

Opinium

Impact of coronavirus on UK SMEs



Key findings

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OPINIUM RESEARCH

58 Great Sutton St
London, EC1V 0DG
T +44 (0)20 7556 3190
research@opinium.co.uk



Project details

PROJECT NAME	IMPACT OF CORONAVIRUS ON UK SMES
COMPANY NAME	Opinium
PROJECT MANAGER NAME	James Crouch
PROJECT MANAGER EMAIL	jamescrouch@opinium.com
SAMPLE	501 senior decision makers in UK SMEs
FIELDWORK DATES	20 to 24 March 2020

Response to the government and Coronavirus situation

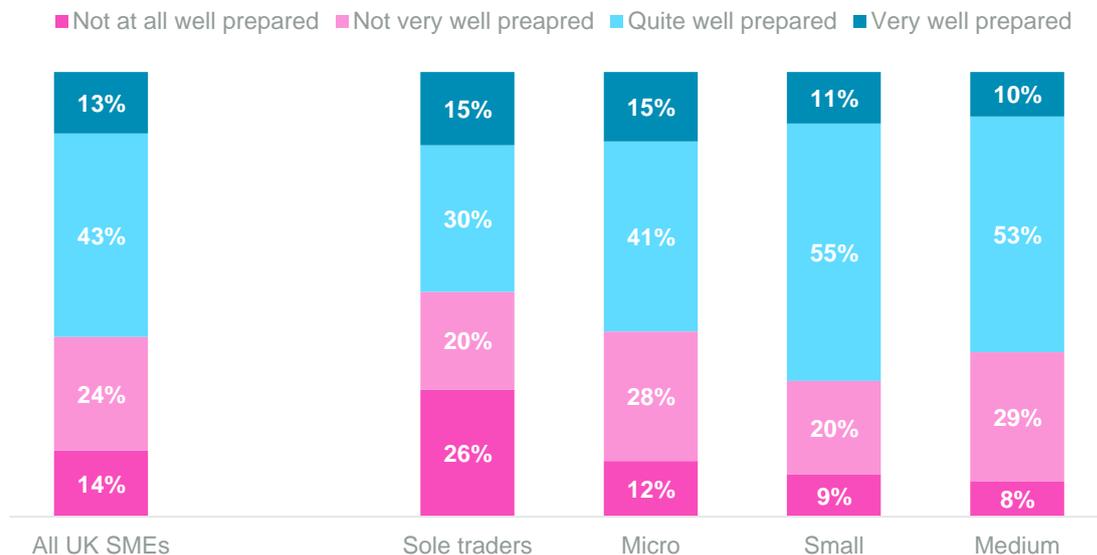
Four in five worried about impact on business

Four in five (82%) decision makers in UK SMEs are worried about the impact the Coronavirus crisis will have on their business, with broadly similar levels of concern across all sectors, business sizes and areas of the UK.

Larger businesses generally better prepared

Just over half (56%) of UK SMEs think of themselves as well prepared to adapt to the disruption caused by the Coronavirus situation and continue operating, while two in five (39%) feel that they are not well prepared.

Preparedness of UK SMEs

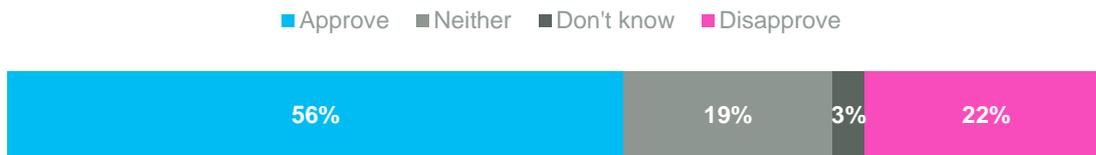


Small and medium-sized businesses (those with 10 or more employees) tend to be better prepared with sole traders being the worst prepared (45% well prepared vs. 46% not well prepared).

Approval of government handling high

Approval of the Government's handling of the Coronavirus situation so far is high amongst UK SMEs: 56% approve of how the government has handled everything while only 22% disapprove.

