COVID-19 BUSINESS IMPACT SURVEY (2)

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A follow-up to survey results published:
March 23, 2020
There is fear that, with time, the lack of medical and sanitizing supplies will required home quarantine, which will diminish any opportunity to recoup any revenue. Some businesses are so new they have already maxed out loan options. Businesses have a concern for the long-term impact of this crisis and express worry that consumer fear will negatively impact sales, reservations, investments and 'business as usual' long into the future.
EXECUTIVE STATEMENT

The East Valley Chambers of Commerce Alliance (EVCCA) conducted the second in a series of surveys of its more than 5,000 members to determine the immediate impact of the COVID-19 pandemic on their revenue, operations, and supply chains. The report includes responses from nineteen industry sectors and nearly 70 percent of respondents represent businesses with less than 20 employees.

It should be noted that the survey was completed prior to Governor Ducey’s Executive Order to close additional essential services like hair and nail salons. Based on the data and feedback received, the following commonalities were identified:

Actions Taken
- Only 21% of respondents noted there was no change in their current business model.
- Another 21% said their business remains open with a skeleton staff but have either furloughed or laid off staff.
- Sixteen percent were able to transition to full remote working.
- Another 16% combined closing their business location, furlough or laid off all or some of their employees.

Loans and Funding
- Loans and debt relief are top of mind for the majority of respondents with 56% applying for the SBA’s Economic Injury Disaster Loan and 47% preparing to apply for the Paycheck Protection Program loans.
- Rent or mortgage relief is being requested by 31%.
- Thirteen percent respectively are looking at utility and accounts payable relief.

Key Pain Points
- Businesses are looking for clarity on loan processes and faster service to receive funds as well as debt relief for rent/mortgage.
- There is growing concern of additional debt and penalties on tax collections.
- Businesses are seeking creative, inexpensive ways to market they are still ‘Open For Business’; some requested reduced signage restrictions, and tourism marketing for summer months.
- Cleaning and sanitizing supplies are still hard to obtain but are necessary in most essential businesses.
- There is an interruption of supply chain as suppliers are closing and businesses are left dealing with import/export issues to obtain raw materials and to ship final products.

Best Practices
- Businesses are transitioning to a variety of virtual models to keep in touch and serve clients.
- Business locations are implementing sanitizing processes to make it easy for customers to accept products and services without making contact with common areas or interacting with employees.
- Some businesses are encouraging others to be open to changing their business model so as to meet the needs of customers and to be prepared for pent up demand once we get past this time.
WHICH OF THE FOLLOWING INDUSTRIES BEST REPRESENTS YOUR COMPANY?

The EVCCA is the largest chamber organization in Arizona with more than 5,000 members. This survey was conducted with an immediate turnaround date resulting in a 6.6% response rate.
WHICH OF THE FOLLOWING ACTIONS DO YOU INTEND TO OR HAVE YOU ALREADY TAKEN?

A. Location Closed. Employees working remotely.
B. Location Closed. Furloughed and/or laid off all or some employees.
C. Location Open. Skeleton staff and furloughs.
D. No change to by business model.
E. Other
F. No Response

DO YOU INTEND TO OR HAVE YOU ALREADY APPLIED FOR ANY OF THE FOLLOWING?

- SBA Economic Injury Disaster Loans (EIDLs)
- CARES Act - Paycheck Protection Program
- Line of Credit
- Rent/Mortgage Relief
- Utility Relief
- Other Accounts Payable Relief
- Extended payment options for customers
- Other

0% 20% 40% 60%
WHAT ADDITIONAL HELP DO YOU CURRENTLY NEED TO DEAL WITH THE IMPACT OF COVID-19?

CASHFLOW

- Clarity on processes and relief benefits of loans. They seek faster access to cash and assistance with loan preparation
- Relief from expense and debt, including loans, rent, and insurance payments. There is growing concern of additional debt from penalties, loan interest, etc.
- Business Interruption Insurance coverage for viral and bacterial outbreaks
- Suspension of property tax and estimated tax payments
- Donations

MARKETING

- Targeted efforts to promote 'Open For Business' message with emphasis on delivery services, online and gift card purchasing options, and free advertising options.
- Referrals
- Relaxed sign restrictions
- Strategy in place for summer tourism attraction

SUPPLY CHAIN

- Sanitizing and cleaning products required to remain in operation, including masks
- Ease of imports and exports of raw materials and end-use products
- Stable operation of businesses which provide products which support supply chain

ADVOCACY

- Strong voice to represent the needs of small businesses

FUTURE

- Retention of employees even when Unemployment Insurance benefits offer better income than current wages
- Relevancy upon reopening
DO YOU HAVE A BEST PRACTICE FOR SERVING YOUR CUSTOMERS YOU WOULD LIKE TO SHARE TO HELP OTHERS?

VIRTUAL

- Use virtual meeting software, including Zoom, Facetime, WebEx
- Create virtual tours to showcase your facility, offers, and services
- Conduct property inspections using a virtual meeting software and, if entering a facility maintain a social distance of at least six feet
- Reach customers or residents by text to provide updates and resources such as rental assistance, etc.
- Provide distribution-free deliveries at the door
- Offer tele-medicine appointments and share safety tips for clients and instructions for using telemedicine
- Ensure the cyber security of equipment and remote work resources
- Use VoIP to transfer calls to cell phones
- Provide weekly video updates to customers or staff
- https://www.unicom.net/insights/articles/your_newly_remote_workforce

PHYSICAL BUSINESS LOCATION

- Increase sanitization
- Offer food bags instead of buffets
- Transition to remote work and limit time in office
- Reduce office hours to accommodate reduced pay
- Show homes in separate cars and maintain social distancing
- Implement tracking and accountability measures for products and production
- Set up a secure, physical drop-box for customers to deliver payments, paperwork, keys, etc.
- Leave doors open to maximize flow. Customers can avoid touching doorknobs or push bars
- If customer uses restroom, keep door propped open to signal need to sanitize

CONNECTION & MENTAL HEALTH

- Stay positive and calm
- Listen to the concerns of your customers. Be honest about situation
- Send handwritten notes to customers
- Just check in with your customers and staff. Make it personal
- Engage customers and public through interactive games
- Reach out to elderly customers to see what help is needed and simply connect with them
DO YOU HAVE A BEST PRACTICE FOR SERVING YOUR CUSTOMERS YOU WOULD LIKE TO SHARE TO HELP OTHERS?(CONT’D)

RETAIL/RESTAURANTS/SERVICE

- Offer special incentives for the purchase of gift cards, and mail them to eliminate social contact
- Provide curbside pick-up and/or doorstep delivery
- Offer pre-order packages and incentives for future holidays (Easter, Mother's Day, Admin Day)
- Establish online payment processing for customers to submit payments
- Take the temperature of your employees upon arrival to work
- Provide portable sanitizing kits for employees in company vehicles, UV cell phone sanitizers
- Confirm that customers have not traveled outside the U.S. and are not sick prior to interaction
- Provide a mobile card reader to accept credit cards
- Sanitize pens after use
- Station sanitizing wipes outside the entrance
- Change model and use resources to produce supplies in support of medical personnel

FUTURE

- Use this time to identify current price indexes that are directly related to your industry and implement changes based on local economy to take control and leverage on material and supply lines that impact your business and clients
- Change your business model to meet the needs of customers
- Be prepared for pent-up demand once we get past this time
- Prioritize saving 6-months of expenses for emergencies such as this