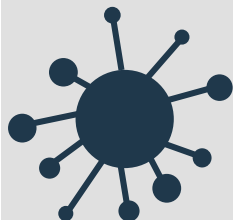
02.

Key highlights

COVID-19 survey highlights, April 14-16, 2020

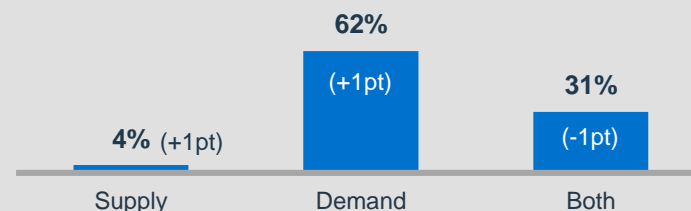


Entrepreneurs continue to feel the impact of COVID-19



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

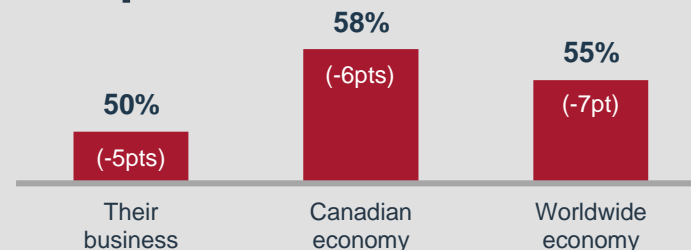
Disruption remains caused by a lack of demand mainly



...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



Top-3 areas/actions of the business impacted

Ability to keep employees on payroll: **58%** (-7pts)

55% (-5pts): Ability to repay their debt

Ability to keep the business open: **52%** (-9pts)

How BDC could help (top-3 actions)

37% (-2pts): Create a COVID-19 relief loan

Offer a line of credit: **29%** (-2pts)

25% (-8pts): Offer payment postponement



03.

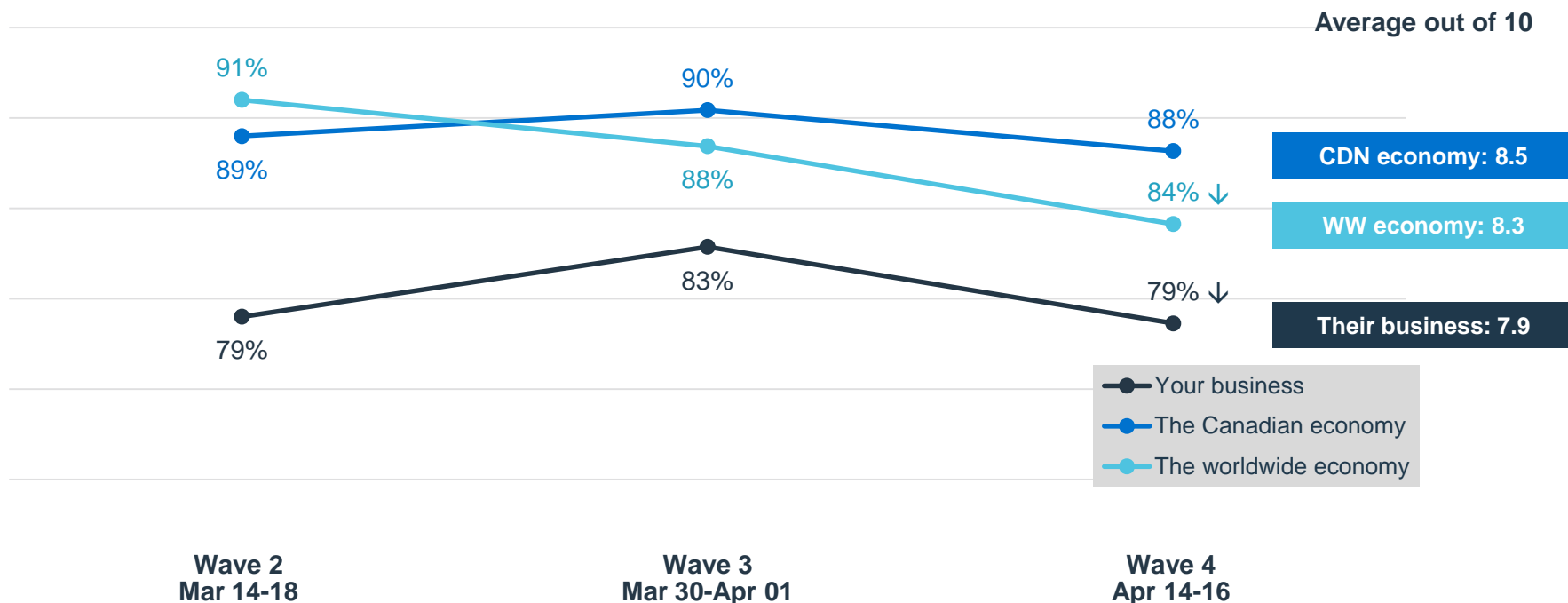
Main results

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%)



