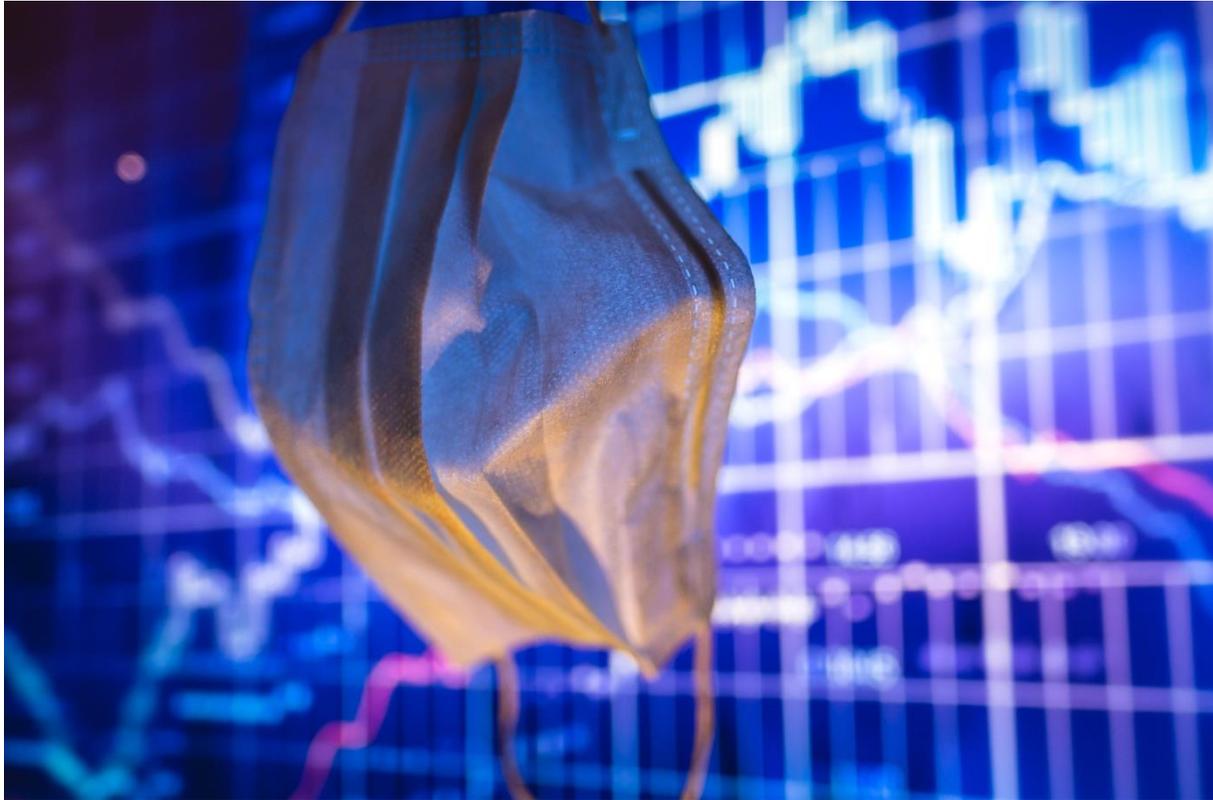


BPIF/BOSS Coronavirus Impact Survey

Summary Report – April 2020



About BPIF

The BPIF (British Printing Industries Federation) is the principal business support organisation for the UK printing industry. The printing industry adds £5.5bn in gross value to the UK, employs 112,000 people and pays £3.3bn in wages every year.

About BOSS

BOSS represents all businesses along the distribution chain in the office products industry, covering stationery, office machines and supplies, office furniture, office systems and related product areas. With a wide breadth of membership from the smallest retailer to the largest manufacturer, BOSS represents a very large part of the industry turnover.

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Executive Summary

- Over **one-third (36%)** of respondents have experienced **considerable disruption to their supply chain** as a result of Coronavirus.
- 40% are confident ('very' or 'somewhat') that supply chains will be maintained. However, comments allude that supply chain security is more at risk as staff shortages increase and a dichotomy between firms remaining operational and others shutting down stresses supply chains.
- Nearly **three-quarters (74%)** of respondents have reported a '**considerable downturn**' in order levels. The **average change in order levels**, from the expected monthly level, was **-65%**.
- **40%** of firms are '**extremely concerned**' about the short-term* **survival of their clients' businesses** (*next three months).
- On average **27% of responding firms' business is supporting critical services** (in the food, pharmaceutical, health & social care, education, public services and local government sectors).
- Just over one-third of respondents (**34%**) are '**extremely concerned**' about the **short-term survival of their own business**. Slightly more, **38%** are '**extremely concerned**' about **long-term* survival** (*beyond six months).
- Nearly **one-quarter (23%)** have reported a significant increase in **bad debt exposure**. Furthermore, **71%** have experienced **debtors withholding payment** due to the uncertainty.
- Over **three-quarters (77%)** require some degree of **emergency assistance** to maintain cashflow, cover costs and survive – 38% stated that they require this assistance either 'immediately' or 'in the next week or two'.
- Over **one-quarter (27%)** have already made **redundancies** – for these companies the level of redundancies averaged at **41% of the workforce**.
- Further redundancies are expected (18% 'definitely', 22% 'probably' and 29% 'maybe') in the short-term. The average expected level of redundancies is 37% of the workforce.
- A majority of companies have implemented Covid-19 prevention measures, the most common being social distancing (91%), working from home (86%), banning visitors (74%), banning off-site meetings (69%) and banning business travel (65%).
- Regarding ratings of the Government's response – the **extensiveness and timeliness** of the **Government's support measures** have received positive ratings, on balance. However, access to this support has received a negative rating. 15% selecting 'very poor' and 26% 'poor' clearly outweighs the 20% selecting 'good' and 2% 'very good'.
- The most commonly suggested **additional support** from Government is **extended grant support and business rates relief (78%)** and a **deferral of VAT, PAYE and NIC payments (77%)**.

