



Impact Study on Reopening the London Economy

Commissioned by Insightful Prosperity and London Inc. Magazine

May 2020

Background

On April 28, 2020, IPI posted a Timeline Prediction about Reopening the Economy on LinkedIn. Because this is an emerging situation, some predictions may be wrong. As of today, the Predicted Timeline is based on daily information broadcasts from the Federal and Provincial Public Health Officials and Politicians.

Summary

The feedback provided from our respondents shows extreme uncertainty in what the new normal will look like for businesses. Though some sectors were less affected, particularly if technology allowed remote working environments, there are some companies that have expressed doubt on how their business could reopen facing the restricted guidelines or given months of fallen revenue.

As we move forward it is without question that businesses and employees will see changing working culture. With social distancing at the forefront, how can your business adapt? Opposing work days to limit interactions or a maze of plexiglass dividers? It could be that many businesses may not come “back to the office” as a work from home test has been successfully passed.

Most everyone surveyed is optimistic that life will return to normal – with adjustments – by Fall. The reality is that each pandemic this world has seen has come in waves and we need to take the learning from spring 2020 to better prepare and get ahead of any spikes this Fall.

The weak points vary by industry and employee. Respondents share about unavailable childcare and technology restrictions. We also hear about reduced revenue based on quantity of product/service that can be provided given restrictions by public health.

One thing is certain, each business, person and family has been affected by Covid-19. Future planning with so many variable unknowns is a challenge. However, taking lessons learned since March, we are better positioned to make decisions should an outbreak be declared again in the Fall.

WILLIAM WESTGATE, CEO

Insightful Prosperity Inc.

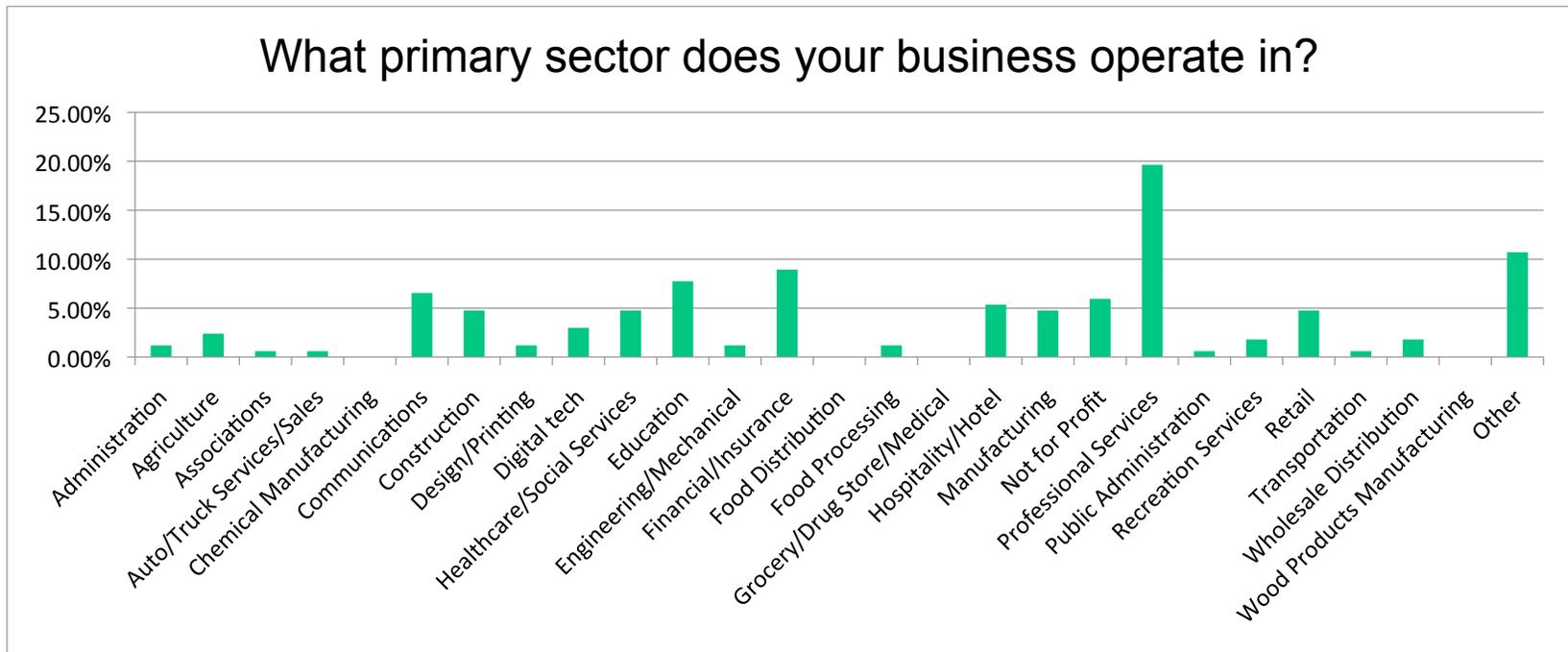
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1. What primary sector does your business operate in?

