



# Managing the COVID-19 Crisis – 4th survey findings

13 July 2020

eden  
mccallum

# Contents



## Key findings

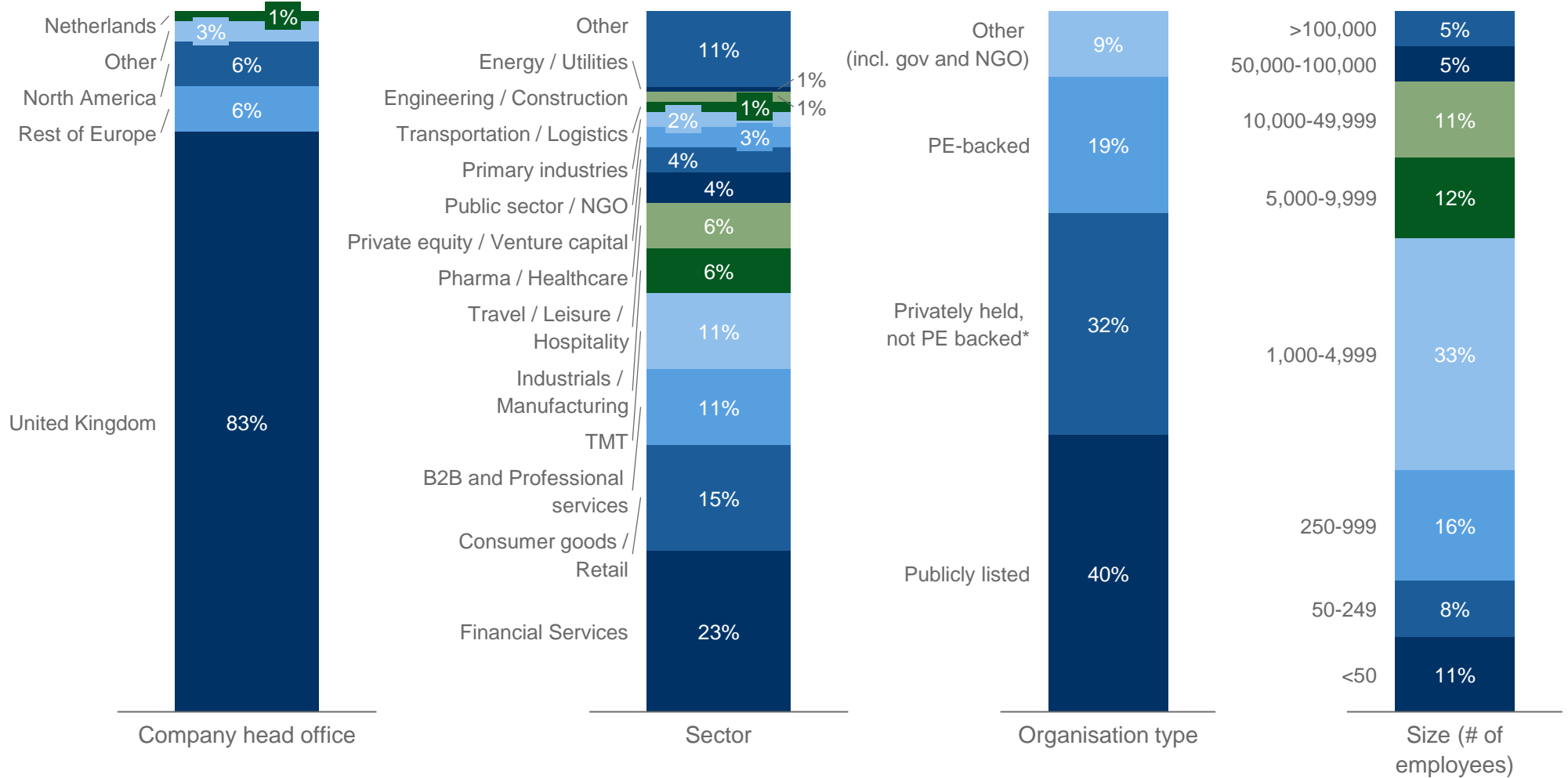
Summary data (full sample)

Data cut by company ownership

# Key findings: Fourth COVID-19 survey of business leaders

- **Concerns about revenue declines due to Covid-19 have fallen** since our first survey in April: 68% expected revenue to decline by more than 20% in April vs 45% now
- **The time frame for recovery has lengthened:** with those expecting the return to 'normal' to take more than a year increasing from 19% to 46% (from April to July)
- PE backed firms are expecting sharper declines in 2020 revenue (54% expecting >20% decline vs 37% for publicly listed companies), although they are expecting a faster recovery (only c.20% expect a return to 'normal' to take more than a year vs. over 50% of non-PE backed private firms and publicly listed companies)
- Half of companies currently have staff on furlough, with **private companies more actively taking up the scheme** (c.75% of PE backed firms, c.60% of non-PE backed private firms and c.40% of publicly listed firms have staff on furlough)
- Six in ten have already or plan to make staff redundant, with private companies again more likely to be taking action (c.75% vs. c.55% of publicly listed firms)
- **'Official' office reopening is mostly expected in the autumn:** 43% of companies are planning to reopen in **September / October 2020**; a similar percent are already open or plan to do so in July/August
- Once reopened, **8 in 10 companies** are expecting **half or fewer** of their office staff in at any one time; 3 in 10 are expecting less than a quarter
- **Policies on remote vs onsite working vary, although c. one-third (31%)** of businesses intend to give staff full flexibility on whether to work remotely or onsite
  - **More flexible policies** appear to be driven by the **physical challenges** of onsite work, staff's **personal Covid-19 related responsibilities** (e.g. childcare) and the need for staff to **use public transport**
  - Those seeking to **require staff back in the office** have rated **productivity** and **monitoring** factors more highly
  - PE-backed companies are least likely to offer staff full flexibility
- **Staff safety** was considered 'Very important' by **91% of respondents** for factors that will influence company's policies on remote vs onsite working. Other key factors were **staff morale**, the need for staff to use **public transport** to get to work, compliance with **legal/regulatory requirements**, the challenges of **physical changes to the office** required for social distancing, and staff's **personal Covid-related responsibilities** (e.g., home schooling).
- **Training and development, monitoring/managing staff and concerns about splitting teams were amongst the least important factors** influencing policies on remote vs onsite working'

# Background information of respondents



Source: Eden McCallum COVID-19 Impact Survey 4, 2<sup>nd</sup>-3<sup>rd</sup> July 2020

n=139, \*\*Includes Partnerships.

Note: (1) Survey has been sent from our UK office only and, (2) Totals may not equal 100% due to rounding



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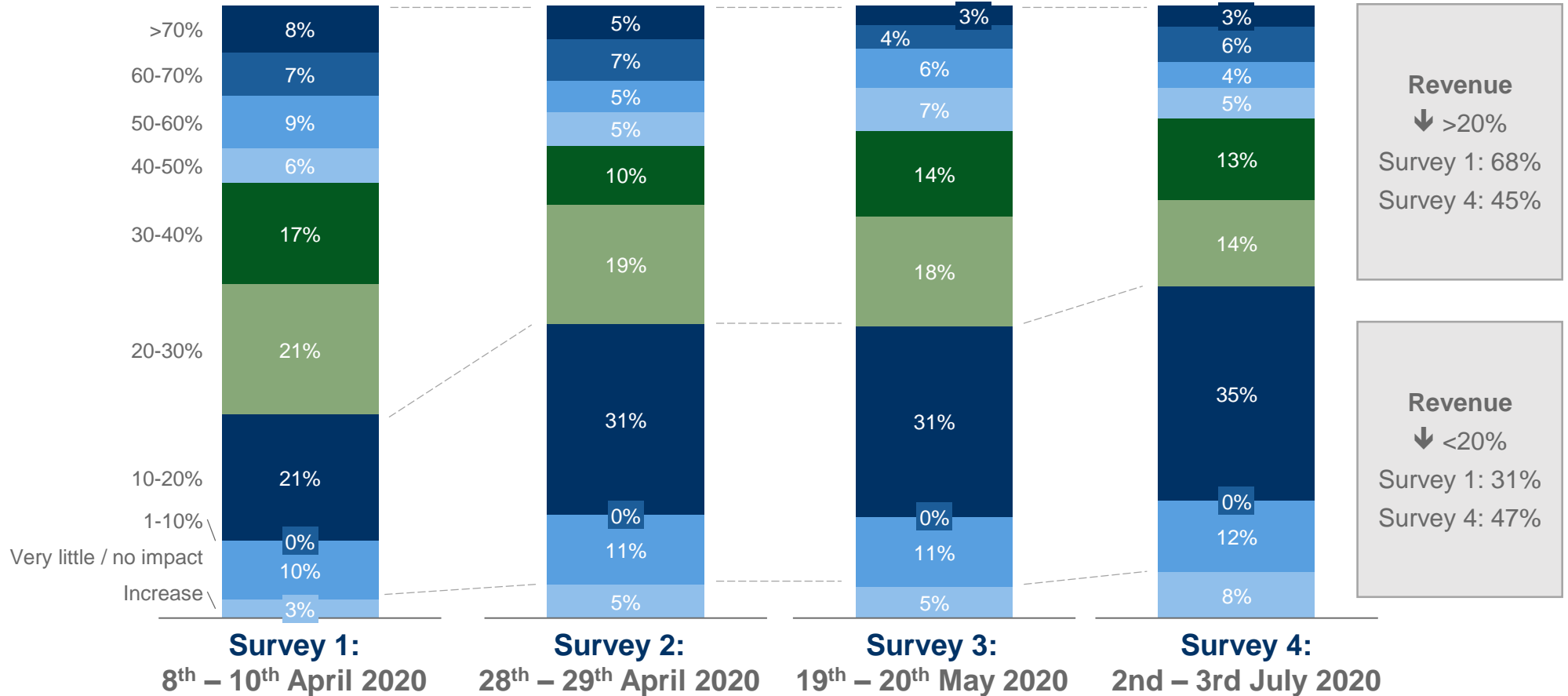
Key findings