Background

The BPIF/BOSS Impact Survey was designed to help BPIF and BOSS support businesses during the Coronavirus crisis. At a time of huge uncertainty amongst all businesses and a constantly evolving situation it is key for BPIF and BOSS to understand specific business needs and priorities and establish which areas of business are most affected.

Both trade associations are in frequent contact with Government, and have been reassured by the announcements made by Government that have gone some way to assist in covering wage bills and deferring some payments.

However, there's still much that needs to be done to support our industry and the economy.

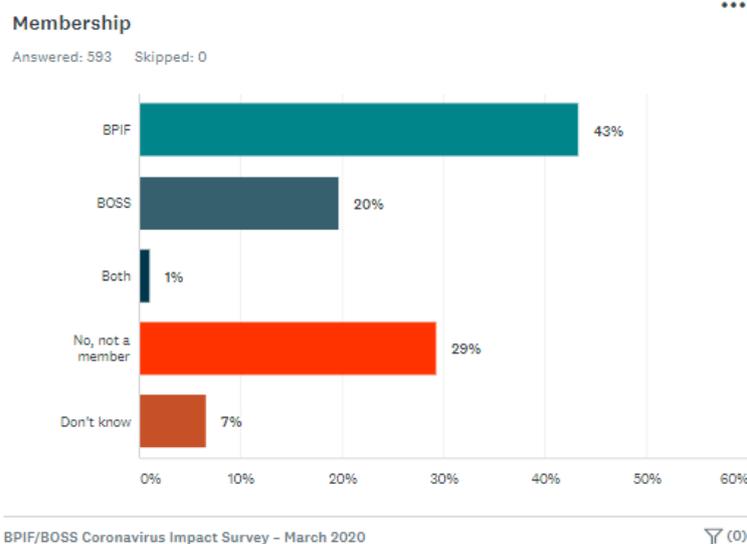
The impact survey has enabled BPIF and BOSS to hear about the impact on businesses, their employees and business plans – present and future to see where focus and lobbying efforts are required to help protect all those in our industry.

All responses have been treated confidentially. The results are being used to represent your industry, lobby on your behalf and help the BPIF and BOSS support you – in particular with our ongoing discussions with the Department for Business, Energy & Industrial Strategy (BEIS) and to devolved Government.

Response and Membership

These results are based on the response from companies in the UK Printing (including printed packaging) and Office Supplies industries.

The survey was carried out during the period 23 March to 06 April 2020 and was open to all companies in relevant industries, not just BPIF and BOSS members. The combined turnover of fully responding companies is over £3.1 billion in businesses employing more than 22,000 people.



More than two-fifths (43%) of all respondents were BPIF members, one-fifth (20%) BOSS members and 29% were not members of either trade association.

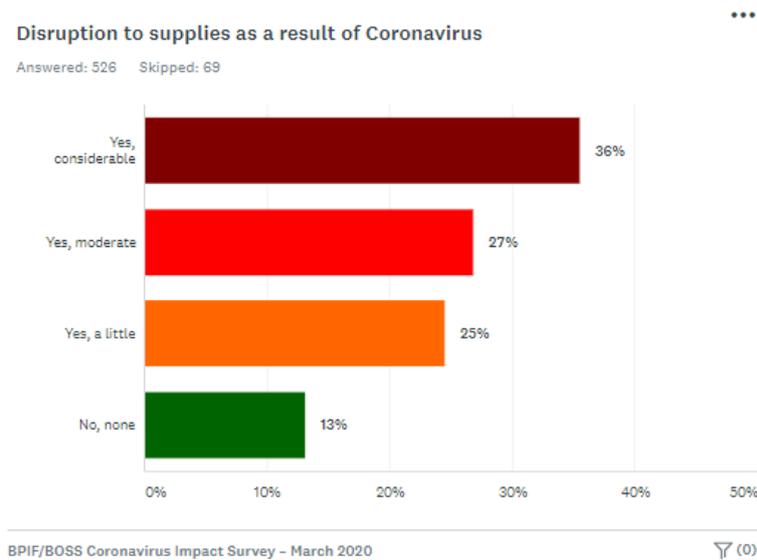
BPIF and BOSS would like to provide a big thank you to all companies that took the time to respond.

Supply Chain Impact

Q. Has your business experienced any disruption to your supplies as a result of Coronavirus?

Think about consumables, stock, equipment, parts etc. – availability, quantities and delivery capabilities.

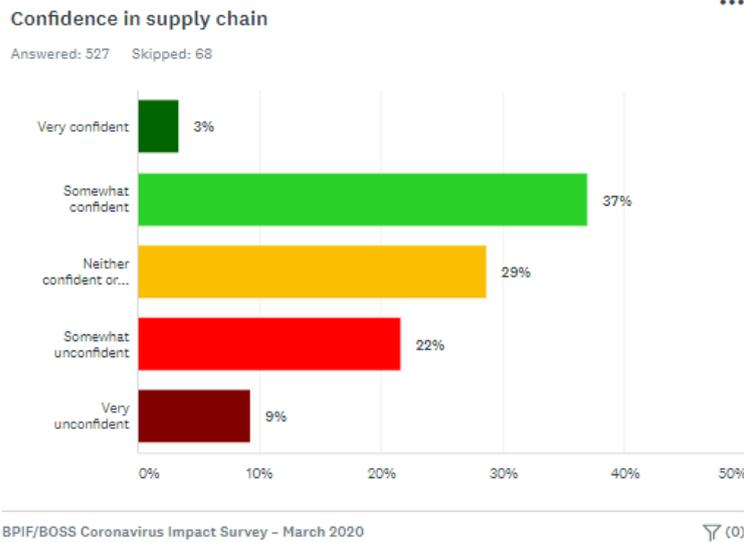
Over one-third (36%) of respondents have experienced considerable disruption to their supply chain as a result of Coronavirus. A further 27% experience a moderate, and 25% a little disruption. That sums to 87% of respondents subject to some level of supply chain disruption. 13% reported that their supply chain was, so far, unaffected.



