May 2020

The impact of COVID-19 on UK business

Since we last carried out this survey 4 weeks ago, a clearer picture is emerging of how organisations are adapting in the face of the Coronavirus pandemic and the long-lasting changes we will see in our day-to-day lives.

Over 300 people took part in this survey and the first half of this report compares the results from our April and May surveys, with some interesting shifts emerging. The second half details responses to a new set of questions looking at how businesses are working now and opinions on our country's leadership.

Many readers of the last report requested to share our findings with their own networks. By all means do. We just ask that you attribute the research to Richmond Events (@richmondevents) and where possible link to the full report via our LinkedIn page.

We will continue to poll the opinions of UK business leaders with our next questionnaire looking at, amongst other things, how organisations are preparing for the return of their workforce.

Lastly, a reminder that our Autumn forums across all industries are still running. Our research shows that most companies are still engaging with suppliers and we are working hard to keep you connected with potential partners and peers. For more information please get in touch.

All feedback is gratefully received and we hope you find this report useful.

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HEADLINES...

- The economy is the largest area of concern by some margin, with apprehension levels increasing even further in the last month.
- Serious concern for personal financial security has overtaken fears for own organisations in the short term.
- Communication with customers and prospects recognised as more difficult.
- 83% of companies expect remote working to change how they operate in the future.
- Improvements around home working technologies the most significant change from April to May.
- 70% of organisations have identified better ways of working.
- 51% of businesses have evolved their product offerings in the past few weeks.
- 39% of organisations have seen increased demand for their products and services.
- 42% of companies are considering alternative or actively seeking new suppliers.
- Very mixed views on what actions the Government should take.

What are people most concerned about?

Unsurprisingly, the concerns surrounding the economic uncertainties facing our country far outweigh all others and this overall sentiment has worsened in the last month.

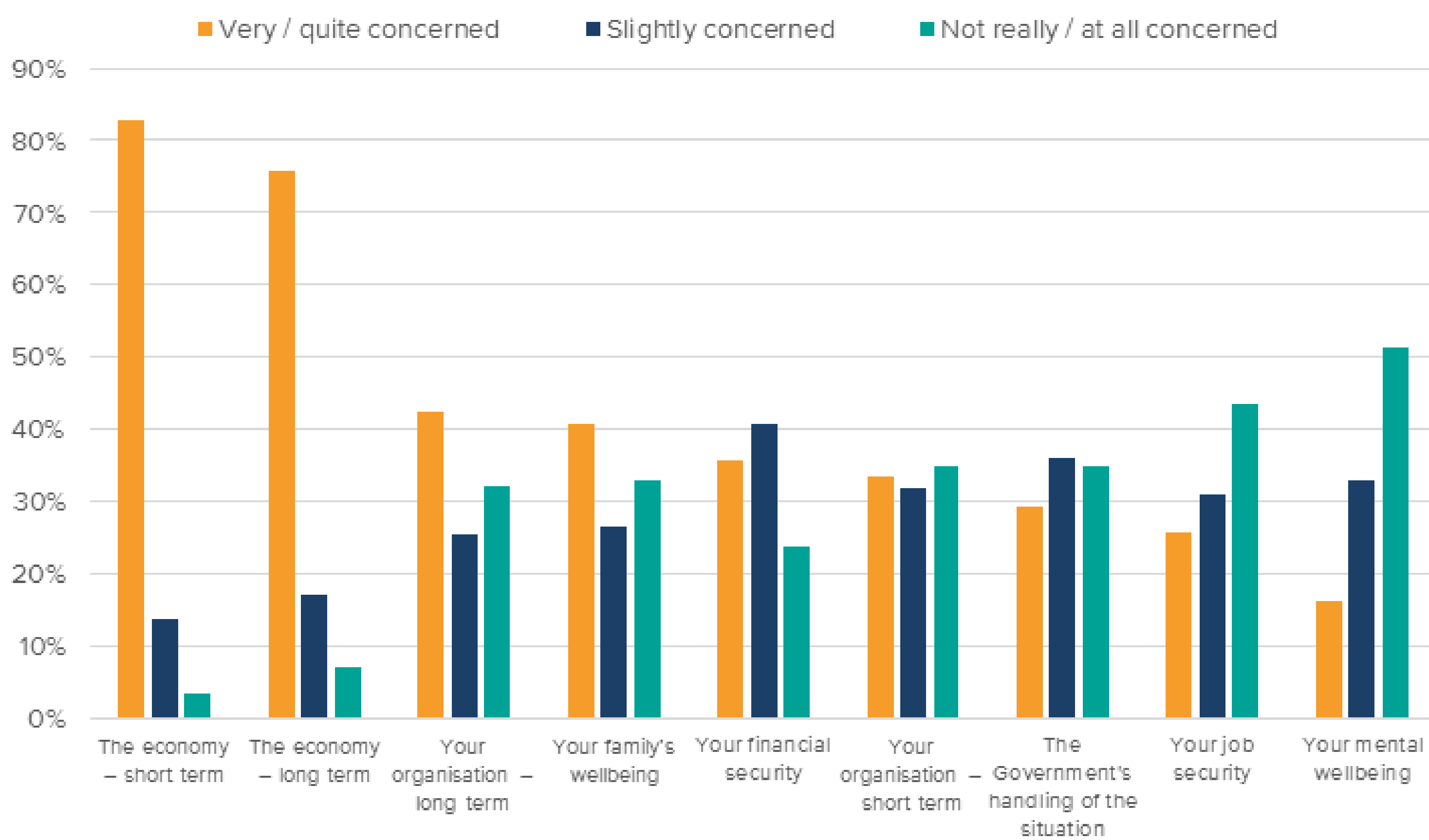
The most significant changes we see from April to May are:-

- 13% are more worried about the long-term prospects of our economy. Only 3.5% are more worried about our short-term economic position than they were a month ago.

- Although the Government handling of the Covid-19 pandemic is relatively far down the list of key concerns, 11% are now more concerned than they were previously.

- Serious concern around personal financial security has overtaken fears for organisations in the short-term, with 8% of respondents feeling more confident about their own company's prospects. Opinions about longer term company situations remain relatively unchanged from April.

- The results for wellbeing haven't changed significantly, although it should be pointed out that there is a gentle shift in a positive direction with more people feeling 'slightly' rather than 'very/quite' concerned for the wellbeing of both themselves and their families.

