

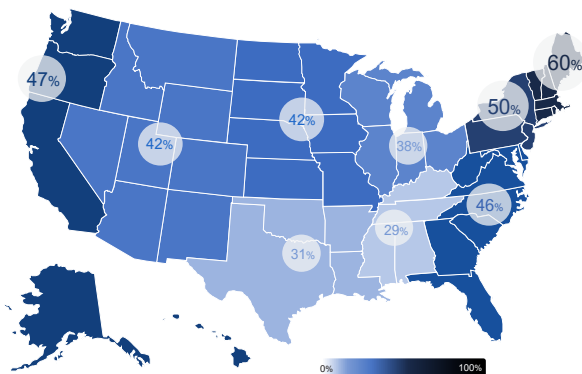
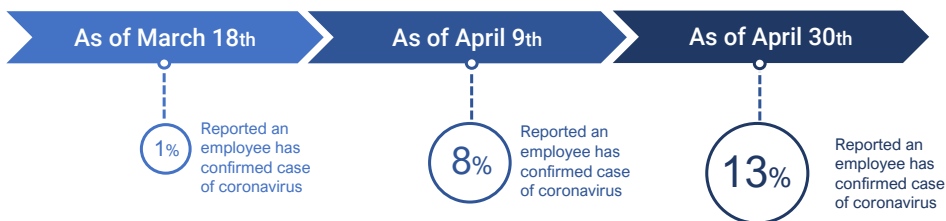
COVID-19

IMPACT AND IMPLEMENTATION SURVEY

EXECUTIVE SUMMARY

IMPACT

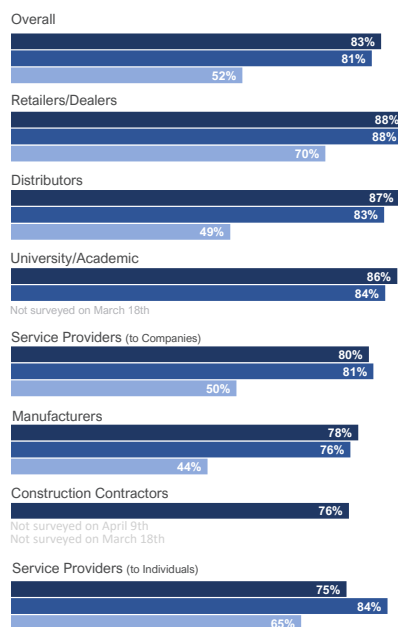
Organizations Having an Employee with a Confirmed Case of Coronavirus



Percent of Organizations that Perceive Stay at Home and Social Distancing Measures are "Very Necessary"

Percent of Organizations Experiencing a Direct Negative Financial Impact

As of April 30
As of April 9
As of March 18



About the COVID-19 Impact & Implementation Survey:

Results for the 3rd survey in the series are based on surveys collected between Monday, April 27, and Thursday, April 30. More than 900 respondents from 28 client sectors and professions participated in the survey. Industry Insights is fielding these surveys to help its clients assess and track their members' perceptions, impact, and action plans related to COVID-19. Links to an online questionnaire were distributed to member organizations and contacts by the participating associations. A total of 914 respondents (of whom 2/3 were executives or officers) participated in the survey. The sample was slightly adjusted to better reflect the participating groups. Confidence intervals can change, depending on the aggregate's sample size and the response variance, though the overall survey portion of this research has a standard error of +/- 2.5% at a 95% level of confidence.

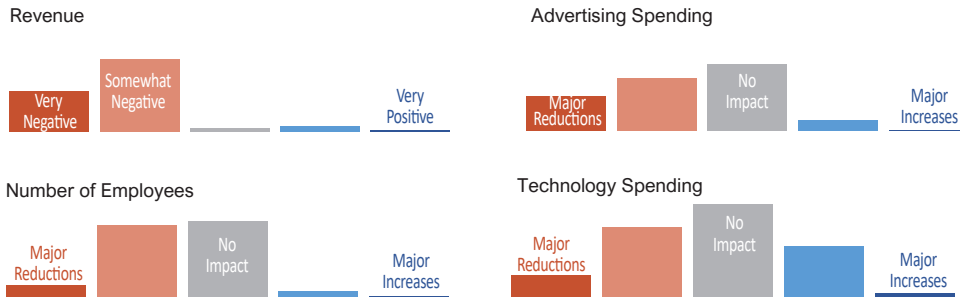
The survey sample includes manufacturers, distributors, retailers, and professional services organizations representing a diverse set of industries.

The *COVID-19 Impact & Implementation Survey* was compiled, tabulated and analyzed by Industry Insights, Inc. (www.industryinsights.com), an independent research firm based in Columbus, OH.