Q. Are you confident that your supplies will be managed effectively with minimum disruption?

40% are confident ('very' or 'somewhat') that supply chains will be maintained. However, comments allude that supply chain security is more at risk as staff shortages increase and a dichotomy between firms remaining operational and others shutting down stresses supply chains.

Only 3% were very confident, whilst 37% were somewhat confident. A further 29% were neither confident nor unconfident. However, 22% were somewhat unconfident and 9% were very unconfident.



Selected further supply chain comments:

Our IPA supplier has let us know that the cost of this has gone up about 60%.

It does seem that materials / paper suppliers are having issues within Europe.

Everything is closing down, it is only a matter of time before our suppliers have to close too.

Providing staff levels remain at satisfactory levels.

It's getting worse by the day regarding lead times of supplies.

Starting to receive really long lead-times for what we would consider everyday materials. Some suppliers are using Force Majeure on already promised delivery dates pushing back weeks even May is being quoted for some products now.

We use several small/niche suppliers; they are still working, but struggling with their supply chains to get supplies.

A lot of our material comes from mainland Europe, so we are experiencing increased lead-times and transport.

As long as the major paper merchants continue to remain open then we should be able to maintain some sort of supply chain.

Supplies from Italy have been most disrupted and also pigments for ink from China.

The supply of ink may become a concern over the coming weeks. A sub-contractor has closed for a deep clean which has impacted the delivery of a job. This situation is likely to get worse.

We are not only under threat from suppliers (printers) going out of business as it's not a viable proposition to remain open but due to lack of work companies are simply mothballing things until they further notice. On top of that we have customers potentially going out of business for exactly the same reason.

Some suppliers have shut, others remain open, and so it could cause massive issues.

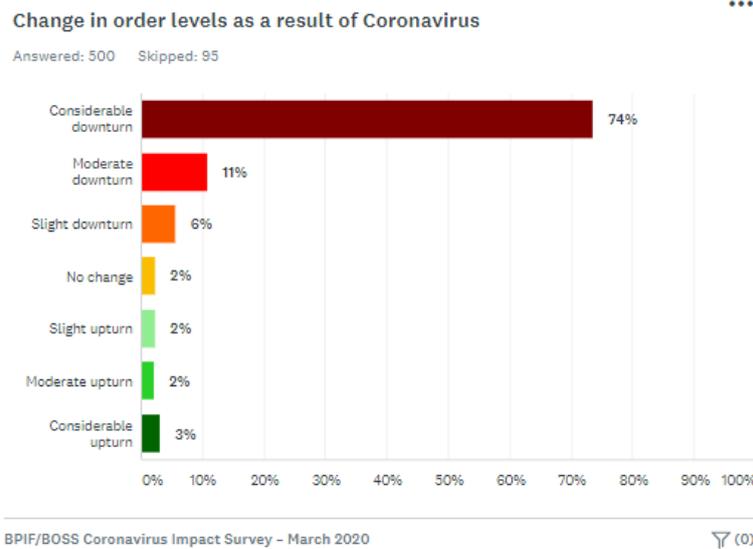
Many manufacturers closed or experiencing border delays if shipping within EU.

Demand Impact

Q. Has your business experienced a change in overall order levels as a result of Coronavirus?

Please consider whether placed orders have been cancelled and expected orders not been placed.

Nearly three-quarters (74%) of respondents have reported a 'considerable downturn' in order levels. A further 11% were experiencing a moderate downturn and 6% a slight downturn. Few (2%) reported no change, whilst 7% reported some degree of upturn (2% slight, 2% moderate and 3% considerable).



Q. If possible please provide an estimate of the change to your total order levels.

The average change in order levels, from the expected monthly level, was -65%.

Q. Are you concerned about the short-term* survival of your clients' businesses?

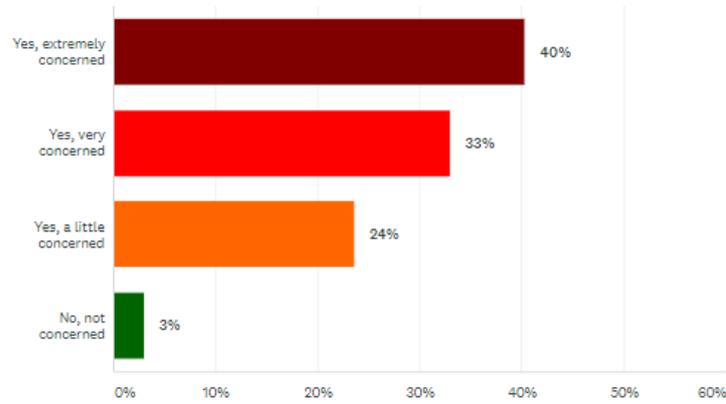
**In the next six months.*

40% of firms are 'extremely concerned' about the short-term survival of their clients' businesses.

A further 33% are very concerned and 24% a little concerned. That equates to 97% of respondents exhibiting some degree of concern regarding the survival of their clients' businesses in the short-term. Only 3% were unconcerned.

Concern on short-term* survival of clients' businesses (*next 6 months) ...

Answered: 496 Skipped: 99



BPIF/BOSS Coronavirus Impact Survey - March 2020

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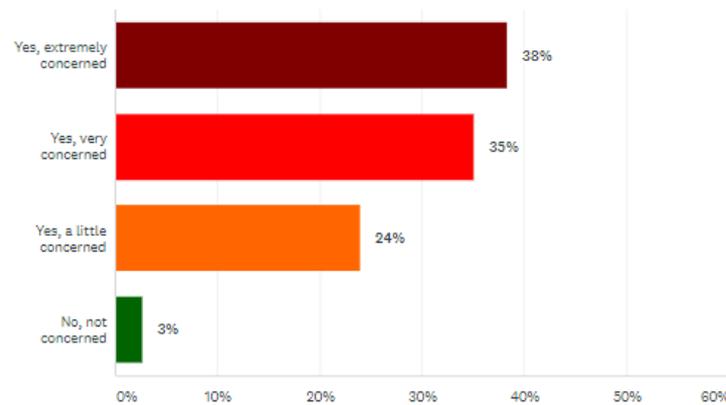
Q. Are you concerned about the long-term* survival of your clients' businesses?