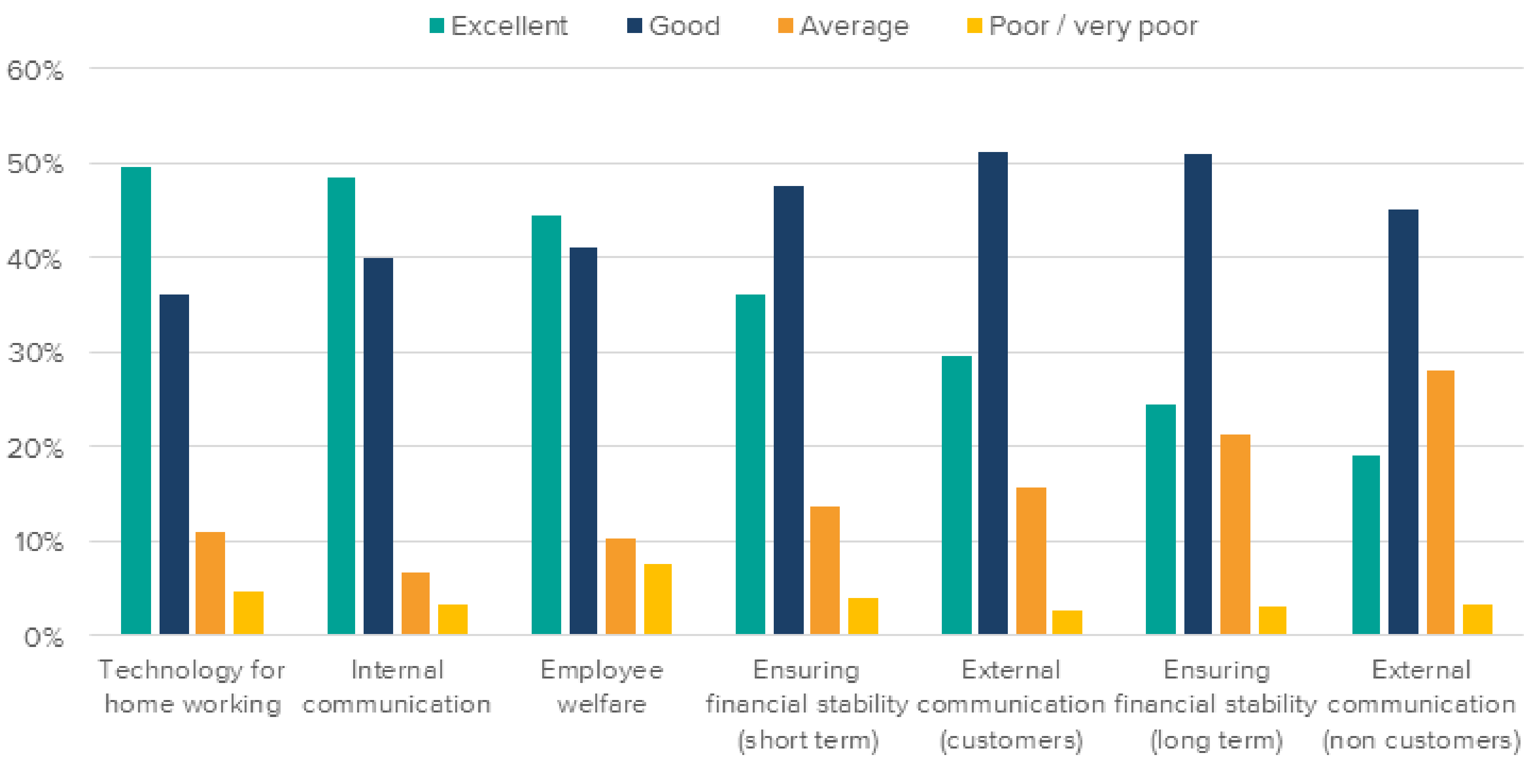


How do you rate your company's response?

In the last month, it seems as if many organisations have really upped their games with regards to technology for home working – with a 34.5% increase on the 'excellent' score (with much of this shift moving from 'average').

Not too far behind is a rise in how people feel they and their colleagues are being looked after, with an almost 15% rise on employee wellbeing excellence.

Not doing so well are the areas of external communication to both customers and non-customers, with 12.5% and 16.5% decreases in the 'excellent' scores respectively. Non-customer communication seems to be particularly hit with the 'poor/very poor' rating increasing by almost 5% from April to May.



Organisational Changes

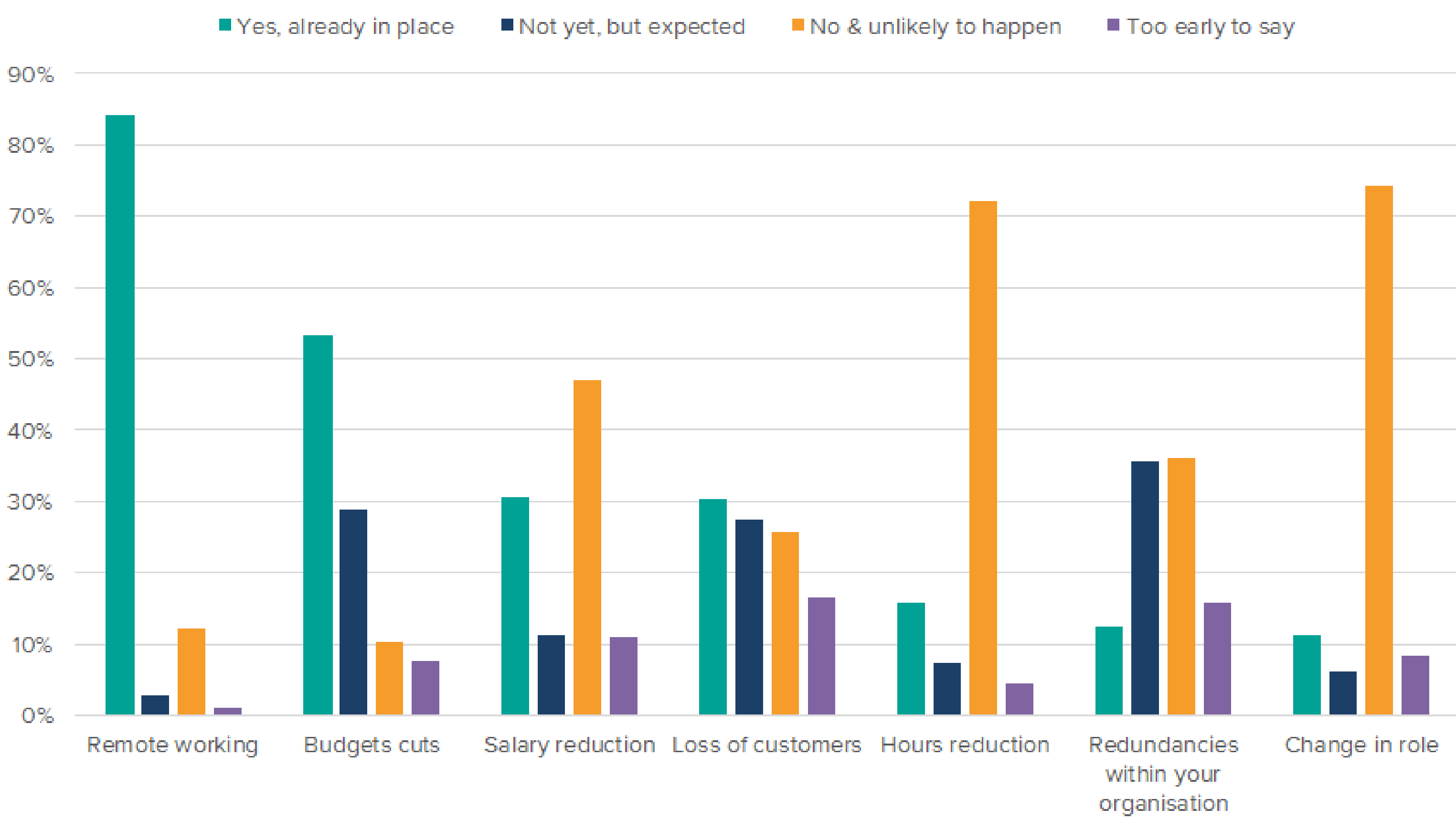
A clearer picture is emerging of the bigger changes organisations have already put into place or expect in due course.

Last month's results showed a relatively bullish opinion around the loss of customers. This confidence appears to be waning with a 10% increase in losing customers.

