

2020 Manitoba Business Outlook Survey



Rural Manitoba Economic
Development Organization



METHODOLOGY

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The Manitoba Chambers of Commerce (MCC) retained Leger to conduct the 3rd annual Manitoba Business Outlook Survey of its members and industry partners. The primary purpose of the research was to provide the MCC statistically reliable feedback from Manitoba businesses, which can be used to develop policies and positions to approach various levels of government for effective recovery strategies and support.

Leger professionals and the MCC worked together designing the survey instrument. The MCC provided an initial outline of questions and topic areas for inclusion in the study which Leger crafted into a methodologically sound questionnaire. The questionnaire consisted of approximately 30 questions, along with 16 questions from project sponsor organizations. In total, the survey took approximately 15 minutes to complete.

The survey was hosted on the Leger's web server to ensure confidentiality and anonymity of responses. Leger was responsible for the distribution of each member's unique survey link (provided in a contact list from the MCC). In addition, a separate open link was generated to enable the survey to be shared with others. Throughout the process, Leger maintained respondent confidentiality.

In total, 397 Manitoba business decision-makers successfully completed the survey. Since much of the research was conducted from a list database, the sample is considered to be non-probability and therefore, margins of error are not applicable. For contextual purposes, a probability sample of a survey size of 397 cases with this sample frame theoretically carries a confidence interval of approximately +/- 4.7 percent, 19 times out of 20.

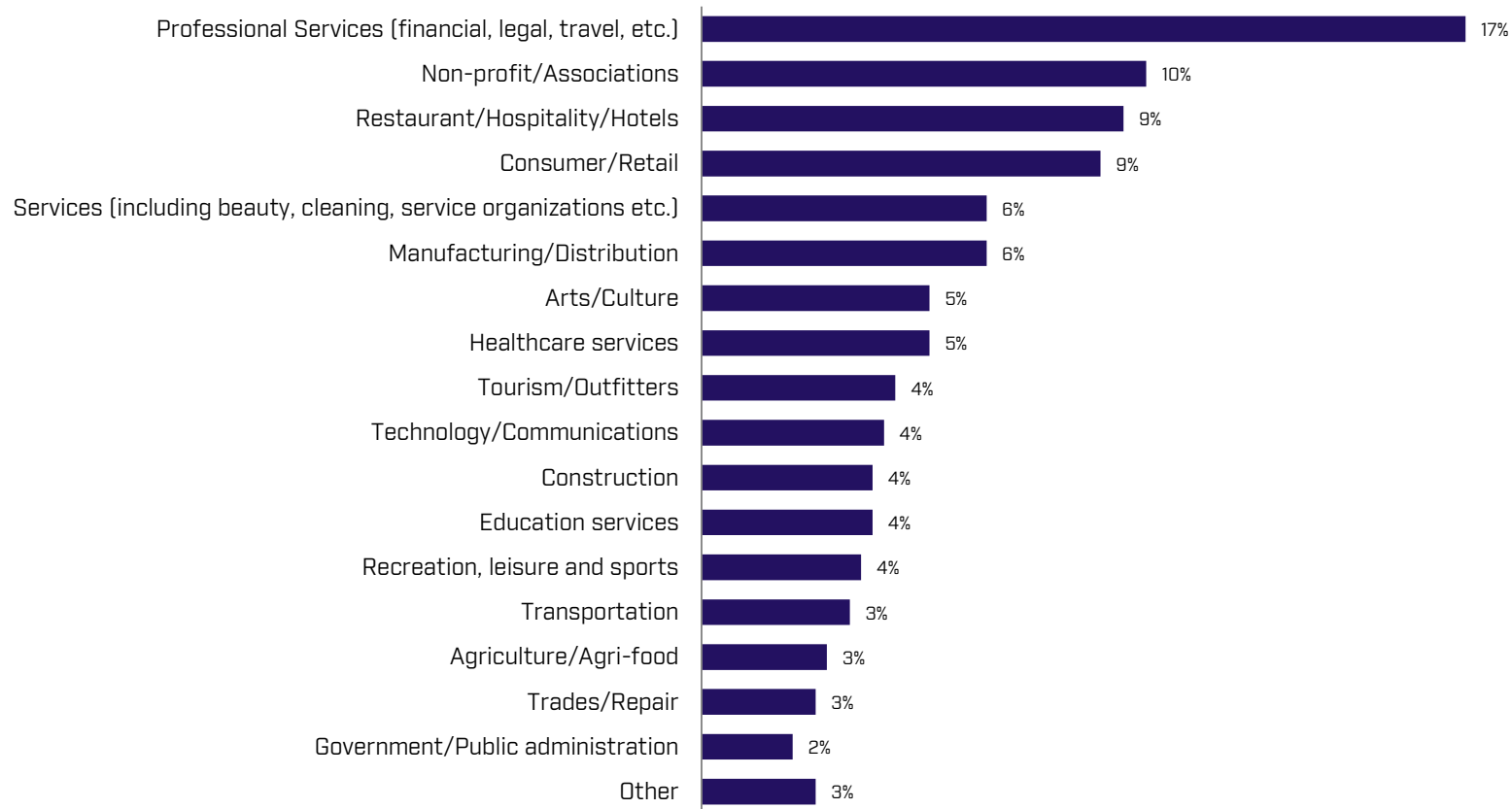
A pre-test of the survey was conducted October 30th, 2020. After the test, the survey tool was available online from October 30th through November 16th, 2020. A total of three reminder emails were sent to members during the data collection period. MCC also encouraged survey participation. If you have questions about the data presented in this report, please contact **Andrew Enns**, Executive Vice President, at the following email address: aenns@leger360.com