**Beyond the next six months.*

There was little difference in the answers when respondents were asked to consider the long-term; suggesting that the primary concern is short-term survival. 38% of firms are 'extremely concerned' about the long-term survival of their clients' businesses. A further 35% are very concerned and 24% a little concerned. That equates to 97% of respondents exhibiting some degree of concern regarding the survival of their clients' businesses in the long-term. Only 3% were unconcerned.

Concern on long-term* survival of clients' businesses (*beyond 6 mon... ...

Answered: 493 Skipped: 102



BPIF/BOSS Coronavirus Impact Survey - March 2020

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Q. What proportion of your business is supporting critical services?

Health and social care, key public services, local and national government, education, childcare, food, pharmaceutical and other necessary goods. Do not enter the % symbol.

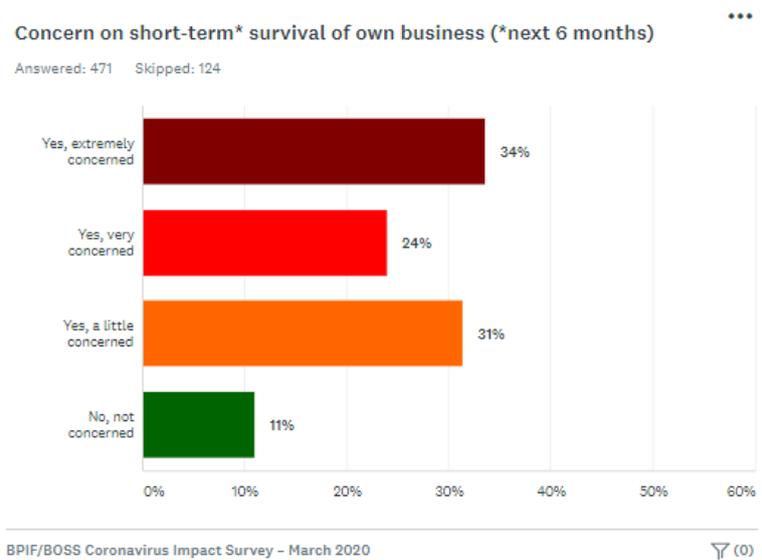
On average 27% of responding firms’ business is supporting critical services. There was a wide range of products and services to support essential services and businesses, not just across the food and pharmaceutical supply chains but also to NHS trusts, care homes, GP surgeries, Government and local authorities and including the manufacture/supply of cleaning & sanitising products and PPE sets.

Company Impact

Q. Are you concerned about the short-term* survival of your business?

**In the next six months.*

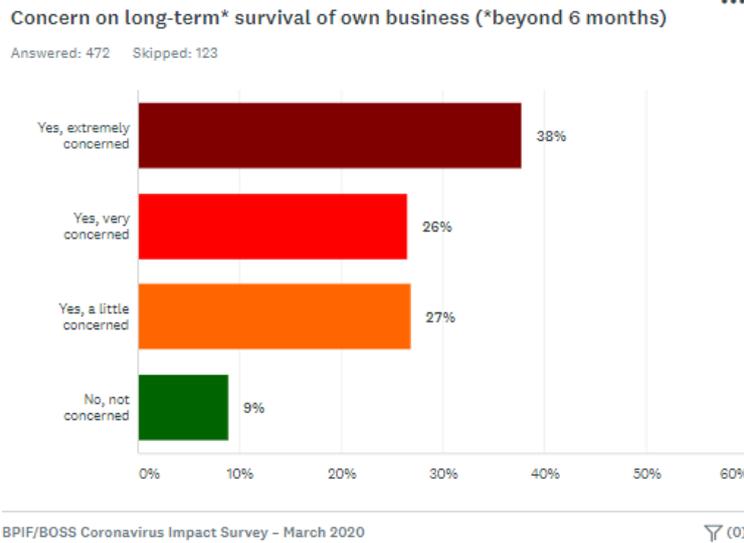
Just over one-third of respondents (34%) are ‘extremely concerned’ about the short-term survival of their own business. A further 24% are very concerned and 31% a little concerned, therefore those companies reporting some degree of concern regarding the short-term survival of their business equates to 89%. 11% were not concerned.



Q. Are you concerned about the long-term* survival of your business?

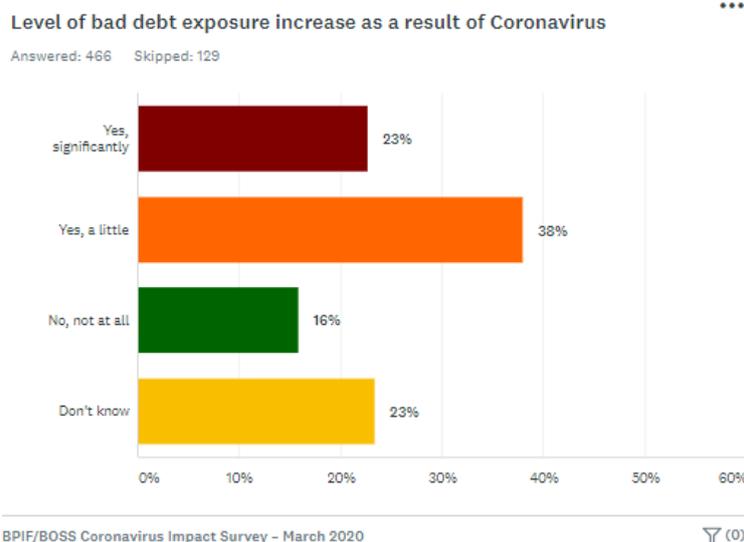
**Beyond the next six months.*

Concern is marginally more intense for the long-term, almost two-fifths (38%) are ‘extremely concerned’ about long-term survival. A further 26% are very concerned and 27% a little concerned, therefore those companies reporting some degree of concern regarding the short-term survival of their business equates to 91%. 9% were not concerned.