**Summary data (full sample)**

Data cut by company ownership

# Expected impact of Covid-19 crisis on revenue has improved over past 3 months

## EXPECTED CHANGE IN 2020 REVENUE DUE TO COVID-19 CRISIS



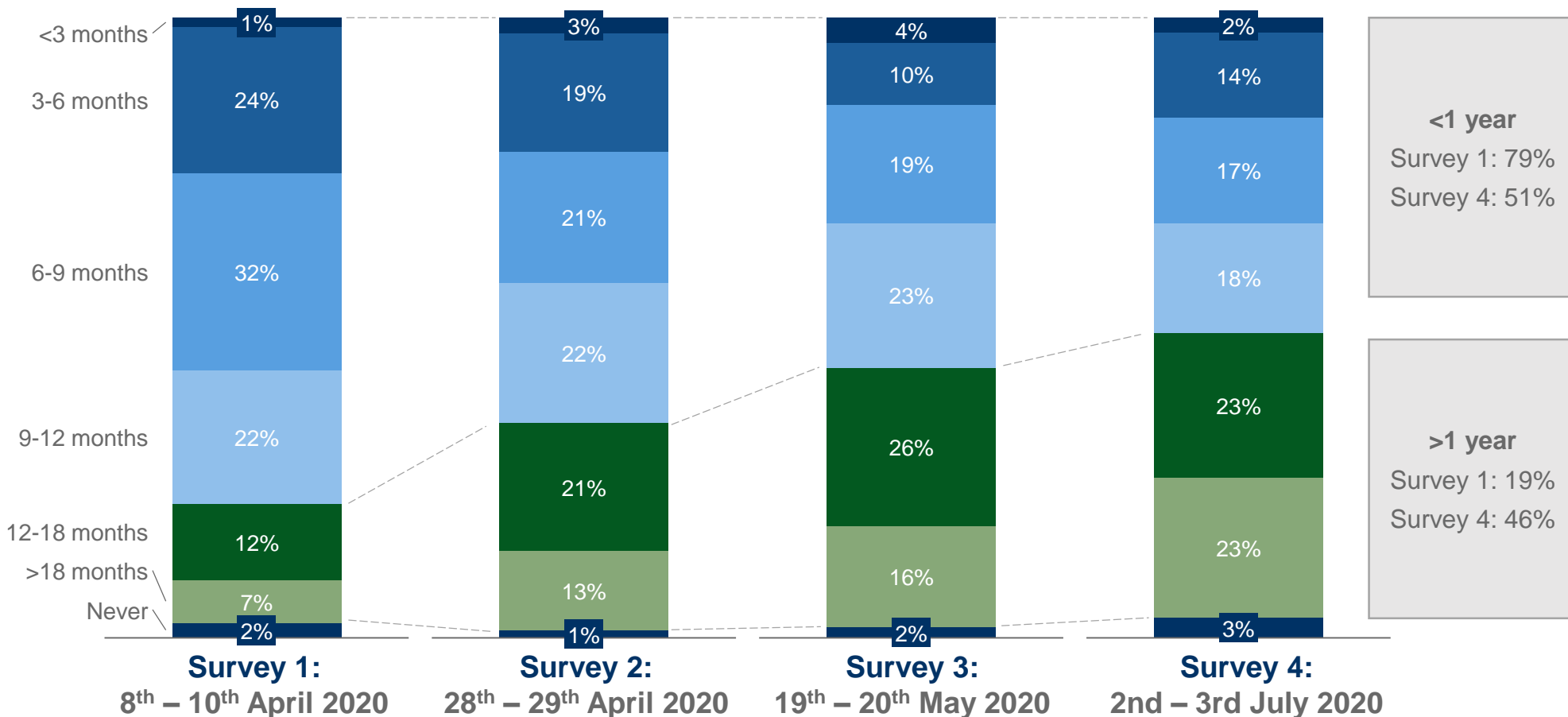
Source: Eden McCallum COVID-19 Impact Survey 1, 8th-10th April 2020, Survey 2, 28th-29th April 2020, Survey 3, 19th-20th May 2020, Survey 4, 2nd-3rd July 2020

Survey 1: n=198, Survey 2: n=237, Survey 3, n=157, Survey 4: n=120

Note: (1) Survey has been sent from our UK office only and, (2) Totals may not equal 100% due to rounding

# Business leaders' planning horizon for a return to "normal" has lengthened significantly

## PLANNING ASSUMPTION: WHEN WILL BUSINESS RETURN TO 'NORMAL'?



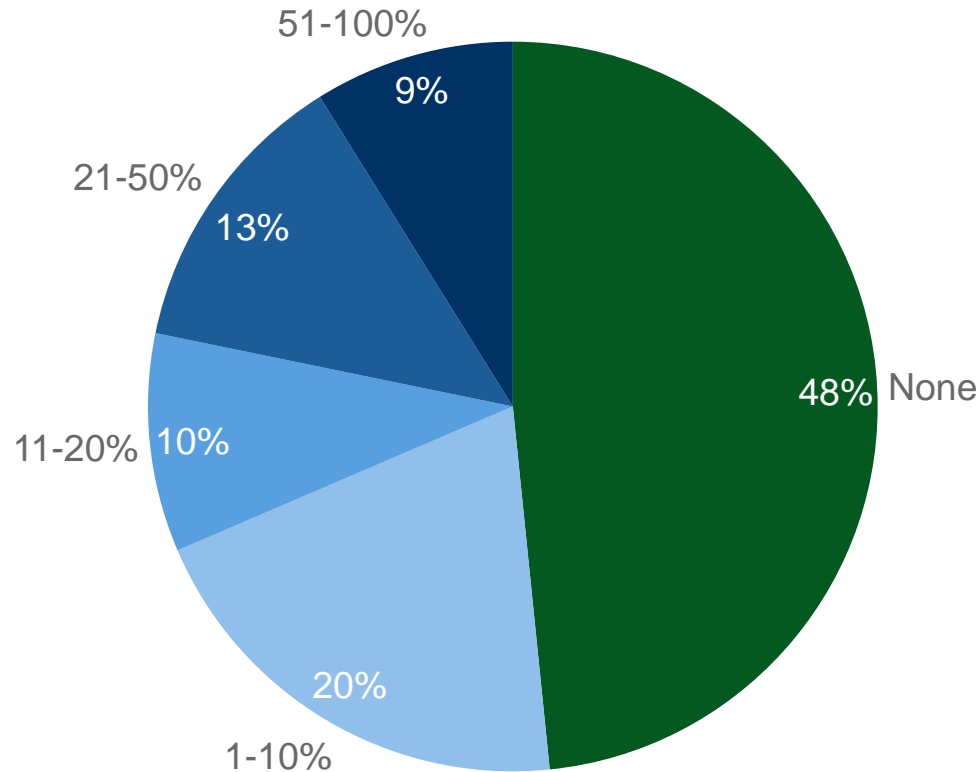
Source: Eden McCallum COVID-19 Impact Survey 1, 8<sup>th</sup>-10<sup>th</sup> April 2020, Survey 2, 28<sup>th</sup>-29<sup>th</sup> April 2020, Survey 3, 19<sup>th</sup>-20<sup>th</sup> May 2020, Survey 4, 2<sup>nd</sup>-3<sup>rd</sup> July 2020

