

WEC INTERNATIONAL

THE IMPACT OF COVID-19 ON WOMEN BUSINESS OWNERS

Women Are Resilient in Response to Challenges

Second Quarter Results Date of Survey: April to June 2020 Comparisons shown (vs Q1) January to March

ABOUT THE RESPONDENTS

97% Of respondents are at least 51%

Agriculture

Food

Services

Wholesale

owned, managed and controlled by one or more women. (vs. 97% in Q1)

Total Respondents: 446

25% 22% 15% 4% **BUSINESS LOCATION**

(vs. Q1: North America: 10%, Latin America: 18%,

Manufacturing 8% Professional

INDUSTRY SECTOR

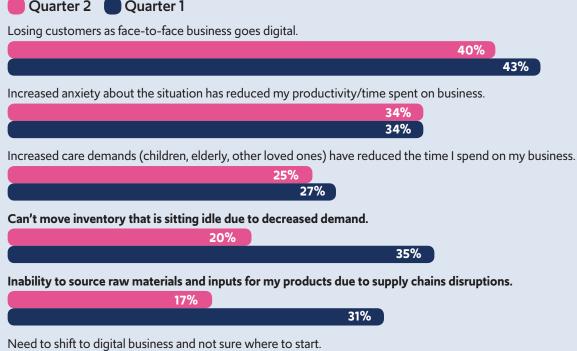
(No significant change in industry sector representation.)

Support 8%

Human Resources 5% Europe: 27%, Asia: 16%, Africa: 28%, Oceania: 1%) **BUSINESS SIZE** 49% employees 23% 20% 5-9 employees **1%** 301-999 employees 50-300 (No significant change in business size representation.)

Quarter 2 Quarter 1

IMPACT ON BUSINESS FROM COVID-19



Employees can't work causing delays in meeting client needs. 14% 7% Not sure where to go for advice and guidance.

13%

16%

19%

10%

IMPACT ON EMPLOYEES

Of respondents have been impacted

NEGATIVELY by COVID-19 from April - June 2020. (vs. 87% in Q1)

> Of respondents have been impacted

POSITIVELY by COVID-19 from April - June 2020. (vs. 6% in Q1)

Have seen a decrease in employee morale, while 6% have noted an

increase in morale.

(vs. 46% and 5% respectively in Q1) 20%

Of respondents indicated

they have laid off

employees and 20% have

furloughed employees.

(vs. 12% and 21%

respectively in Q1)

IMPACT ON SALES OR REVENUE (April - June 2020)

16% due to family care responsibilities. (vs. 32% and 19% respectively in Q1)

34% Of respondents

have decreased their

employees' hours

due to the decrease

in their revenue and

Of respondents said their employees are unable to work remotely due to lack of technology and 16% due to lack of Internet access. (vs. 22% and 16%

respectively in Q1)

% decrease in sales/revenue (vs Q1):

17%



and employees. (vs. 60% in Q1)

have increased social media

and videoconferencing to

accommodate the health

and safety of their families

23% 15%

have seen a significant decrease in sales or revenue from

(vs. 90% in Q1)

April - June 2020.

business owners

Of women

NEW FINANCIAL CHALLENGES

71% - 99% decrease in sales/revenue (16%) 31% - 50% decrease in sales/revenue (19%)

20%

5%

20%

51% - 70% decrease in sales/revenue (18%) Sales/revenue have stopped completely (26%) 15% 11% - 30% decrease in sales/revenue (14%) 5% 1%-10% decrease in sales/revenue (6%) (vs. Q1):

September 2020. 33% of those anticipate decreases

Anticipate revenues

to further decrease

between July and

of more than half

and 20% of those

anticipate sales will stop completely. (vs. 72%, 55% and 23% respectively in Q1) 48% (51%) (39%)(45%)(38%)

34%

33%

31% (31%)

(39%)(32%)

(38%)

(26%)

24% (25%)

(25%)

51%

25% 24%

24%

Delay in pledged contracts or revenue

Buyers extending payment terms Increased cost of inputs (products or services) 19% (18%) 12% Lack of access to necessary inputs (products or services) **NEEDS BASED ON IMMEDIATE CONCERN** Adjusting products or services to remain relevant in Of respondents response to economic changes. (No change) are in need of support with Securing immediate funding to remain operational. (No change) Funding for your organization to remain fiscally stable. (No change) Directly responding to or supporting customers, suppliers and other critical business partners dealing

Cancellation of contracts or booked revenue

Margins are thinning and can't meet existing budget

I have to seek new sources of capital

Can't cover operational costs such as rent

Need capital and don't know where to go

Delay in payments for products or services already rendered

Inability to apply/receive loans, investment or other capital

I have to access my savings

Can't pay employees

their employee wages. (vs 56% in Q1) 27% Of respondents are in need of extensions of credit or penalty waivers from banks.

(vs. 39% in Q1)

funded healthcare for COVID-19. (vs. 22% in Q1)

34%

Need tax relief

through delayed

or canceled

payments.

(vs. 76% in Q1)

18%

Are in need of

government-

Responding to immediate potential or actual health needs of employees. (No change) Adjusting internal operations during social distancing. (No change)

Adjusting delivery of products or services at a time of

with the crisis. (Higher)

social distancing. (Lower)

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THE BRIGHT SIDE: WOMEN ARE ADAPTING OPTIMIZE OR REFOCUS THEIR BUSINESSES

Are identifying and

cutting unnecessary

expenses

(54%)

Are creating a new

business line in

response to local or

global needs

(32%)

Have shifted to a digital business model (42%)

Are growing an

area of business in

response to local or

global needs

(37%)

24% Have launched a

new product or

service early

(16%)

Whilst researching a new

revenue stream for the

willing to provide information

and support. There seems to

be kindness and willingness

to help each other as opposed

to a feeling of selfishness and

heightened competitiveness

prior to COVID-19.

Identified new business opportunities (34%)10% Have seen an increase in demand in products/ services

(11%)

The more I seek help from my network, the more I get relevant leads for potential business. The more I provide help to those who need it, the more I get leads as well.

Found that clients want to finish projects more quickly and 5% want to sign contracts more quickly (3% and 5%)

HOW YOU CAN HELP

How can WEConnect International and its member buyers support women-owned businesses in the next 1-3 months?

Though our revenues have drastically

dropped, my business is not only

running but we have hired and are

planning and developing our operations

to be able to go full speed when

business starts again. I am very proud

of all the grants I was able to receive so

that I was able to maintain the troops

(and their motivation) and that our

clients and prospects still hear from us.

Increased contract opportunities. (66%)

Increased business opportunities with other women-owned businesses. (68%) Increased networking opportunities with other women business owners. (58%)

Increased access to finance. (52%) Increased access to investment. (33%)

Increased meet the member virtual events. (36%) Increased mentorship. (32%)

Increased business training. (32%) Increased training on COVID-19 survival strategies. (26%)

Accelerate finalization of contracts with member buyers. (16%) Improve the terms of existing contracts with member buyers. (12%)

WEConnect International is conducting quarterly surveys over the course of one year to understand the scope and nature of

the impact of COVID-19 on women business owners and their companies worldwide. The results of the survey have been selfreported by women business owners within the WEConnect International network and partner organizations. www.WEConnectInternational.org ©WEConnect International 2020