



AMERICAN CHAMBER
OF COMMERCE
UKRAINE



UKRAINE COVID-19 BUSINESS IMPACT SURVEY RESULTS



March 13, 2020













KEY FINDINGS


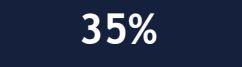











- On 12 March 2020 **150 participants from 111 organizations** took part in this survey. The majority of participants are the representatives of foreign companies (60%) consumer (23%) and professional services (18%) industries. Almost a quarter of the respondents are company's CEOs (24%).
- Companies expect significant affect of the COVID-19: sales and cash flow slowdown (61%), difficulties with serving the customers/clients (52%) and normal business management (46%). Furthermore, among the possible negative effects, respondents noted limitations with traveling and public events, disruptions in the supply chain and price volatility. However, only 19% of respondents noted that the virus will cause changes in people management (headcount optimization (12%) and compensation changes (7%)).
- More than half of the respondents (63%) have a temporary body, which monitors situation with COVID-19 at the local level. Usually, top managers, representatives of HR, security, administration and, in some cases, all functions, are engaged in the body's activities. Temporary bases, usually, meet every day (35%), once a week (17%) or by necessity (14%).

KEY FINDINGS

- According to the respondents, limiting of business travelling (89%), providing remote work opportunities (87%), office safety (82%) and the latest information to the employees (81%) are the most needed actions in supporting workforce at current state. It is interesting that less than a third of the companies consider that addressing employees' psychological stress is needed (22%) or plan to work on it (17%).
- The vast majority of the respondents have already implemented staff supporting actions related to the COVID-19 pandemic. Almost a third of them started doing it in early March, that is, after detecting the first case of infection in Ukraine. At the same time, 13% of the companies are still implementing supporting actions and 3% are planning to start them next week.
- Among main challenges while implementing the supporting actions, the respondents mentioned difficulties of organization and implementation of remote work, provision of stable work of business, as well as, working with employees who underestimate the gravity of the situation and ignore the requirements of self-quarantine and self-protection.
- Despite significant impact of the pandemic on business, most companies (65%) do not plan to adjust their business performance targets in 2020 so far, while 17% of respondents plan to lower them.

RESPONDENTS

Position		
	24%	CEO
	11%	Finance
	10%	HR
	6%	Legal
	6%	Administration
	5%	Communications & PR
	3%	Consultant
	3%	Sales
	3%	IT
	2%	Security
	2%	Marketing
	25%	Other

Type of company		
	60%	Foreign
	35%	Private
	5%	Non-profit
Industry		
	23%	Consumer
	18%	Professional services
	14%	Life science and medical
	13%	Financial and real estate
	11%	Energy/resources and industrial
	5%	Media and telecom
	5%	IT
	3%	Government and public service
	1%	Education
	7%	Other

The biggest impact of the COVID-19 epidemic on the company

	61%	Sales slowdown & cash flow challenges
	52%	Unable to serve the customers/clients
	46%	Unable to continue normal business management
	12%	Headcount optimization
	7%	Compensation changes
	16%	Other

Other:

- In the worst case - the global recession
- Increased production
- Supply chain failures
- Reduction of attracted funds from local and international donors
- Possible shortcomings in the work of the company both globally and locally (depending on world events) across the world
- Opportunity to increase sales of medicines
- The need to work remotely
- Travel restrictions
- Restrictions on public/significant events; absence of guests
- Obstruction of cooperation with Ukrainian partners
- Employee disease
- Price fluctuations in the domestic and foreign markets

TEMPORARY BASE

Does the company have a temporary base (business response and continuity office), which monitors situation with COVID-19 at the local level?

	63%	Yes
	32%	No
	5%	Can't answer

How often the base's members meet

	35%	Every day
	17%	Weekly
	14%	Occasionally
	9%	Twice a week
	3%	Regularly
	3%	Twice a day
	11%	Can't answer
	8%	Other

Representatives of which functions are engaged in the base's activities

	53%	HR
	28%	Top Management
	27%	Administrative
	21%	Security
	20%	Representatives of all functions
	17%	Legal
	16%	Finance
	13%	Communications
	13%	Representatives of the medical industry
	7%	Sales
	6%	IT
	8%	Can't answer
	27%	Other