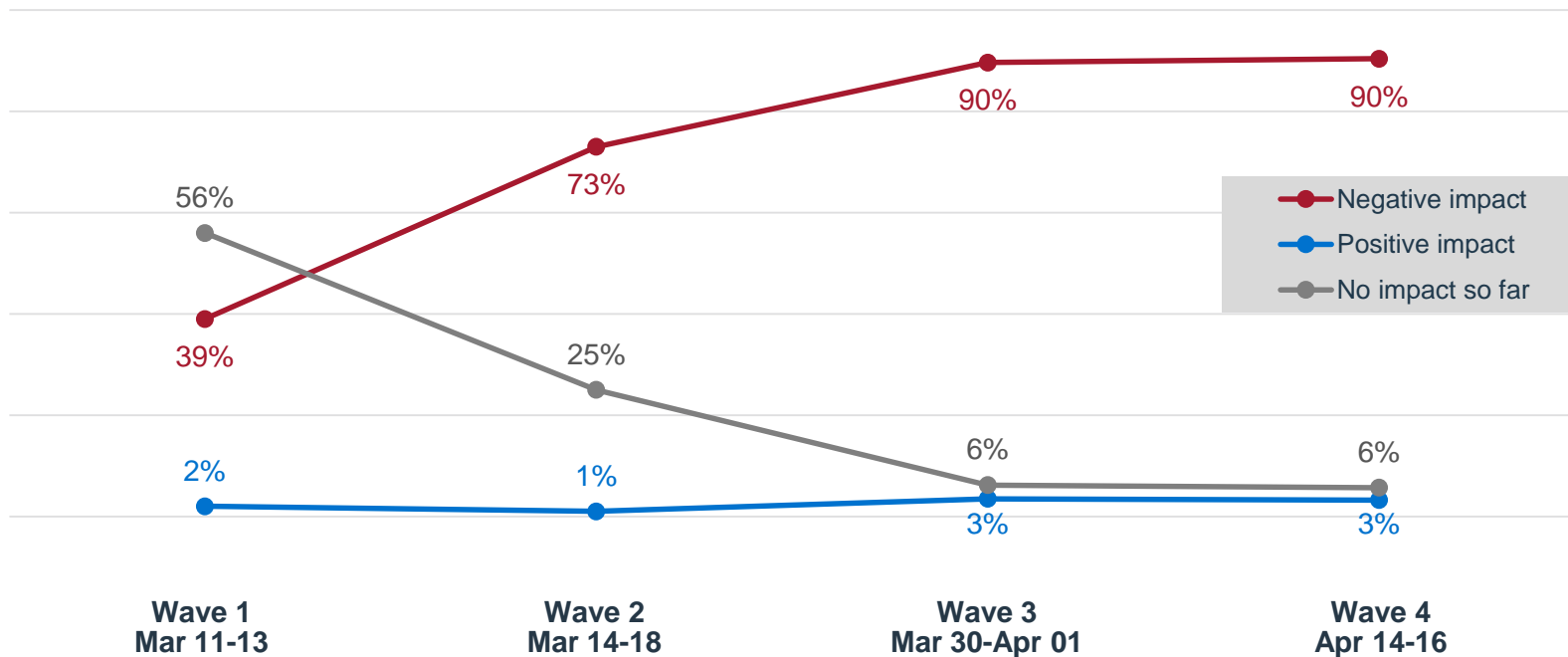
Base: All qualified respondents (n wave 4 = 983-994). This question was asked starting March 15. Results are presented in terms of those worried with the situation (scores of 7+ out of 10). Due to rounding, totals may not equal to 100%. The average score (wave 4) is calculated by excluding those who 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.



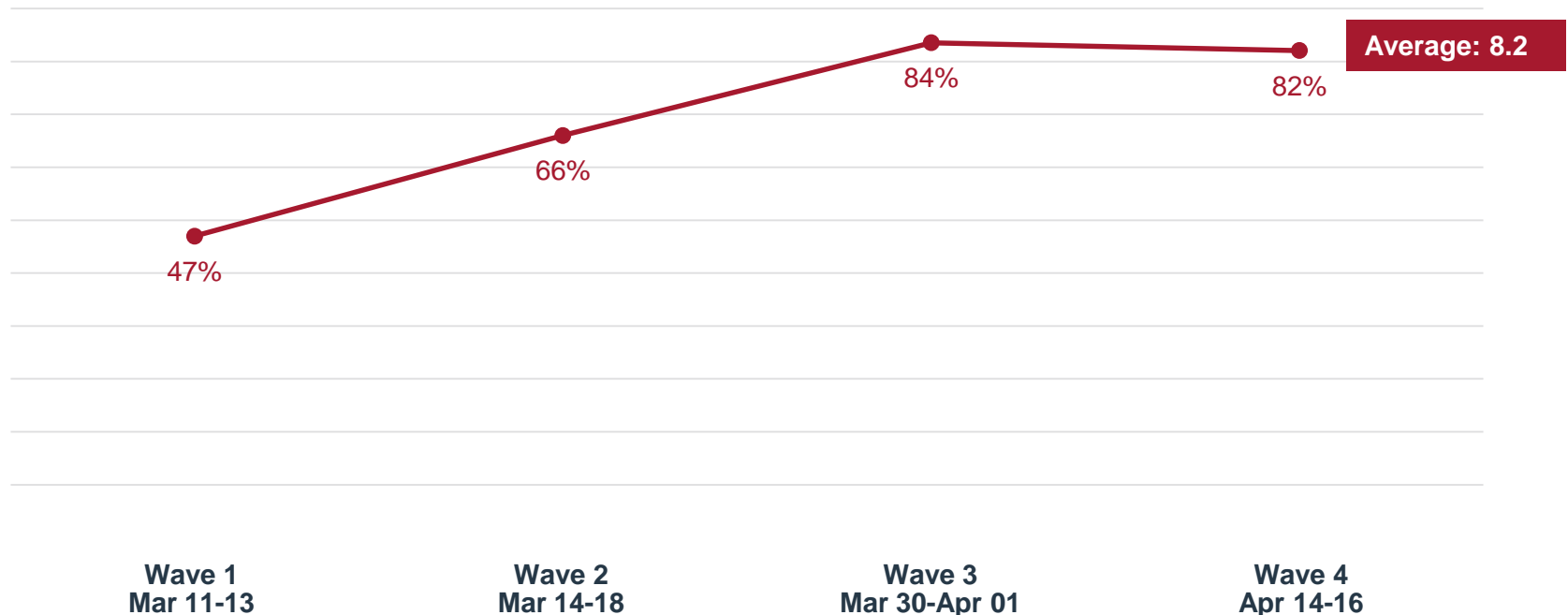
Q.2 To **what extent** has your business been impacted **negatively**?

