

KIRKLAND LAKE

COVID – 19 BUSINESS IMPACT SURVEY RESULTS

IMPACT OF COVID-19 ON BUSINESS OPERATIONS AND ON THE WORKFORCE

May 31, 2020



INTRODUCTION

This report contains the results of the May COVID-19 Business Impact Survey conducted by the Far Northeast Training Board in partnership with the Town of Kirkland Lake Economic Development Department, Kirkland and District Community Development Corporation, the Kirkland Lake Chamber of Commerce and Employment Options Emplo.

The May survey was conducted between May 12th and 20th. Because it was optional for survey respondents to indicate the name of their company or organization, comparing the results of the questions posed in the May survey with the responses to those questions from the survey was conducted in April is challenging. We do know however that 69% of respondents who completed the May survey had also completed the one that was issued in April.

The following should therefore not be interpreted as a comparative analysis but rather as general observations based on the responses to some of the key questions asked both in April and in May, recognizing that those responses are reflective of the relevance of the questions to the participating businesses and organizations.

It is important to consider the timing of the release of the monthly survey when looking at the overall survey results both in April and in May. The April survey was launched one week after the state of emergency was announced at which time all non-essential businesses were required to close. When the May survey was released, the emergency measures had been in place for just over one month, and the Ontario government had just announced a stage-by-stage approach to loosening those emergency measures, and the stage one reopening of certain businesses.

WHO ANSWERED THE SURVEY?

57 businesses and organizations

May

70% Private **18%** Public **12%** Non-profit

April

51% Private **37%** Public **11%** Non-profit

72 businesses and organizations

EMPLOYEE SIZE RANGE - APRIL 1, 2020

May

April

6 0 employees **19**

44 1 to 19 employees **34**

3 20 to 49 employees **4**

1 50 to 99 employees **3**

3 100+ employees **2**

RESPONDENTS BY INDUSTRY

	MAY	APRIL
Agriculture, Forestry, Fishing and Hunting	1	3
Mining, Quarrying or Oil & Gas Extraction	3	4
Utilities	1	2
Construction	6	4
Manufacturing	3	2
Retail Trade	16	21
Transportation and Warehousing	42	4
Information and Cultural Industries	0	4
Finance and Insurance	3	4
Real Estate and Rental & Leasing	2	3
Professional, Scientific and Technical Services	1	6
Administration & Support, Waste Management and Remediation Services	3	2
Educational Services	7	6
Healthcare and Social Assistance	4	7
Arts, Entertainment and Recreation	3	4
Accommodation and Food Services	8	12
Public Administration	2	1
Other Services (Except Public Administration)	5	9
Other (Please Specify) Food Bank, Veteran organization, Fitness, Consulting – Workforce and Community Development, Cleaning/Snow plowing, Tattoo		

The impact of COVID – 19 on OPERATIONS

LEVEL OF IMPACT

May

April

18%

HIGH

32%

This could put us out of business.

37%

MEDIUM

36%

This is going to significantly impact our finances.

39%

LOW

26%

This may impact us financially, but we are confident that we can weather the storm.

7%

NONE

3%

OBSERVATIONS:

The lower percentage from May to April of businesses and organizations that rated the risk of COVID-19 as high, as well as the higher percentage of those who rated the risk as low in May compared to April could be attributable to the following factors:

- The April survey was conducted just a few days after the emergency measures were announced and non essential businesses were forced to close. There was therefore a stronger sentiment of uncertainty that could explain the higher level of anxiety and uncertainty about the actual impact.
- The May results seem to reveal that respondents have a higher level of confidence in their capacity to weather the storm. Most had been adapting to the emergency measures since March 26th, the guidelines for reopening had been released and some business would begin to reopen. All of those developments would have an impact on respondents perception in regards to the actual level of impact on their business or organization.

Note: Totals may not add up due to rounding and respondents who provided multiple answers to certain questions.