A similar level of change for salary cuts, although from looking at last month's figures this was predicted and as such not unexpected.

There has been a small but interesting change regarding remote working, with now only 84% saying this is in place, compared to 91% in April. This is somewhat reflected in the increase of people stating that remote working is unlikely to happen (12% up from 6% in March), although this is possibly an indication of the business sectors for these respondents.

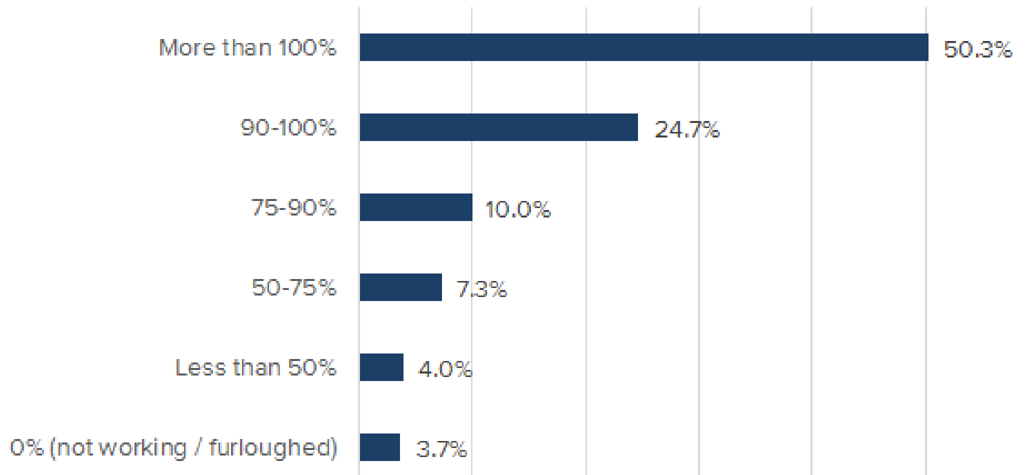
What changes have already been or are likely to be implemented?



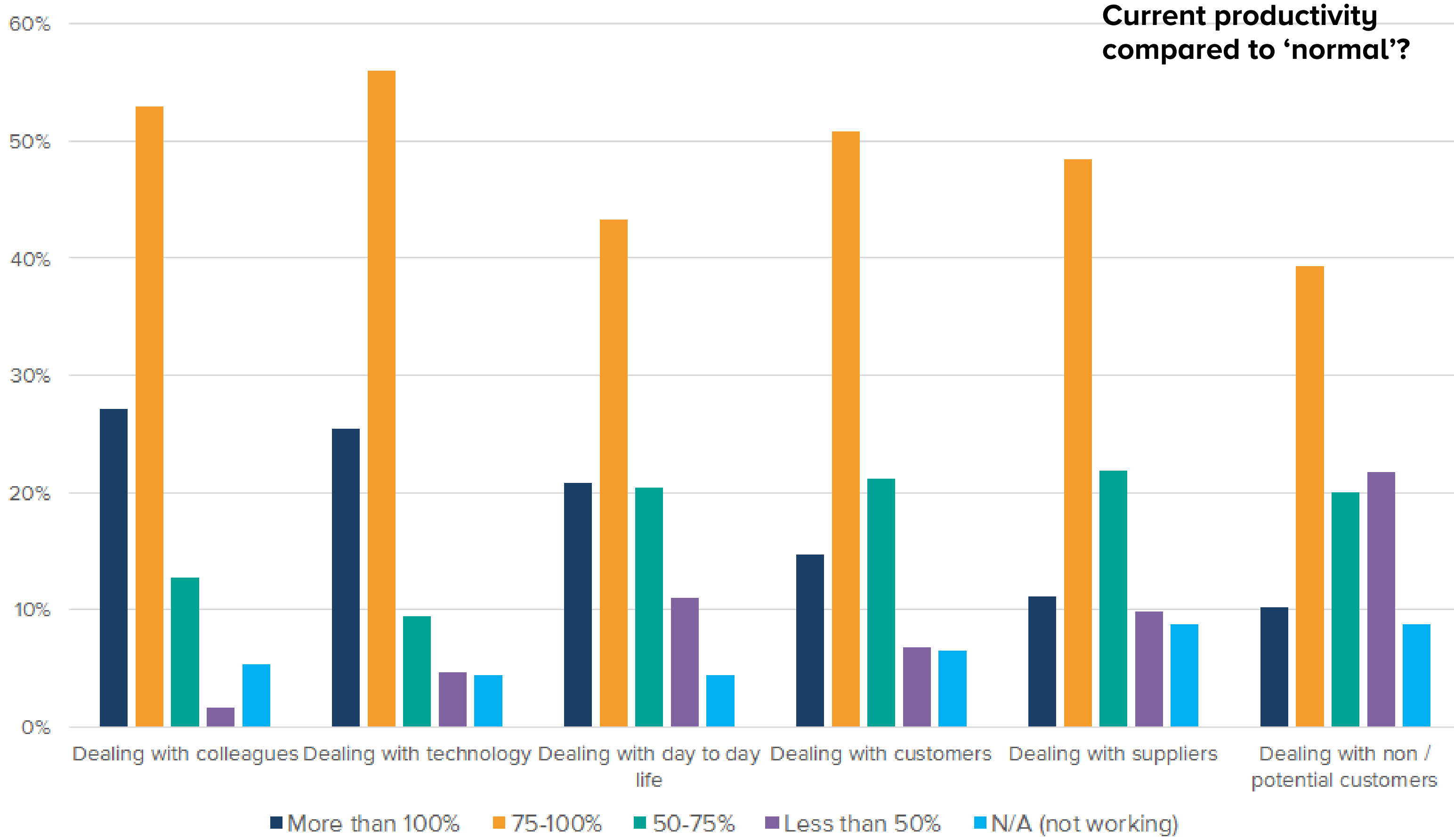
Productivity

In April, over half of our survey said that they were working harder than they were pre-COVID and this is still very much the picture. For the other half, even though they estimate that they are working less than during 'normal' times, they felt that they were working more in May than during April.

Overall, the productivity assessment across various different areas appears relatively unchanged for May, although with a slight dip (-6%) in efficiency surrounding dealing with remote technology (evidence of Zoom-fatigue perhaps?).



What % of your typical working week are you now working?