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%)



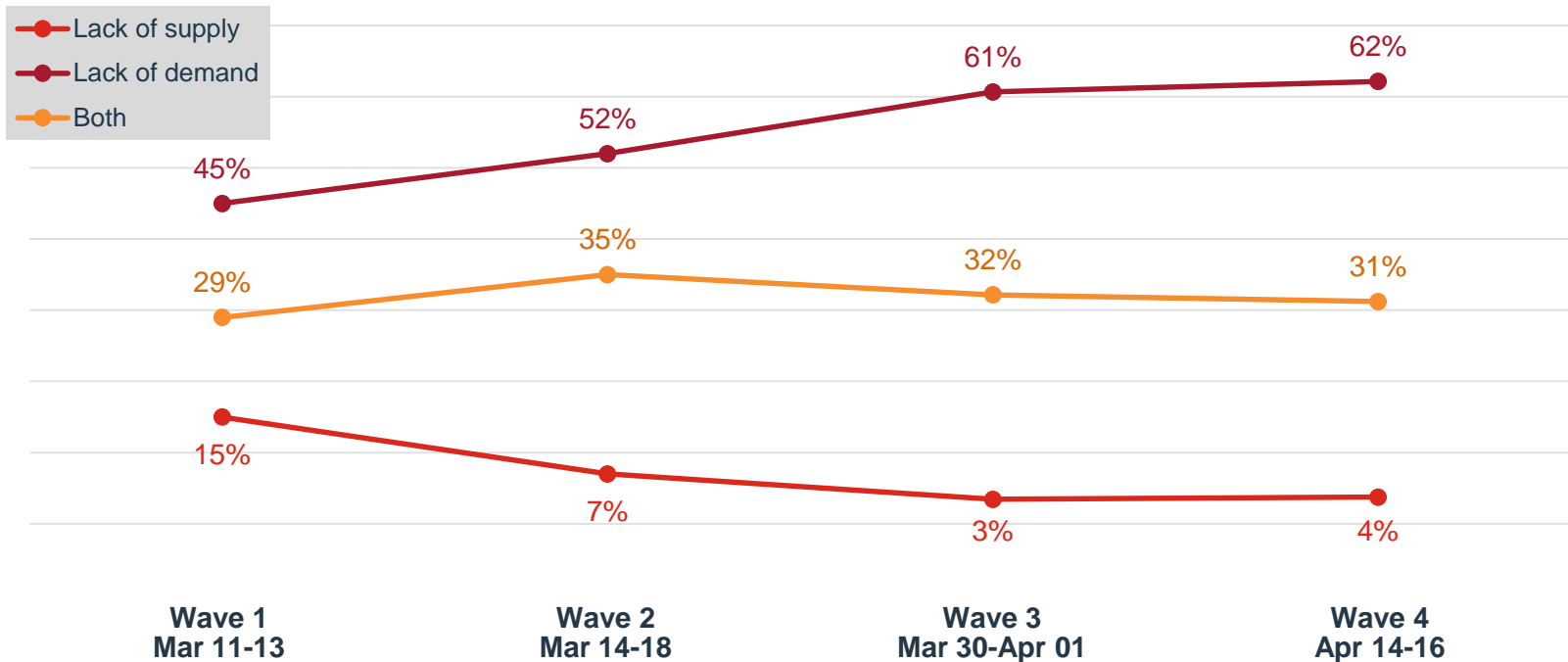
Base: Those who see a negative impact (n wave 4 = 898-899) Results are presented in terms of those who said that the impact is somewhat or very important (scores of 7+ out of 10). The average score (wave 4) is calculated by excluding those who didn't know or preferred not to answer, whereas the scale 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%)