20% of the respondents are from the sector **Professional Services**. 9% of respondents are from the **Finance and Insurance** sector. 8% from **Education**. The top 3 industries who responded (excluding Other), are from a category that employs over 52,000 people in more than 500 companies in London*. These groups represent one of London’s largest business sectors.

11% of respondents chose **Other** as their sector.

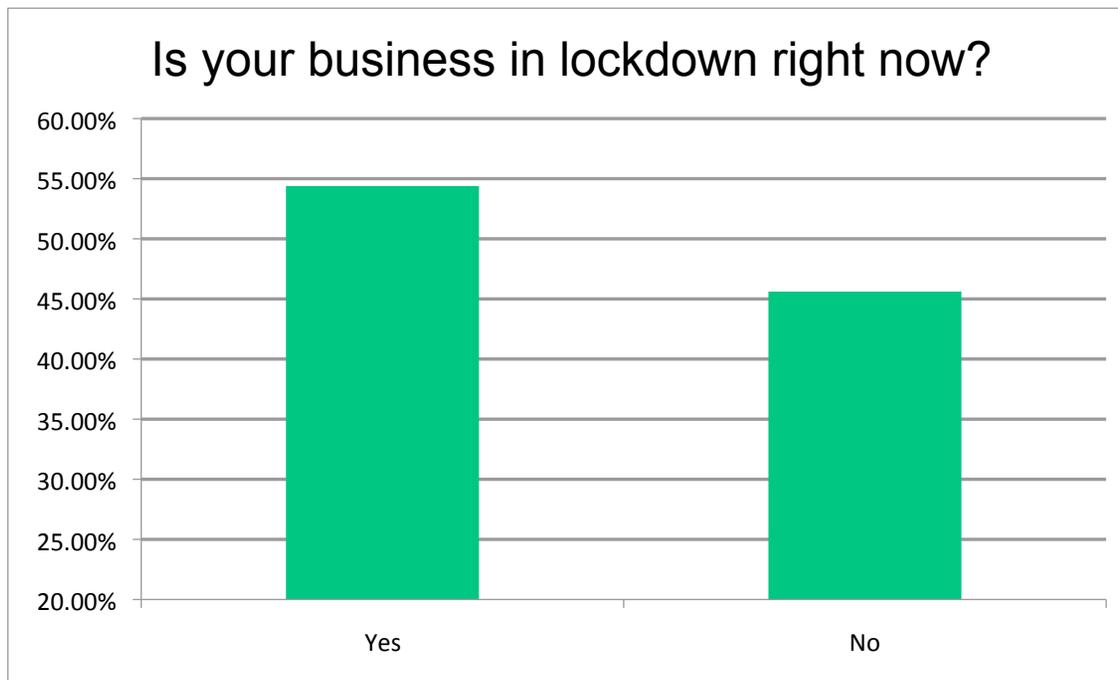


* London Economic Development statistic

2. Is your business in lockdown right now?

At the time of the survey, May 2020, 54% of businesses that responded indicated their business was in lockdown. If we compare that to Canada as whole, according to Statistics Canada 38.1% of businesses reduced staff hours or shifts and 40.5% of businesses reported that they laid off staff.