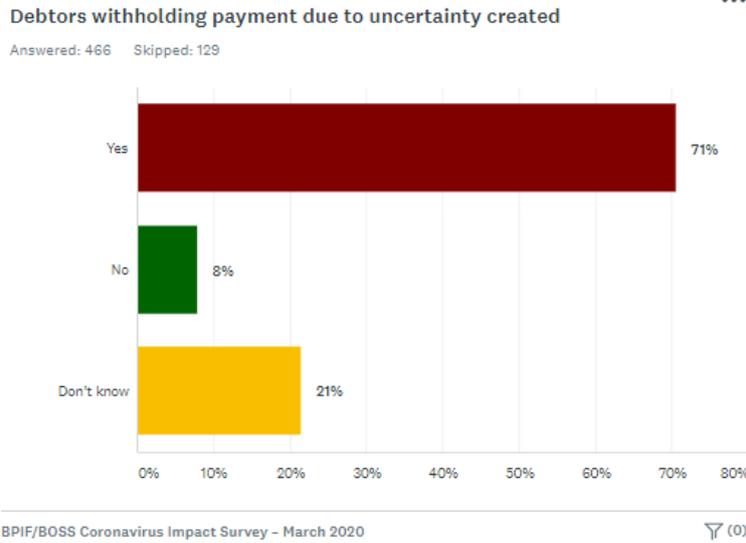
Q. Has the level of bad debt your business has been exposed to increased as a result of Coronavirus?

Nearly one-quarter (23%) have reported a significant increase in bad debt exposure. An additional 38% reported that they have been subjected to a little increase in bad debt. 16% had not yet noticed any alteration to bad debt exposure and 23% didn't know if their company's exposure to bad debt had changed.



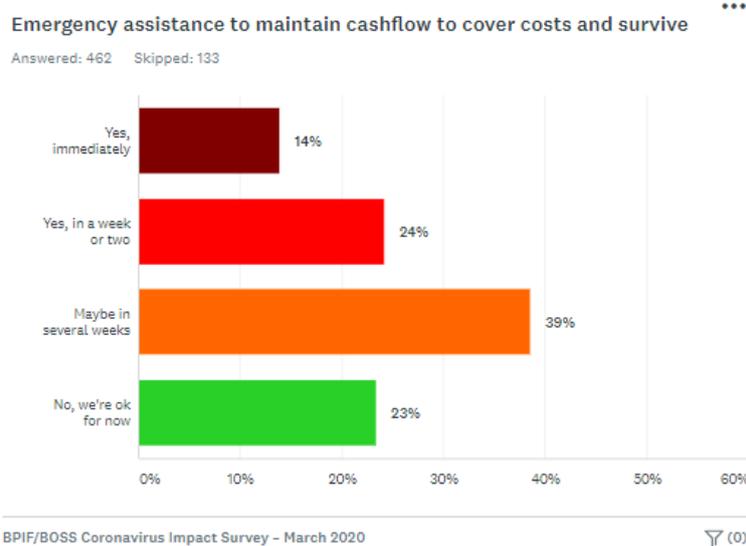
Q. Do you believe debtors are withholding payments due to the uncertainty created by Coronavirus?

71% have experienced debtors withholding payment due to the uncertainty. Only 8% reported that debtors were not withholding payments; 21% didn't know.



Q. Does your business need emergency assistance to ensure that it has sufficient cashflow to cover costs and survive?

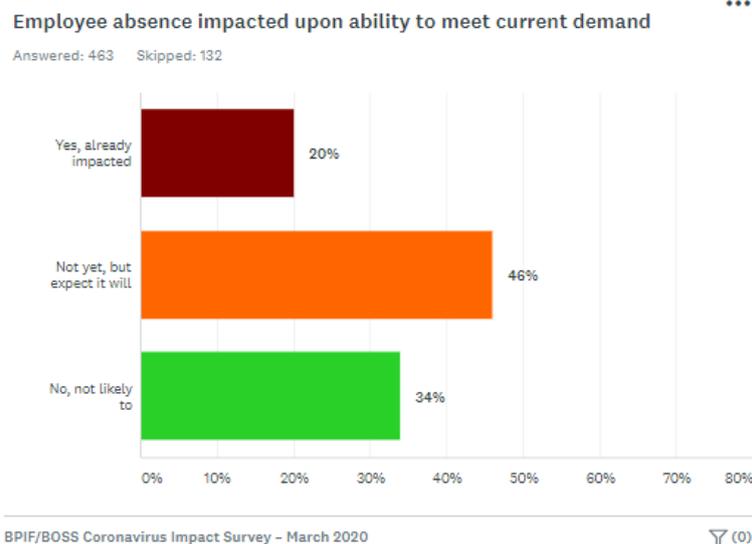
Over three-quarters (77%) require some degree of emergency assistance to maintain cashflow, cover costs and survive – 14% stated that they require this assistance ‘immediately’, 24% ‘in the next week or two’ and 39% ‘maybe in several weeks’. 23% reported that they were ‘ok for now’.



Q. Is employee absence an issue that has impacted upon your company's ability to meet current demand levels?

One-fifth (20%) of respondents highlighted that their ability to meet current demand levels was already being impacted by employee absence. A further 46% hadn't yet been impacted but where

expecting to be so. 34% reported that they hadn't been impacted and weren't expecting to be impacted.