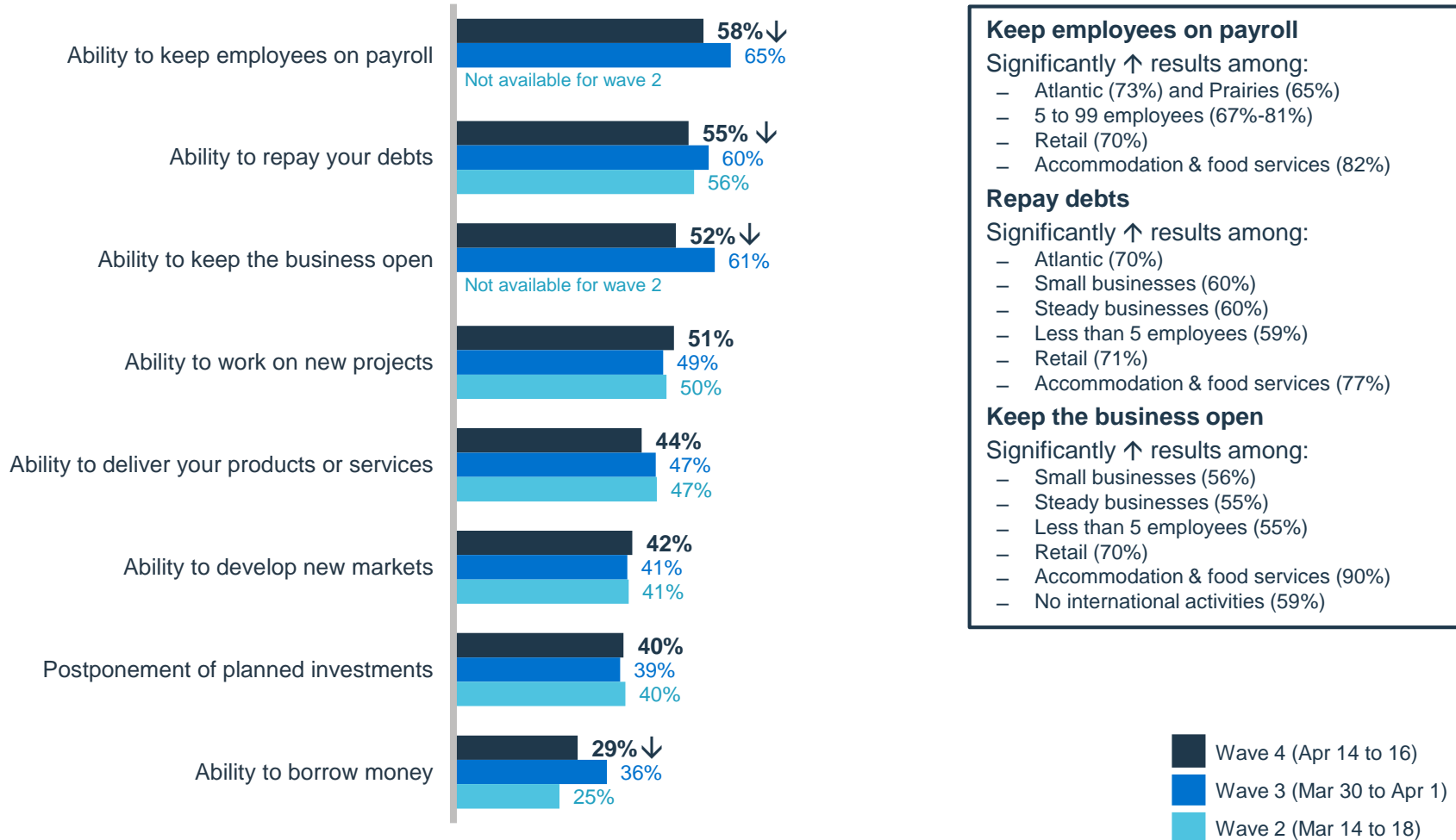


Base: All qualified respondents (n wave 4 = 950). Due to rounding, total may not equal to 100%. Arrows next to results indicate statistically significant differences between the latest two waves. Please note that to simplify the presentation, we have included in the calculations but excluded from the 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

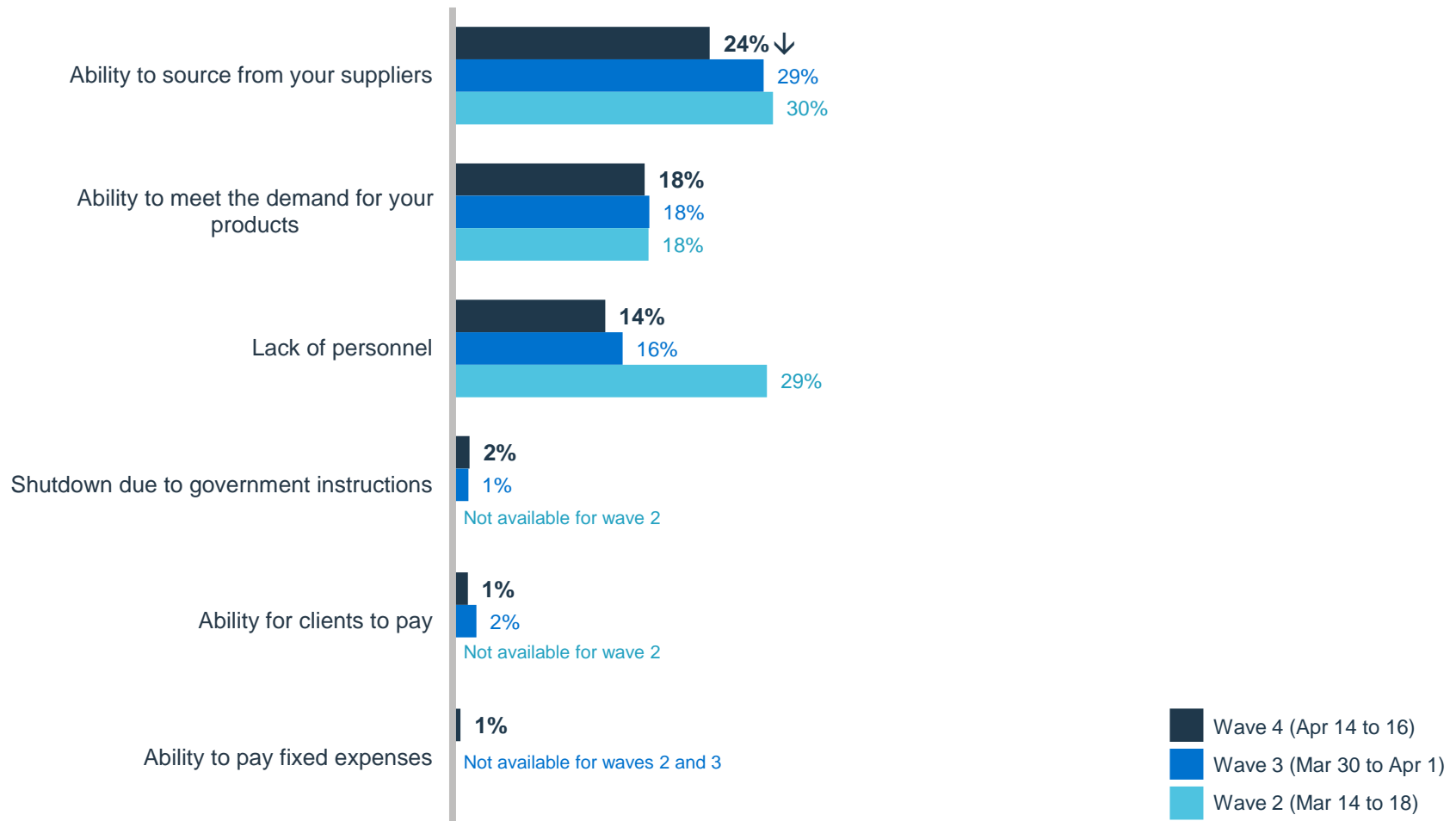


Base: Those who are impacted negatively or feel they will be impacted in the next 2 months (n wave 4 = 950). Multiple mentions allowed. Arrows indicate statistically significant differences between the latest two waves. Please note that to simplify the presentation, we only presented the last three waves 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?
Less often mentioned answers