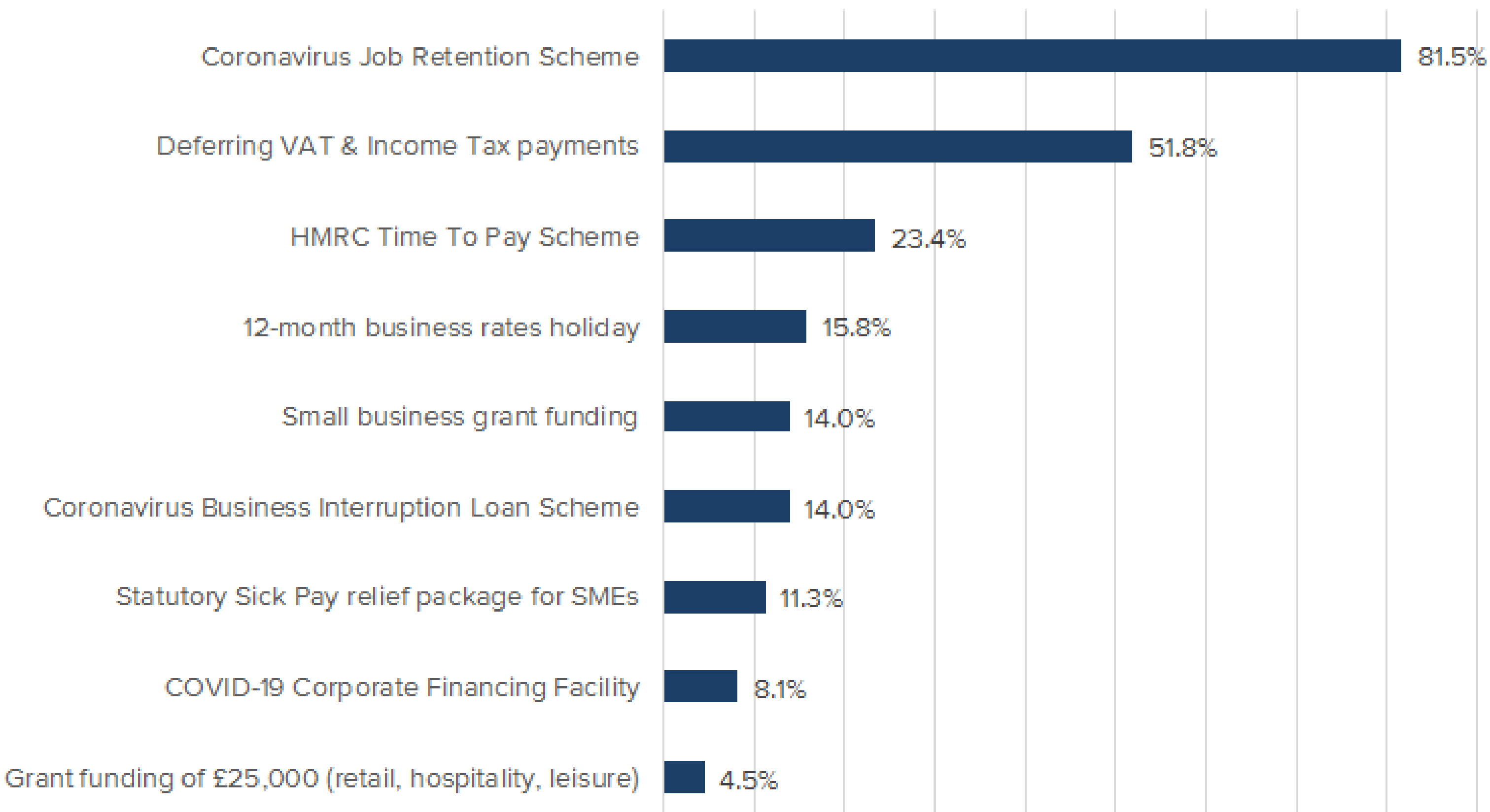
Current productivity compared to 'normal'?

Government assistance

The Job Retention (furlough) Scheme remains the key Government assistance measure that most organisations will plug into.

As the month developed, it emerged that fewer companies would be taking advantage of deferred VAT / Income Tax payments and Statutory Sick Pay for SMEs with 16% and 15% decreases respectively from April's results.

Which of the government's help measures will your company make use of?

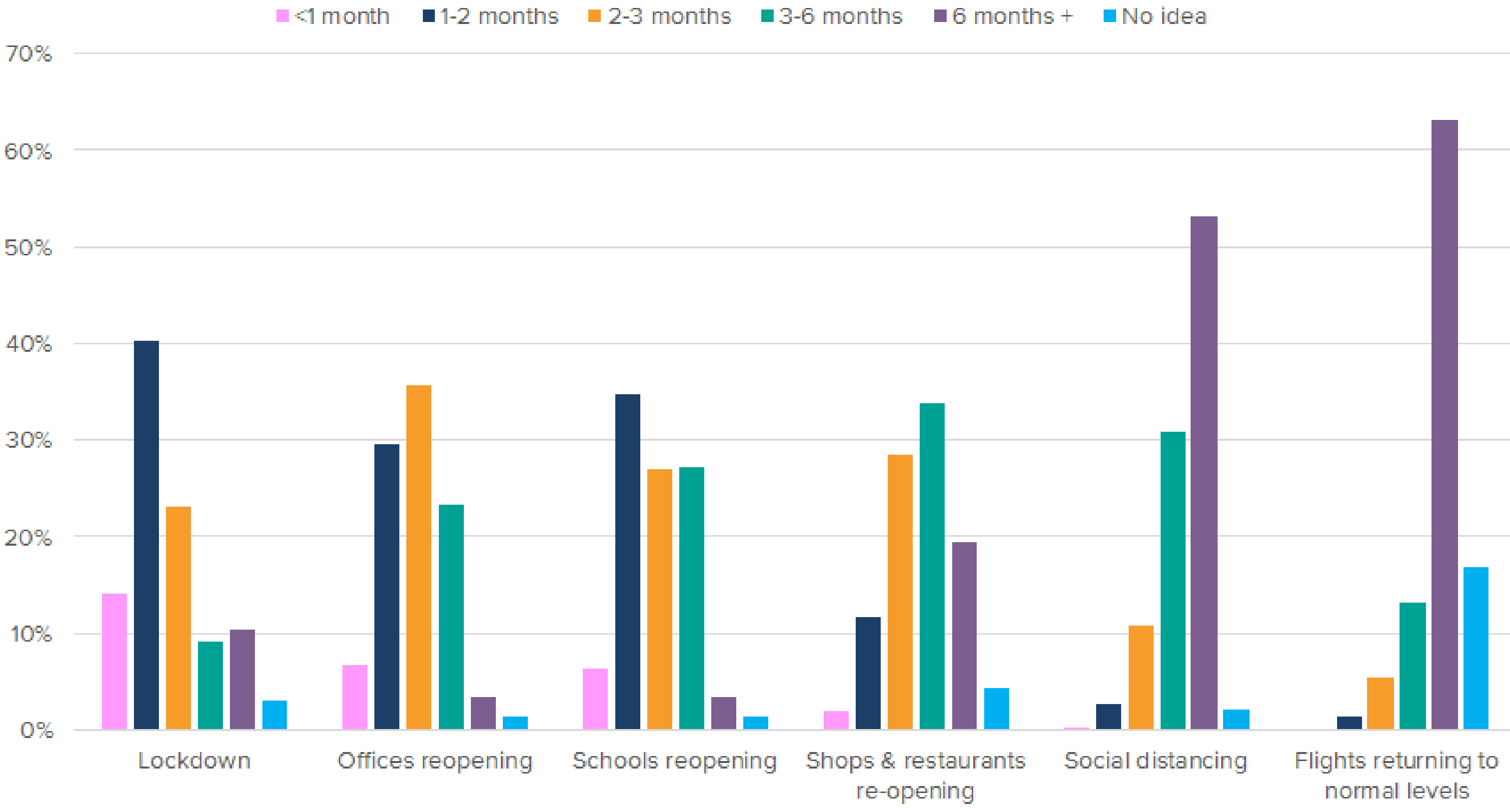


Getting back to 'normal'