ESTIMATED FINANCIAL LOSS SINCE THE BEGINNING OF COVID-19

Month	36%	36%	7%	15%	5%
May (55 respondents)	\$20,000	\$20,000 to \$50,000	\$50,000 to \$100,000	\$100,000 to 500,000	\$500,000 to 1,000,000
April (44 respondents)	55%	25%	16%	5%	

OBSERVATIONS:

The financial impact is likely reflective of the time lapse of just over on month between the two surveys. During that period, businesses and organizations would have had time to somewhat adjust to the situation:

- In May, they would have a better idea of the financial impact and the cost to their business or organization, whether higher or lower than the April estimations.
- Some would anticipate and plan for reopening as per the guidelines announced prior to the release of the May survey.
- Local businesses and organizations might be encouraged and have a more positive outlook on the future in light of the fact that compared to other regions of the province, this region had a lower number of COVID-19 cases.

Note: The last two amounts indicated in this question were not included in the April survey. They were added to the May survey in response to some businesses indicating in April that they anticipated their loss to be higher than \$500,000.

HOW HAS COVID-19 IMPACTED YOUR OPERATIONS?

Month	51%	42%	0%	12%
May <i>(57 respondents)</i> We reduced hours, staff and operations.	39% <i>(68 respondents)</i> We closed temporarily.	We closed permanently.	No impact.	

IF YOU ARE CONTINUING YOUR BUSINESS OPERATIONS, HOW HAVE YOU ADJUSTED?

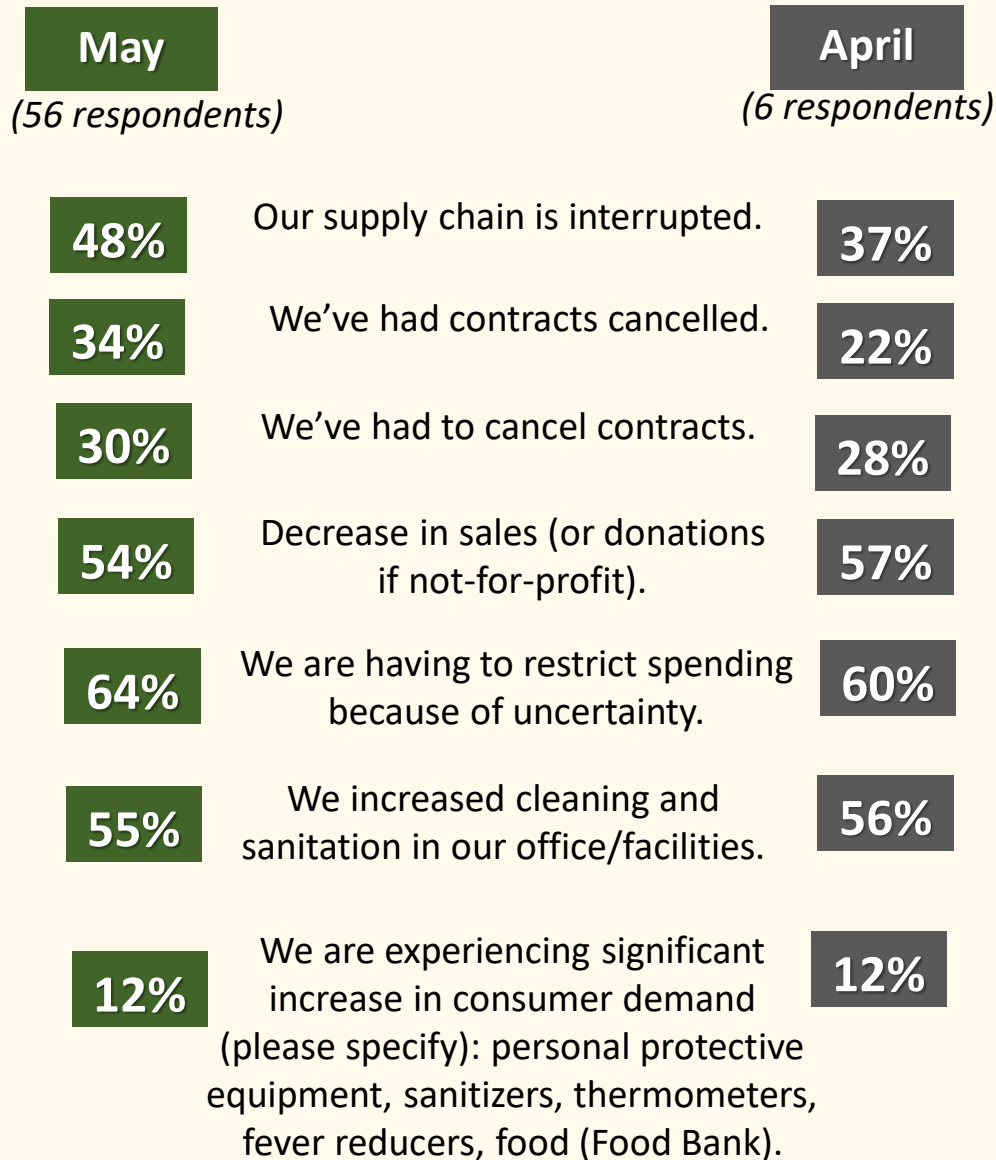
Month	36%	49%	38%	35%	47%	44%
May <i>(39 respondents)</i> Our storefront is operating with reduced hours.	Our storefront is closed but we offer our products and services by telephone.	Our storefront is closed but we offer our products and services online.	April <i>(43 respondents)</i> Our storefront is operating with reduced hours.	Our storefront is closed but we offer our products and services by telephone.	Our storefront is closed but we offer our products and services online.	

