

# COVID-19 Business Impact Survey Jersey

## The Results

May 2020



# Summary of results

Grant Thornton in association with the Jersey Chamber of Commerce have conducted a survey to identify the true business impact of the outbreak of COVID-19 in Jersey. They sought to identify how businesses have adapted in the face of the crisis, what they have learnt from these new approaches and which they may even maintain post crisis.

Of those who responded to the survey, we received responses from 11 different sectors across the island's working population.

Detailed below is a breakdown of the responses by industry:

Finance	Professional Services	Light Industry	Manufacturing	Tourism and Hospitality	Retail	Construction & Property	Creative / Marketing	Health	IT and Tech	Third Sector
17%	20%	1%	1%	19%	9%	22%	5%	2%	1%	3%

## A good reflection of small and local businesses

Of those who responded, the majority came from construction, tourism and hospitality, professional services and finance. Over half of those who replied appeared to run very small businesses, employing fewer than 10 people. **80%** of those who did respond employ fewer than 75 people in total.

## Businesses are keen to recommence operations

**80%** of those who responded to the survey believe they could operate safely if allowed under the current social distancing guidelines.

### Key issues facing businesses amid the COVID-19 breakout

Business uncertainty, reduced operations and a fall in customer demand are cited as the key issues facing Jersey businesses today.

- Inability to operate
- Reduced operations
- Reduction in demand
- Remote working
- Access to finance (e.g. loans)
- Business uncertainty
- Cost base reduction



# Summary of results

## A large number of businesses believe their turnover has decreased by more than half since the outbreak

Of those surveyed, **50%** believe their turnover has reduced by more than **50%**. Aligned to this figure, a similar amount believed their profit and cash flow have also reduced by the same amount.

## Many workers face redundancy or reduced hours while their employers focus on recovery

Of those who replied to the survey, over **60%** stated they would consider making staff redundant or reducing their contractual hours to ensure survival. Remote working has been enforced for nearly three quarters of all those who responded.

## Fewer businesses are actively seeking financial support from the Government

Very few of those who have responded to the survey, have applied for Government funding. Just **25%** have applied for Payroll Co-Funded Scheme Phase 1, compared to just **2%** applying for the Jersey COVID-19 Special Situations Fund (formerly the Jersey Recovery Fund) and **6%** for the Business Disruption Loan Guarantee Scheme.

## Payroll Co-Funded Scheme Phase 2 is however proving appealing

Despite very few respondents seeking financial support from the Payroll Co-Funded Scheme Phase 1, the Jersey COVID-19 Special Situations Fund (formerly the Jersey Recovery Fund) and the Business Disruption Loan Guarantee Scheme, nearly **60%** of those who have responded have said they will apply for support from Payroll Co-Funded Scheme Phase 2.

### What does the future of work look like post pandemic?

There are many practices currently adopted that businesses have said they will continue to adopt post pandemic.

Flexibility is the key trend, offering employees the option to work remotely and flexibly, to allow greater work life balance.

- Remote working
- Better work / life balance
- Offer staff the option to work remotely
- Offer staff more choice on flexible working hours
- Using third parties to sell / distribute
- Move products and services online

