



COVID-19's Impact on New England Companies

A Survey of Private Company Insights: June 2020

CBIZ

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Accounting | Tax | Advisory

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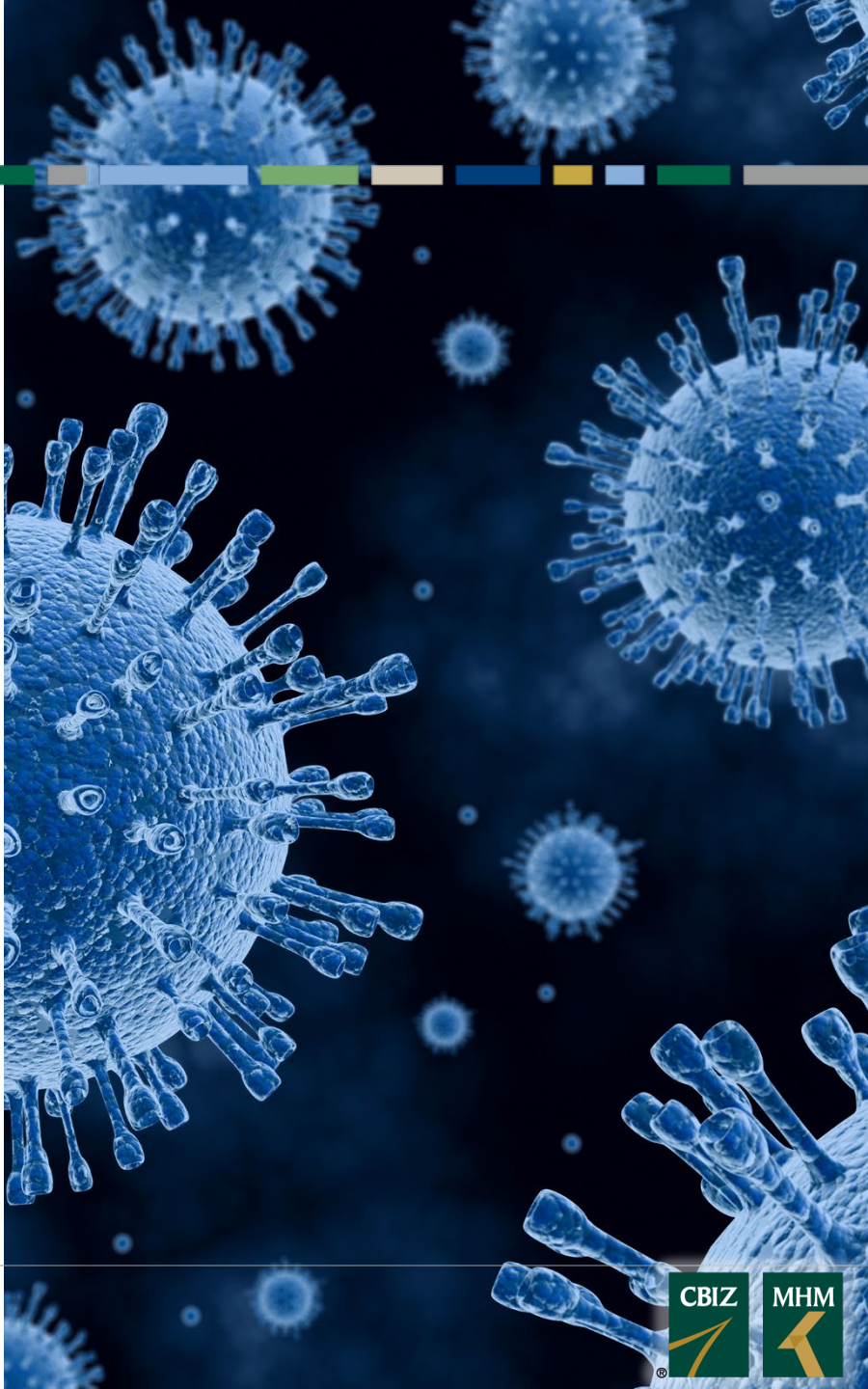
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Key Insights

Results of the 134 responses reveal key insights into the impact of COVID-19 on New England private companies:

■ IMPACTS & CONCERNS

- 90% have the majority of their staff working remotely
- 81% expect a medium or high amount of impact to their business
- **Loss of revenue (70%)** and **employee safety (55%)** are the top concerns of all respondents
- 56% have started to restrict spending
- 55% have already experienced or expect significant ramifications by Q3 or Q4 2020 if business remains restricted
- 52% experienced a decrease in sales
- 50% closed their physical place of business
- 27% are not anticipating severe ramifications after their states reopen

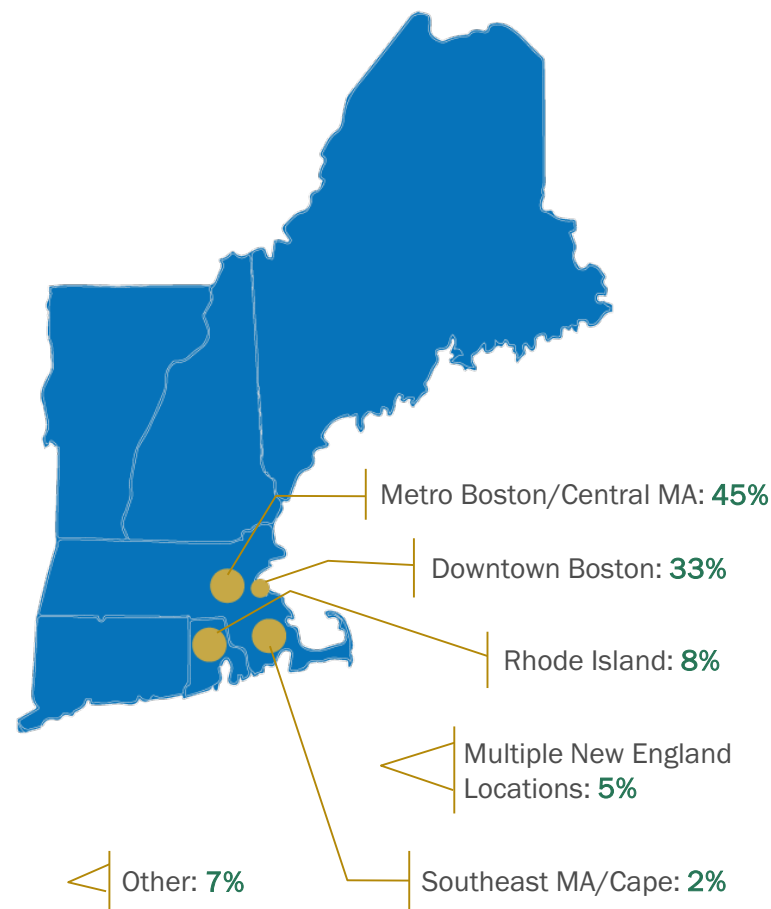
■ CHANGES

- 88% anticipate some or all staff continuing to work remotely
- 74% have improved liquidity through loans or pursued bank debt modifications
- 63% aimed to reduce costs by completing a 52-week cash flow analysis
- 39% have already made or will have to make significant changes before Q3/Q4 2020 given their current available cash borrowing
- 33% don't anticipate having to make any significant changes
- Only 32% had taken advantage of employee credits/payroll tax deferrals or other CARES Act tax items at the time of response