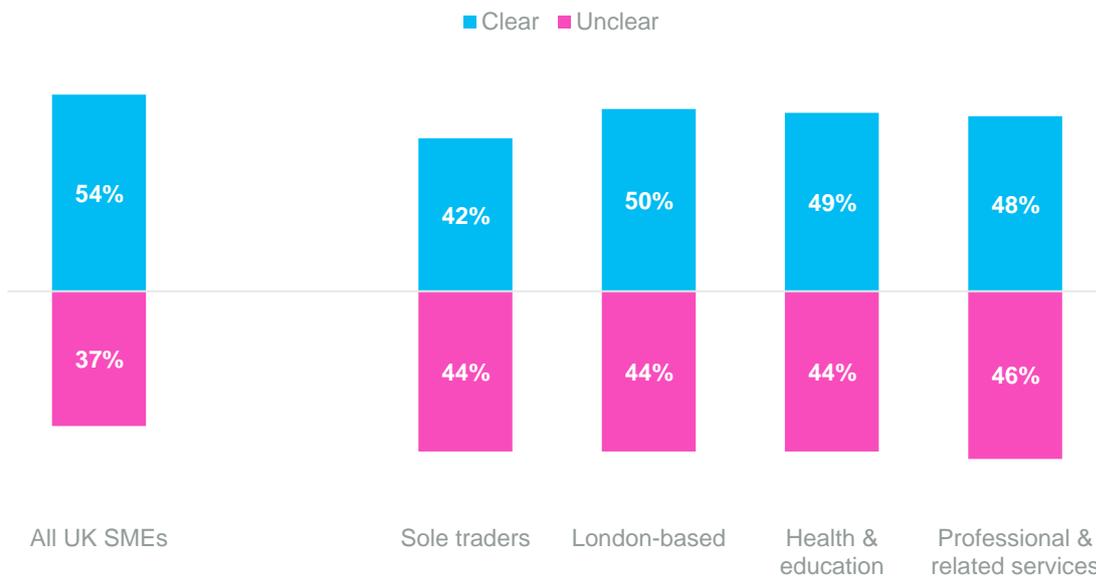
Approval of Government's handling of the Coronavirus situation so far



However, it is apparent that the government could probably improve the advice it gives businesses. While just over half (54%) say that the Government advice about how their businesses should respond to the Coronavirus situation has been clear, almost two in five (37%) say that it has been unclear.

In particular, senior decision makers in certain types of businesses are more likely to feel like the advice isn't clear enough: 44% of London-based businesses feel the government advice has been unclear as do 44% in the key health and education sectors.

Clarity of government advice by key types of businesses



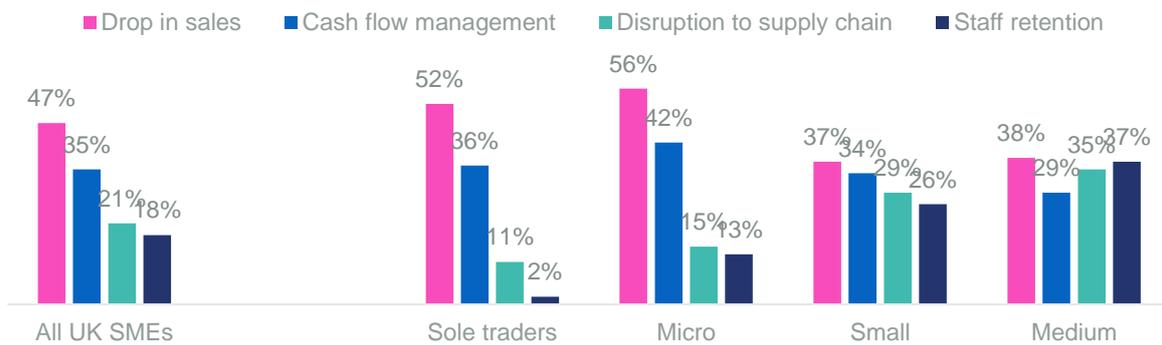
Business needs and concerns during the Coronavirus crisis

Short-term impacts of the Coronavirus dominate immediate business concerns

The immediate and short-term impacts of the Coronavirus seem to dominate the immediate concerns of UK SMEs. Almost half (47%) are concerned about a drop in the number of sales, two in five (39%) are worried about the impact of the wider economic situation and 35% are concerned about day to day cash flow.