Selected further company impact comments:

All of our staff are now furloughed so that our costs can be minimised. We hope that if we can keep costs in line with income we may be able to re-open but we fear that turnover after re-opening will be reduced to the point that we will have to reduce staffing levels and may still not be viable. Without economic stimulus, it is highly unlikely that we will continue as it seems hard to image how we can create a profitable business model.

Several staff not happy to leave home, working with 25 percent of normal staff who have volunteered to come in to keep the work flowing.

Absence levels currently @ approximately 20% as a result pressure on the business in all areas.

Sales have dropped dramatically and what orders are coming through we are struggling to supply due to the stock levels of our key suppliers. So we are losing business even when our customers are still active and want to give it to us.

I have furloughed 80% of my staff as turnover has drop significantly overnight. Now concerned that we will not be able to make deliveries as we are unsure if we are classed as essential or not?

Business just fell off a cliff.

Because business has dropped off so considerably we've had to furlough our employees. Therefore employee absence hasn't impacted on us. Our main concern is the cancellation of much of our work.

I have staff members, critical at this time and needed at work but they are having to try and work from home as best as they can whilst also having to look after their children. We have had to implement delivering to our customers on a 3 day week due to the lack of staff availability. We are also dispatching orders via a delivery company increasing their work load at a stressful time.

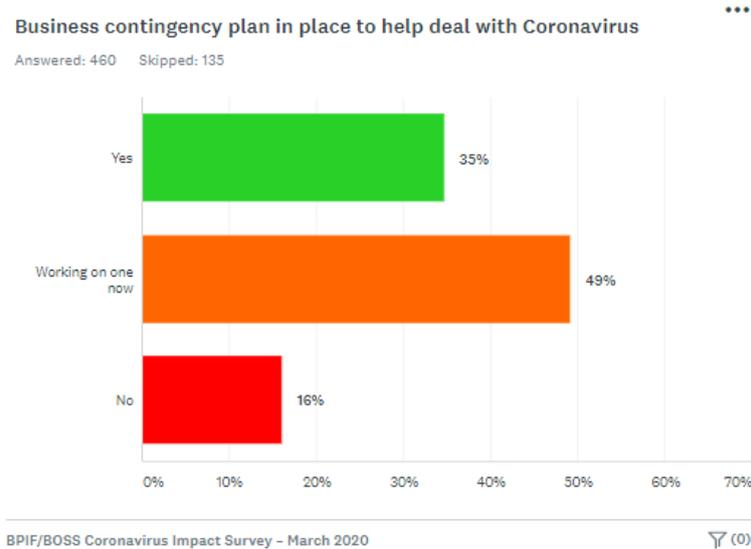
Basically, if staff can't work supplies don't go out. Key Worker Status would be a big help and go some way in reversing the pressure.

We have now shut the doors due to a down turn of 95%!

Company Actions

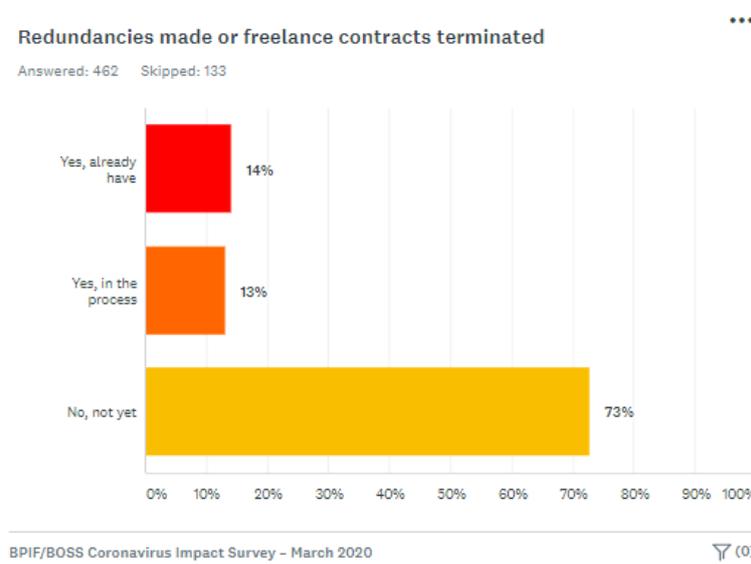
Q. Do you have a business contingency plan in place to help deal with Coronavirus?

Over one-third of companies (35%) did have a Coronavirus business contingency plan in place at the time of responding to the survey. Almost half (49%) reported that they were working on developing and implementing one, whilst 16% simply reported that they did not have a business contingency plan in place do deal with Coronavirus.



Q. Has your company already made redundancies, or terminated freelance contracts, as a result of the impacts of Coronavirus?

14% of respondents had already made redundancies and another 13% were in the process of doing so when they responded to the survey – 27% in total. That leaves 73% that hadn't yet made redundancies.



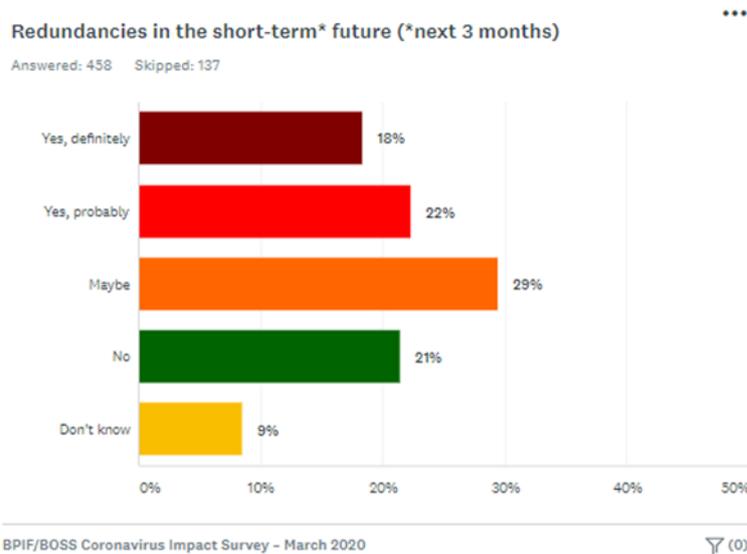
For the companies making redundancies the average recorded level of redundancies was 15 employees, this averaged out at 41% of the workforce.