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IMPACT

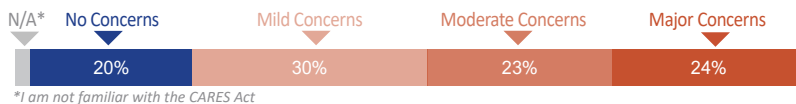
Expected Level of Impact on Organization in 2020



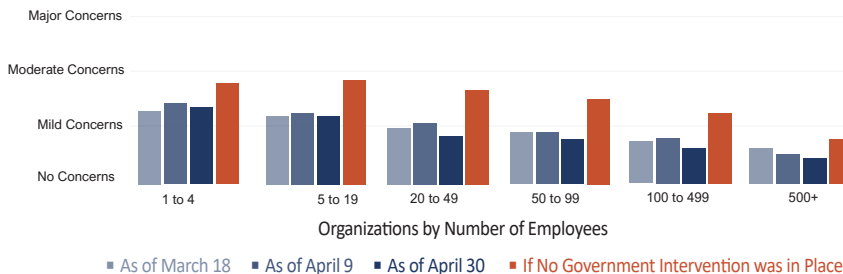
Extent of Long-Term Viability Concerns Due to the Coronavirus (Average)



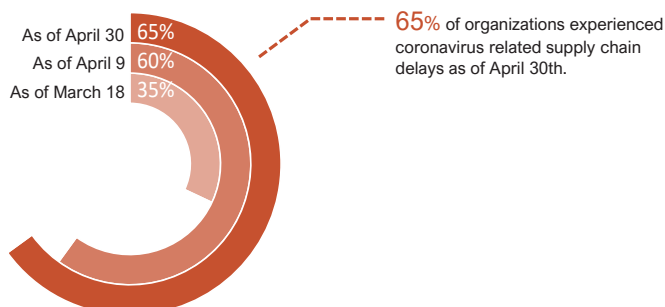
Extent of Long-Term Viability Concerns Due to the Coronavirus if No Government Intervention was in Place



By Size of Organization



Organizations that Experienced Coronavirus Related Delays in Receiving Materials/Products from Suppliers



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IMPACT AND IMPLEMENTATION SURVEY EXECUTIVE SUMMARY

Impact:

The coronavirus is reaching the employees. Whereas only 1% of organizations had an employee with COVID-19 as of March 18, the rate has climbed to 13% as of April 30. Despite the financial toll, most organizations' leaders agree that the "stay at home" and social distancing mandates are necessary actions (83%). Those in more rural areas, such as the Mountain States and West South Central States were somewhat less likely to consider the approach necessary.

The financial impact is becoming severe for most organizations. In the past 6 weeks, the portion of companies experiencing a direct financial hit from COVID-19 increased from 52% to 83%. Retailers continue to be the most heavily impacted group so far, though the other sectors are closing the gap. No industry segment is being spared.

As of March 18, the typical organization envisioned a "Somewhat Negative" impact to revenue but planned to hold its employee counts intact and maintain spending levels for advertising and technology. Those plans have changed for most organizations. More than 90% are now envisioning a moderate to major revenue hit, and most are planning to reduce their head count. Over 40% of organizations have already furloughed or terminated employees since March 1. More than ½ of companies also plan to reduce some of their advertising spending, though IT spending is still expected to stay consistent.

The data show that the CARES Act is providing a needed lifeline for many organizations. Nearly 50% of respondents reported that without the CARES Act, they would be leaning toward a moderate or major level of concern about their long-term viability. However, thanks to the intervention, the level of moderate or major concerns is only 21%, despite far more companies envisioning heavy losses in revenue.

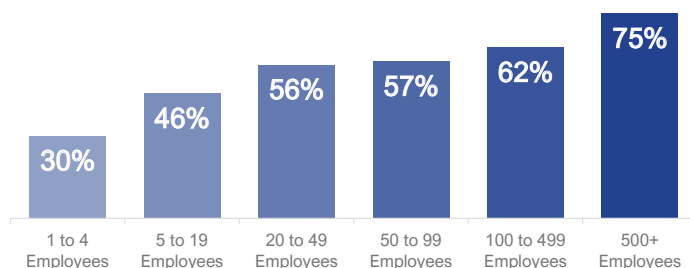
ACTION STEPS

Which of the following is a new action your organization has put in place due to COVID-19?