Working remotely, while companies are physically locked down has increased significantly. In February 2020, 20.4% Canadian business reported having at least 10% of their staff working from home. Now, since Covid-19 that has increased to nearly half of all businesses (47.9%).*

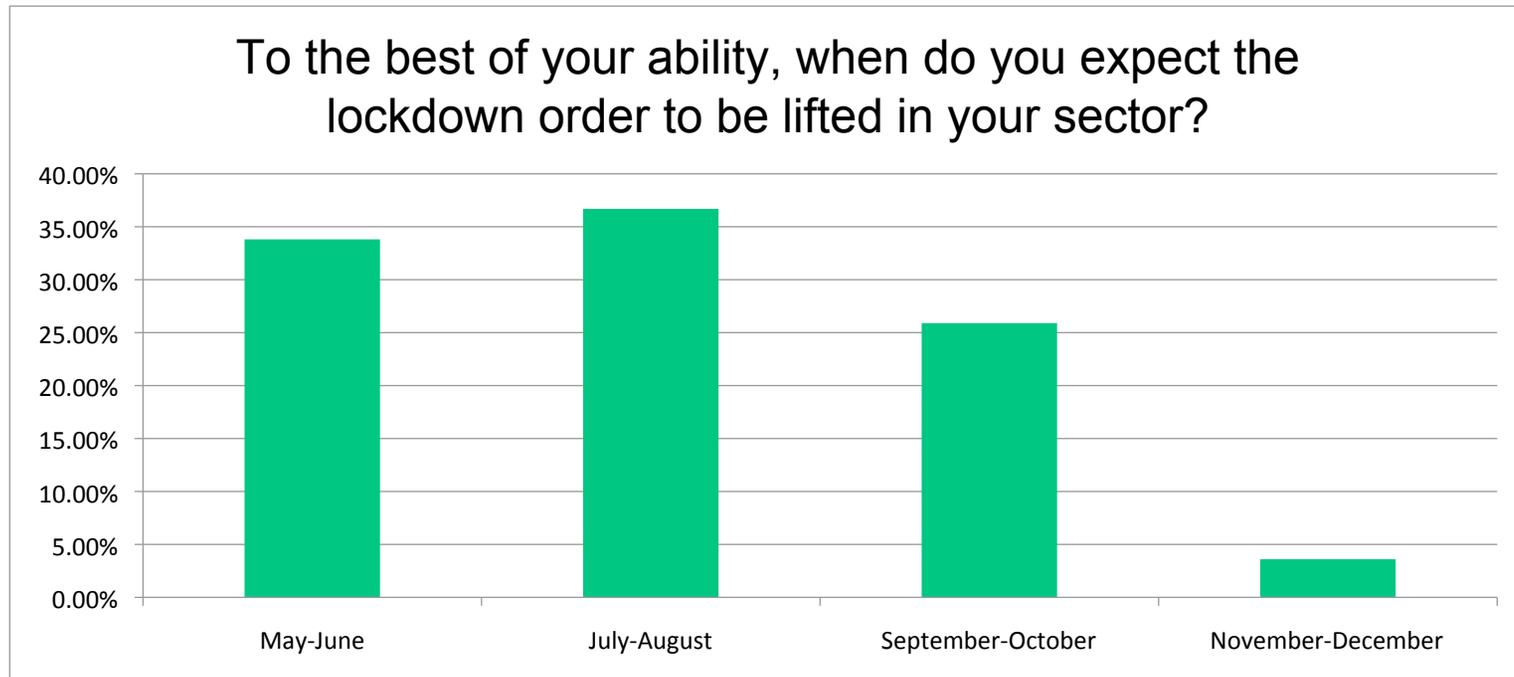


* Statistic Canada

3. To the best of your ability, when do you expect the lockdown order to be lifted in your sector?

70% of respondents feel the lockdown will be lifted before the fall. 96% feel they will be open before the end of the year.

Ontario has implemented a 3 stage plan for reopening and put emphasis on business type and the ability to follow public health advice and to implement workplace safety measures.