Survey 1: n=204, Survey 2: n=236, Survey 3, n=172, Survey 4: n=132

Note: (1) Survey has been sent from our UK office only

# Half of businesses currently have staff on furlough

## % OF WORKFORCE CURRENTLY ON FURLOUGH



Source: Eden McCallum COVID-19 Impact Survey 4, 2<sup>nd</sup>-3<sup>rd</sup> July 2020

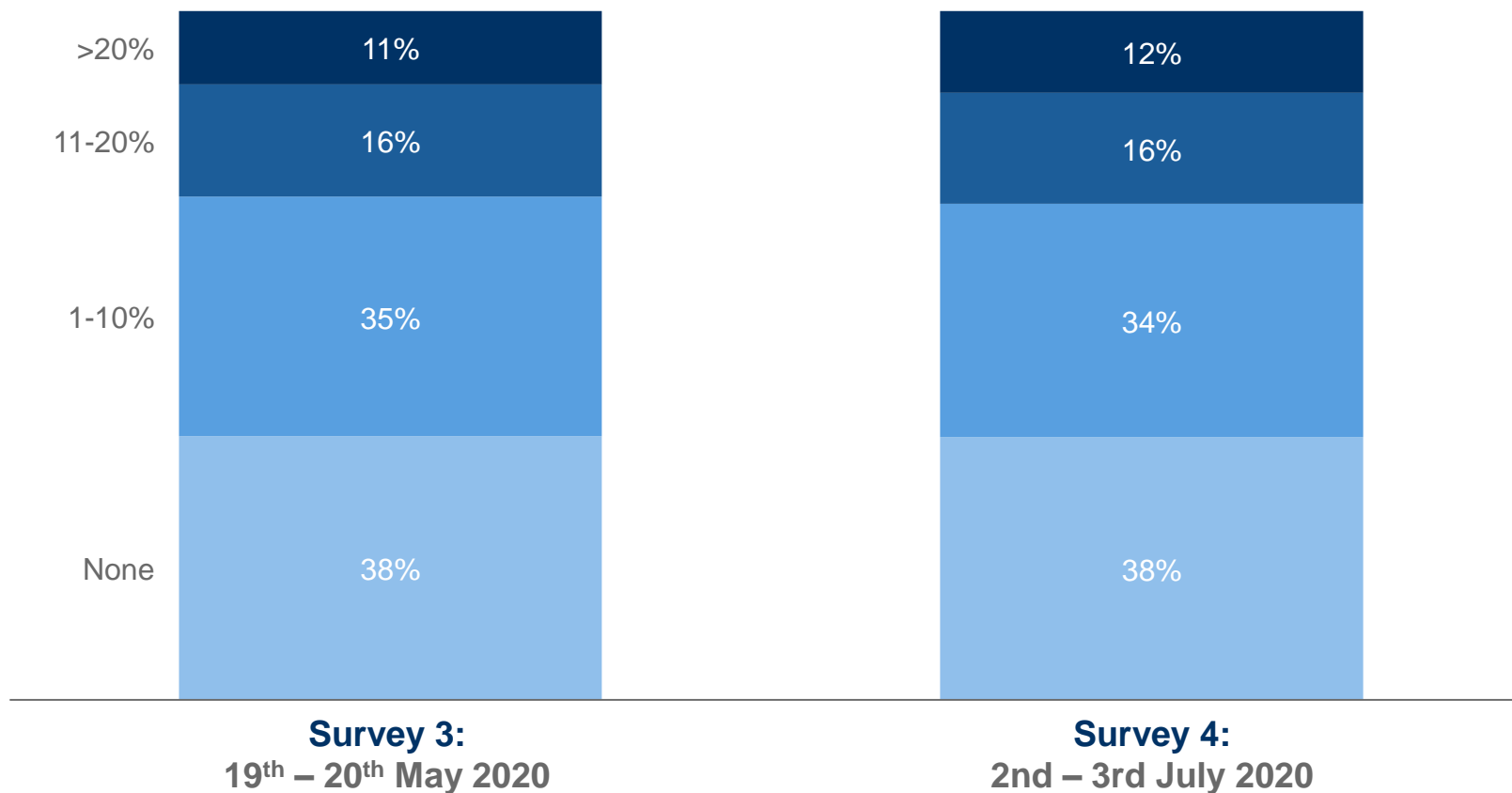
n=124

Note: (1) Survey has been sent from our UK office only



# 6 in 10 business leaders continue to expect to make redundancies

## ESTIMATED % OF TOTAL WORKFORCE TO BE MADE REDUNDANT



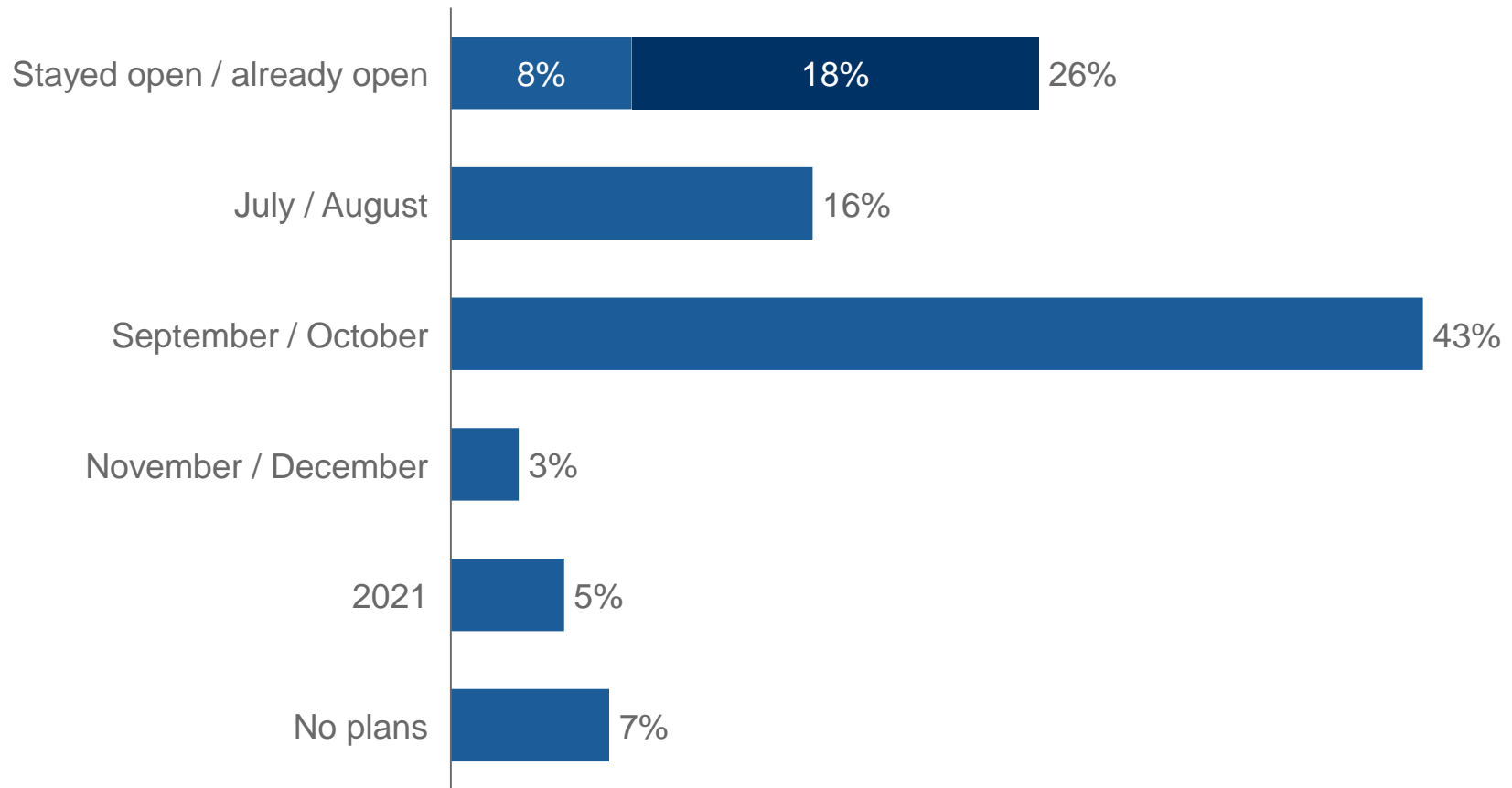
Source: Eden McCallum COVID-19 Impact Survey 3, 19<sup>th</sup>-20<sup>th</sup> May 2020, Eden McCallum COVID-19 Impact Survey 4, 2<sup>nd</sup>-3<sup>rd</sup> July 2020