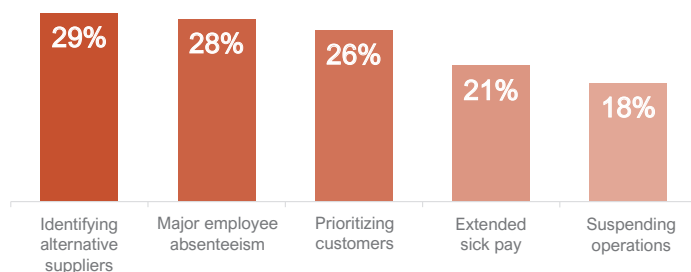
Top 10 Overall

	March 18	April 9	April 30
1 Employee distancing (physical)	67%	85%	85%
2 Hand sanitizer (increased availability)	73%	76%	83%
3 Canceled all large group activities (conferences, events, exhibits, etc.)	71%	84%	78%
4 Eliminating visitors to office	48%	75%	70%
5 Posted reminders about proper hygiene	52%	63%	70%
6 Daily office cleanings/sanitization	62%	64%	65%
7 Outfitting employees with Personal Protective Equipment (PPE)	NA	39%	63%
8 Canceled all in-person meetings.	45%	70%	59%
9 Work from home (partial mandate - some necessary personnel will remain on-site)	41%	56%	58%
10 Flexible work scheduling	44%	52%	52%

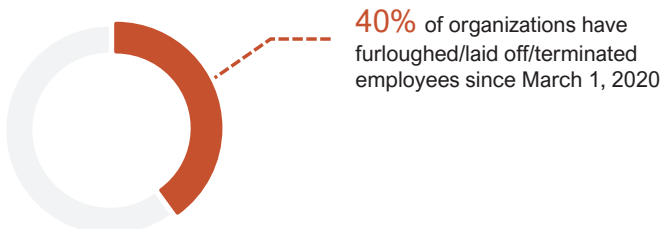
Organizations with Formal Disaster Plans in Place by Staff Size



Scenarios for Which Organizations Have a Formal Plan



Workforce Reductions



COVID-19

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Action Steps:

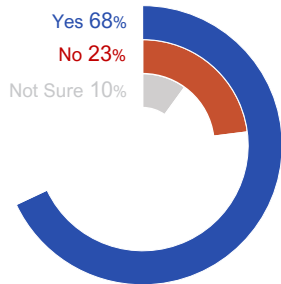
Since March 18, many more organizations are now distancing their employees and have canceled all in-person meetings and group activities. Most companies also now have at least some employees working from home and many are working flexible schedules. The wide availability of hand sanitizer and daily office cleanings remain very common.

The current crisis has not pushed many more companies to develop a disaster recovery plan. Slightly more than half (56%) of all organizations have a formal plan in place for handling common disaster scenarios. The largest companies are the most prepared (75% have a formal disaster plan), while just 30% of the smallest companies have developed a formal plan. Between March 18 and April 30, more companies developed plans to identify alternative suppliers (29% vs 16%).

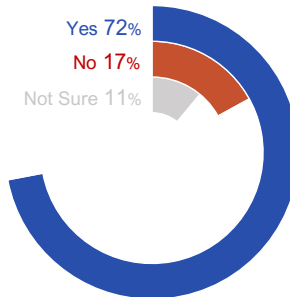
More than 2/3 of organizations applied for a loan through the Paycheck Protection Program of the CARES Act and 72% of respondents that applied for a loan have received funds. Most companies plan to rehire their recently furloughed/ laid off employees once their loans are received.

ACTION STEPS

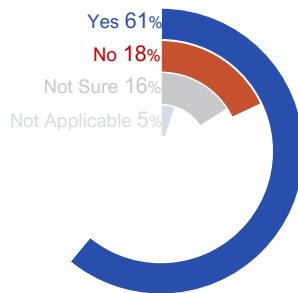
Applied for a Loan through the Paycheck Protection Program



If Applied, Was Loan Processed and Were Funds Received

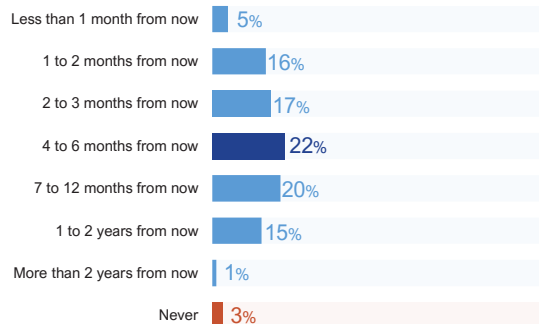


If Funds Received, Have You Hired (or plan to) Hire Back Recently Furloughed/Laid Off Employees