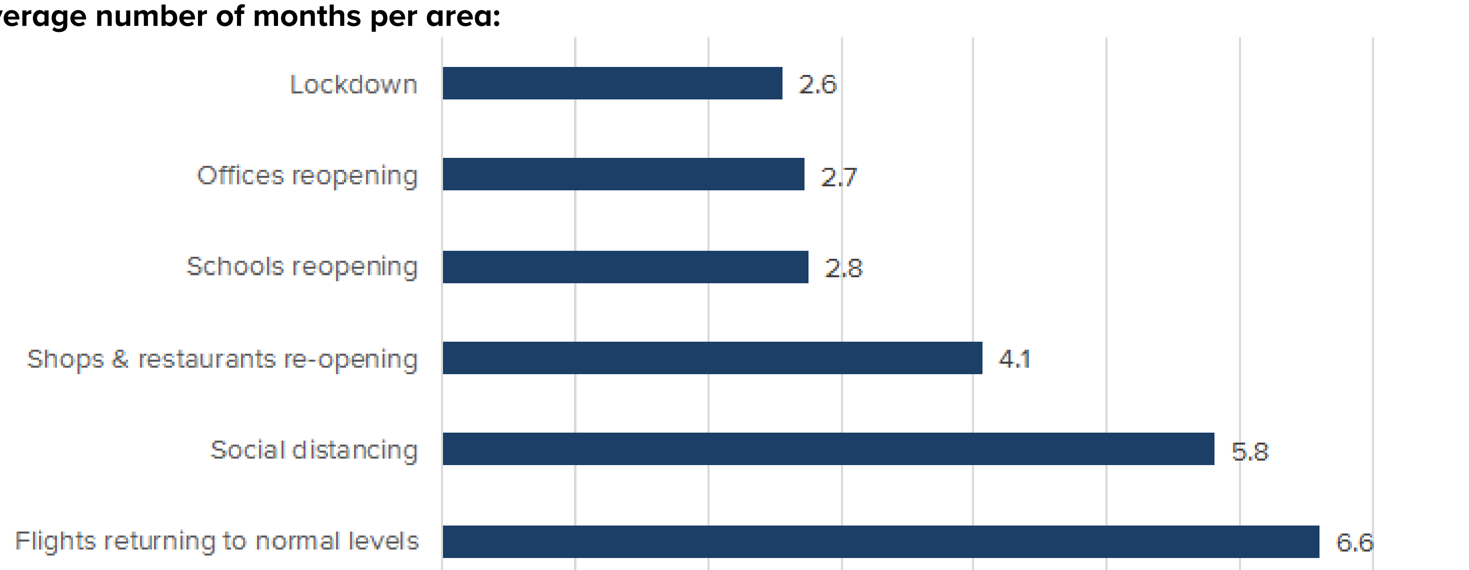
The unanswerable question perhaps? But we asked for the best guess for when various elements of our society would become operational once more.

The biggest shifts from April to May's predictions seem to be surrounding schools reopening (now sooner than previously estimated) and social distancing (now not as soon as previously thought).

How long do you think it will be before the following areas return to pre-COVID-19 levels?



Average number of months per area:



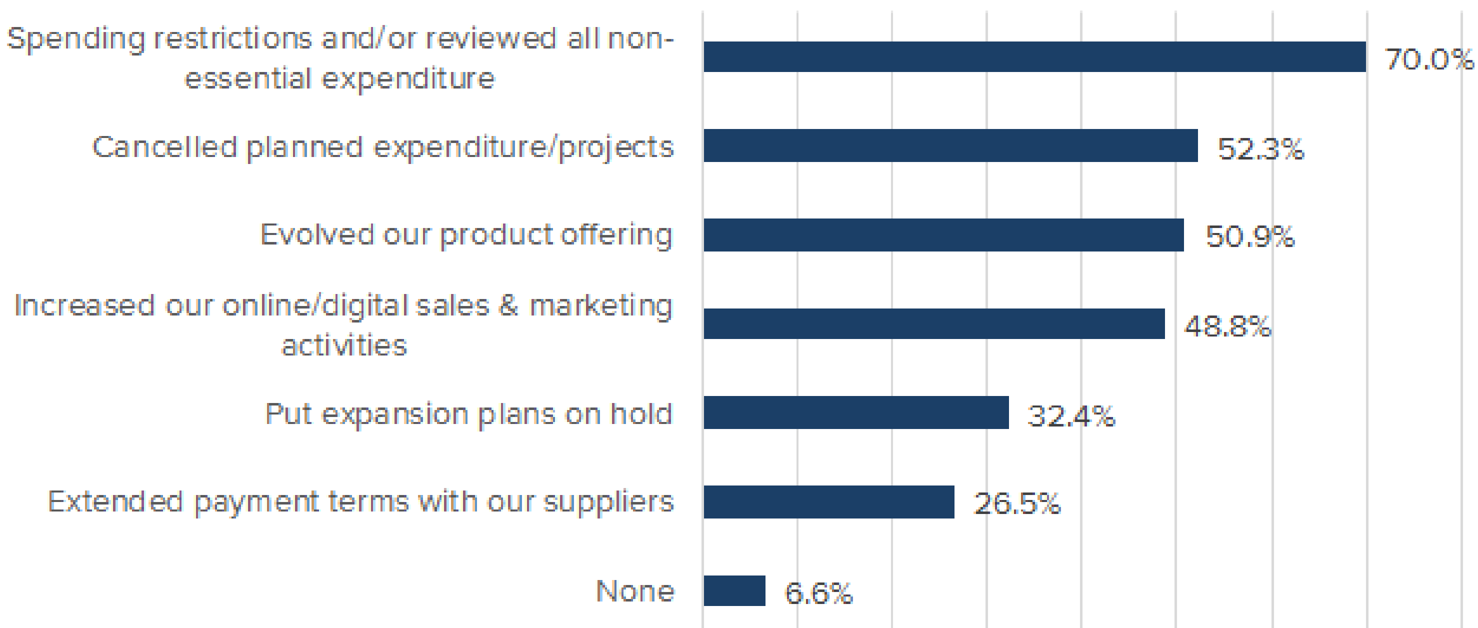
How are organisations responding to Covid-19?

Every organisation will be making plans and taking action to protect itself and ensure its continued security.