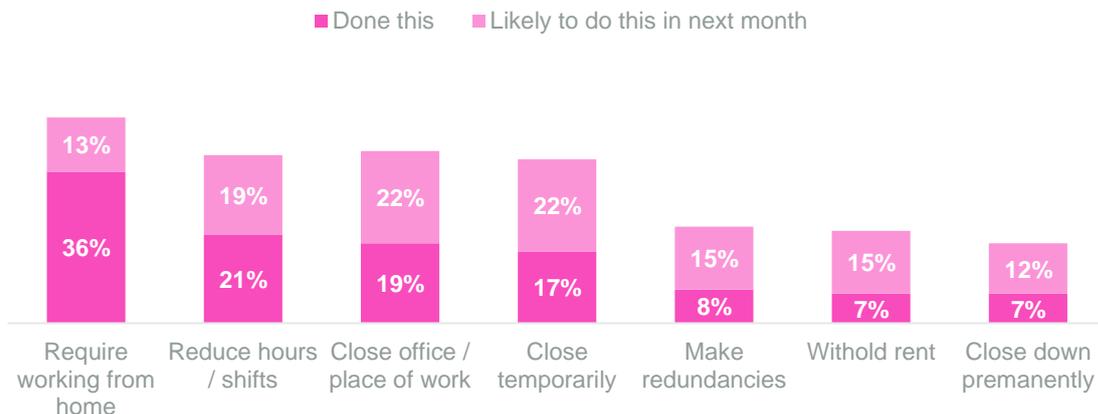
In the below chart we have excluded 'The impact of the wider economic situation' to look at the four largest key concerns outside of this. It is apparent that longer terms concerns such as disruption to supply chains and staff retention issues are far bigger concerns to larger businesses:

Immediate business concerns



Just over a third (36%) of SMEs have already required staff to work from home, while a fifth (21%) have reduced shifts and hours.

Business response to Coronavirus crisis so far



Businesses tuning into the news to get advice

Two in five (39%) senior decision makers in SMEs have turned to the news for advice or assistance with their business during this crisis. However, just over a quarter (27%) have contacted the government helpline and 26% have turned to family and friends. The top 5 sources of advice are as follows:

- News (e.g. TV, newspapers, online) – 39%
- Government helpline – 27%
- Family and friends – 26%
- Accountant – 17%
- Bank relationship managers – 11%
- Other local businesses – 10%
- Federation of Small Business (FSB) – 10%

Larger businesses want more support to make themselves resilient as employers during crisis

In terms of the top areas of support and advice needed by businesses, once again these tend to be more short term, immediate ways to respond to the initial problems thrown up by the crises such as managing cash flow problems (31%) or accessing grants and government loans (31%).

However, medium-sized businesses are looking more long-term to understand how to make their businesses more resilient during the crisis, with 44% wanting advice about how to support their staff's wellbeing and 38% want to know what their duties as employers are to their staff.

Top three areas of support / advice businesses need

ALL UK SMES	MICRO	SMALL	MEDIUM
Managing cash flow problems (31%)	Managing cash flow problems (40%)	Accessing grants and government loans (31%)	Supporting our staff from a wellbeing perspective (44%)
Accessing grants and government loans (31%)	Accessing grants and government loans (36%)	Supporting our staff from a wellbeing perspective (29%)	What our duties as employers are to our staff (38%)
Supporting our staff from a wellbeing perspective (24%)	Supporting our staff from a wellbeing perspective (20%)	Understanding what other businesses are doing (26%)	Accessing grants and government loans (30%)

About Opinium

OPINIUM is an award winning strategic insight agency built on the belief that in a world of uncertainty and complexity, success depends on the ability to stay on pulse of what people **think, feel** and **do**. Creative and inquisitive, we are passionate about empowering our clients to make the decisions that matter. We work with organisations to define and overcome strategic challenges – helping them to get to grips with the world in which their brands operate. We use the right approach and methodology to deliver robust insights, strategic counsel and targeted recommendations that generate change and positive outcomes.

www.opinium.co.uk | research@opinium.co.uk | 0207 566 3190