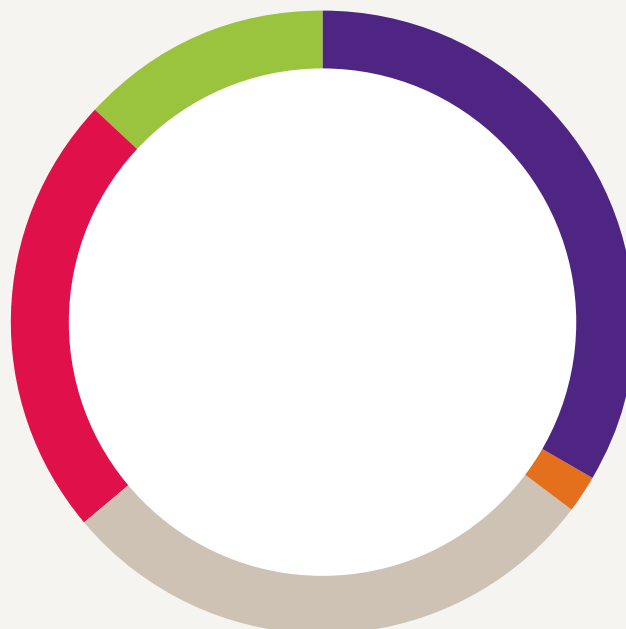


# Summary of results

## Bonuses, promotions and salaries are likely to be frozen

While many have stated that they do not intend to make any big changes right now, instead focusing as much on key business operations, many have indicated that bonuses and promotions will be limited, and they may even impose salary reductions or freezes in the coming months.

- No change, our business will continue, but staff will work remotely
- We intend to hire more people
- We will impose salary reductions / freezes
- We will limit bonuses / promotions
- We will actively work to reduce our current headcount



## Staff wellbeing has been negatively impacted by COVID-19

**70%** of those who responded said they believed their staff's wellbeing has been affected negatively by the pandemic. They cited difficulties working remotely as a cause and believe uncertainty for the future and social isolation are also causes impacting their mental health. Of those working at home with school age children, many felt it was difficult to fulfil their working commitments while also supporting their children with their schoolwork..

## What does the Government need to focus on in order to relax restrictions?

It is felt that the following are favoured approaches to managing the relaxation of restrictions:

- Adopt a balanced approach to the economy and the population's safety
- Greater transparency in Government planning
- Allow businesses independence to choose their own return approach
- Extend financial support and fiscal stimulus

# Summary of results



## Keep it local - Buy Jersey

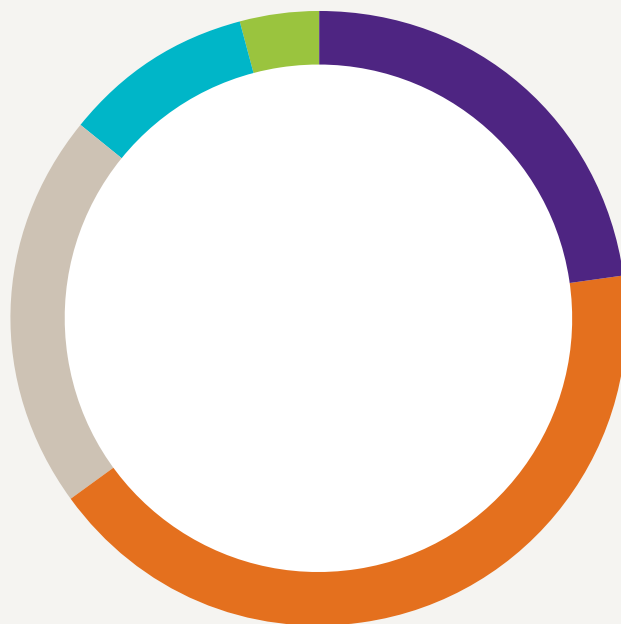
Nearly **90%** of all those who responded stated they would commit to spending locally, wherever possible and will support other local businesses by buying locally over exporting goods from outside of the Channel Islands.

### Business confidence remains high

Despite all the doom and gloom reported in the media, local businesses remain confident of their survival.

**65%** of those who responded said they were either extremely confident or confident of their business' survival post pandemic.

- Extremely confident
- Confident
- Neutral
- Not confident
- Extremely doubtful



### How will business models change?

Business owners have accepted that they will need to change the way they operate in the future, but some key observations have been drawn from the responses, the main of which are as follows:

- Greater flexibility of working practices i.e. remote working, flexible working hours
- More reliance on digital tools for communication, collaboration and automation
- Call for the government to remove GST import charges for small businesses
- Better financial and disaster recovery planning



# Grant Thornton

---

**[grantthorntonci.com](https://www.grantthorntonci.com)**

© 2020 Grant Thornton Limited. All rights reserved.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton International Ltd (GTIL) and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.