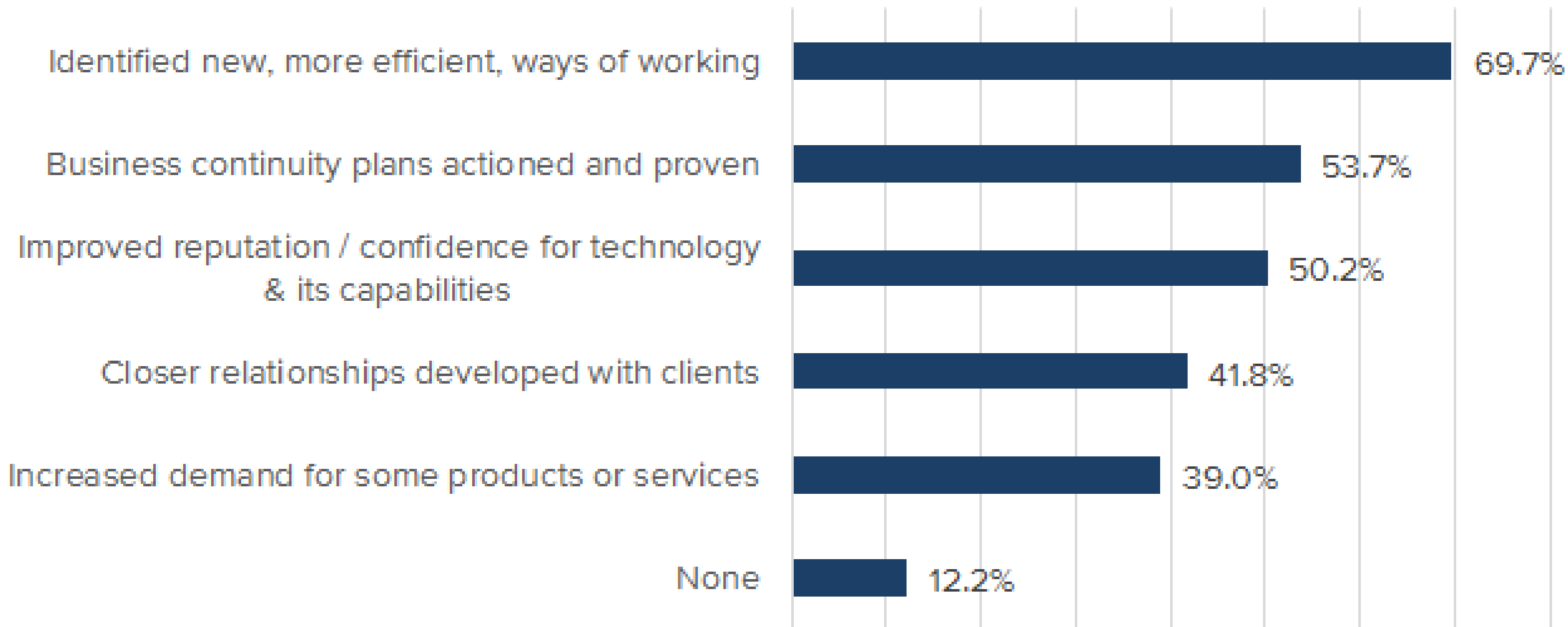
Unsurprisingly, preserving cashflow is of greatest importance but encouraging to see that many businesses are using this opportunity to diversify their offerings and increase their marketing activities.

The results about remote working adaptations aren't hugely surprising in their own right. However, it might be interesting to consider the impact that this shift towards greater home-working will have on, amongst other things, employee well-being & mental health, commercial property and cyber security.

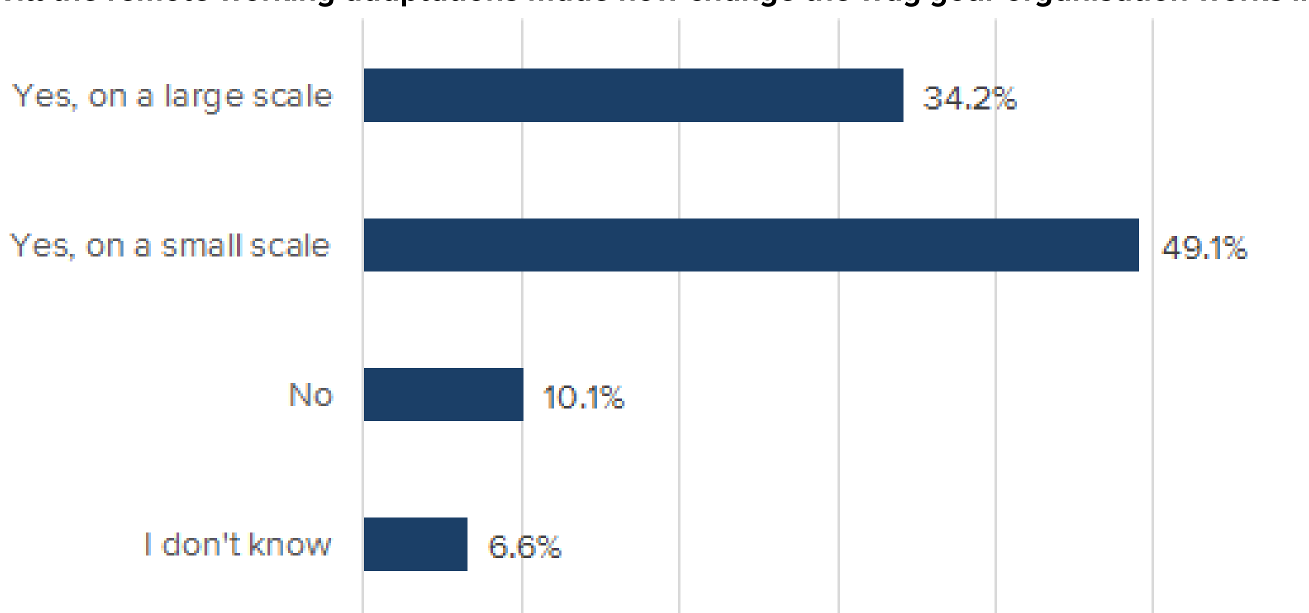
What steps is your business taking to mitigate the risks post-Coronavirus??



What positive impact have you seen on your UK business operations?



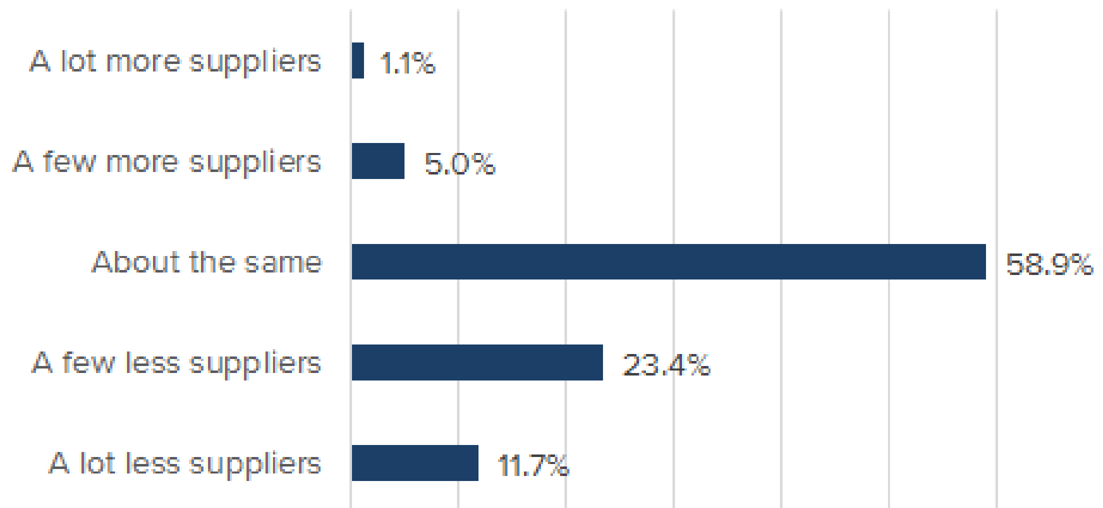
Will the remote working adaptations made now change the way your organisation works in the future?