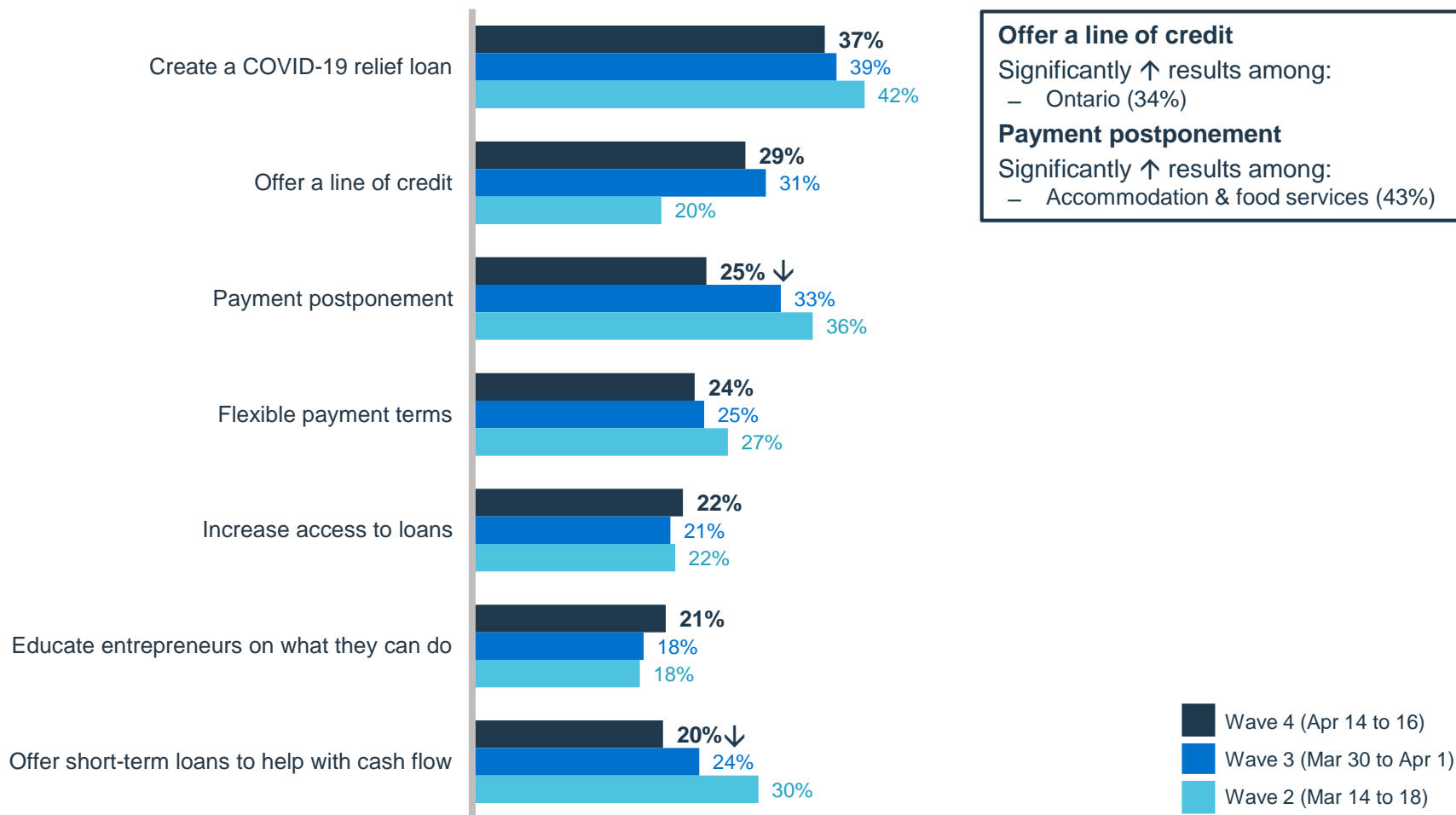


Base: Those who are impacted negatively or feel they will be impacted in the next 2 months (n wave 4 = 950). Multiple mentions allowed. Arrows indicate statistically significant differences between the latest two waves. Please note that to simplify the presentation, we only presented the last three waves 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