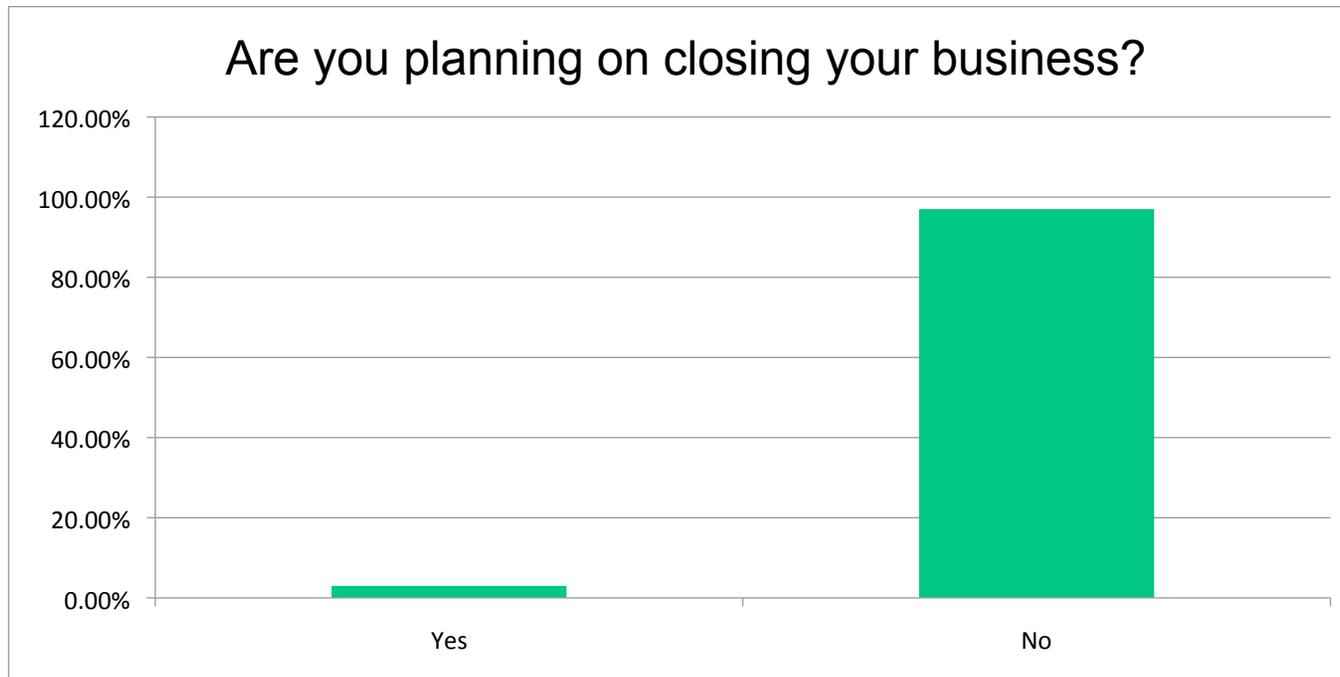
4. What are your expectations in terms of sales and recovery given the lockdown in your sector is lifted?

I expect a gradual return to business as usual.	29.63%
Social distancing, PPE equipment for staff will cause a major shift in how I do business.	17.90%
I expect consumer demand to remain flat when my sector lockdown ends.	14.81%
I am optimistic my business will come out of this COVID-19 pandemic with new vigor and possibilities.	14.81%
I have had ample time to develop new strategies to pivot my business and adapt to social distancing and working from home.	6.79%
Some of my employees will have difficulty returning to work because of school/daycare closings.	5.56%
Your predictions	4.94%
My workforce is unable to work from home because they require special equipment in order to be productive.	3.09%
Do you have a strategic plan in place to bring your business back online?	2.47%
I work in the ecommerce sector and expect my sales to drop when the lockdown is lifted on the retail sector.	0.00%
Will you be retraining employees to adapt to technology to sustain your workforce?	0.00%