Survey 3, n=141, Survey 4, n=118

Note: (1) Survey has been sent from our UK office only

# Most offices are expected to remain closed until the Autumn

## OFFICIAL OFFICE RE-OPENING



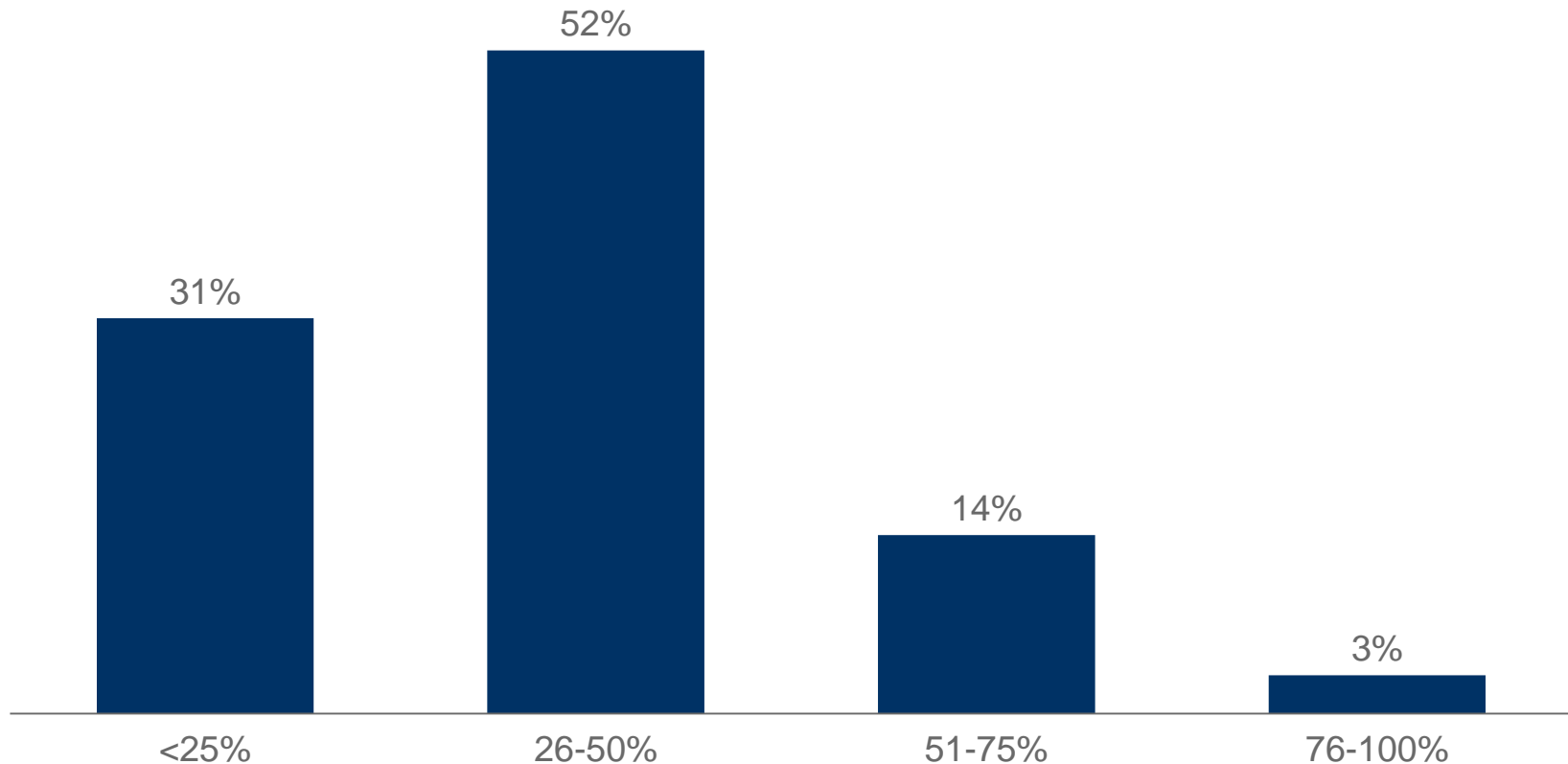
Source: Eden McCallum COVID-19 Impact Survey 4, 2<sup>nd</sup>-3<sup>rd</sup> July 2020

n=125

Note: (1) Survey has been sent from our UK office only

Once reopened, 8 in 10 companies are expecting half or fewer of their office staff in at any one time; 3 in 10 are expecting less than a quarter

## % OF WORKFORCE EXPECTED IN THE OFFICE ONCE RE-OPENED



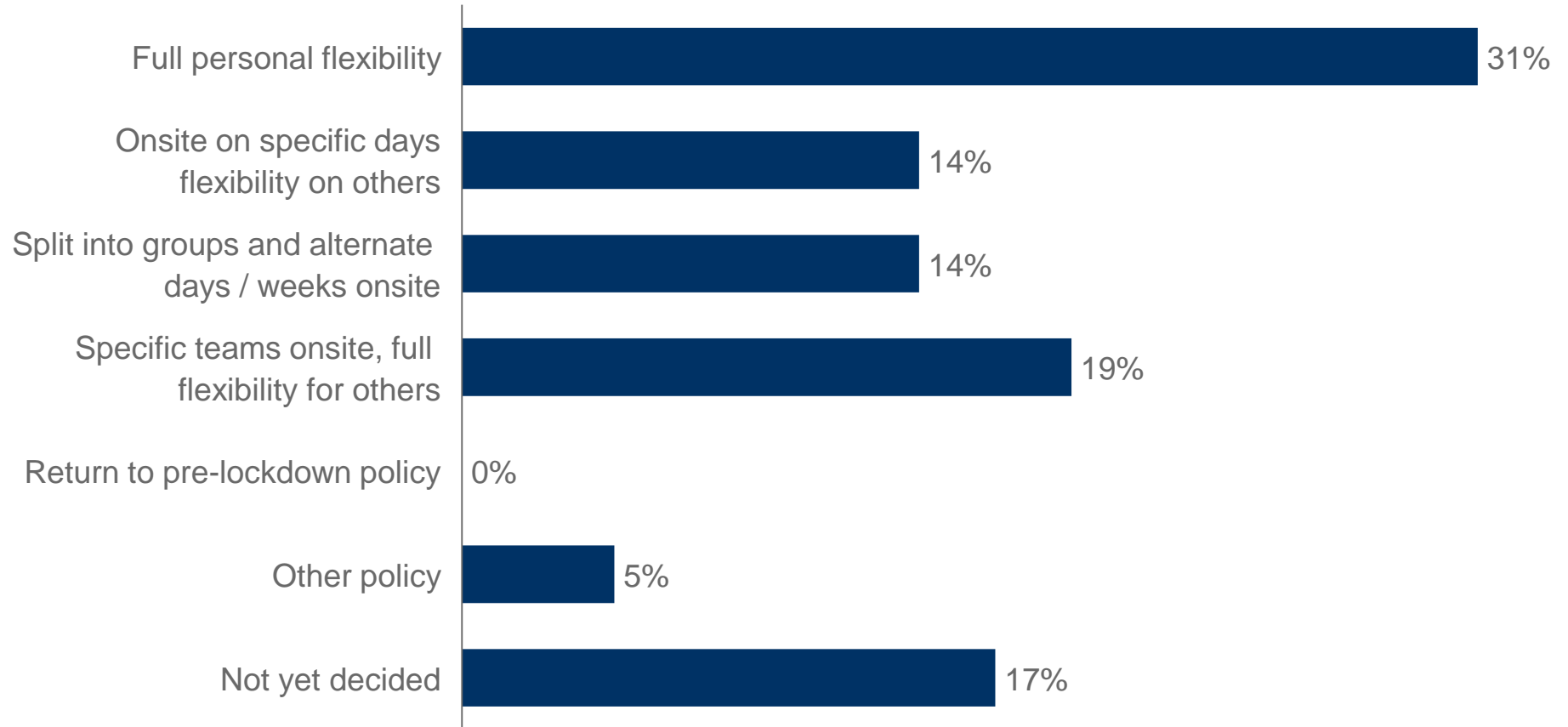
Source: Eden McCallum COVID-19 Impact Survey 4, 2<sup>nd</sup>-3<sup>rd</sup> July 2020