OBSERVATIONS:

The responses to these questions again point to a certain level of adjustment to the situation which in all likelihood stems from the new and evolving developments in regards to emergency measures and to an anticipated gradual relief of those measures announced by the Ontario Government in early May.

Again, the time lapse between the April and May survey is reflected in the significant increase in reduced hours, staff and operations, as businesses and organizations adapted to the situation.

WHAT ADDITIONAL IMPACTS HAVE YOU EXPERIENCED?



OBSERVATIONS:

As we saw on the previous pages, the answers of local businesses and organizations in May compared to April hinted at some level of optimism among the respondents in their ability to adjust and weather the storm.

Some of the specific factors that impact on local business and organizations however increase over time as can be seen on this page.

Local businesses and organizations continue to experience increased supply chain interruptions, contract cancellations, and decreases in sales. All of which of course leading to continued restrictions in spending because of uncertainty.

RESPONSES TO ADDITIONAL QUESTIONS POSED IN MAY

Both the April and May surveys were intended to get a sense of the overall impact of COVID-19 on Kirkland Lake businesses and organizations.

As mentioned previously, government financial incentives to support local businesses were announced after the April survey was conducted. The May survey therefore included additional questions about those incentives. Prior to the release of the May survey, the provincial government released guidelines for a stage-by-stage relief of the emergency measures. Questions in regards to those guidelines were also included in the May survey. In summary, additional questions included in the May survey were intended to:

- Determine the relevance and accessibility of the recently announced government programs to local businesses and organizations.
- Find out if local businesses and organizations know what is available, if they applied or accessed any of the programs, and suggestions for making them easier to understand and access.
- Find out if local businesses and organizations are aware of the reopening guidelines that were released on April 30th, if they find them easy to understand, and to highlight the anticipated barriers and cost to comply to those guidelines.
- Get input on what is being done, or could be done at the community level.

Other questions added to the May survey touched on hiring and training, and on barriers for businesses and organizations to operating online.

The following pages present the answers to the additional questions that were posed in May.

GOVERNMENT PROGRAMS

PLEASE INDICATE YOUR LEVEL OF AWARENESS OF GOVERNMENT FUNDING SUPPORTS AVAILABLE FOR BUSINESSES

(53 respondents answered this question)

49%

Very aware

45%

Somewhat aware

7%

Unaware

HAS YOUR BUSINESS APPLIED FOR GOVERNMENT SUPPORTS AS A RESULT OF COVID-19?

(53 respondents answered this question)

42%

Yes

58%

No

IF NO, PLEASE INDICATE WHY YOU HAVE NOT APPLIED

(34 respondents answered this question)

35%

No need at this time

47%

Do not qualify

IF YES, PLEASE INDICATE WHICH PROGRAM YOU APPLIED FOR.