SURVEY RESPONDENT PROFILE

Variable	% of n=397	Variable	% of n=397	Variable	% of n=397
Region		Employee Size – Full Time		Employee Size – Part Time	
Winnipeg	49	0 to less than 10	46	0 to less than 10	39
Northern Manitoba	13	11 to less than 50	21	11 to less than 50	12
Eastern Manitoba	8	50 to less than 100	7	50 to less than 100	3
Western Manitoba	17	100+	7	100+	4
Southern Manitoba	14	Unsure/NA	17	Unsure/NA	17
Winnipeg	49	<u>Head Office</u>		<u>Unionized</u>	
Non-Winnipeg	51	Manitoba	93	Yes	10
		In Canada	5	No	89

SURVEY RESPONDENT PROFILE

Principal Business Type Base: All respondents (n=397)



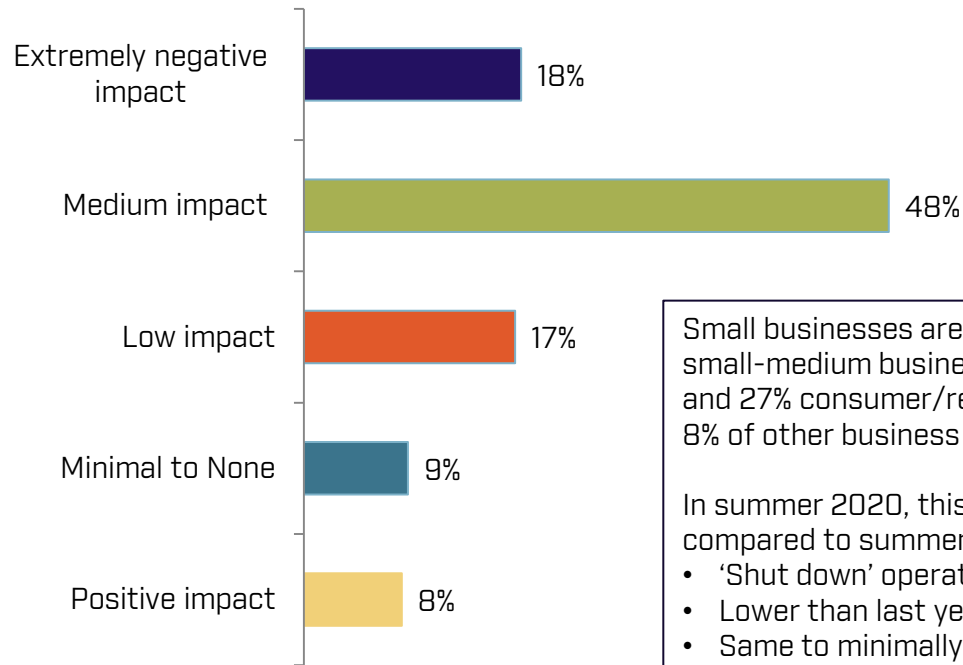
RESEARCH FINDINGS

Business Impact of COVID-19

IMPACT OF PANDEMIC

Q1: 2020 has delivered unprecedented challenges, and MCC would be remiss if we didn't measure COVID-19's impact on your 2020 business performance. How would you describe the impact of the pandemic on your business operations?