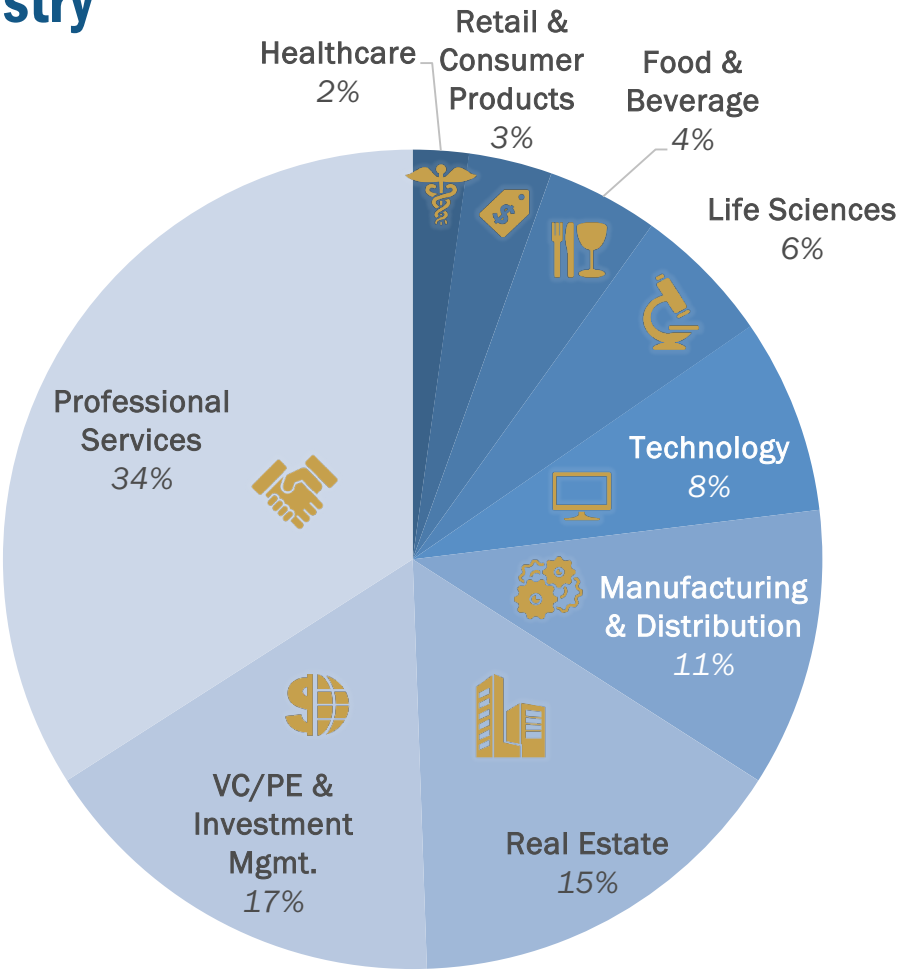


Demographics: Company Location & Industry

Location

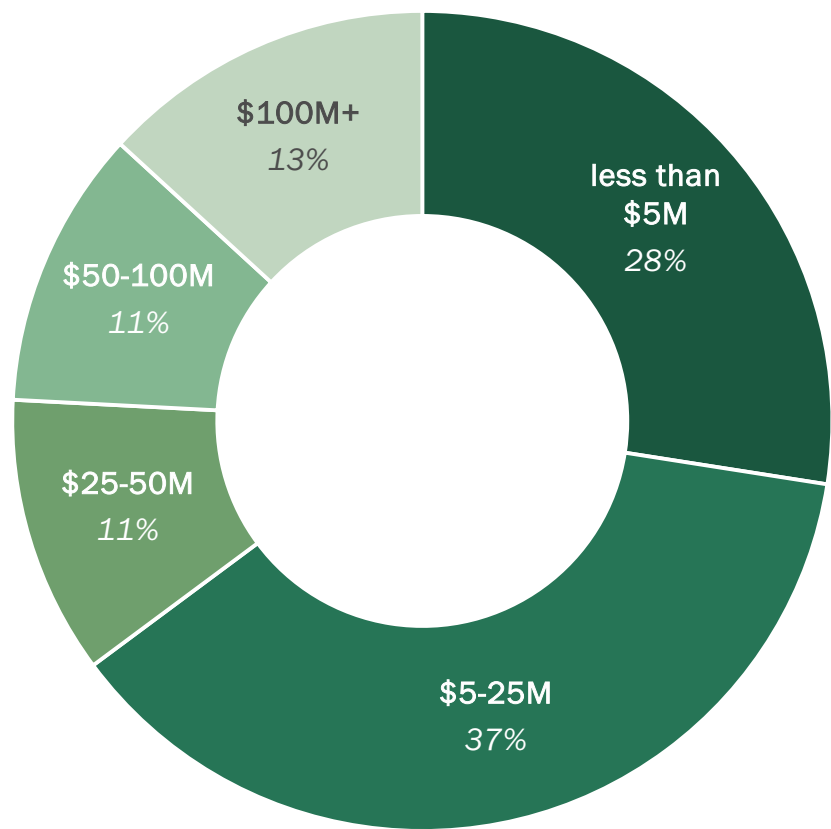


Industry

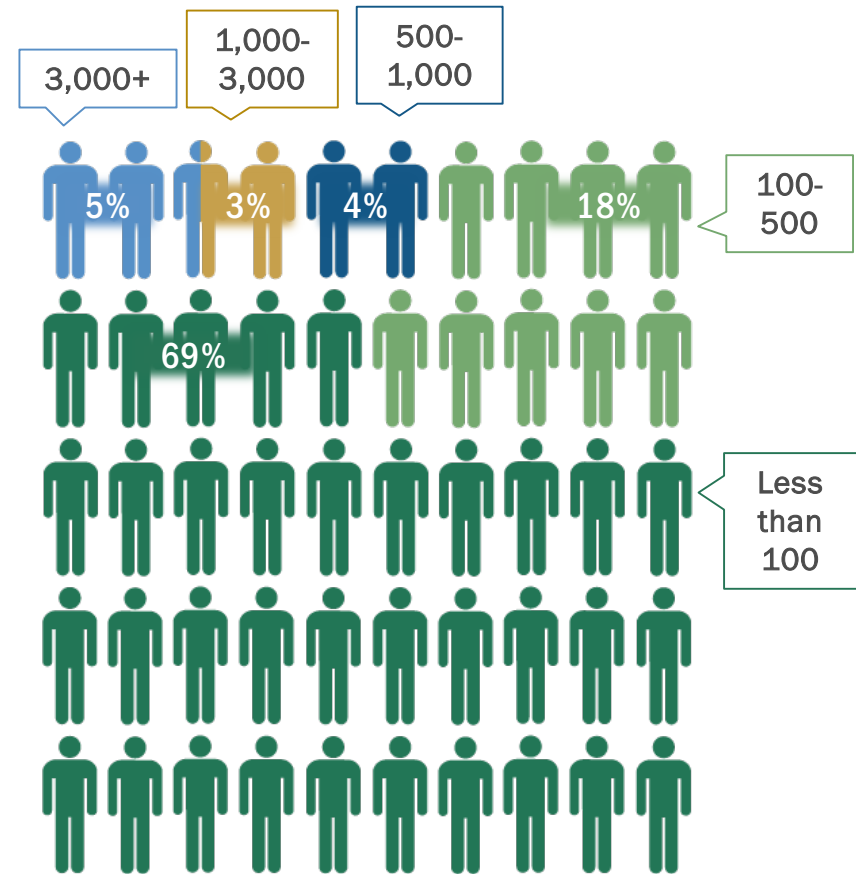


Demographic: Company Size

By Revenue



By Employees

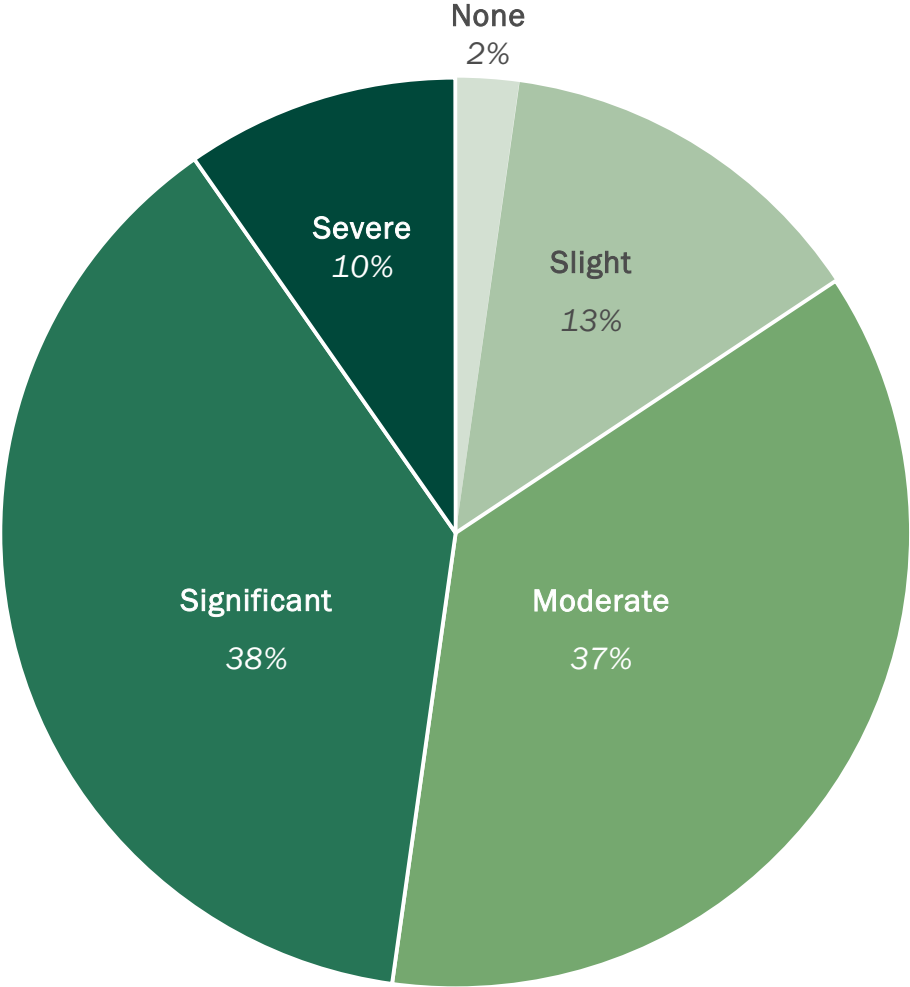


Survey Responses

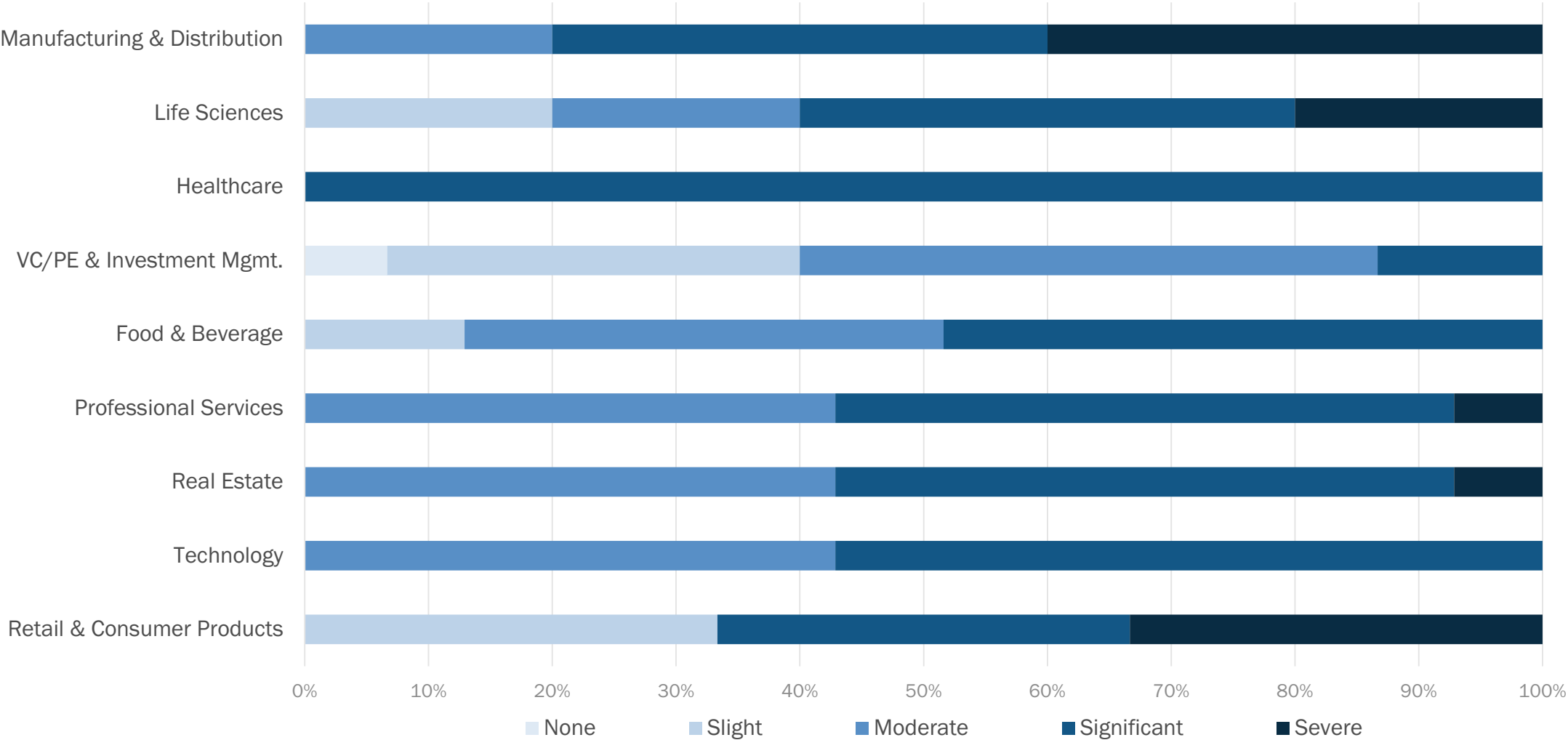


All Responses & Responses by Industry

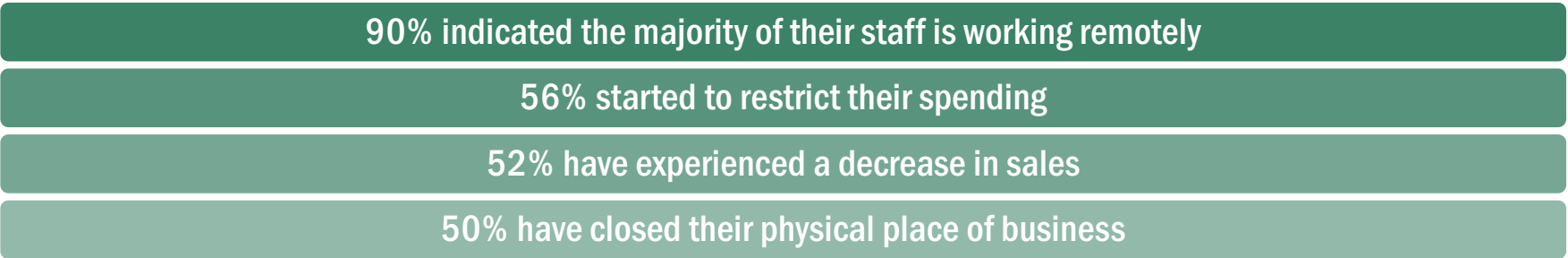
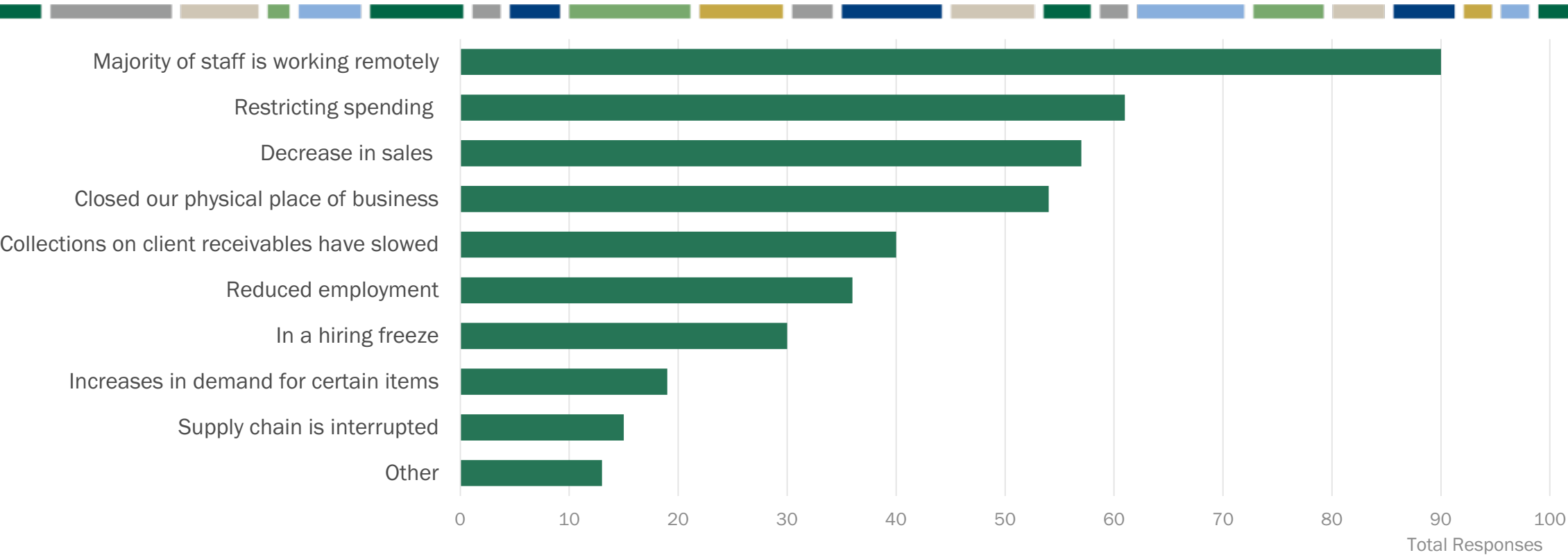
Overall Business Impact: All Responses



Overall Business Impact: By Industry



Specific Impacts Already Seen: All Responses



Specific Impacts Already Seen: Top Responses by Industry



Manufacturing & Distribution

- Experiencing a decrease in sales - 90%
- Restricting spending - 60%
- Reduced employment - 50%



Life Sciences

- Majority of staff is working remotely - 100%
- Restricting spending - 80%
- Reduced employment - 60%
- Closed physical place of business - 60%
- Supply chain interrupted - 60%



Healthcare

- Majority of staff is working remotely - 100%
- Restricting spending - 100%



VC/PE & Investment Management

- Closed physical place of business - 87%
- Majority of staff working remotely - 87%



Food & Beverage

- Reduced employment - 100%
- Restricting spending - 100%
- Experiencing a decrease in sales - 100%



Professional Services

- Majority of staff working remotely - 90%
- Restricting spending - 65%
- Experiencing a decrease in sales - 55%



Real Estate

- Majority of staff working remotely - 79%
- Collections on client receivables have slowed - 64%
- Closed physical place of business - 57%