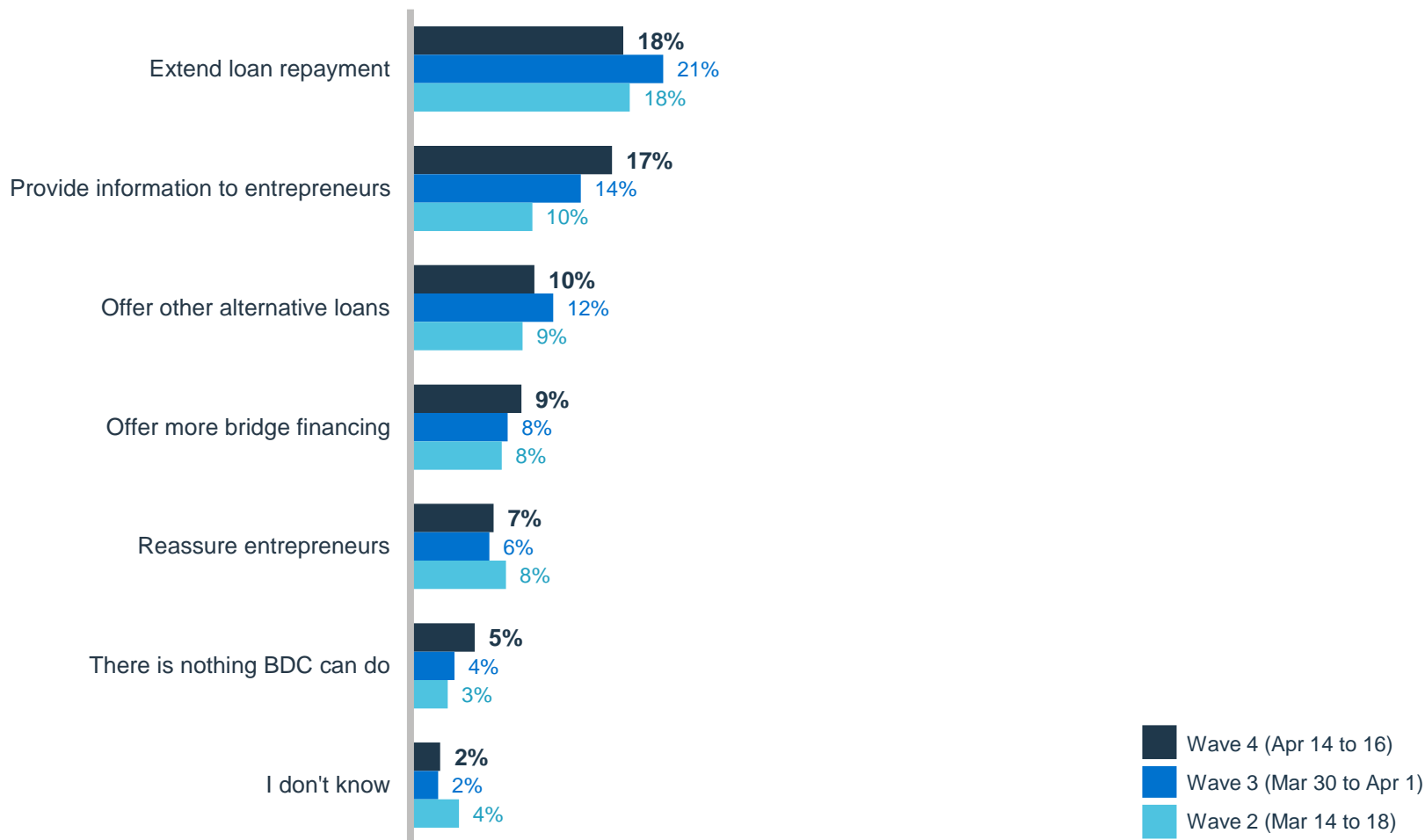


Base: All qualified respondents (n wave 4 = 994). Multiple answers (maximum 3) were allowed. Arrows indicate statistically significant differences between the latest two waves. This question was converted into a multiple-choice question on March 15.

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



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%)

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)

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.

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)

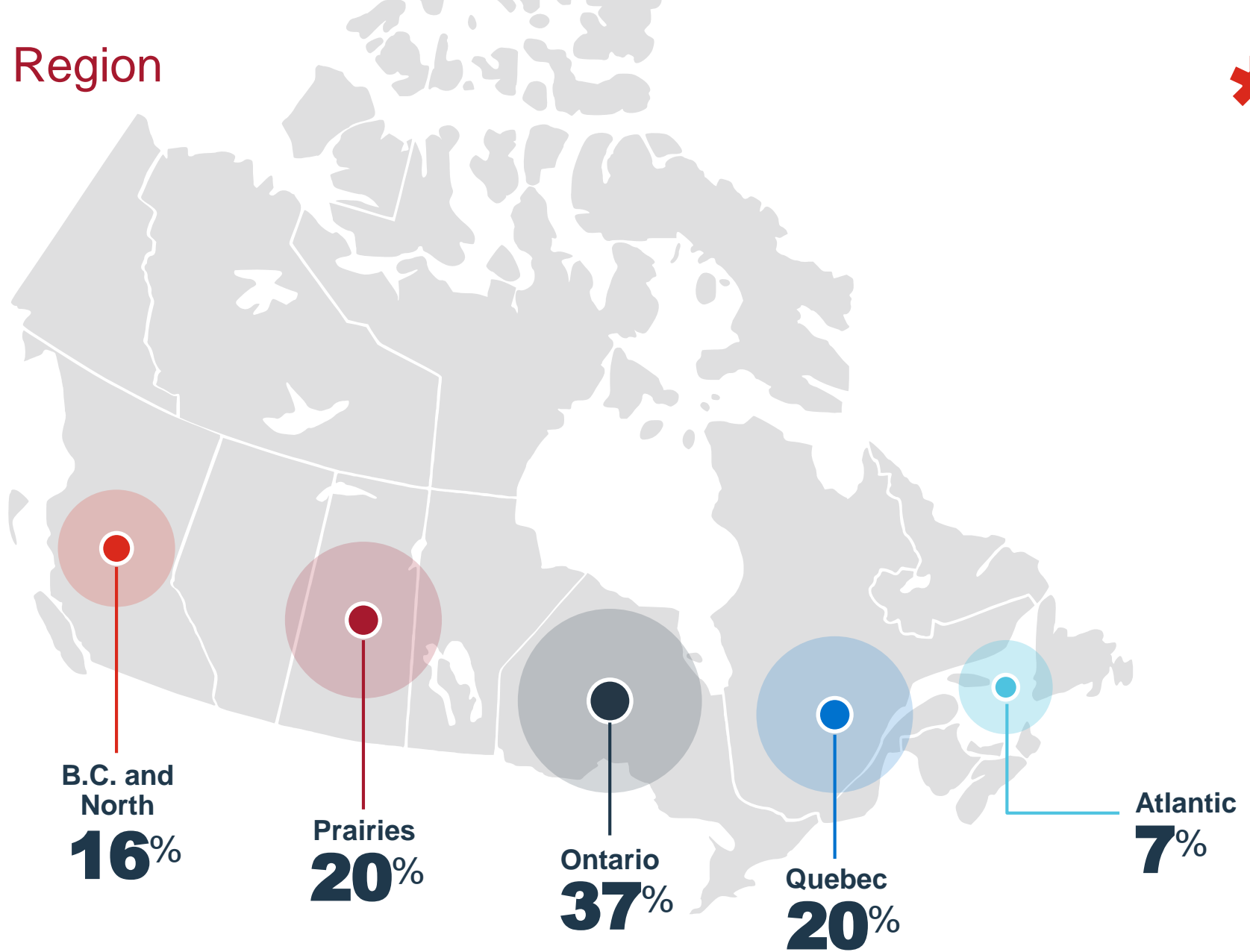
Learning about eCommerce and this is starting to work. Sales minimal right now, but growing. Going through all aspects of the business to determine the best way to get everything done in an efficient manner. When things return to normal, the goal is to have expanded the product offerings and services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



