

# Finance sentiment in a COVID world: Reactions to the crisis

Sage Intacct recently conducted a survey of small and medium businesses, asking their thoughts on the impact of the COVID crisis and what they are doing in response. Here's what nearly 400 finance and accounting professionals had to say.

## The top 3 most pressing things on your mind today?

Revenue impacts

70%

Cash flow and funding

62%

Continuing operations

under "social distancing" guidelines

44%

Financials are on the top of mind today. Impacts to **sales and cash flow**, along with keeping business running under the “new normal” are at the forefront of concerns for finance professionals.

Which of these **financial actions** are you considering now to respond to the **current business environment** caused by the corona virus?

Reducing or containing costs

75%

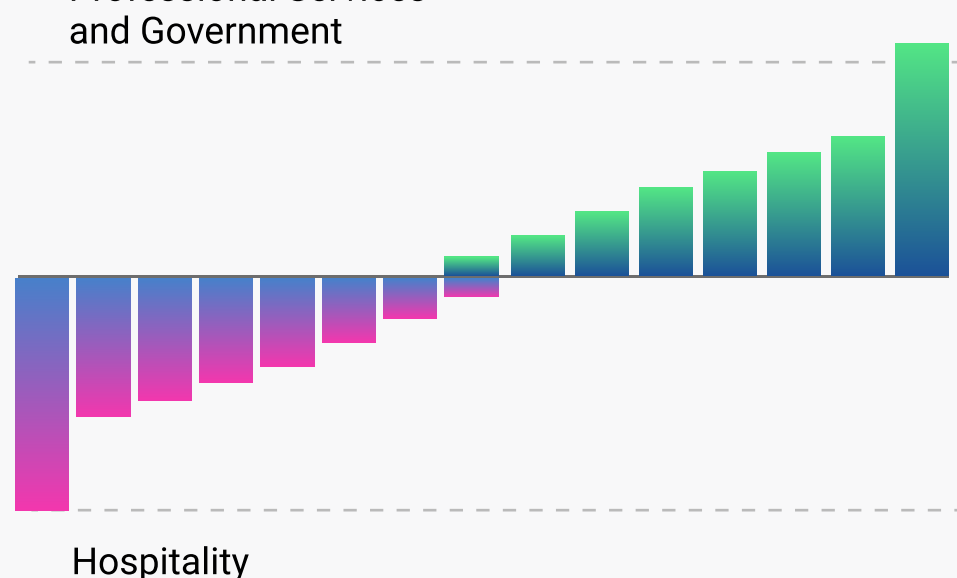
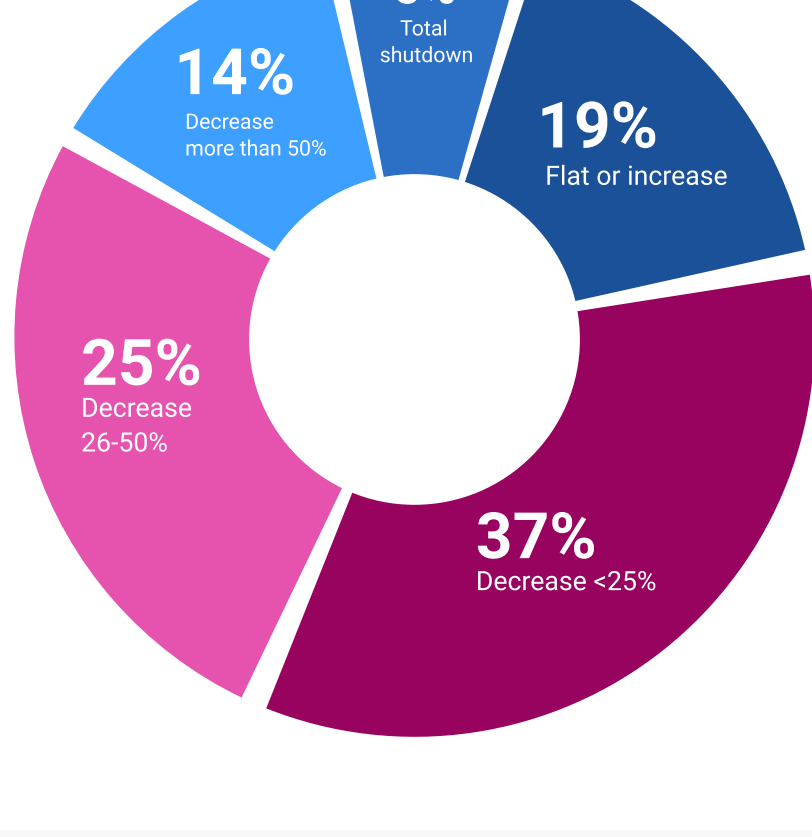
Redoing budgets and revenue plans

57%

Nearly **75%** of respondents have reduced costs in response to the crisis. More than half have plans to revisit their budget and planning process. Knowing where the **numbers are at and revising plans appropriately is key**.