Q. Do you currently think that you will need to make people redundant in the short-term* future due to the impacts of Coronavirus?

**In the next three months.*

Further redundancies are expected (18% 'definitely', 22% 'probably' and 29% 'maybe') in the short-term. 21% of companies do not expect to have to make further redundancies in the short-term future and 9% didn't know.

The average expected level of redundancies is 20 employees per company, equating to a further 37% of the workforce.



A number of companies were under pressure to make redundancies before details on the Government's Coronavirus Job Retention Scheme were known or available. The emergence of this scheme then allowed for companies to avoid redundancies, to some relief, and instead furlough employees.

Q. Has your company adopted any of the following measures for some or all of your employees?

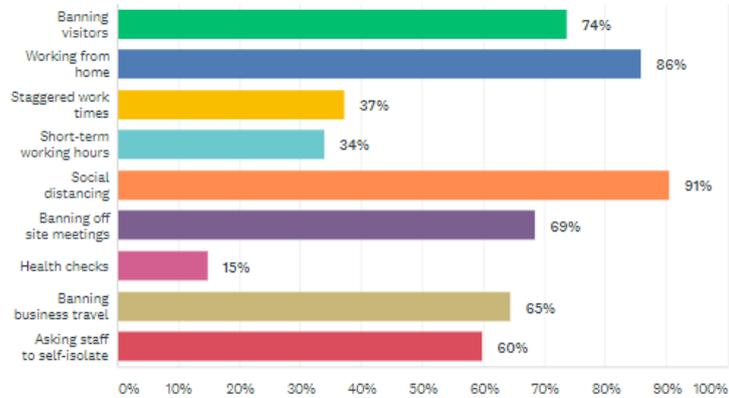
Please select all that apply.

A majority of companies have implemented Covid-19 prevention measures, the most common being social distancing (91%), working from home (86%), banning visitors (74%), banning off-site meetings (69%) and banning business travel (65%).

60% of businesses have had to ask staff to self-isolate, whilst 37% have introduced staggered work times and 34% moved to short-term working hours. Finally 15% have introduced health checks for employees.

Measures adopted by companies

Answered: 448 Skipped: 147



BPIF/BOSS Coronavirus Impact Survey - March 2020

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Government Support

Q. Please rate the following factors with regard to the Government's response:

Extensiveness of support measures

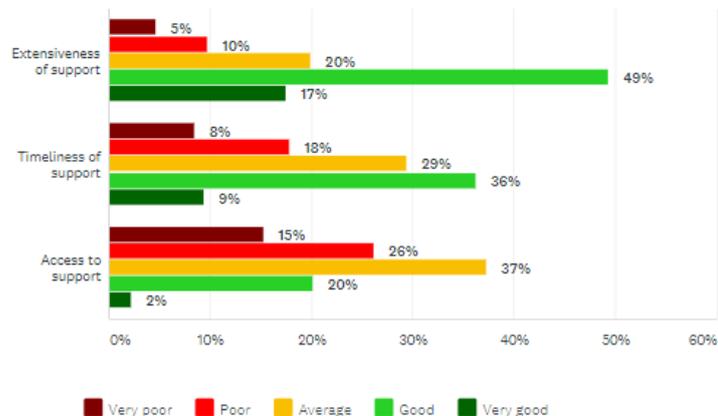
Timeliness of support measures

Access to support measures

The extensiveness and timeliness of the Government's support measures have received positive ratings, on balance. However, access to this support has received a negative rating. 15% selecting 'very poor' and 26% 'poor' clearly outweighs the 20% selecting 'good' and 2% 'very good'.

Government's response ratings

Answered: 452 Skipped: 143



BPIF/BOSS Coronavirus Impact Survey - March 2020

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Respondents have generally acknowledged that the Government has reacted with unprecedented speed and extensiveness to design and introduce measures to support business. However, it is clear that there are some frustrations around the support reaching businesses when they need it.

Q. What support do you require most from Government?

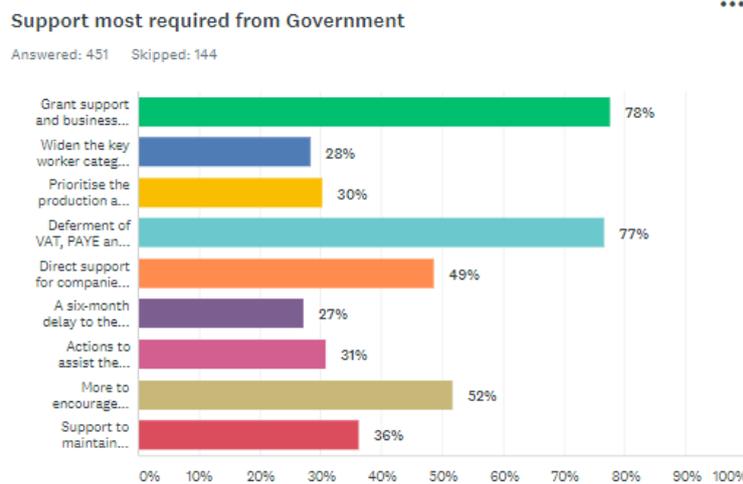
Please select your top five priorities.

The most commonly suggested additional support from Government is extended grant support and business rates relief (78%) and a deferment of VAT, PAYE and NIC payments (77%). Following that, 52% would like to see Government do more to encourage prompt payment.