04. Respondent profile

Survey wave 4

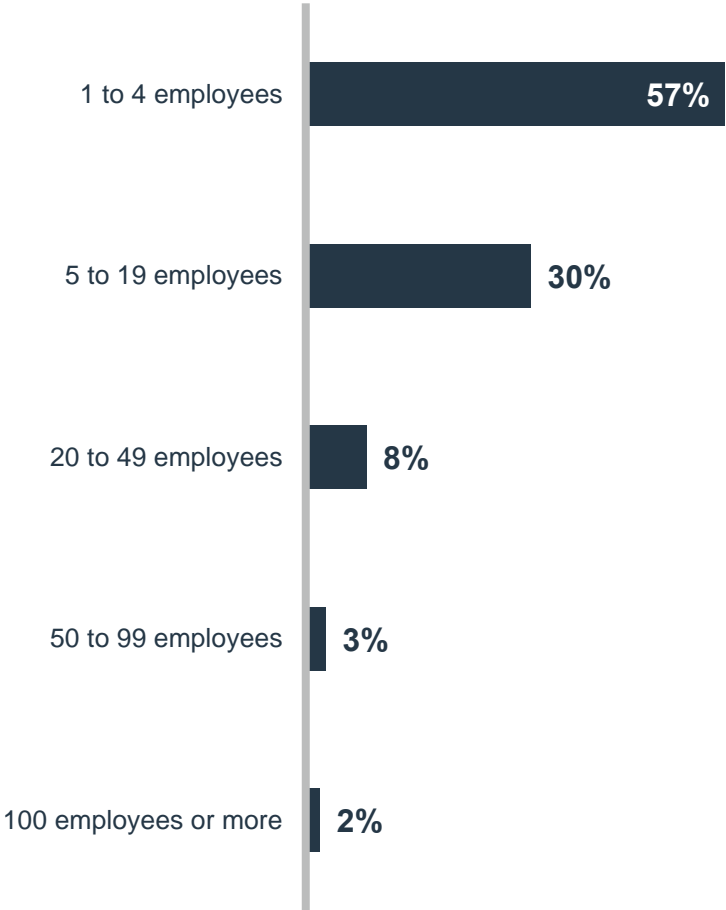
Region



Number of employees



Number of employees

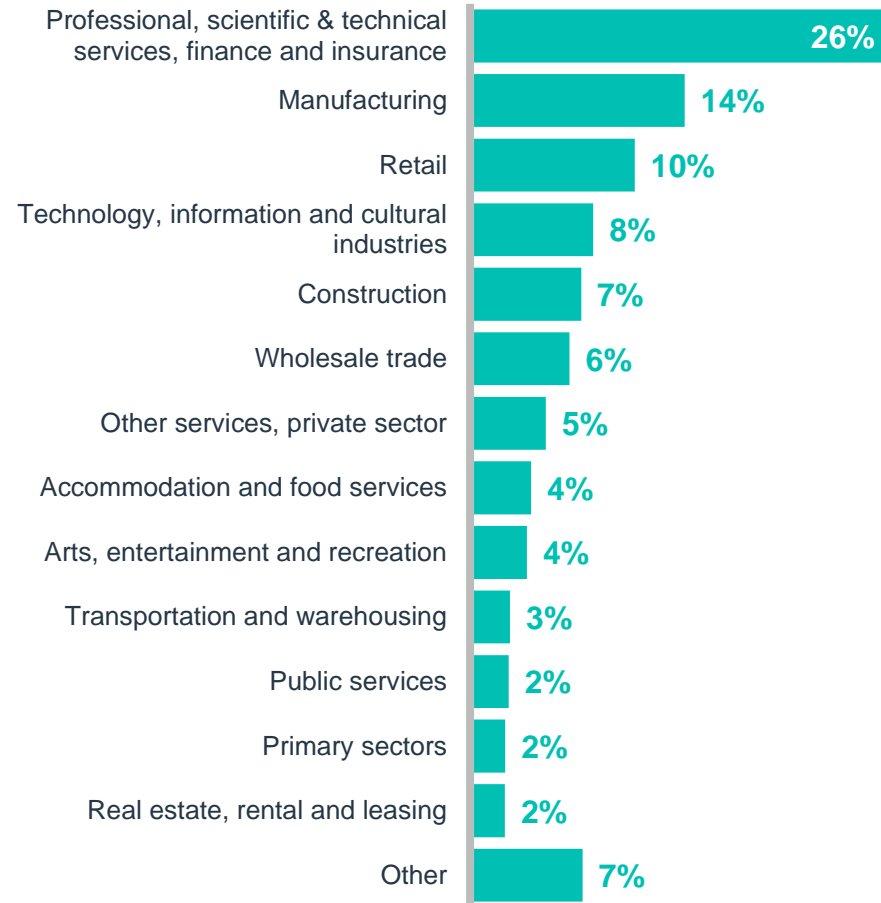


Base: All qualified respondents (n=994). Due to rounding, total may not equal 100%.