n=125

Note: (1) Survey has been sent from our UK office only

# Nearly a third of businesses are expected to offer full flexibility to employees when offices reopen

## LIKELY COMPANY POLICY ON ONSITE VS. REMOTE WORKING



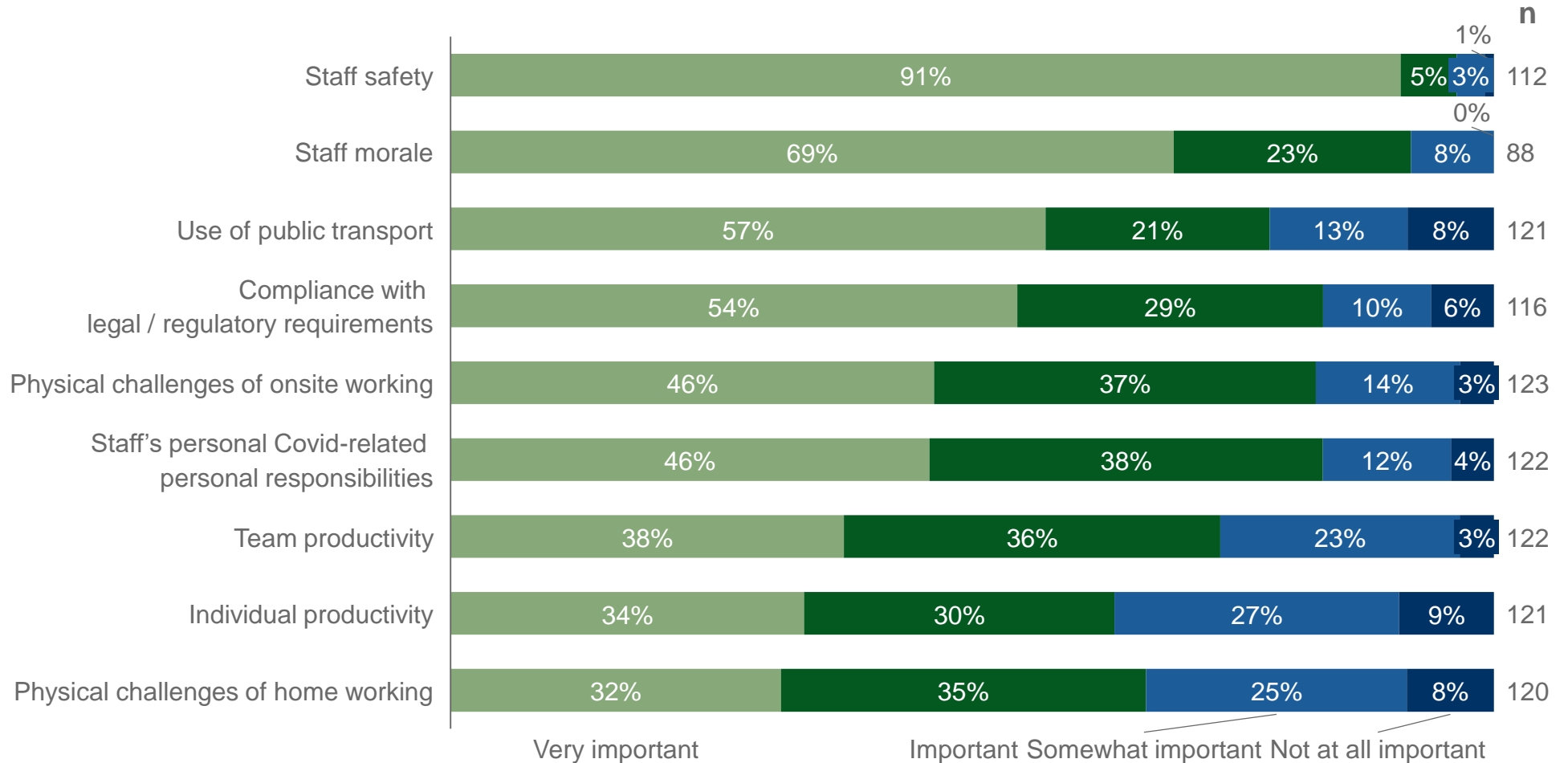
Source: Eden McCallum COVID-19 Impact Survey 4, 2<sup>nd</sup>-3<sup>rd</sup> July 2020

n=127

Note: (1) Survey has been sent from our UK office only

# Staff safety is the key factor influencing company policies, although several other important factors are being weighed up...

## FACTORS INFLUENCING POLICY ON ONSITE VS. REMOTE WORKING



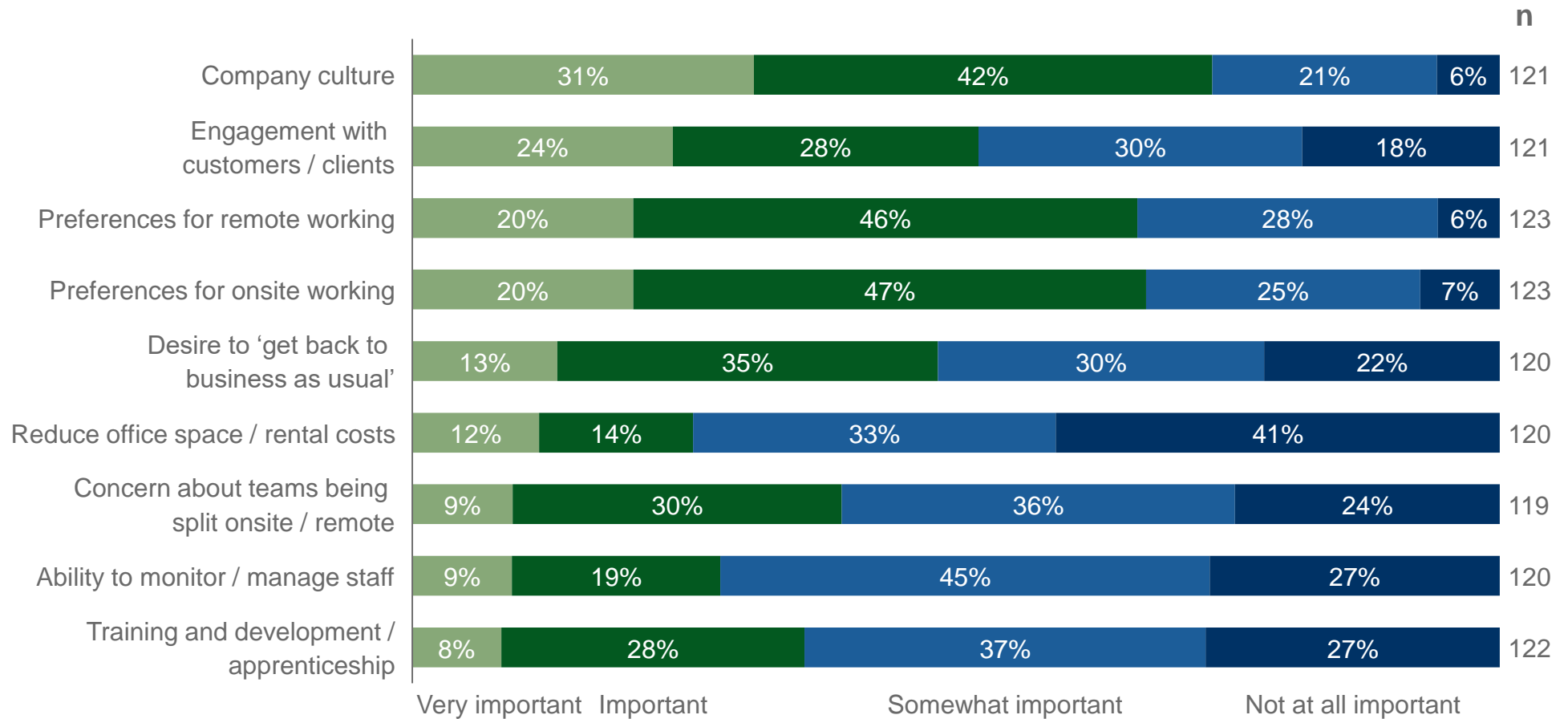
Source: Eden McCallum COVID-19 Impact Survey 4, 2<sup>nd</sup>-3<sup>rd</sup> July 2020

n=88-123, n values do not reach to 123 due to unanswered questions

Note: (1) Survey has been sent from our UK office only and, (2) Totals may not equal 100% due to rounding

# ...and these often pull in conflicting directions

## FACTORS INFLUENCING POLICY ON ONSITE VS. REMOTE WORKING



Source: Eden McCallum COVID-19 Impact Survey 4, 2<sup>nd</sup>-3<sup>rd</sup> July 2020