Technology

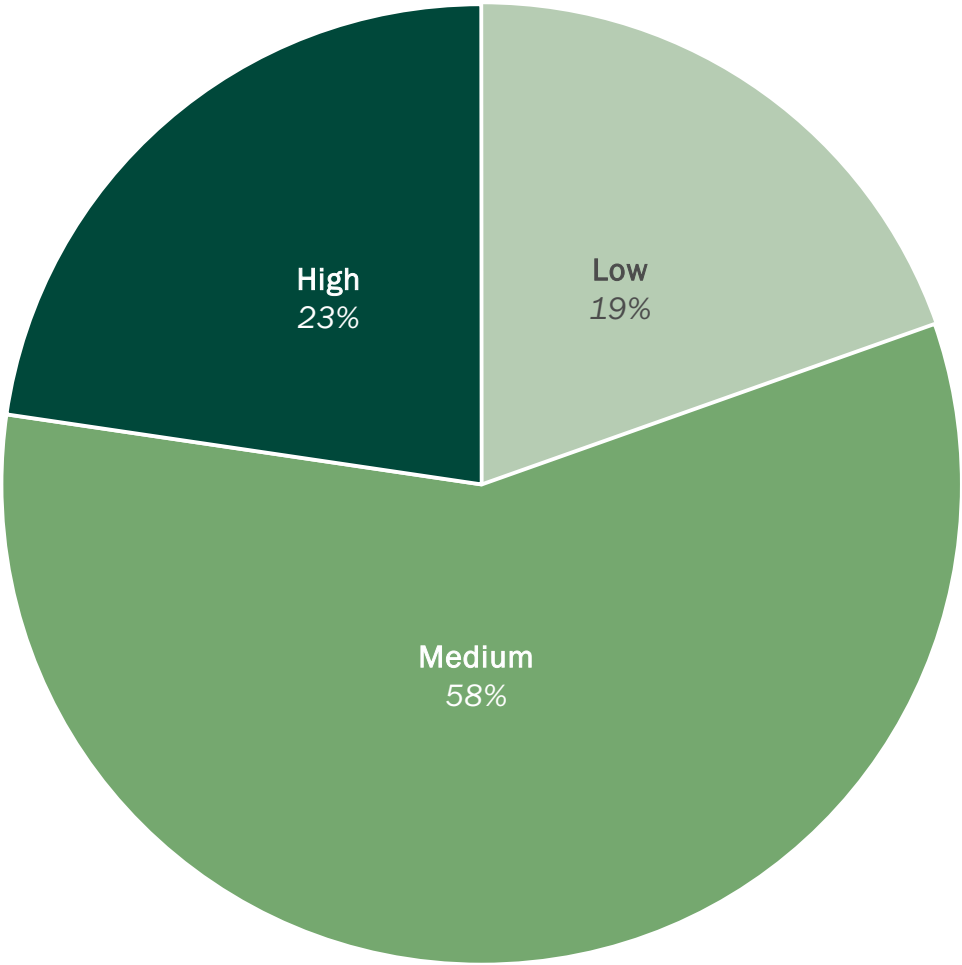
- Majority of staff is working remotely - 100%
- Closed physical place of business - 71%
- Restricting spending - 71%



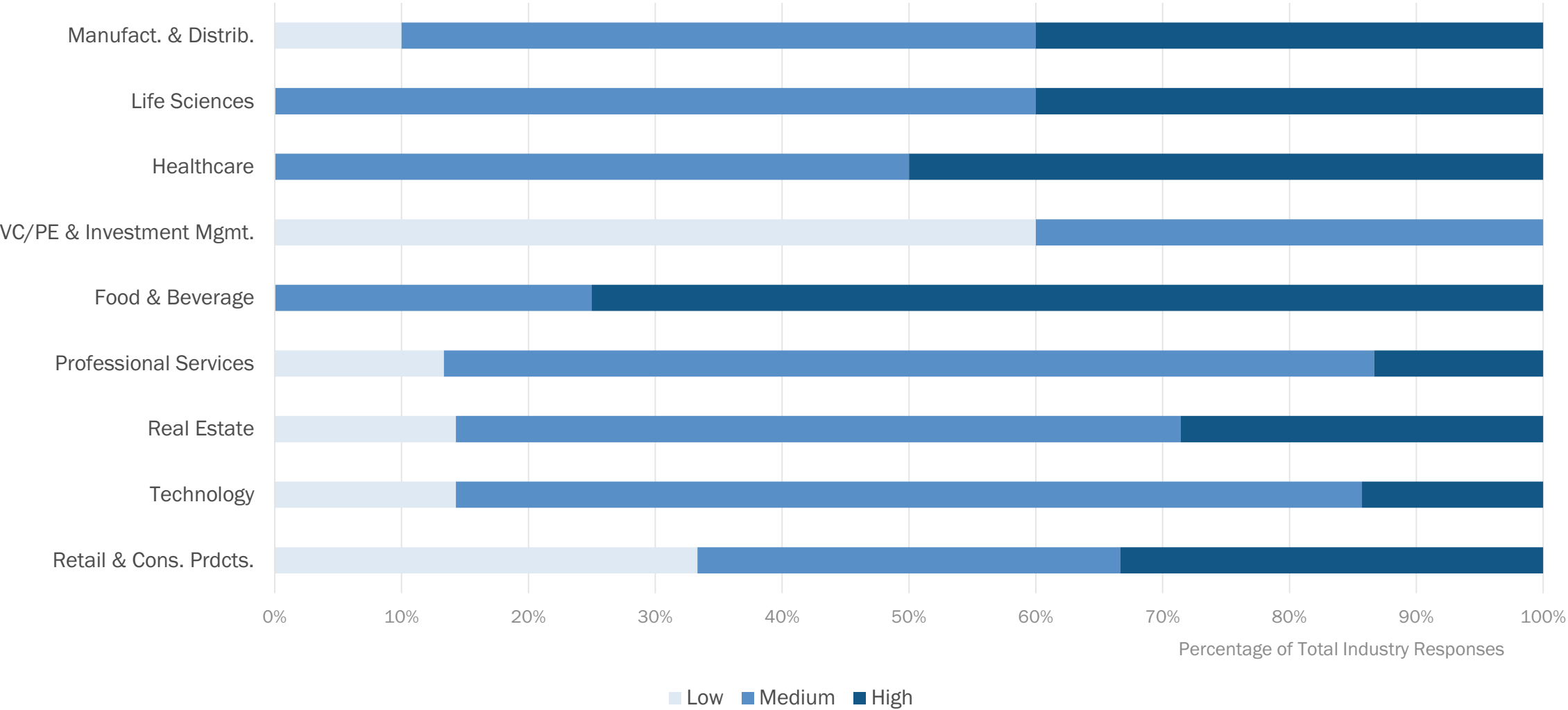
Retail & Consumer Products

- Majority of staff is working remotely - 100%
- Reduced employment - 100%
- Restricting spending - 100%