MOST NEEDED ACTIONS

The most needed actions in supporting workforce at current state

	89%	Limit business traveling
	87%	Provide remote work (from home)
	82%	Provide office safety (antibacterial stuff, disposable utensils, thermometer)
	81%	Provide employees with the latest advice and information
	61%	Oblige employees to stay home for at least 14 days after any trip abroad
	58%	Provide employees with online working tools or optimize existing
	52%	Provide flexible working schedule
	22%	Address employee psychological stress
	14%	Update sick-leave policy
	9%	Other

Other:

- Ensure the usage of company's transport to transport employees to work
- Provide COVID-19 detection tests to all employees
- Prohibit business trips abroad and within Ukraine by public transport
- Prohibit internal/external meetings with 25 employees or more
- Forcing employees to stay home only if they have returned from "hot spots" (Italy, Iran, etc.)
- Publish a central directive on the mandatory implementation of the "work from home" regime
- Negotiate with an insurance provider on the issue of emergency detection
- Regularly conduct a medical examination of employees and check the temperature of visitors

Plans or actions in supporting workforce at current state

	81%	Limit business traveling
	79%	Provide remote work (from home)
	74%	Provide employees with the latest advice and information
	74%	Provide office safety (antibacterial stuff, disposable utensils, thermometer)
	55%	Provide employees with online working tools or optimize existing
	53%	Oblige employees to stay home for at least 14 days after any trip abroad
	45%	Provide flexible working schedule
	17%	Address employee psychological stress
	6%	Update sick-leave policy
	11%	Other

Other:

- Provide the opportunity to travel to the office and home by company's vehicles with other employees to avoid public transportation
- Provide free vitamins and a balanced diet, encourage drinking water, washing and disinfecting hands every 15 minutes
- Introduce shift work / special work schedule
- There are currently no plans to support staff
- Do not hold large meetings / events
- Policy updated / tools provided
- Conducting temperature screening and visitors' monitoring

When implement / going to implement the supporting actions as described in previous question

	86%	Already implemented:
	18%	Starting March
	12%	Starting this week (from March 9)
	13%	After the announcement of the quarantine (March 12-13)
	13%	In process
	3%	Going to implement next week (March 16)

Plan on adjusting business performance target in 2020

	65%	Maintain the target
	14%	Lower the target moderately
	3%	Lower the target significantly
	6%	Targets will not change
	1%	Increase market reach
	1%	Not applicable
	10%	Don't know



Main challenges while implementing the supporting actions

MAIN CHALLENGES

- “Field” employees safety
- Absence of masks, antibacterial agents on the market
- Achieve company goals
- Administrative barriers
- Budgeting constraints
- Cancellation of business meetings and travels
- Cybersecurity
- Data protection
- Decrease in control and efficiency through remote work
- Delaying some projects
- Employee access to social networks with a lot of false information that generates panic
- Employees safety
- Employees’ stress about disrupted plans
- Ensure effective communication with partners
- Ensuring a smooth supply process
- Ensuring coordinated work and actions among employees
- Ensuring emotional stability and high level of engagement
- Ensuring stable business operation
- Finding new solutions to ensure that clients' objectives are met
- Ignoring recommendations to stay at home by employees
- Inability to interact with government institutions remotely
- Inability to work remotely for "fields" employees and other mobile workers
- Interaction with clients
- Keeping employees from personal trips to “hot” countries
- Keeping employees healthy and safe
- Lack of infrastructure to support remote work (including, poor quality of the Internet, lack of necessary working documents)
- Lack of medicine and instruments for infected person identification
- Lack of up-to-date information
- Management of uncertainty
- Marketing and promotion efficiency have been reduced because there is no way to educate people at conferences and meetings
- Not all work can be done remotely
- People mentality and low stress resistance
- Personal responsibility for maintaining supporting actions
- Providing detailed, actual and timely communication
- Quality of services
- Quickly and qualitative provision of necessary facilities
- Remote work
- Support for employees with children - vacation for a quarantine period
- Team communication
- Technical (with online instruments for work)
- Technical capabilities (a need of physical documents)
- The culture of remote work is not sufficiently developed
- The inevitable global economic downturn
- The need for a long period of time to change tools / business processes
- There are no challenges
- There is a lack of clarity about sick-leaves and remote work for employees, because no information has been announced yet
- There is a pressure on crisis management team on decision making in the absence of reliable information
- Underestimating the importance of the epidemic and not taking the situation seriously
- Undertaking of all risk prevention activities
- With a plan to support business stability in place, there are no challenges yet
- Work with the psychological state of employees