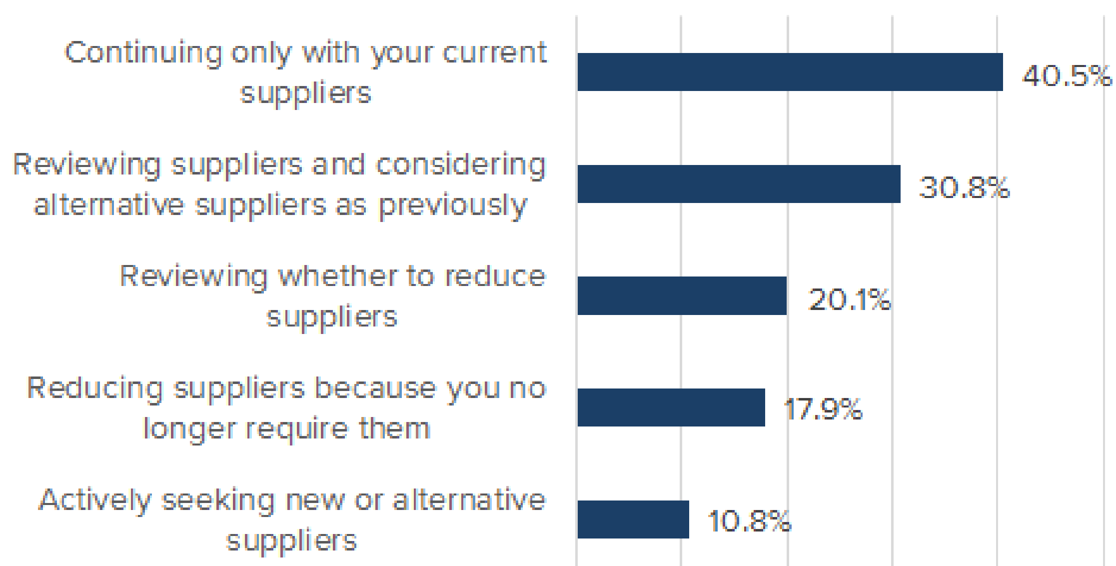
Working with suppliers

As an organisation whose business is centred around matching buyers & sellers, we were interested to find out what the current situation is with supplier engagement.

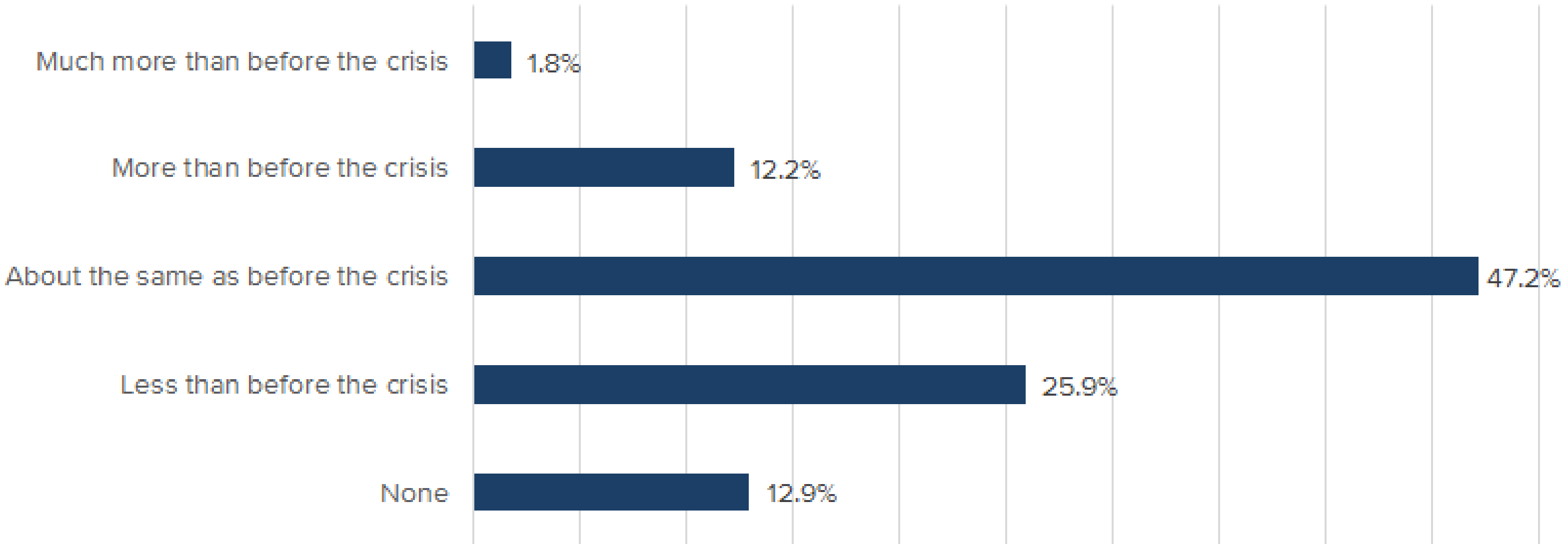
Are you dealing with more or fewer suppliers than before the crisis?



In terms of identifying and using suppliers, are you...



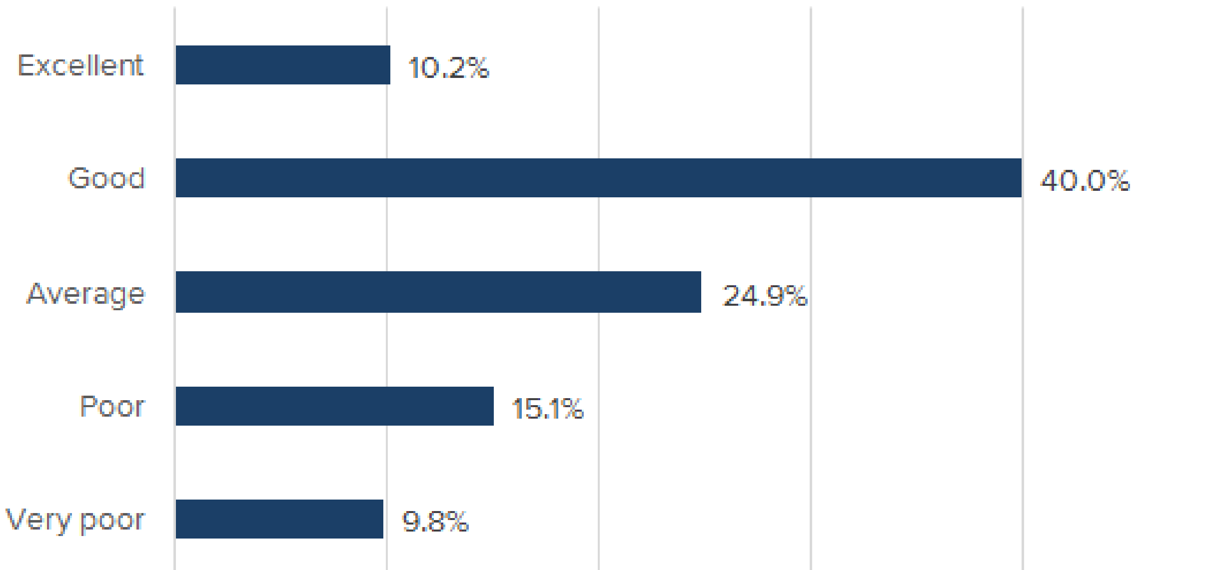
How much interaction do you currently want or need with potential suppliers?