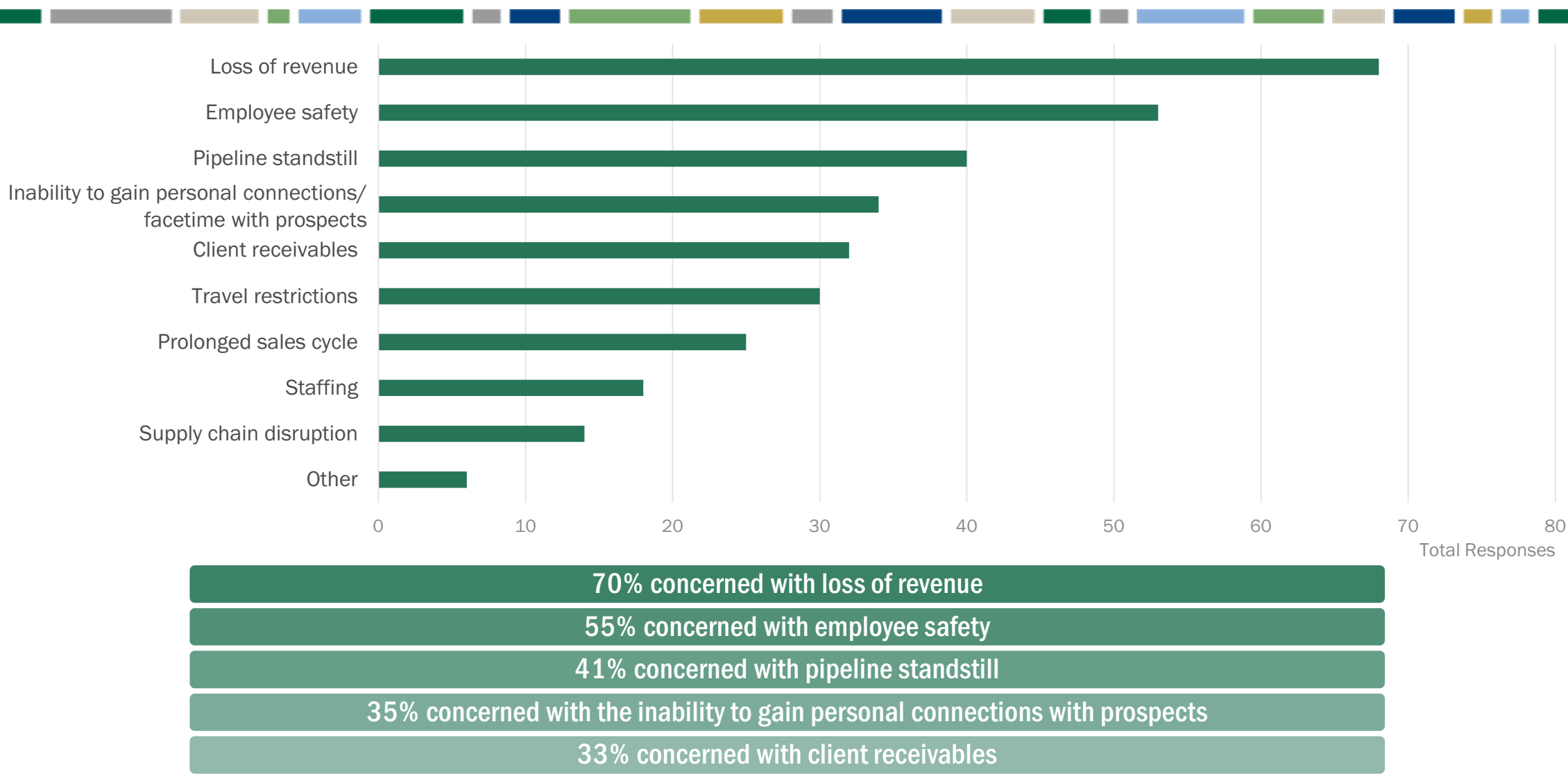
Level of Expected Impact: All Responses



Level of Expected Impact: By Industry



Biggest Concerns: All Responses



Biggest Concerns: Top Responses by Industry



Manufacturing & Distribution

- Loss of revenue - 80%
- Pipeline standstill - 40%
- Employee safety - 30%
- Prolonged sales cycle - 30%
- Inability to gain connections with prospects - 30%



Life Sciences

- Travel restrictions - 100%
- Supply chain disruptions - 80%
- Pipeline standstill - 80%
- Inability to gain connections with prospects - 80%
- Staffing - 80%



Healthcare

- Employee safety - 100%
- Loss of revenue - 50%
- Client receivables - 50%
- Staffing - 50%



VC/PE & Investment Management

- Employee safety - 60%
- Inability to gain connections with prospects - 60%
- Pipeline standstill - 53%



Food & Beverage

- Loss of revenue - 100%
- Supply chain disruptions - 50%
- Travel restrictions - 50%



Professional Services

- Loss of revenue - 80%
- Employee safety - 53%
- Pipeline standstill - 43%
- Client receivables - 40%



Real Estate

- Loss of revenue - 79%
- Client receivables - 64%
- Employee safety - 57%
- Pipeline standstill - 50%



Technology

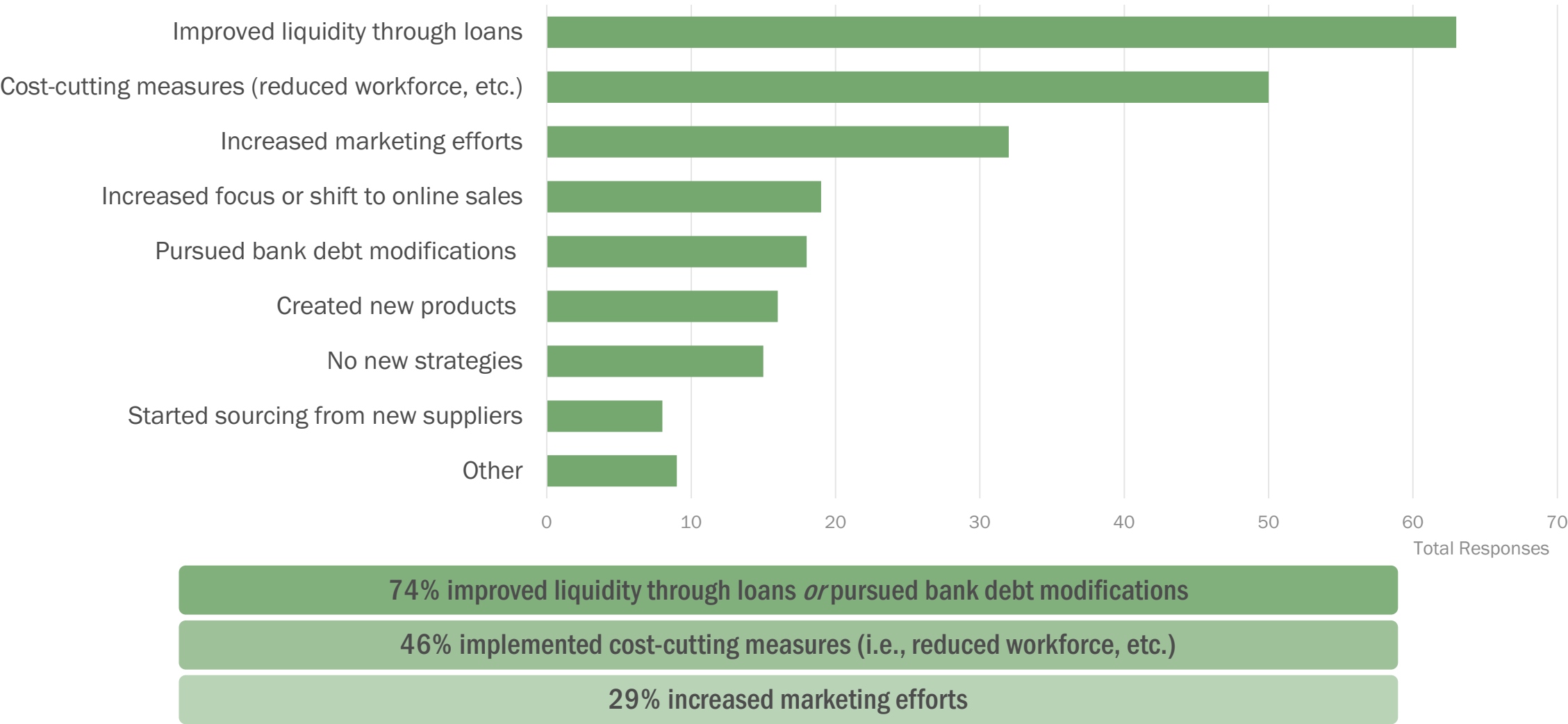
- Loss of revenue - 71%
- Employee safety - 71%
- Prolonged sales cycle - 57%



Retail & Consumer Products

- Loss of revenue - 100%
- Employee safety - 100%
- Client receivables - 67%

Changes in Business Practices: All Responses



Changes in Business Practices: Top Responses by Industry



Manufacturing & Distribution

- Cost-cutting measures – 50%
- Improved liquidity through loans – 40%
- Created new products – 40%



Life Sciences

- Cost-cutting measures – 60%
- Improved liquidity through loans – 40%
- Created new products – 40%



Healthcare

- Improved liquidity through loans – 50%
- Pursued bank debt modifications – 50%
- Cost-cutting measures – 50%



VC/PE & Investment Management

- Cost-cutting measures – 47%
- Improved liquidity through loans – 40%



Food & Beverage

- Improved liquidity through loans – 100%
- Increased focus or shift to online sales – 75%
- Cost-cutting measures – 75%



Professional Services

- Improved liquidity through loans – 74%
- Increased marketing efforts – 48%
- Cost-cutting measures – 32%



Real Estate

- Improved liquidity through loans – 57%
- Cost-cutting measures – 50%
- Pursued bank debt modifications – 43%



Technology

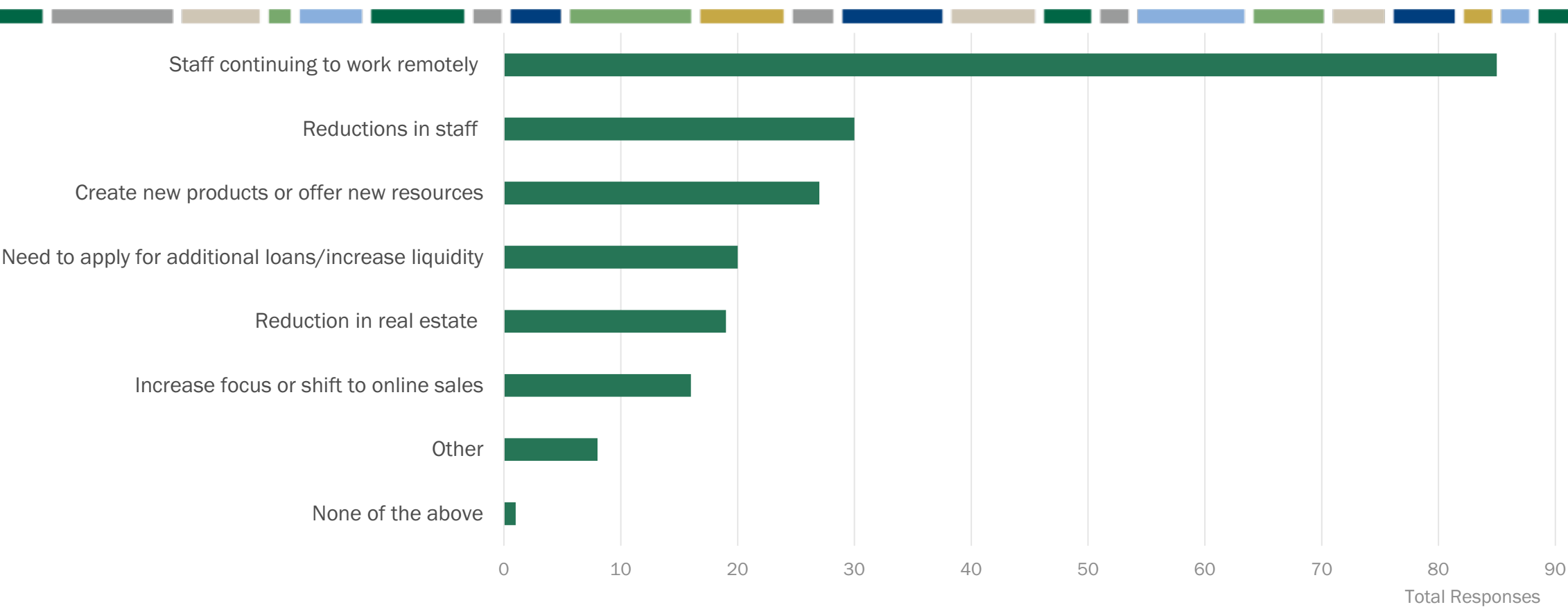
- Cost-cutting measures – 86%
- Created new products – 43%