Base: All respondents (n=397)



Small businesses are more likely to report “extremely negative impact” vs. small-medium business [22% vs. 13%]. 43% of restaurant/hospitality/tourism and 27% consumer/retail businesses selected ‘extremely negative impact’ vs. 8% of other business types.

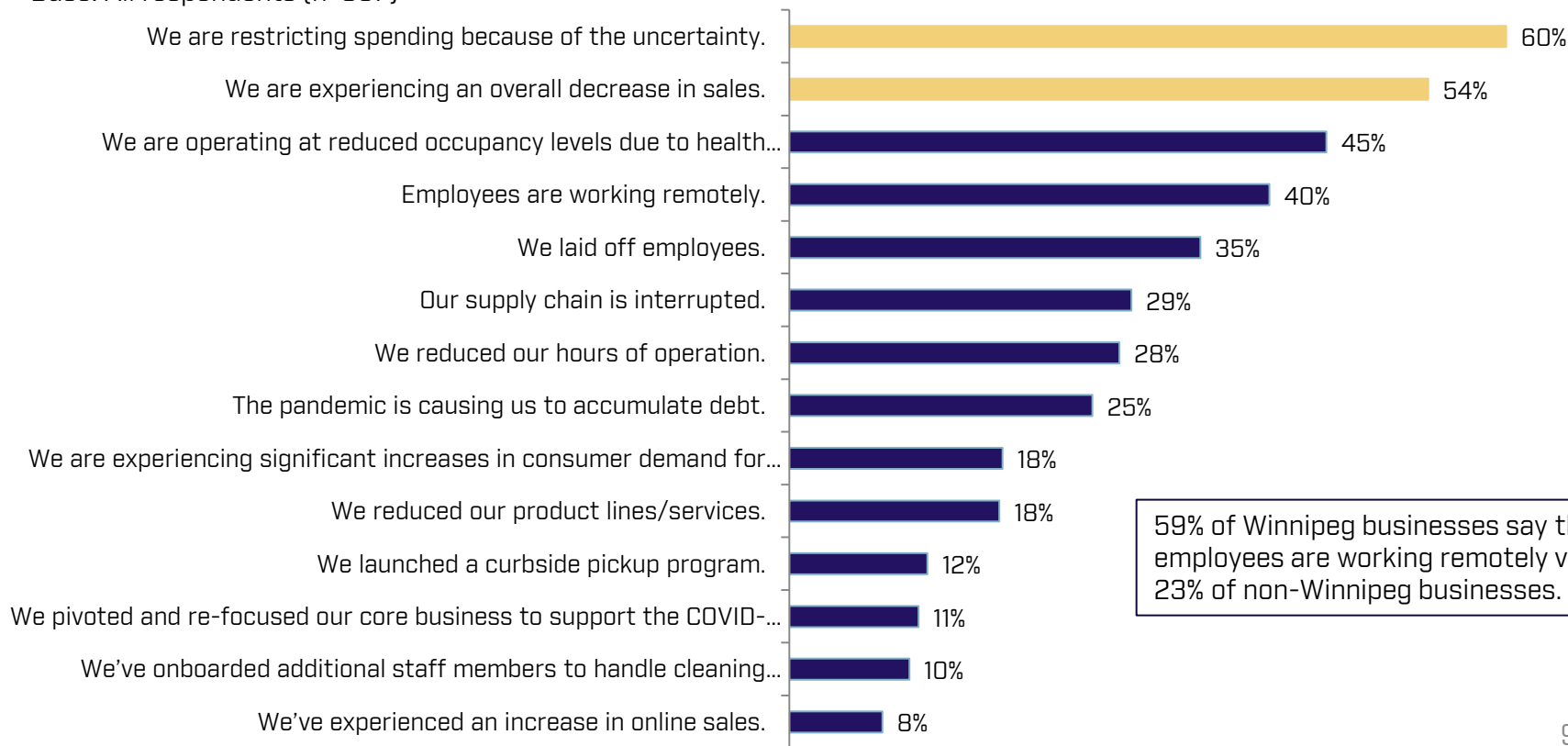
In summer 2020, this question was phrased to ask the state of operations as compared to summer 2019, and the results were:

- ‘Shut down’ operations temporarily: 11%
- Lower than last year: 64%
- Same to minimally changed: 17%
- Noticed growth (positive impact) as compared to summer 2019: 6%

CHANGES IN OPERATIONS

Q2: How have your operations changed as a result of COVID-19? [FREQUENT RESPONSES]

Base: All respondents (n=397)

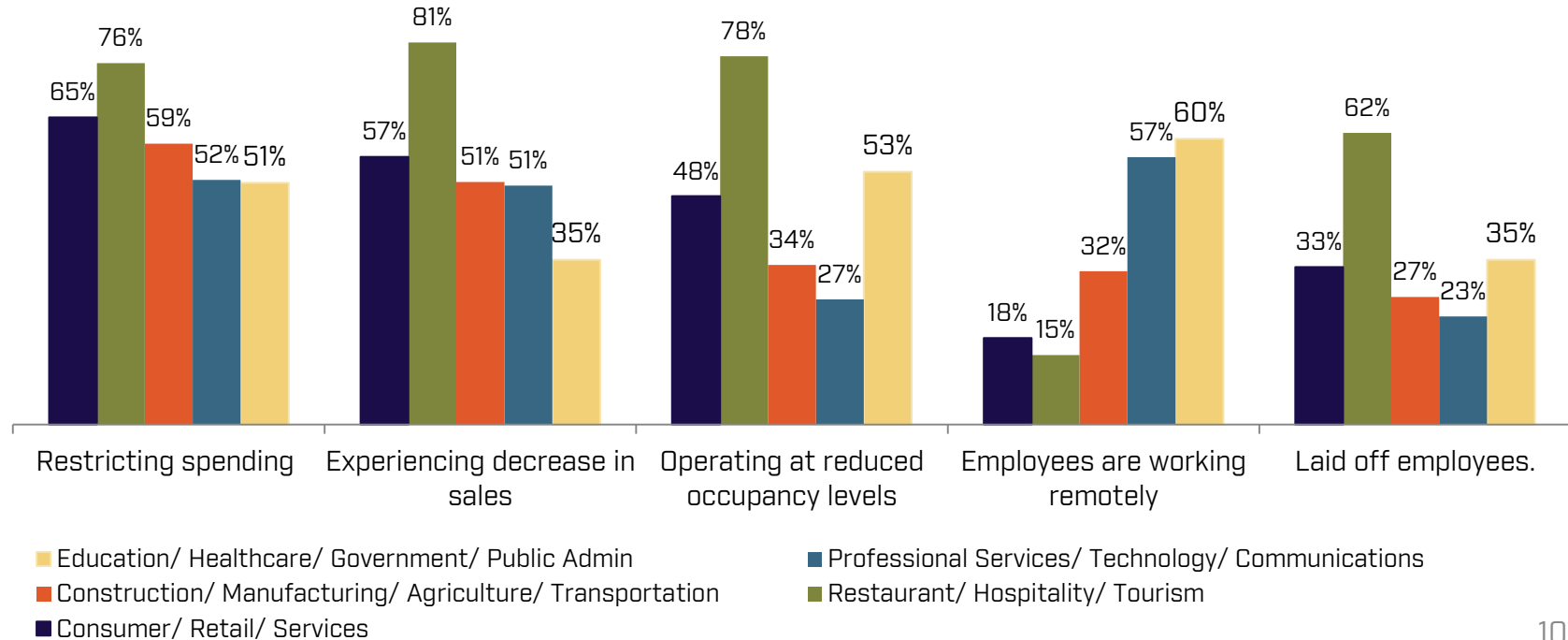


59% of Winnipeg businesses say their employees are working remotely vs. 23% of non-Winnipeg businesses.