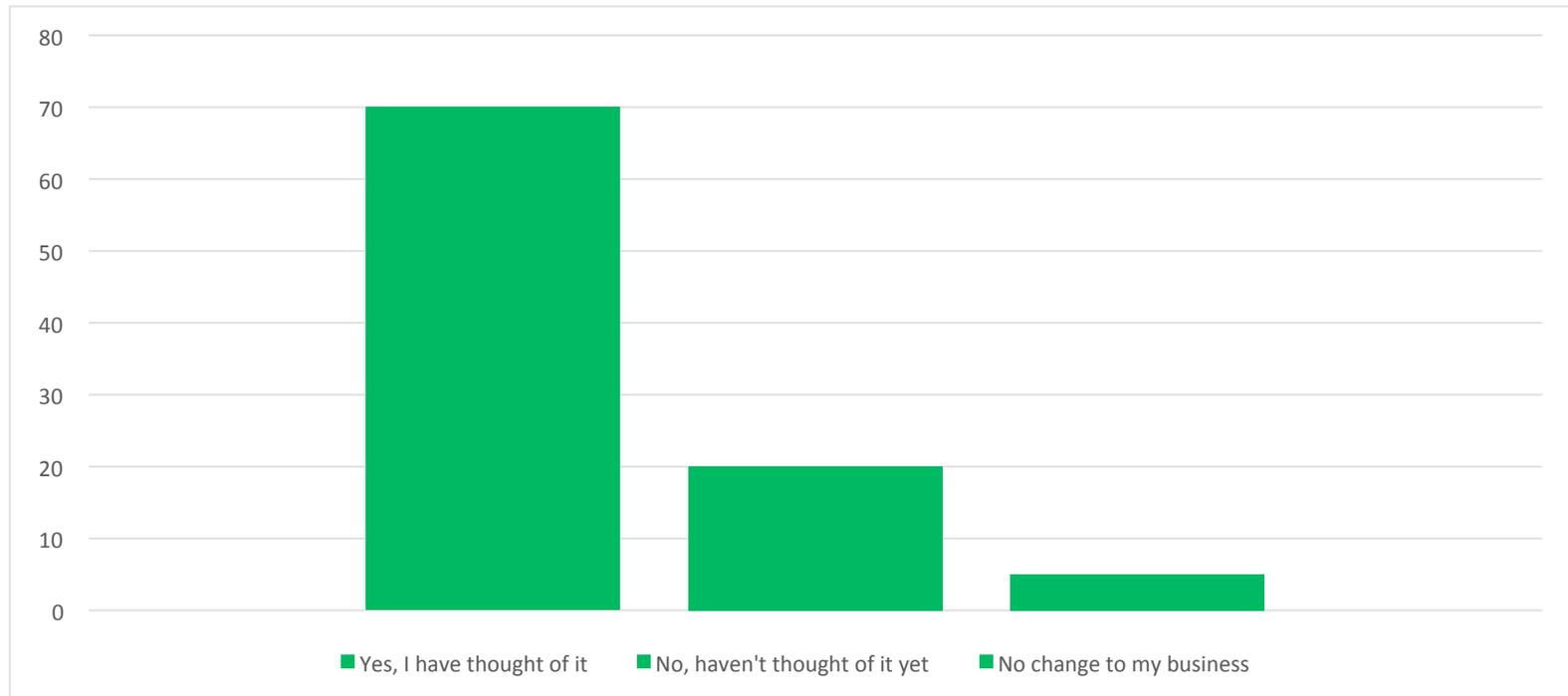
5. Are you planning on closing your business?

Though the vast majority of businesses surveyed do not anticipate closing, 5% do plan on closing their business.

A survey from the Canadian Federation of Business has indicated that nearly a quarter of all small businesses have seen their revenue drop to \$0. BNN Bloomberg Canada reports that up to 32% of small business are unsure if they will reopen after the pandemic public health advisories have been lifted.



6. Have you thought how you will reinvent and re-imagine as it may be 5 years till we get back to the economy we left in Jan 2020?



Of the respondents who have given thought to reinventing and reimagining their businesses, the following comments highlight the importance technology will play in the recovery phase of our economy.