(21 respondents answered this question)

- Canada Emergency Relief Benefit (CERB) - 7
- Canada Emergency Wage Subsidy (CEWS) - 7
- Canada Emergency Business Account (CEBA) - 6
- Agriculture Canada
- United Way
- Deferred HST remittance

PLEASE INDICATE WHICH PROGRAM YOU HAVE BEEN APPROVED FOR.

(17 respondents answered this question)

- CERB (5)
- CEWS (4)
- \$40,000 loan (4)
- Help with rent
- Deferred HST remittance



GOVERNMENT PROGRAMS

PLEASE RATE HOW YOU FIND THE PROGRAM GUIDELINES AND APPLICATION PROCESS.

(37 respondents answered this question)

16%

Very easy to understand

41%

Fairly easy to understand

13%

Difficult/very difficult To understand

30%

Not applicable

RESPONDENTS' COMMENTS OR SUGGESTIONS ON WHAT WOULD HELP THEM BETTER UNDERSTAND THE GOVERNMENT PROGRAM GUIDELINES AND APPLICATION PROCESS:

- Guidelines need to be more specific – it was hard to determine if I should apply or not.
- Telephone assistance was very helpful.
- Since government already has our business information it could have been so easy but they chose to make it time consuming.
- CERB and loan were very easy to apply for. The wage subsidy is more challenging, and as a result we haven't applied.
- Figuring out the Canada Emergency Wage Subsidy (CEWS) is difficult and time consuming.
- We qualify but haven't figured out how to apply yet.
- Use plain English so that it is easier to understand.
- It would be helpful to have a local contact person or someone we could talk to who could review our profile and direct us to which programs could work.

GOVERNMENT GUIDELINES FOR RE OPENING

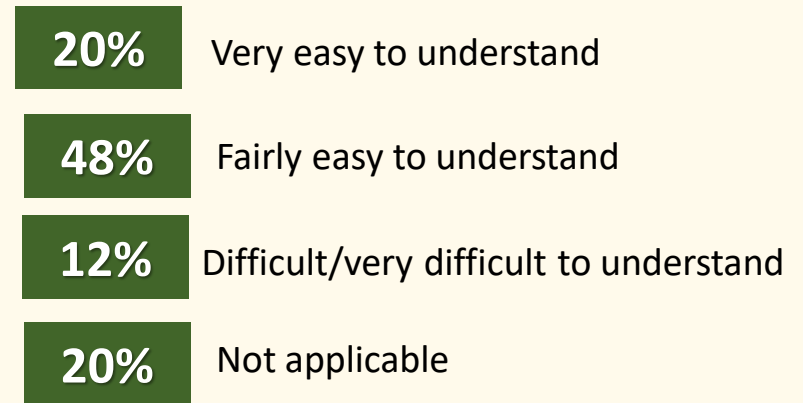
PLEASE INDICATE YOUR LEVEL OF AWARENESS OF THE PROVINCIAL GOVERNMENT'S GUIDELINES FOR A STAGE-BY-STAGE REOPENING.

(50 respondents answered this question)



PLEASE RATE HOW YOU FIND THE PROVINCIAL GOVERNMENT GUIDELINES FOR REOPENING.

(50 respondents answered this question)



RESPONDENTS' COMMENTS IN REGARDS TO THE PROVINCIAL GOVERNMENT GUIDELINES FOR A STAGE-BY-STAGE REOPENING:

- The cost of renovating to ensure safe and protective measures are in place when there has been no income.
- Not sure what the requirements are. I work alone so my concern is for customers.

GOVERNMENT GUIDELINES FOR RE OPENING

PLEASE INDICATE THE BARRIERS FOR YOUR BUSINESS OR ORGANIZATION TO COMPLY TO THE GUIDELINES FOR REOPENING.

(46 respondents answered this question)

- 33%** The proposed measures are already in place within our company/organization.
- 24%** The size of our facilities – not enough room to meet the guidelines for distancing
- 2%** Staffing – we lost some of our staff and will have to recruit and train new staff.
- 37%** The nature of our work which requires close proximity to clients/customers.
- 35%** Cost – to purchase extra PPE and adapt our work area when we have a decrease in revenue.
- 26%** Applying the guidelines will not be a problem for our business or organization.

