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

Date of survey: April 10, 2020

94% of respondents are at least 51% owned, managed and controlled by one or more women.

INDUSTRY SECTOR

<table>
<thead>
<tr>
<th>Industry Sector</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>12%</td>
</tr>
<tr>
<td>Construction</td>
<td>8%</td>
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<tr>
<td>Food Services</td>
<td>3%</td>
</tr>
<tr>
<td>Agriculture</td>
<td>4%</td>
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<tr>
<td>Arts/Entertainment</td>
<td>3%</td>
</tr>
<tr>
<td>Technology Service</td>
<td>7%</td>
</tr>
<tr>
<td>Travel/Tourism</td>
<td>4%</td>
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<tr>
<td>Human Resources</td>
<td>5%</td>
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<tr>
<td>Health Care</td>
<td>2%</td>
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<tr>
<td>Retail</td>
<td>2%</td>
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<tr>
<td>Business Support</td>
<td>2%</td>
</tr>
<tr>
<td>Food/Beverage</td>
<td>6%</td>
</tr>
<tr>
<td>Professional Services</td>
<td>15%</td>
</tr>
<tr>
<td>Other</td>
<td>18%</td>
</tr>
<tr>
<td>Education and Wholesale Trade</td>
<td>* 1% each</td>
</tr>
</tbody>
</table>

Total number of respondents: 98

BUSINESS LOCATION

- Agriculture: 4%
- Food/Beverage: 6%
- Manufacturing: 12%
- Construction: 8%
- Food Services: 3%
- Health Care: 2%
- Technology Service: 7%
- Travel/Tourism: 4%
- Professional Services: 15%
- Business Support: 2%
- Retail: 2%
- Human Resources: 5%
- Business Location: 2%
- Utilities: 2%

BUSINESS SIZE

- 1-4 employees: 49%
- 5-9 employees: 29%
- 10-49 employees: 15%
- 50-300 employees: 6%

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

- 38% Losing customers as face-to-face business goes digital
- 37% Increased anxiety about the situation has reduced my productivity/time spent on business
- 35% Inability to source raw materials and inputs for my products due to supply chain disruptions
- 28% Employees can’t work causing delays in meeting client needs
- 23% Increased care demands (children, elderly, other loved ones) have reduced the time I spend on my business
- 16% Need to shift to digital business and not sure where to start
- 14% Can’t move inventory that is sitting idle due to decreased demand
- 8% Not sure where to go for advice and guidance
- 43% Other (i.e. Client and partner shutdowns lead to a trickle-down effect)

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IMPACT ON EMPLOYEES

43% have seen a decrease in employee morale, while 4% have noted an increase in morale.

35% of respondents indicated their employees are unable to work remotely due to lack of technology and 23% due to lack of Internet access. This is higher than global average.

32% of respondents have had to decrease their employees’ hours due to the decrease in their revenue.

64%
of women business owners have used social media and 52% have used videoconferencing to accommodate the health and safety of their families and employees.

IMPACT ON SALES OR REVENUE

87%
of women business owners have seen a significant decrease in sales or revenue from January - March 2020.

72%
anticipate decreased sales between April and July 2020. 49% of those anticipate decreases of more than half and 23% of those anticipate sales will stop completely.

Of those that saw a decrease in sales or revenue:

- 32% My sales/revenue have stopped completely
- 19% 71% – 99% decrease in sales/revenue
- 17% 51% – 70% decrease in sales/revenue
- 15% 11% – 30% decrease in sales/revenue
- 9% 1% – 10% decrease in sales/revenue
- 8% 31% – 50% decrease in sales/revenue
- 9% 1% – 10% decrease in sales/revenue
NEW FINANCIAL CHALLENGES

1. Can’t pay employees*
2. Cancellation of contracts or booked revenue
3. Delay in payments for products or services already rendered
4. Can’t cover operational costs such as rent
5. Have to access my savings
6. Need to seek new sources of capital
7. Need capital and don’t know where to go
8. Margins are thinning and can’t meet existing budget
9. Inability to apply for/receive loans, investment or other capital
10. Delay in pledged contracts or revenue
11. Lack of access to necessary inputs (products or services)
12. Buyers extending payment terms
13. Increased cost of inputs (products or services)

(*Nearly 20% higher than the global average)

NEEDS BASED ON LEVEL OF IMMEDIATE CONCERN

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

71% need tax relief through delayed or canceled payments
63% of respondents are in need of support with their employee wages
42% of respondents are in need of extensions of credit or penalty waivers from banks
16% are in need of government funded healthcare for COVID-19
THE BRIGHT SIDE: Women are adapting to optimize or refocus their businesses

- 55% reported identifying and cutting unnecessary expenses
- 44% identified new business opportunities
- 42% have shifted to a digital business model
- 37% are growing an area of business in response to local or global needs
- 32% are creating a new business line in response to local or global needs
- 16% have launched a new product or service early
- 15% have seen an increase in demand of products or services
- 2% found that clients want to move quickly to sign contracts and 2% want to finish projects more quickly
- 77% increased contract opportunities
- 68% increased business opportunities with other women-owned businesses
- 63% increased access to finance
- 61% increased networking opportunities with other women business owners
- 37% increased mentorship
- 34% increased access to investment
- 30% increased business training
- 28% increased training on COVID-19 survival strategies
- 25% increased meet the member virtual events
- 23% accelerate finalization of contracts with member buyers
- 18% improve the terms of existing contracts with member buyers

“If your retail business is totally shut down, investigate opportunities for trading online and using courier services for delivery. In a nutshell, leverage on platforms available to digitize your business offering during this period.”

“Take time to think... Listen carefully to the new world as it emerges. Remember that none of us have been here or got the T shirt. Don’t beat yourself up if you are unsure. You will figure it out. Big problems always disguise big opportunities. Keep looking.”

HOW YOU CAN HELP

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