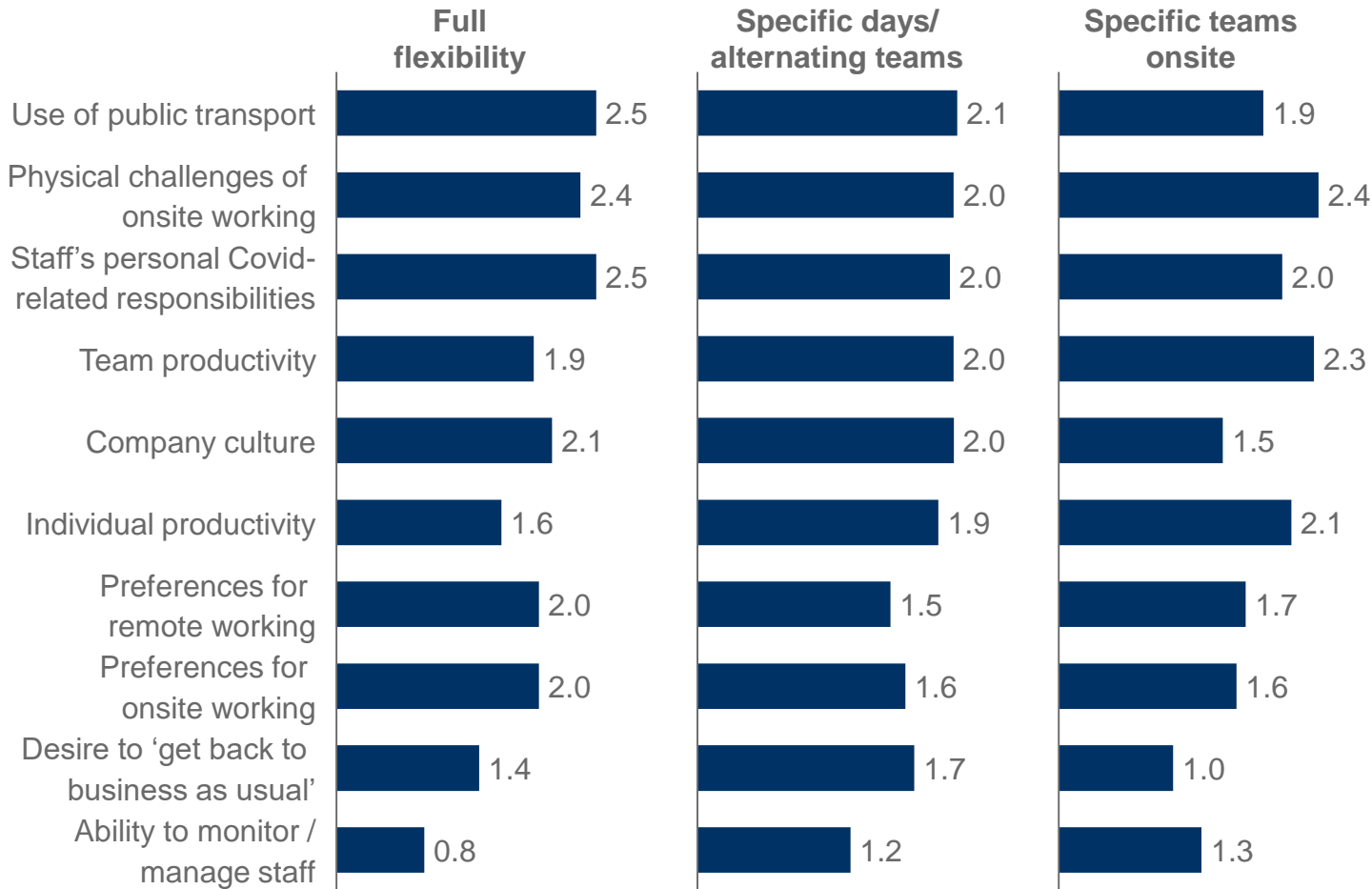
n=88-123, n values do not reach to 123 due to unanswered questions

Note: (1) Survey has been sent from our UK office only and, (2) Totals may not equal 100% due to rounding



# Different views on the importance of key factors is driving the policy choices on remote vs onsite working

## FACTORS INFLUENCING POLICY ON ONSITE VS. REMOTE WORKING



- **More flexible policies** appear driven by the challenges of using **public transport**, **personal Covid-related responsibilities** and balancing **conflicting employee preferences**
- Those seeking to require staff back in the office have rated **productivity** and **monitoring** factors more highly

Source: Eden McCallum COVID-19 Impact Survey 4, 2<sup>nd</sup>-3<sup>rd</sup> July 2020

Total: n=88-123, Full flexibility: n=26-40, Split groups / alternate days: n=25-34, Specific teams onsite: n=20-24

Average values have been attributed by answer: Not at all important = 0, Somewhat important = 1, Important = 2, Very important = 3. Note: (1) Survey has been sent from our UK office only

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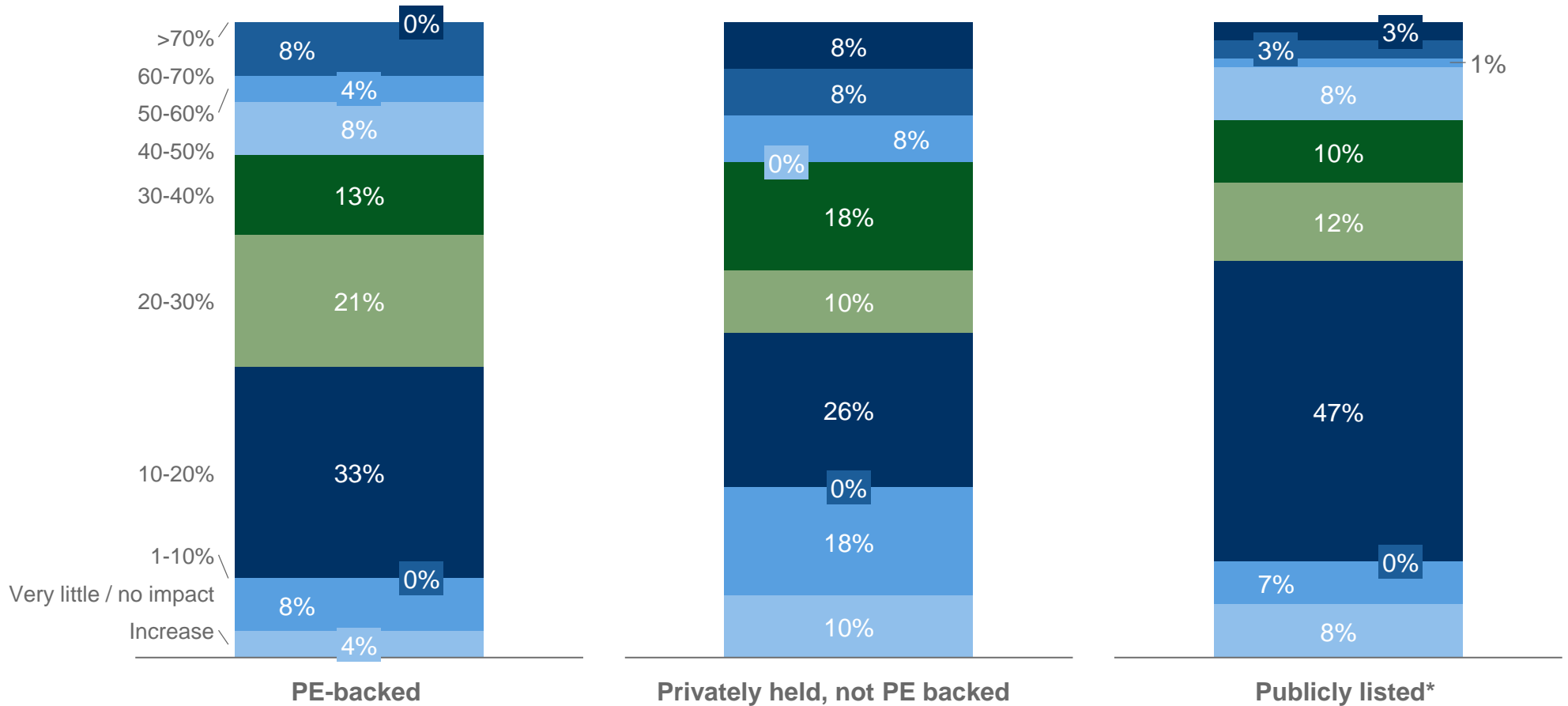
Key findings

Summary data (full sample)