WHAT DO YOU ESTIMATE IT WILL COST YOUR BUSINESS OR ORGANIZATION TO COMPLY TO THE GUIDELINES FOR REOPENING?

(47 respondents answered this question)

- 55%** Under \$5,000
- 9%** \$5,000 to \$10,000
- 13%** \$10,000 to \$25,000
- 4%** \$25,000 to \$50,000
- 0%** \$50,000 or more
- 19%** \$0 – measures are already in place



COMMUNITY SUPPORTS

HAS YOUR BUSINESS TAKEN ADVANTAGE OF ANY COMMUNITY SUPPORTS AS A RESULT OF COVID-19?

(52 respondents answered this question)

4%

Yes

96%

No

IF NO, PLEASE INDICATE WHY YOU HAVE NOT APPLIED

(51 respondents answered this question)

49%

Do not know what supports are available at the community level.

29%

Not needed at this time.

14%

Do not qualify.

IF YES, PLEASE INDICATE WHICH SUPPORT YOU HAVE TAKEN ADVANTAGE OF.

(4 respondents answered this question)

- United Way
- District Social Services Administration Board
- Interest and loan deferrals

WHAT WOULD YOU LIKE YOUR LOCAL COMMUNITY TO DO TO ASSIST YOU AT THIS TIME IN MANAGING COVID-19?

- Offer reasonable supply prices (renovation, PPE, cleaners, etc) like other competitors in the area so we could shop local.
- Provide Lysol wipes, Lysol spray for our vehicles, gloves and masks.
- More operating costs related relief – utilities and taxes (4).
- Increase awareness of the need to maintain hygienic standards.
- When we re-open for walk-ins, comply with the signs and the distancing.
- Grants would be helpful for the smaller businesses that don't qualify for government aid.
- Hold training sessions on best practices and 'how-to's' – by sector.

HIRING AND TRAINING NEEDS

IF YOU ARE CONTINUING YOUR BUSINESS, ARE YOU CURRENTLY HIRING?

(50 respondents answered this question)

22%

Yes

78%

No

Main reasons identified for the hiring include:

- Additional staff to relieve current employees who have had to put in extra hours.
- New position to meet increased demand.
- To fill seasonal/student positions.

DO YOU, OR WILL YOU REQUIRE TRAINING FOR YOUR STAFF?

(29 respondents indicated that they would need training)

TYPE OF TRAINING NEEDS MENTIONED INCLUDE:

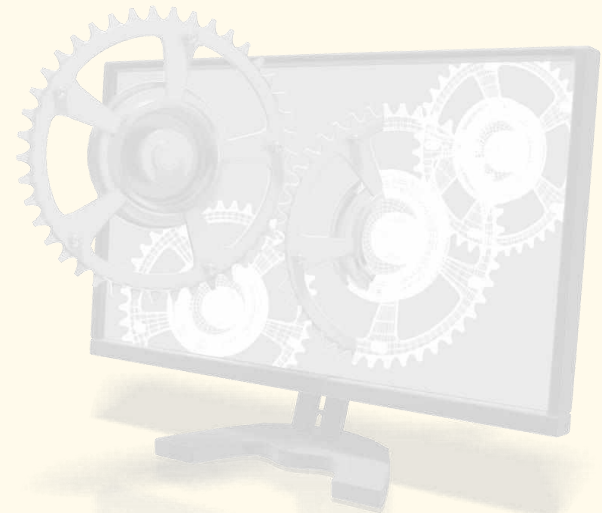
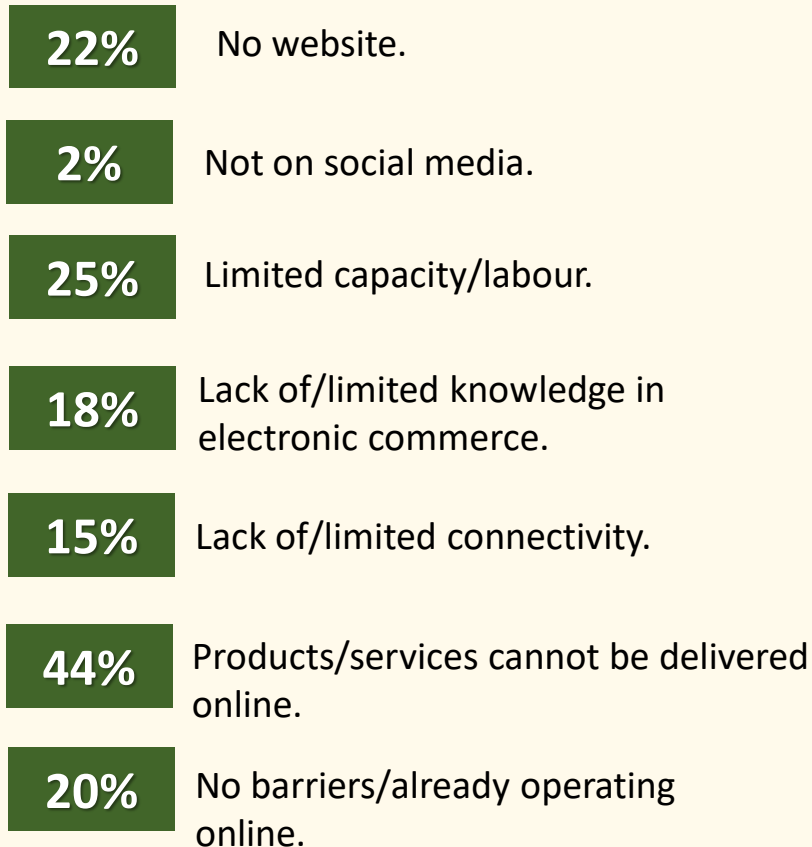
- Training on proper COVID-19 protocol, how to protect ourselves and the public.
- Training to learn about how to use online platforms to deliver video conferences and webinars.