Almost half of respondents (49%) reported that they like direct support for companies and individuals having to move to reduced and zero pay, or reduced hours, to enable companies to avoid laying staff off permanently. *The subsequent introduction of the Job Retention Scheme (after this survey was designed) will have significantly addressed this support requirement.*

36% of companies would like to see Government provide support to maintain imported supplies and provide protection against excessive price increases. 31% wanted actions to assist the deferment of finance agreement costs on investments and 30% wanted Government to prioritise the production and distribution of business critical supplies that are essential to maintain productivity of the UK workforce in a mass home-working environment.

Over a quarter (28%) would like Government to widen the key worker category to include skilled workers in key supply chains supporting highly exposed sectors, and 27% wanted to see a six-month delay in the National Minimum and Living Wage increases.



BPIF/BOSS Coronavirus Impact Survey - March 2020

ANSWER CHOICES	RESPONSES
Grant support and business rates relief to be extended beyond the retail, leisure and hospitality sectors.	78% 350
Widen the key worker category to include skilled workers in key supply chains supporting highly exposed sectors.	28% 128
Prioritise the production and distribution of business critical supplies essential to maintain productivity of the UK workforce in a mass home-working environment.	30% 137
Deferment of VAT, PAYE and NIC payments.	77% 346
Direct support for companies and individuals having to move to reduced and zero pay, or reduced hours, to enable companies to avoid laying staff off permanently.	49% 219
A six-month delay to the National Minimum and Living Wage increases.	27% 123
Actions to assist the deferment of finance agreement costs on investments.	31% 139
More to encourage prompt payment.	52% 233
Support to maintain imported supplies and protection against excessive price increases.	36% 164
Total Respondents: 451	

Selected further Government support comments:

Need Money to survive but they won't loan under the scheme as no one can guarantee to pay back.

Due to our small size we need to be able to switch furlough on and off daily depending on work demand.

Job retention scheme to be extended but to cover only 60/70% of regular wage to encourage employees to work when it is safe for them to do so. At 80% of salary for staying at home employees are asking to be furloughed!

Business stimulus via grants and other initiatives to encourage people to make capital investments will be needed for my business to have a future. We need customers to be encouraged to buy so that we can continue to sell and can survive.

We fall in to a hole as we can't access the £10,000 grant as our rates are 30000 but also are not in the retail hospitality category. We will get no help.

We would like companies to be made to pay there invoices so that we can pay ours.

The loan scheme was sold to be accessible to everybody, but as soon as we speak to banks about it, is only for companies already struggling financially, so we would have to wait until it was too late to access it. It punishes responsible business owners and rewards those already struggling before the crisis hit.

I think the measures announced are extremely helpful. But they need to deliver them effectively now. They need to make sure the banks are not profiteering from this crisis. 3% on CBILS is still excessive.

There is a massive issue with new employees taken on after the 28th February deadline allowing for these employees to be furloughed - we have 3 inn this category.

CIBL Loan scheme very useful.

We have most staff on Furlough, this is excellent!

Speed of access to Gov. support initiatives such as furloughed staff. No details yet available how to access the funds. These initiatives need to be speeded up or businesses will start to run out of cash if they are still funding the salary bills. This will start to happen within weeks not months if the Gov. doesn't act now. Continued deferment of tax liabilities should the period of lockdown extend. Regular communication on length of lockdown period so businesses can plan ahead - current uncertainty may cause a 'cash hoard' mentality by some firms cascading negatively across supply chains.

Clarity and delivery of schemes already announced on the ground it is shambles, no one knows what they are including those in the delivery of them e.g. banks.

Grants to business not loans.

The failure of the Chancellor to protect Company Directors is appalling!

It is ok offering support for businesses but they need to get the information on how to get that support out quicker.

The Government needs to encourage payment of suppliers as part of finance packages.

Banks need to be more co-operative when discussing CBILS. They seem to be using it as an opportunity to profiteer at the moment.

To enable furlough workers to continue to work so the company comes out of this stronger, not weaker. There is no logic to not letting people work if they are working from home. Also remove the banks own tests regarding the CBIL scheme and do 100% guarantees.

Financial Security & Support We are experiencing a massive uptake and demand in orders both from existing customers and new. This is putting a big strain on credit limits and cash flow at the same time we are having customers closing and shutting down as instructed by the government. This will all come to a head at the end of this month when bills will need to be paid to our suppliers. Further demand is coming from company's looking for new suppliers of stationery as their local supplier has already shutdown or closed, again, increasing the pressure on individual companies and the supply chain. What I am after is a form of government backed security regarding the massive credit exposure the industry is under. Encourage prompt payment.

I don't want payment deferred, it needs to be written off, all costs should be paid by the government, even if wages are paid we all have large bills each month for machinery, premises, Insurance, Phones, Business Rates, Leases, etc.

Support to bridge shortfalls in employee pay. Employing people to deliver 60 percent of the normal Turn over leaves a shortfall and Furlough is not an option available if you want to keep clients longer term whilst you have work to produce.

Furloughing is a good proposal but needs to be flexible so we can call staff in when there is work and then re-furlough if necessary.

We use invoice discounting to finance our business and with the dramatic reduction in turnover it is very unlikely we will generate enough cash to meet all April payments. A significant loan is not really an option as it only adds to the burden of future payments and with the current uncertainty it is almost impossible to know how much will be required and looking further forward what will the shape of the business be and will it be in a position to service such a loan.

The announcement that the government would pay 80% of the wages of staff unable to work during this period (due to the need to self-isolate or lack of work) is great news. But factories/printing companies could be further helped if staff were allowed to job share their roles. E.g. instead of laying 4 out of 8 printers off, the printers could work every other week. This spreads the financial loss across staff and also spreads the risk to each individual i.e. each person spends less time in work. It also spreads the collective risk i.e. symptoms could appear before they are due back to work, protecting others.

We need to know how we can access the government grants for our business, we supply largely to the Hotel, Leisure sector, so have seen our work fall off a cliff, they are protected by the business rates relief, we I believe are not.