**Data cut by company ownership**

# PE-backed firms are expecting a greater decline in 2020 revenue (54% expecting >20% decline vs 37% for plc's)

## EXPECTED CHANGE IN 2020 REVENUE DUE TO COVID-19 CRISIS – BY COMPANY TYPE



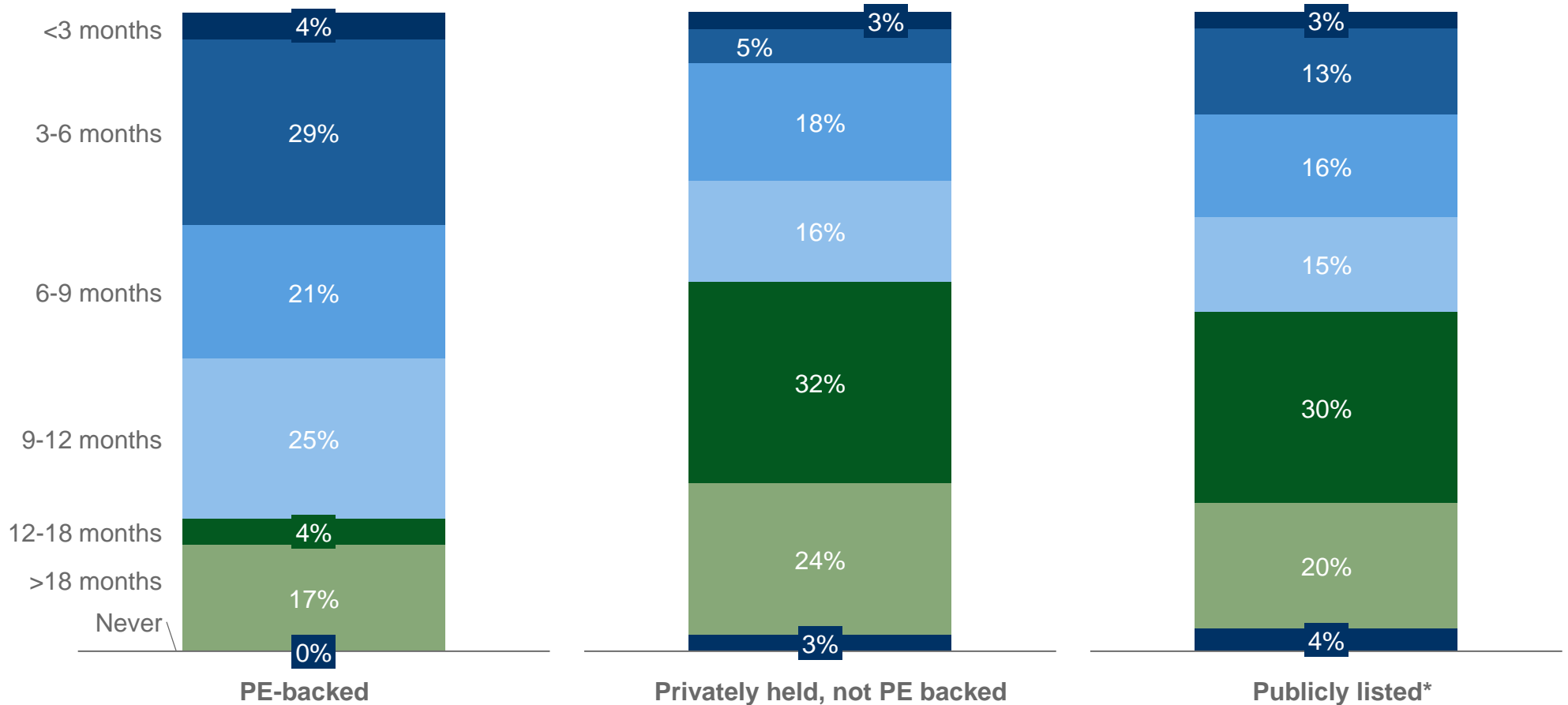
Source: Eden McCallum COVID-19 Impact Survey 4, 2<sup>nd</sup>-3<sup>rd</sup> July 2020

(PE backed, n=24, Privately held not PE backed, n=39 – includes Partnerships, Publicly listed, n=43, total n = 106). \*Re-weighted to align % of Financial Services companies to reflect FTSE 100

Note: (1) Survey has been sent from our UK office only and, (2) Totals may not equal 100% due to rounding

Only c. 20% of PE-backed companies expect a 'return' to normal to take more than a year, vs 50%+ for other private companies and plc's

## WHEN WILL BUSINESS RETURN TO 'NORMAL'? – BY COMPANY TYPE



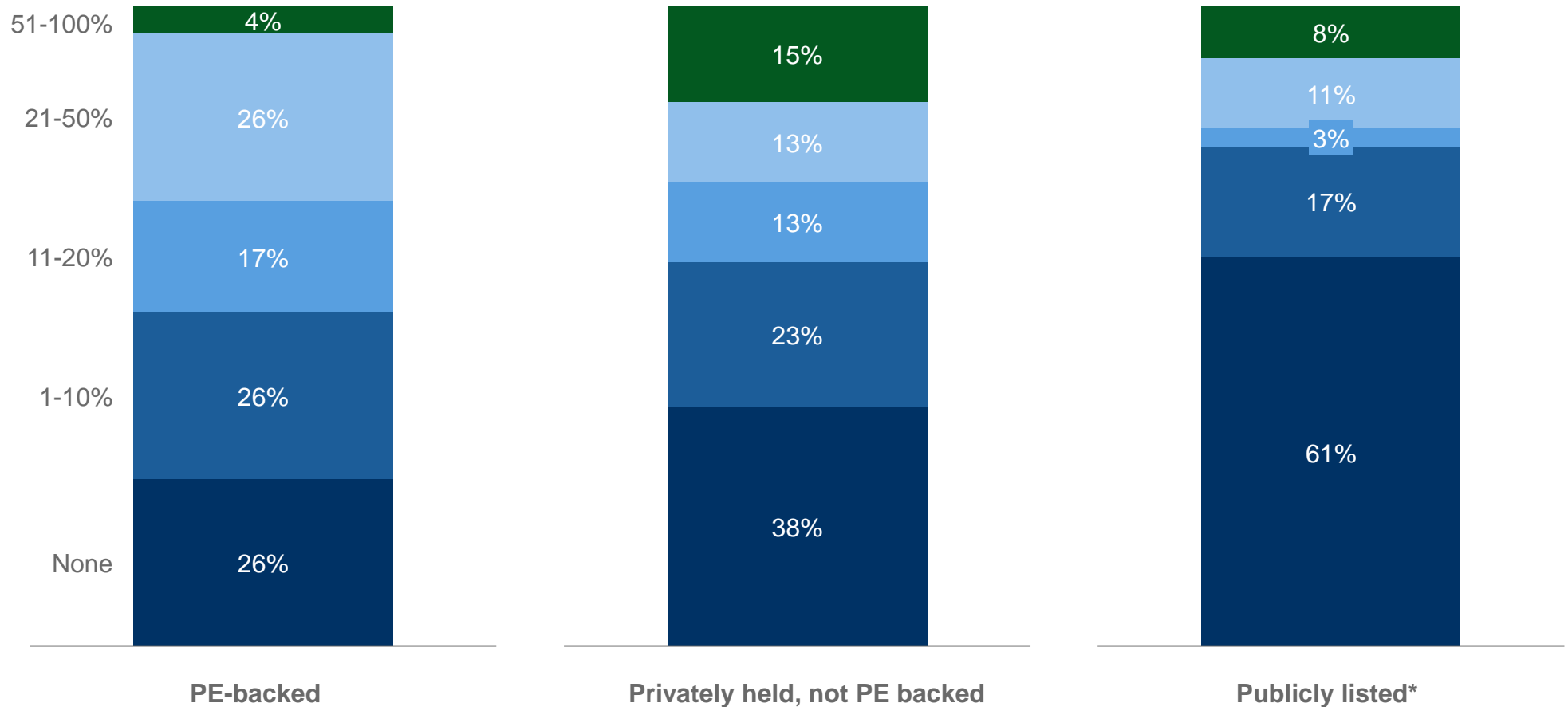
Source: Eden McCallum COVID-19 Impact Survey 4, 2<sup>nd</sup>-3<sup>rd</sup> July 2020

(PE backed, n=24, Privately held not PE backed, n=38 – includes Partnerships, Publicly listed, n=49, total n = 111). \*Re-weighted to align % of Financial Services companies to reflect FTSE 100

Note: (1) Survey has been sent from our UK office only and, (2) Totals may not equal 100% due to rounding