Retail & Consumer Products

- Increased focus or shift to online sales – 100%
- Cost-cutting measures – 100%
- Improved liquidity through loans – 67%
- Increased marketing efforts – 67%

Anticipated Changes: All Responses



88% anticipate some or all staff continuing to work remotely

31% anticipate reductions in staff

28% anticipate creating new products or offering new resources

Anticipated Changes: Top Responses by Industry



Manufacturing & Distribution

- Some or all staff continuing to work remotely – 60%
- Create new products or offer new resources – 40%
- Increase focus or shift to online sales – 30%



Life Sciences

- Some or all staff continuing to work remotely – 100%
- Need for additional loans/increase liquidity – 60%
- Reductions in staff – 40%
- Reductions in real estate – 40%
- Create new products or offer new resources – 40%



Healthcare

- Some or all staff continuing to work remotely – 100%
- Reductions in staff – 50%
- Reductions in real estate – 50%



VC/PE & Investment Management

- Some or all staff continuing to work remotely – 93%
- Create new products or offer new resources – 33%



Food & Beverage

- Some or all staff continuing to work remotely – 75%
- Need for additional loans/increase liquidity – 50%



Professional Services

- Some or all staff continuing to work remotely – 90%
- Reductions in staff – 47%
- Reductions in real estate – 30%
- Create new products or offer new resources – 30%



Real Estate

- Some or all staff continuing to work remotely – 86%
- Reductions in staff – 36%



Technology

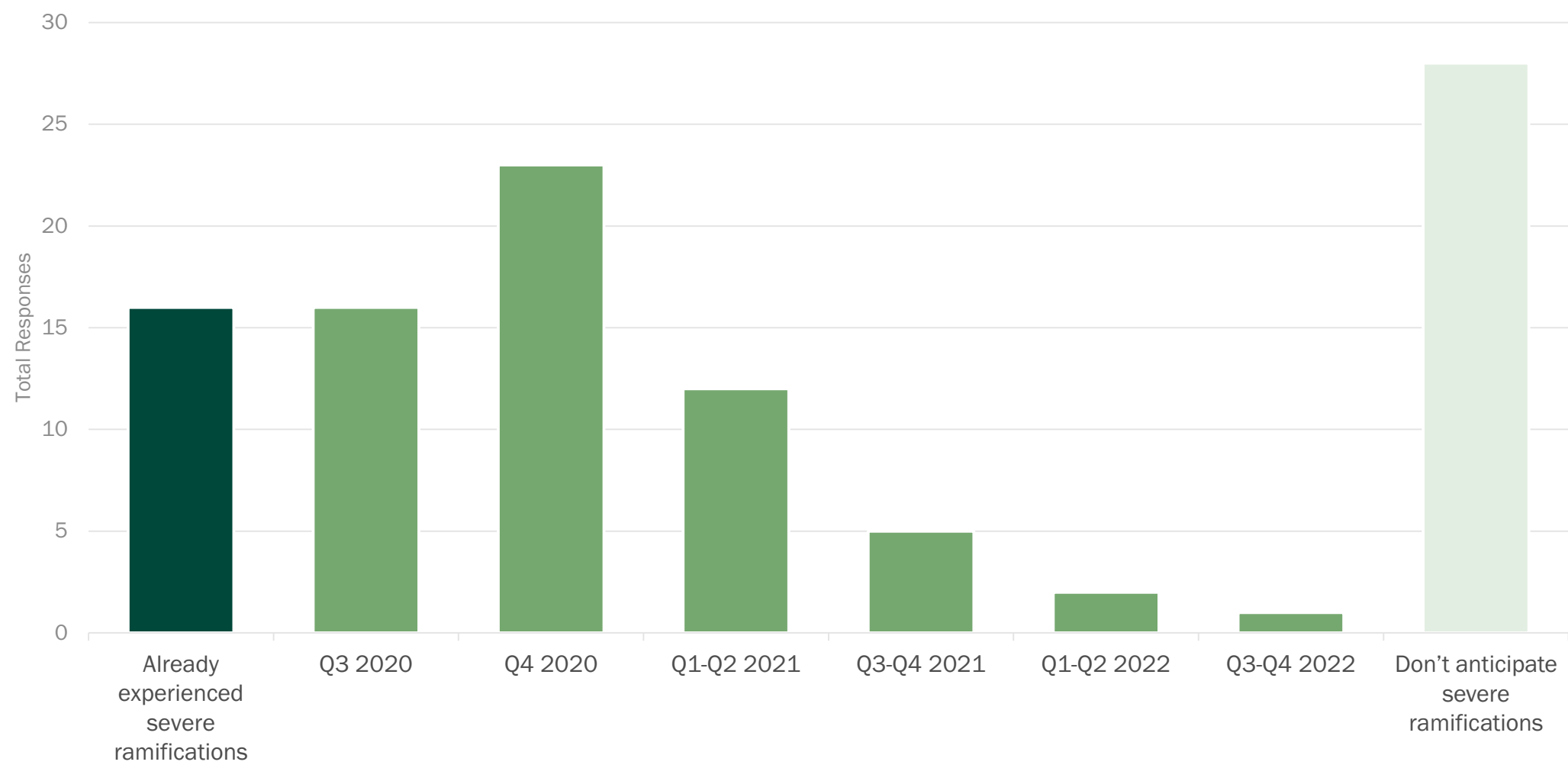
- Some or all staff continuing to work remotely – 100%
- Reductions in real estate – 29%
- Need for additional loans/increase liquidity – 29%
- Increase focus or shift to online sales – 29%



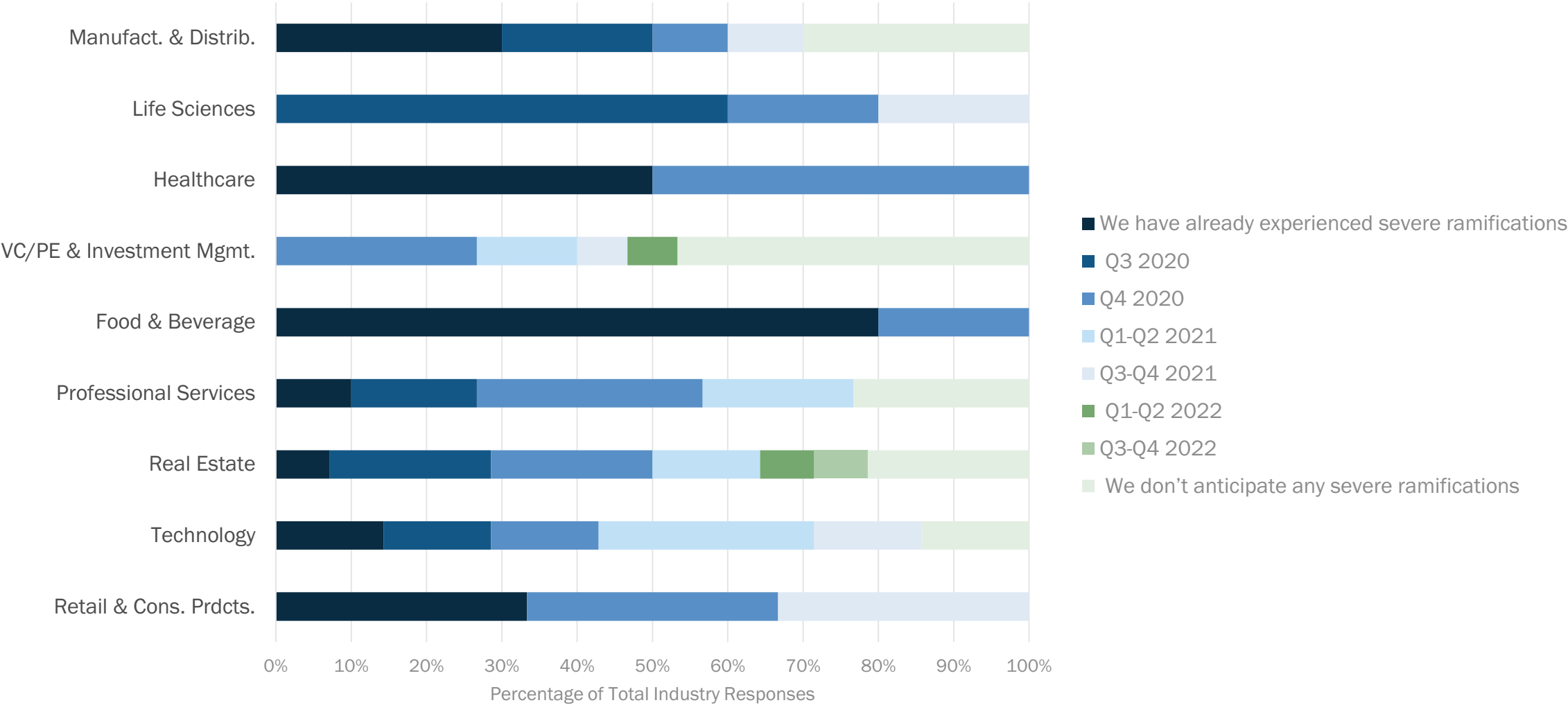
Retail & Consumer Products

- Some or all staff continuing to work remotely – 100%
- Increase focus or shift to online sales – 67%