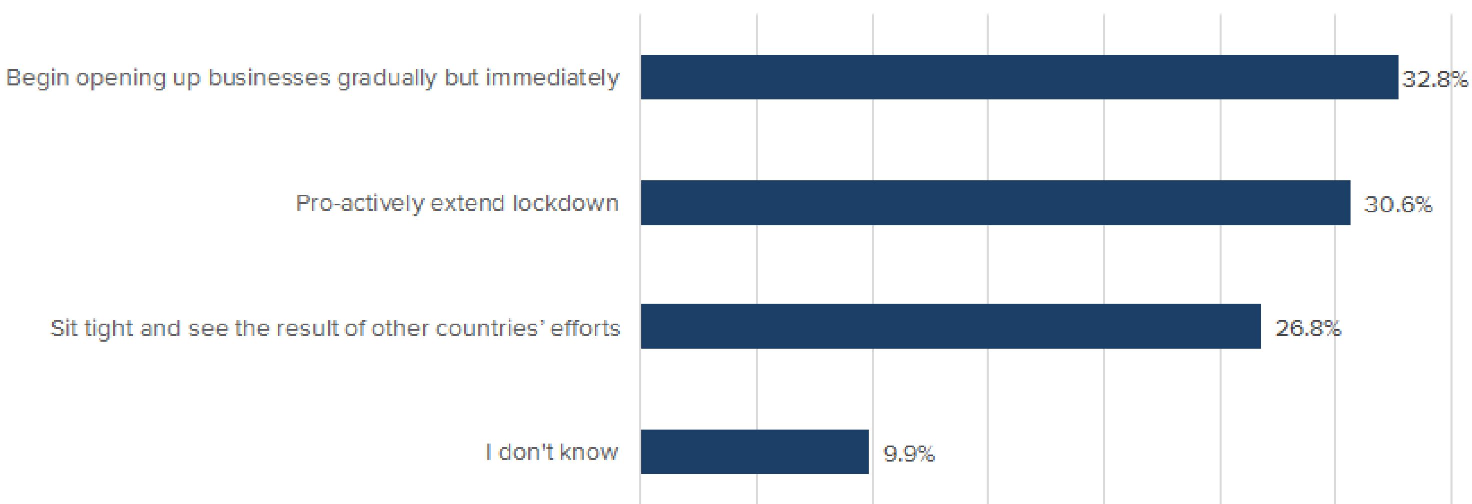
Opinions of the Government

The following results are self-explanatory but we will continue to gauge opinion in these areas as they are likely to change (some significantly perhaps?) over the coming weeks.

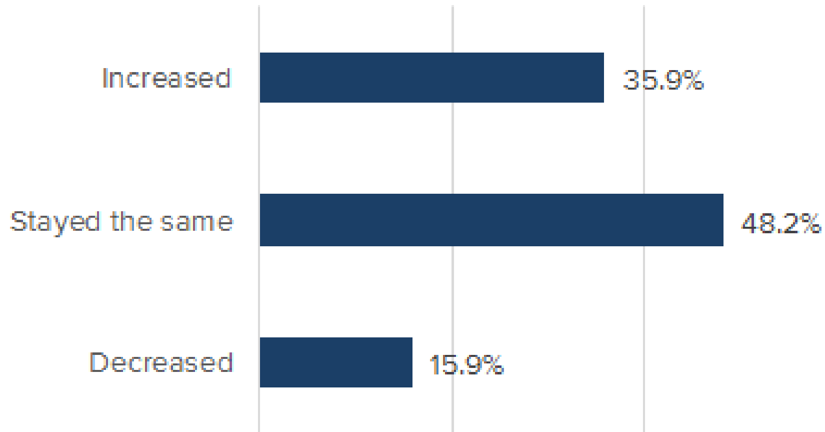
How well do you think the UK Government are handling the issue of the Coronavirus?



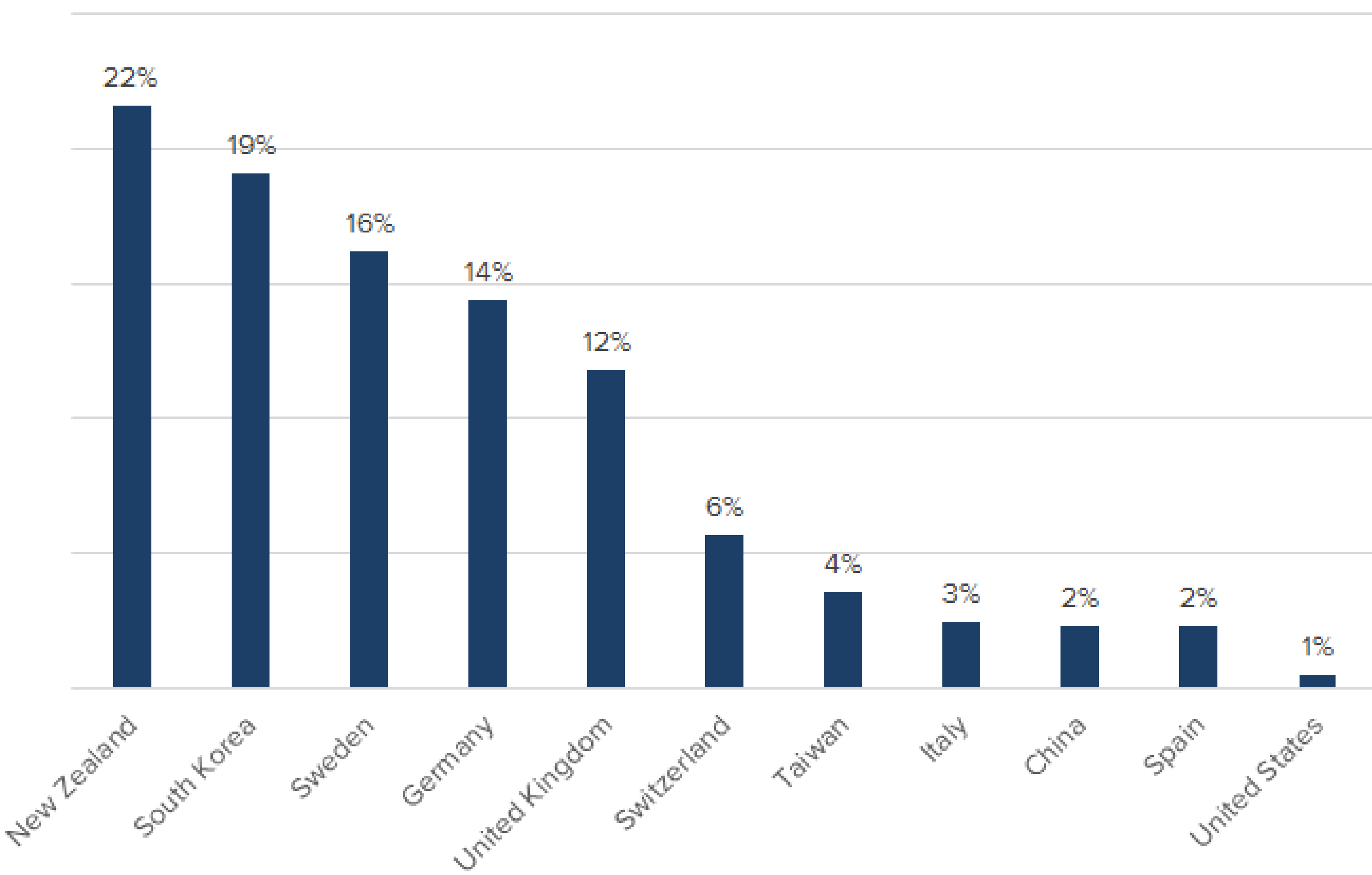
If you were in charge of the Government, what action would you take?



How has your support/opinion of Boris Johnson changed throughout the crisis??



Which countries' leadership do you admire the most in the handling of this situation?



About our Respondents

Thank you to the 307 people who took part in this survey. They are all directors, head of departments and senior managers within large organisations across a range of sectors.

Sector analysis