BARRIERS TO OPERATING ONLINE

WHAT BARRIERS DOES YOUR BUSINESS OR ORGANIZATION FACE TO OPERATE ONLINE?

(55 respondents answered this question)



TAKEAWAYS

- The results of the May survey seem to hint that business confidence has stabilized somewhat. The release of government supports and news of reopening the economy appear to have provided local businesses and organizations with an increased level of hope that they can weather the crisis.
- There appears to be a good awareness of government support programs but for some SME's navigating the eligibility and application process is challenging.
- While reopening seems to provide much needed optimism to local businesses and organizations, there are also concerns about the logistics and cost of complying with the government guidelines during a period of low sales, increased operating costs, and supply chain interruptions.
- The resources required to manage an online inventory and storefront presence, as well as the nature of businesses requiring direct contact with customers/clients are making it difficult to resort to online services as an alternative to providing access to a physical location. That is not to say that exploring how to ensure that local businesses have a better online presence and exposure is not warranted.
- While confidence is slowly returning, navigating the new operating environment could be challenging. It is imperative that the community at large continue to support local businesses and organizations by exercising vigilance in following proper COVID-19 etiquette to minimize chances of a second wave and consequent business interruption.

NEXT STEPS

- Community organizations such as the Chamber of Commerce, the Economic Development Department and Kirkland and District Community Development Corporation will continue to provide up-to-date information to local businesses on government supports.
- Kirkland and District Community Development Corporation will assist businesses that do not qualify for government programs with the Regional Relief and Recovery Fund.
- Community organizations and agencies could consider developing a process and conditions to allocate resources to help offset the cost for businesses to adapt to the new operating models (including renovation of business space to accommodate physical distancing, personal protective equipment and enhanced sanitization).
- Offer virtual sessions to local businesses and organizations on topics such as: HR management during a changing and uncertain situation, how to make use of online technology for business services (sales and marketing), and for day-to-day business operations (video conferencing, webinars, etc).
- Promote the online business directory for the Temiskaming District (Who is open? How are services offered? What protective measures are in place? etc). <https://fnetb.com/covid-19/temiskaming-business-directory/>

Partners involved in conducting the survey



Provincial government support for businesses

<https://www.ontario.ca/page/covid-19-support-businesses>

Federal government support for businesses

<https://www.canada.ca/en/department-finance/news/2020/04/canadas-covid-19-economic-response-plan-new-support-to-protect-canadian-jobs.html>

Municipal COVID-19 information

<http://www.kirklandlake.ca/index.php?id=174>