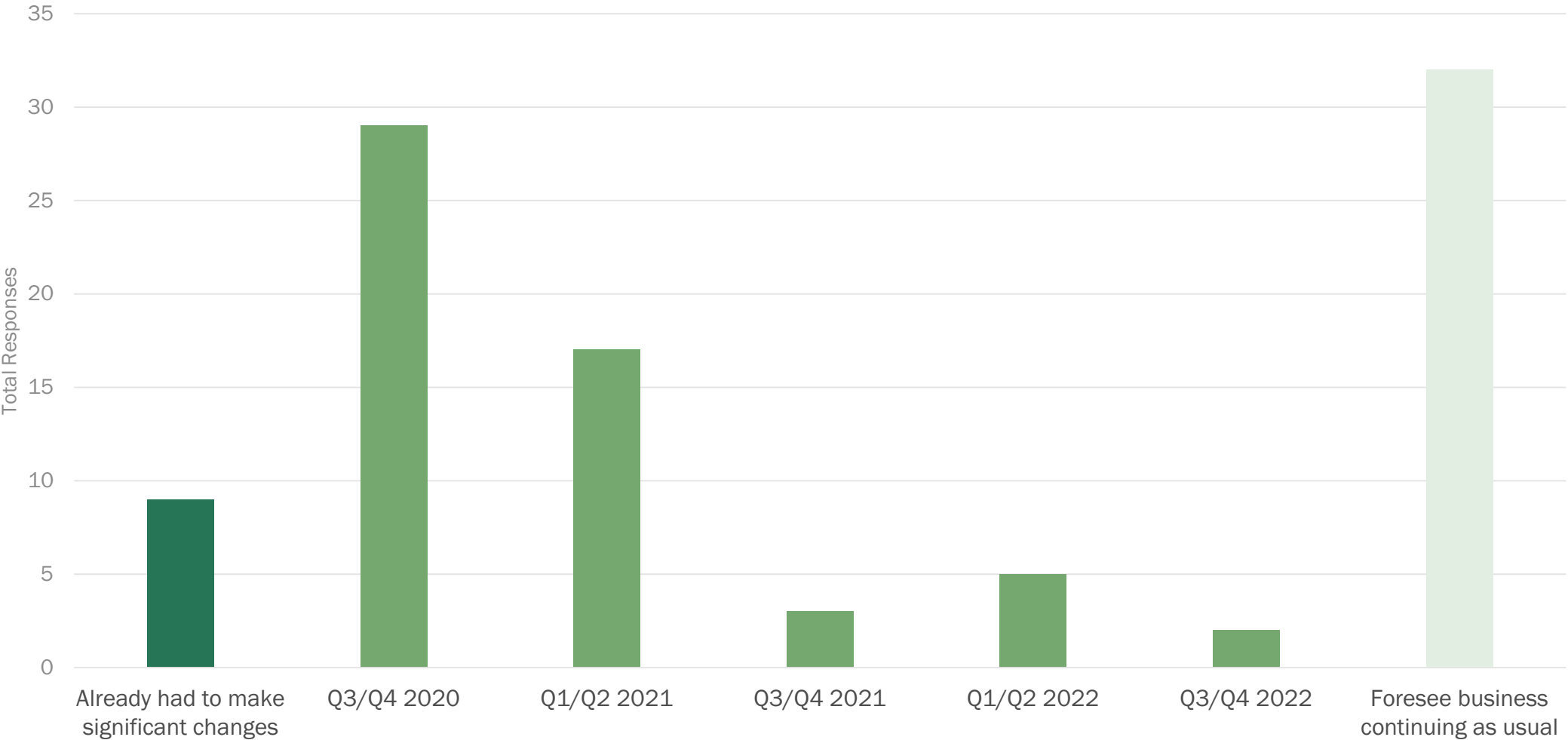
Timeline re: Business Ramifications: All Responses



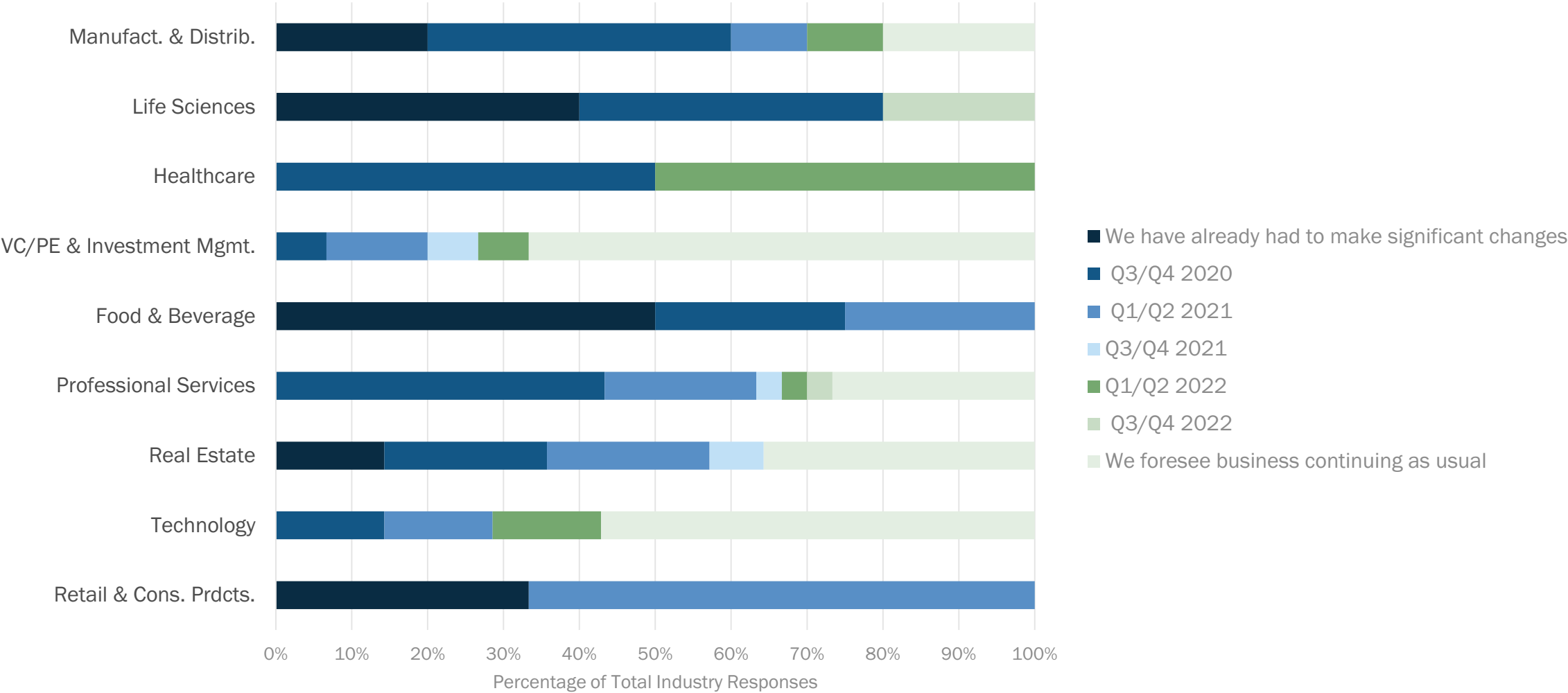
Timeline re: Business Ramifications: By Industry