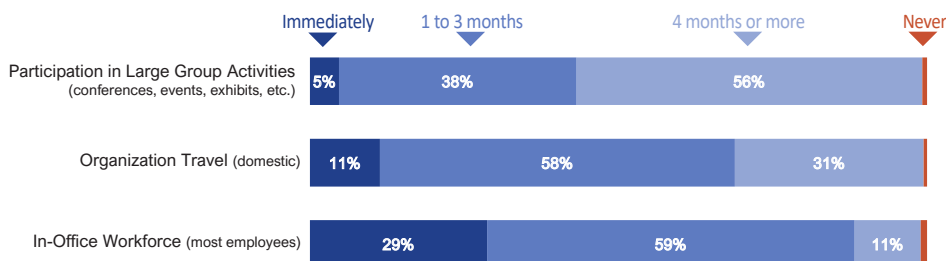


THE FUTURE

Expectations for a Return to Pre-COVID-19 Day-to-Day Operations Status



Expectations of When Organizations will Return to Pre-COVID-19 Operations Status Once "Stay-at-Home" Orders/Directives are Lifted



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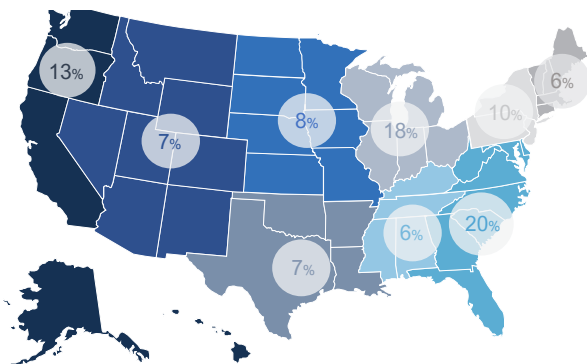
The Future:

The timeline has been pushed for when organizations expect the stay at home ban to be lifted and their daily operations will return to a pre-COVID-19 state. For the March 18 survey, respondents noted a general plan that things should return to normal by June 1. That envisioned date for normalcy is now targeted by most as sometime in late September (this target date is also 2 months later than what was reported on the Series #2 survey, just 3 weeks ago).

Once the stay-at-home orders have been lifted, 55% of respondents expect to have most of their employees back in the office within one month and nearly 70% of participants reported that domestic company travel will resume within 3 months. Though it may take longer for companies to adjust back to large group events and conferences as only 11% expect to resume participation within 1 month, 32% will resume large group activities within 1 to 3 months, 29% will resume in 4 to 6 months, and 27% indicated it will take 7 or more months.

PROFILE

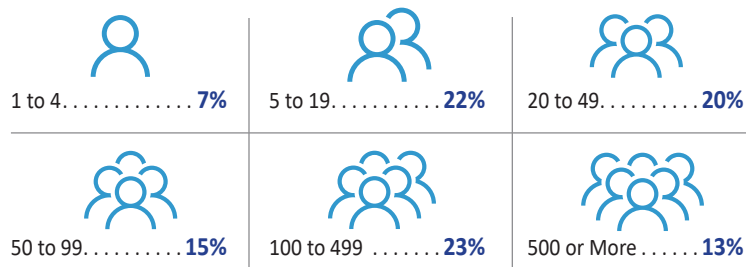
Respondents by Region



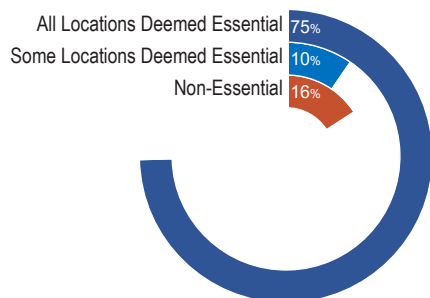
Respondents by Organization Type

	Manufacturer	29%
	Service Provider to Organizations	22%
	Distributor	19%
	Construction Contractor	18%
	Retailer/Dealer	18%
	Service Provider to Individuals	8%
	University/Academic	3%
	Other	7%

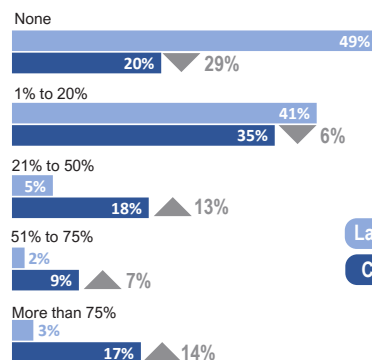
Number of Employees



Respondents by Jurisdiction Classification



Portion of Employees Working Remotely



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About Industry Insights, Inc:

Industry Insights is a research and data analytics firm that has been serving the research needs of trade and professional associations, dealer organizations and other affiliated groups since 1980. The firm specializes in providing high-quality research services that assist such organizations in better fulfilling the informational and educational needs of their members.

As a group of CPAs, Statisticians, and IT professionals with decades of experience in providing survey research solutions for trade and professional associations, Industry Insights excels in defining methods and tools that provide relevant and user-friendly information for each client. Industry Insights serves as an objective third party and ensures the confidentiality of respondents' data. Industry Insights welcomes questions about this survey. We may also be able to put you in touch with client contacts who could more specifically provide details and context regarding their members' strategies.

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