Sector of activity



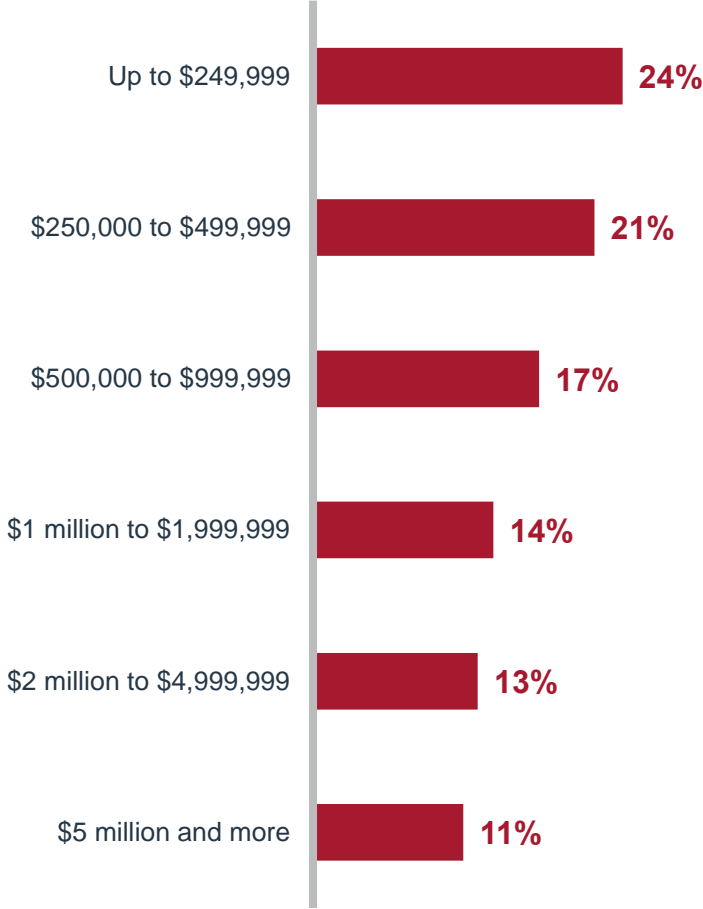
Sector of activity



Business annual sales



Annual sales

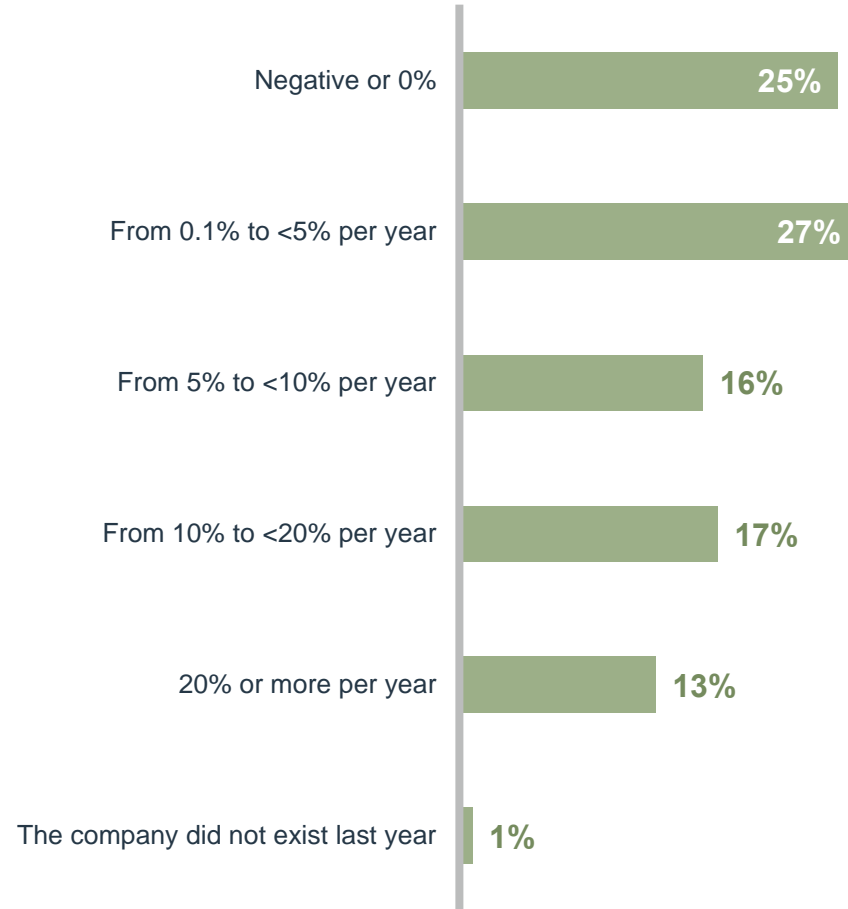


Base: All qualified respondents (n=994). Due to rounding, total may not equal 100%.

Business annual sales growth



Annual sales growth





Thank you.

Research and Market Intelligence

For more info, please contact us at

marketingresearch@bdc.ca