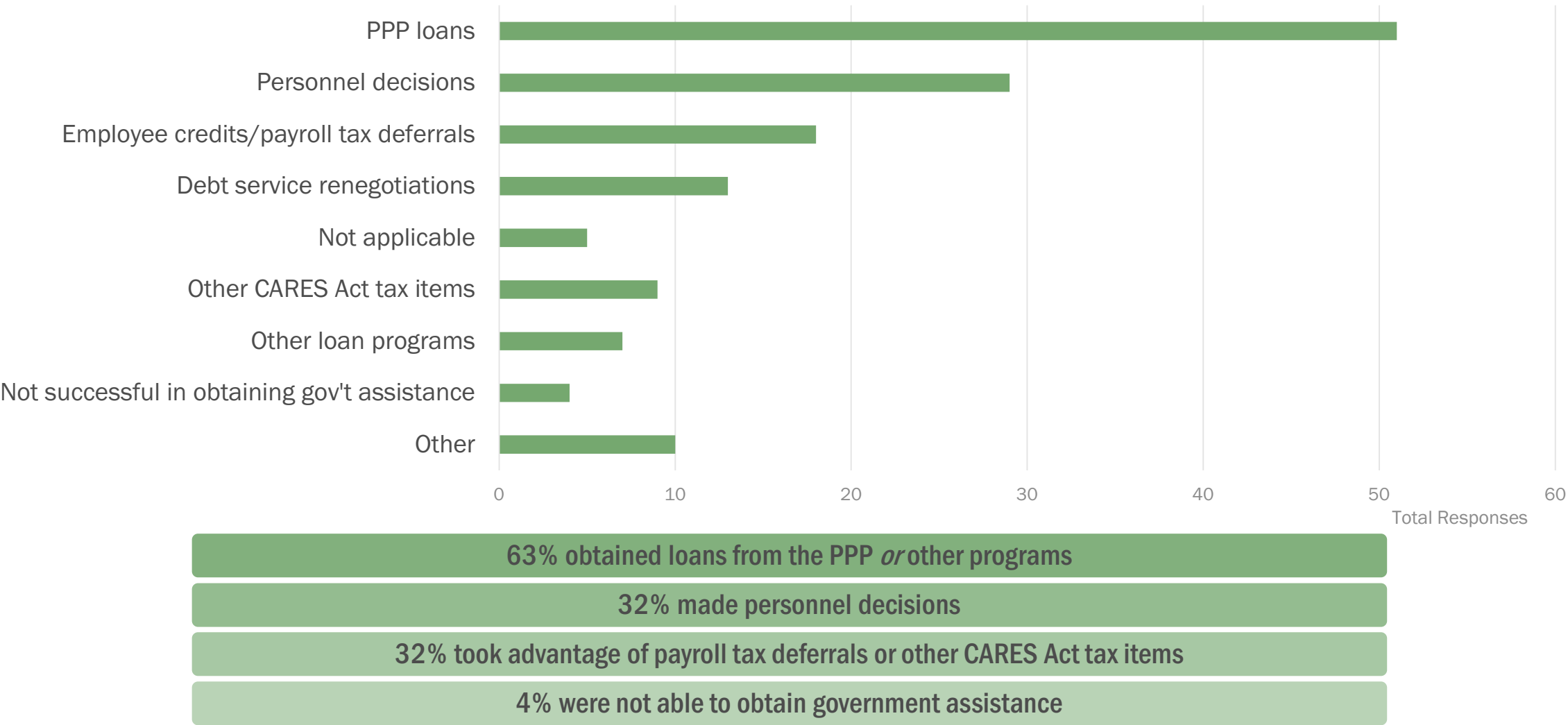
Timeline re: Cash Borrowing: All Responses



Timeline re: Cash Borrowing: By Industry



Means of Improving Liquidity: All Responses



Means of Improving Liquidity: Top Responses by Industry



Manufacturing & Distribution

- PPP loans – 50%



Life Sciences

- PPP loans – 40%
- Personnel decisions – 40%
- Not successful obtaining gov't assistance – 40%



Healthcare

- Personnel decisions – 100%



VC/PE & Investment Management

- PPP loans – 44%
- Employee credits/payroll tax deferrals – 44%
- Debt service renegotiations – 33%



Food & Beverage

- PPP loans – 100%
- Personnel decisions – 75%



Professional Services

- PPP loans – 83%
- Personnel decisions – 43%



Real Estate

- PPP loans – 57%
- Debt service renegotiations – 36%



Technology

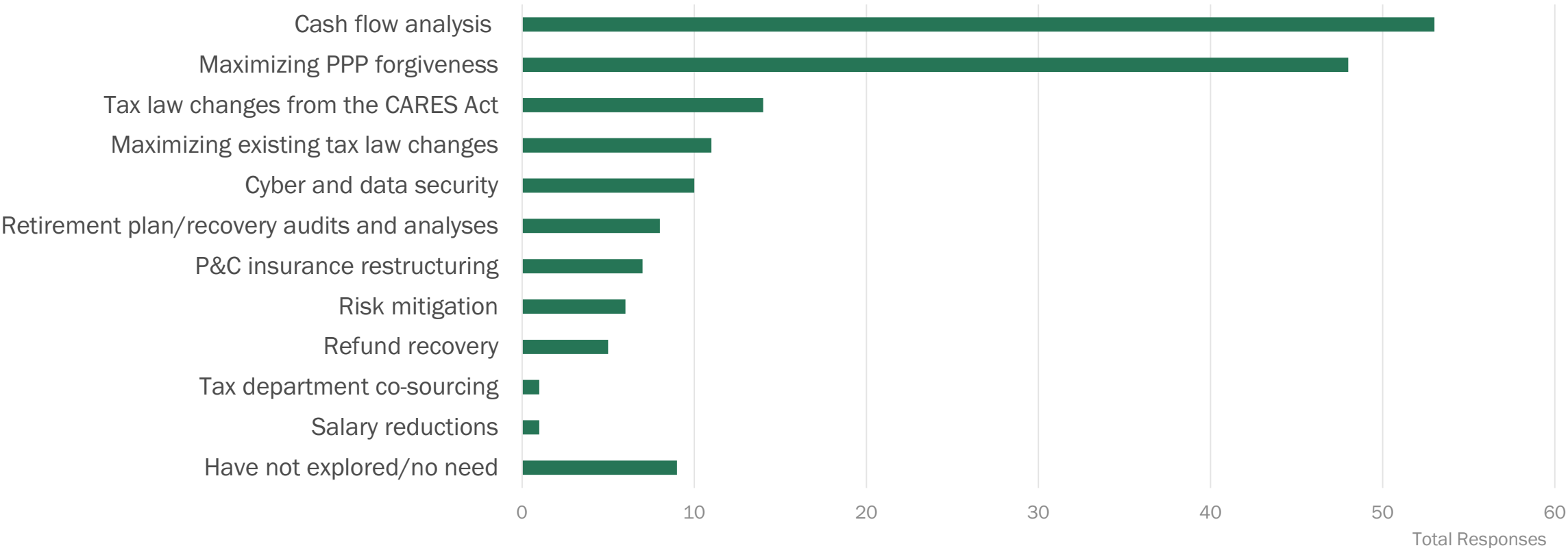
- Employee credits/payroll tax deferrals – 67%



Retail & Consumer Products

- Personnel decisions – 100%

Reducing Costs: All Responses



63% completed a cash flow analysis

57% are maximizing PPP forgiveness

30% are maximizing tax law changes from the CARES Act or other changes

Reducing Costs: Top Responses by Industry



Manufacturing & Distribution

- Cash flow analysis - 60%
- Maximizing PPP forgiveness - 40%



Life Sciences

- Cash flow analysis - 80%
- Maximizing PPP forgiveness - 40%



Healthcare

- Cash flow analysis - 100%



VC/PE & Investment Management

- Cash flow analysis - 42%
- Maximizing PPP forgiveness - 42%
- No need / have not explored - 33%



Food & Beverage

- Maximizing PPP forgiveness - 100%
- Cash flow analysis - 75%
- Refund recovery - 50%



Professional Services

- Maximizing PPP forgiveness - 76%
- Cash flow analysis - 52%



Real Estate

- Cash flow analysis - 92%
- Maximizing PPP forgiveness - 58%
- Tax law changes from the CARES Act - 42%



Technology

- Cash flow analysis - 67%
- Maximizing existing tax law changes - 33%
- Tax law changes from the CARES Act - 33%



Retail & Consumer Products

- Cash flow analysis - 67%
- Maximizing PPP forgiveness - 67%
- Tax law changes from the CARES Act - 37%

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About Us

- As part of the 10th largest accounting provider in the nation, CBIZ & MHM provides our clients with a depth of industry expertise coupled with local decision making. From accounting and tax to advisory services, we are known for being highly attentive to clients' needs and committed to maximizing all aspects of our clients' financial interests.
- CBIZ & MHM is a member of Kreston International, a global network of international accounting firms, with more than 700 offices and 23,000 professionals in more than 110 countries worldwide.
- For more information, visit our website [here](#).

Resource Center

- Visit our [COVID-19 Resource Center](#) for in-depth and up-to-date accounting and tax insights

Questions

- If you have any questions about how we can help you navigate the changing legislation around COVID-19 or any other accounting or tax matters, please reach out to:
 - A member of your engagement team
 - Tarra Curran, Private Company Tax Leader: tcurran@cbiz.com | 617.761.0505
 - Larry Kaplan, Private Company Audit Leader: lkaplan@cbiz.com | 617.761.0515
- If you have any questions regarding this survey, please contact:
 - Maggie Connor, Marketing Manager: maggie.connor@cbiz.com | 617.761.0678