# Private companies have been more active in taking up the furlough scheme...

## % OF WORKFORCE ON FURLOUGH – BY COMPANY TYPE



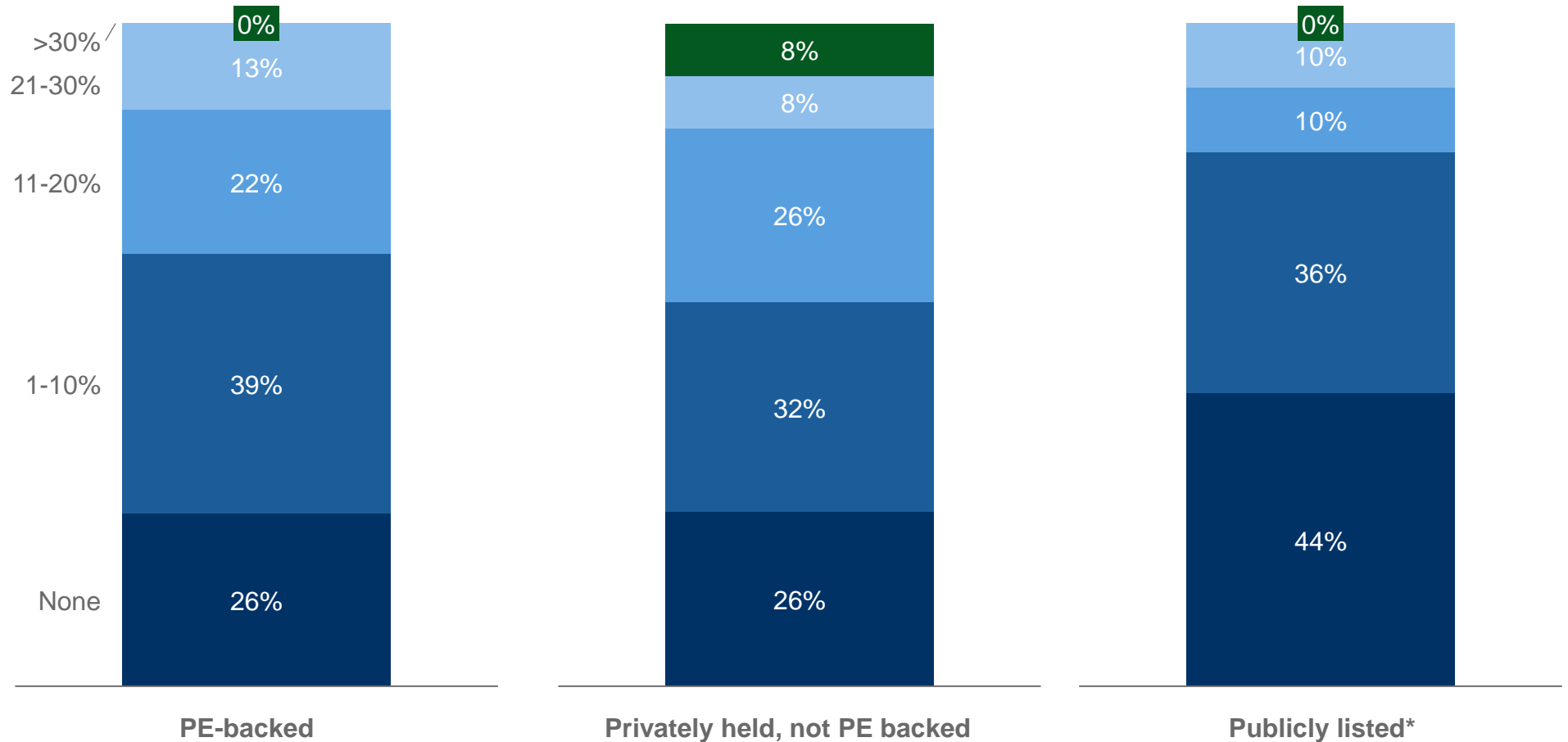
Source: Eden McCallum COVID-19 Impact Survey 4, 2<sup>nd</sup>-3<sup>rd</sup> July 2020

(PE backed, n=23, Privately held not PE backed, n=40 – includes Partnerships, Publicly listed, n=48, total n = 111). \*Re-weighted to align % of Financial Services companies to reflect FTSE 100

Note: (1) Survey has been sent from our UK office only and, (2) Totals may not equal 100% due to rounding

# ...and are expecting to make more staff redundant once government employment support ends

## % OF WORKFORCE (TO BE) MADE REDUNDANT – BY COMPANY TYPE



Source: Eden McCallum COVID-19 Impact Survey 4, 2<sup>nd</sup>-3<sup>rd</sup> July 2020

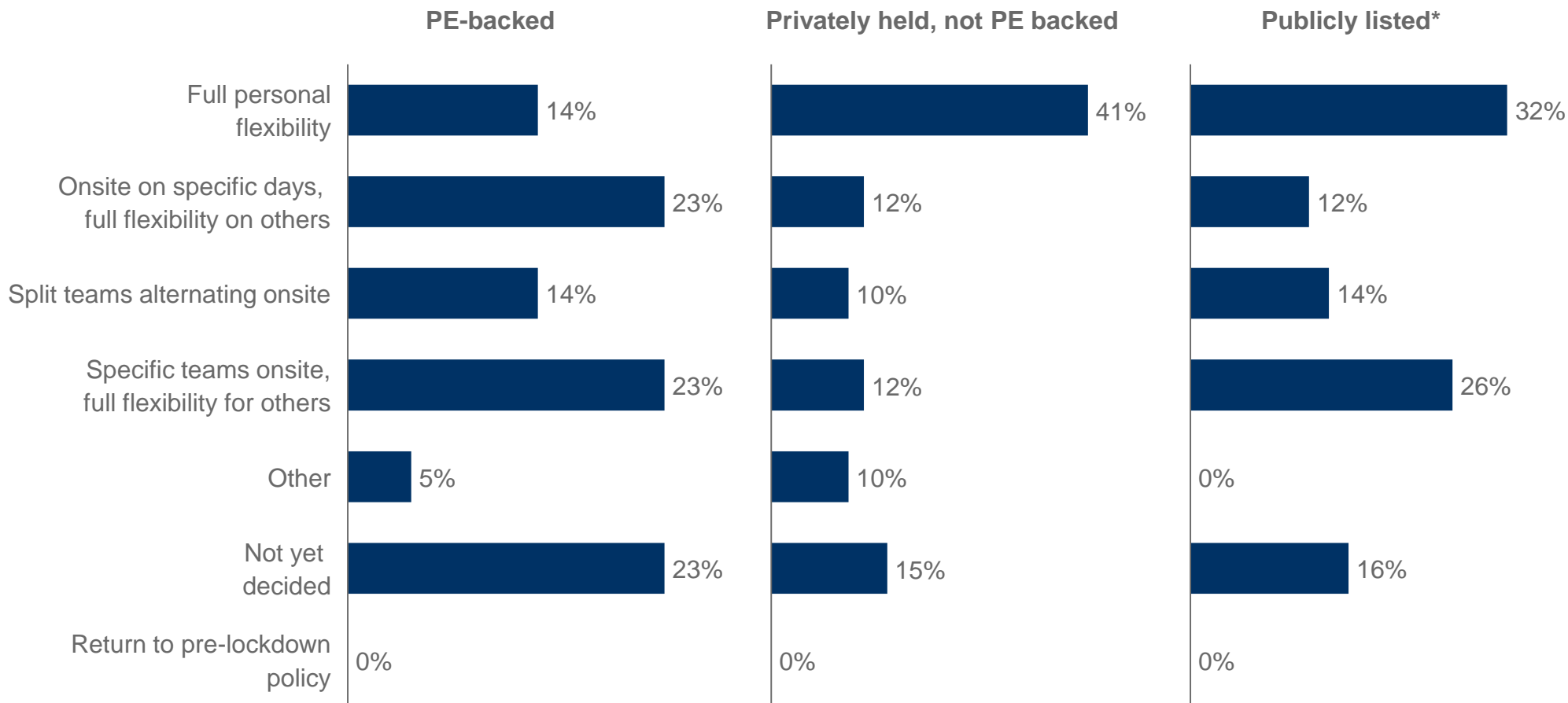
(PE backed, n=23, Privately held not PE backed, n=38 – includes Partnerships, Publicly listed, n=44, total n = 105). \*Re-weighted to align % of Financial Services companies to reflect FTSE 100

Note: (1) Survey has been sent from our UK office only and, (2) Totals may not equal 100% due to rounding



# PE-backed companies appear to be offering less flexibility in their policies on remote vs onsite working

## LIKELY COMPANY POLICY ON ONSITE VS. REMOTE WORKING BY COMPANY TYPE



Source: Eden McCallum COVID-19 Impact Survey 4, 2<sup>nd</sup>-3<sup>rd</sup> July 2020

(PE backed, n=22, Privately held not PE backed, n=41 – includes Partnerships, Publicly listed, n=51, total n = 114). \*Re-weighted to align % of Financial Services companies to reflect FTSE 100

Note: (1) Survey has been sent from our UK office only and, (2) Totals may not equal 100% due to rounding