THE IMPACT OF COVID-19 ON WOMEN BUSINESS OWNERS and their Companies in Canada

Date of survey: April 10, 2020

100% of respondents are at least 51% owned, managed and controlled by one or more women

82% of respondents have been impacted negatively by COVID-19

4/10 of respondents are at least 51% owned, managed and controlled by one or more women

Total number of respondents: 34

INDUSTRY SECTOR

Professional Services 32%
Health Care 6%
Food Services 3%
Manufacturing 6%
Construction 6%
Business Support 9%
Wholesale Trade 3%
Technology Service 12%
Education 3%
Entertainment/Arts 3%
Human Resources 3%

IMPACT ON BUSINESS FROM COVID-19 (January to March)

58% Increased anxiety about the situation has reduced my productivity/time spent on business
24% Losing customers as face-to-face business goes digital
21% Increased care demands (children, elderly, other loved ones) have reduced the time I spend on my business
15% Inability to source raw materials and inputs for my products due to supply chain disruptions
12% Can’t move inventory that is sitting idle due to decreased demand
12% Employees can’t work causing delays in meeting client needs
3% Not sure where to go for advice and guidance
3% Need to shift to digital business and not sure where to start
58% Other (i.e. Client and partner shutdowns lead to a trickle-down effect)

BUSINESS LOCATION

Total number of respondents: 34

BUSINESS SIZE

1-4 employees 62%
5-9 employees 21%
10-49 employees 15%
1,000+ employees 3%

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IMPACT ON EMPLOYEES

- 37% have seen a decrease in employee morale, while 9% have noted an increase in morale.
- 27% of respondents have had to decrease their employees’ hours due to the decrease in their revenue.
- 37% of respondents have had to layoff or furlough (i.e. place on temporary unpaid leave) their employees.
- 20% of women have seen a decrease in the number of hours their employees can work due to their family care responsibilities.

56% of women business owners have used videoconferencing to accommodate the health and safety of their families and employees.

IMPACT ON SALES OR REVENUE

- 81% of women business owners have seen a significant decrease in sales or revenue from January - March 2020.
- Of those that saw a decrease in sales or revenue:
  - 22% had a 11% - 30% decrease in sales/revenue
  - 15% had a 15% - 40% decrease in sales/revenue
  - 19% had a 41% - 70% decrease in sales/revenue
  - 30% had a 71% - 99% decrease in sales/revenue
  - 4% had a 1% - 10% decrease in sales/revenue
  - 4% had a 10% - 30% decrease in sales/revenue
  - 1% had a 31% - 50% decrease in sales/revenue
  - 11% had a 51% - 70% decrease in sales/revenue

Of those that saw a decrease in sales or revenue:

- 31% - 50% decrease in sales/revenue
- My sales/revenue have stopped completely
- 51% - 70% decrease in sales/revenue
- 11% - 30% decrease in sales/revenue
- 71% - 99% decrease in sales/revenue
- 1% - 10% decrease in sales/revenue

68% anticipate decreased sales between April and July 2020. 53% of those anticipate decreases of more than half and 24% of those anticipate sales will stop completely.

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### NEW FINANCIAL CHALLENGES

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Cancellation of contracts or booked revenue</td>
<td>56%</td>
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<tr>
<td>Delay in payments for products or services already rendered</td>
<td>50%</td>
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<tr>
<td>Need to seek new sources of capital</td>
<td>38%</td>
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<tr>
<td>Have to access my savings</td>
<td>31%</td>
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<tr>
<td>Inability to apply for/receive loans, investment or other capital</td>
<td>31%</td>
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<tr>
<td>Margins are thinning and can’t meet existing budget</td>
<td>28%</td>
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<tr>
<td>Buyers extending payment terms</td>
<td>22%</td>
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<td>Increased cost of inputs (products or services)</td>
<td>22%</td>
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<tr>
<td>Need capital and don’t know where to go</td>
<td>19%</td>
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<tr>
<td>Delay in pledged contracts or revenue</td>
<td>16%</td>
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<tr>
<td>Lack of access to necessary inputs (products or services)</td>
<td>16%</td>
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<tr>
<td>Can’t cover operational costs such as rent</td>
<td>13%</td>
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<tr>
<td>Can’t pay employees</td>
<td>13%</td>
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### NEEDS BASED ON LEVEL OF IMMEDIATE CONCERN

1. Adjusting products or services to remain relevant in response to economic changes
2. Adjusting delivery of products or services at a time of social distancing
   - Directly responding to or supporting customers, suppliers and other critical business partners dealing with the crisis
3. Funding for the organization to remain fiscally stable
4. Securing immediate funding to remain operational
5. Adjusting internal operations during social distancing
6. Responding to immediate potential or actual health needs of employees

- **75%** need tax relief through delayed or canceled payments
- **44%** of respondents are in need of extensions of credit or penalty waivers from banks
- **41%** of respondents are in need of support with their employee wages
THE BRIGHT SIDE: Women are adapting to optimize or refocus their businesses

45% reported identifying and cutting unnecessary expenses
39% are growing an area of business in response to local or global needs
36% have shifted to a digital business model
33% identified new business opportunities
12% have seen an increase in demand of products or services

12% have seen an increase in demand of products or services
6% found that clients want to move quickly to sign contracts and 6% want to finish projects more quickly
45% reported identifying and cutting unnecessary expenses
33% are creating a new business line in response to local or global needs
12% have launched a new product or service early
6% found that clients want to move quickly to sign contracts and 6% want to finish projects more quickly

“To mitigate the impact of COVID-19, I am pushing my digital strategy, providing wellness support to my employees, and offering support to other businesses through contract work and free resources (Facebook live sessions, resources online, free training in leading virtual teams, etc.).”

“To mitigate the impact of COVID-19, I am trying to find ways to increase revenues without adding extra hours to my business. With that in mind, I found the motivation I needed to launch an online course that I had been considering for years.”

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

66% Increased contract opportunities
63% Increased business opportunities with other women-owned businesses
46% Increased networking opportunities with other women business owners
34% Increased meet the member virtual events
29% Increased mentorship
29% Increased access to investment
26% Increased access to finance
20% Increased training on COVID-19 survival strategies
17% Increased business training
14% Accelerate finalization of contracts with member buyers
9% Improve the terms of existing contracts with member buyers

WEConnect International intends to pursue a quarterly survey 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 self-reported by women business owners within the WEConnect International network and partner organizations.

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