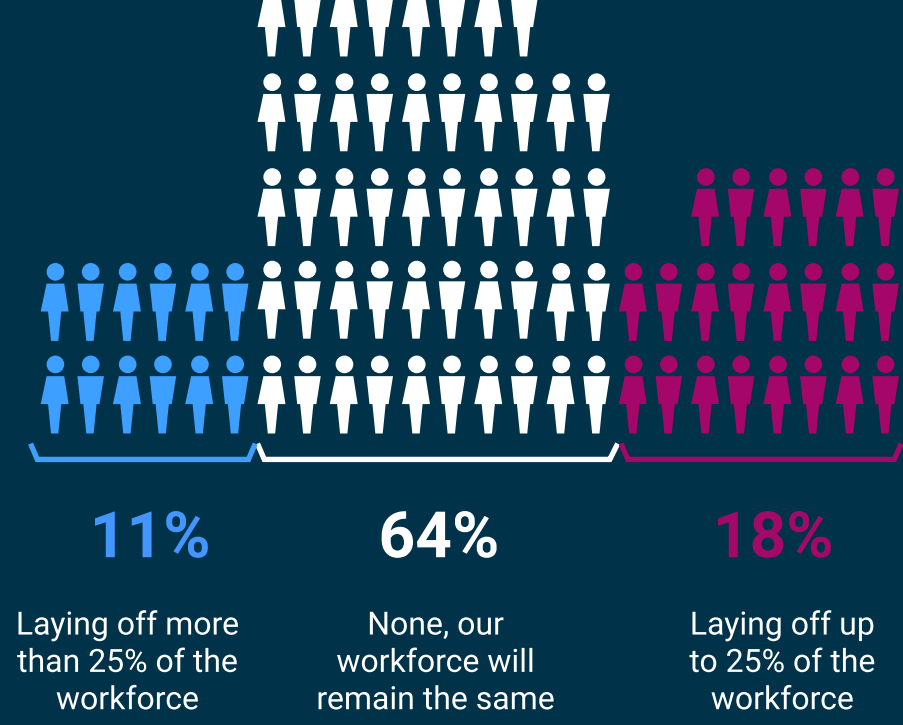
## How much impact do you estimate the coronavirus will have on your revenue this calendar quarter?

The crisis is adversely impacting revenue. 80% of respondents are predicting revenue declines of some sort in Q2 2020. 40% are expecting declines of 25% or more, with 5% predicting a total shutdown during that time.



The Hospitality industry was the hardest hit, with 20% of respondents reporting total shutdown. Professional Services and Government fared the best, with 30% of each showing flat or increasing revenue.

## What layoffs (if any) has your company already completed or is currently considering completing in the next 3-6 months due to the corona virus?



Workforce reductions and furloughs are impacting a majority of businesses. Fortunately, these appear to be temporary, with 64% indicating no permanent layoffs. For those planning permanent workforce reductions, a majority plan for 25% or less of the workforce.

Next quarter (July-Sept)

40%

Q4 (Oct-Dec)

35%

## What is your prediction on when the current crisis will be over, and your business begins to return to normal?

The crisis will eventually end - but when is the question. 40% believe things will return to “normal” in Q3, while 35% believe that business will pick back up by the end of 2020.

## As your business stabilizes, which actions would you consider implementing to help your business "recover" faster?

With the shift to remote work, businesses are taking actions that can help the business tomorrow. Nearly 1/3 plan to invest in digital communication tools like video conferencing, while 21% say they plan to implement a cloud-based system for their business.

"There are practices that we were looking at from a performance and profitability perspective before COVID-19 hit, and because we had detailed information on key performance indicators of each practice, we have been able to react quickly."

Virginia Jones  
COO, Village Family Dental

31%

Purchasing or expanding the use of web/video conferencing systems

24%

Installing VPNs and security software to enable remote access

21%

Purchasing or expanding the use of cloud-based systems for accounting, HR, CRM, etc.

We help small and medium businesses like yours **respond better, recover faster, and compete better.**

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