CHANGES IN OPERATIONS – BY INDUSTRY TYPE

Q2: How have your operations changed as a result of COVID-19? [TOP FIVE RESPONSES]

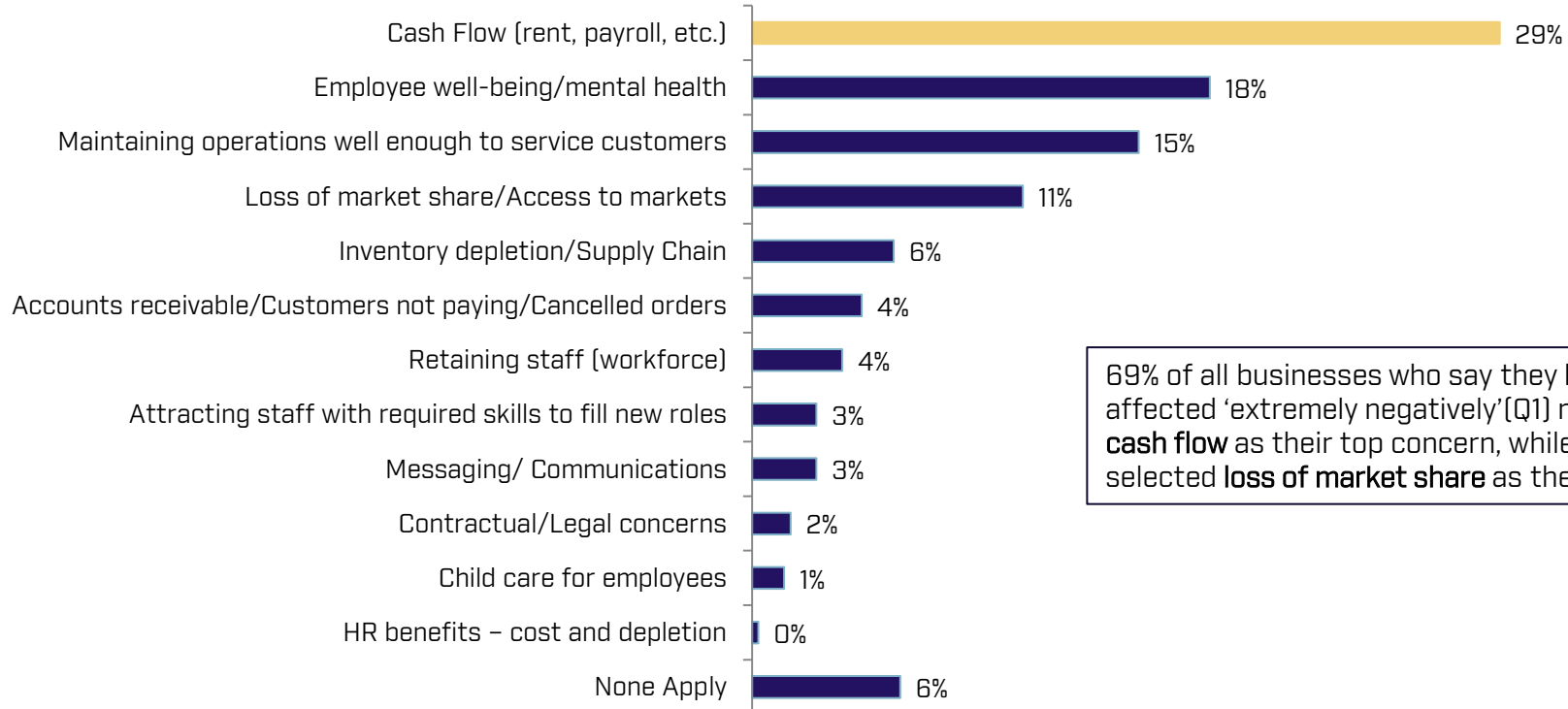
Base: All respondents (n=397)



BUSINESS CONCERNS

Q3. Please rank/sort the items below in terms of what you are most worried about right now as it relates to the internal operations of your business? [TOP CONCERN]

Base: All respondents (n=397)

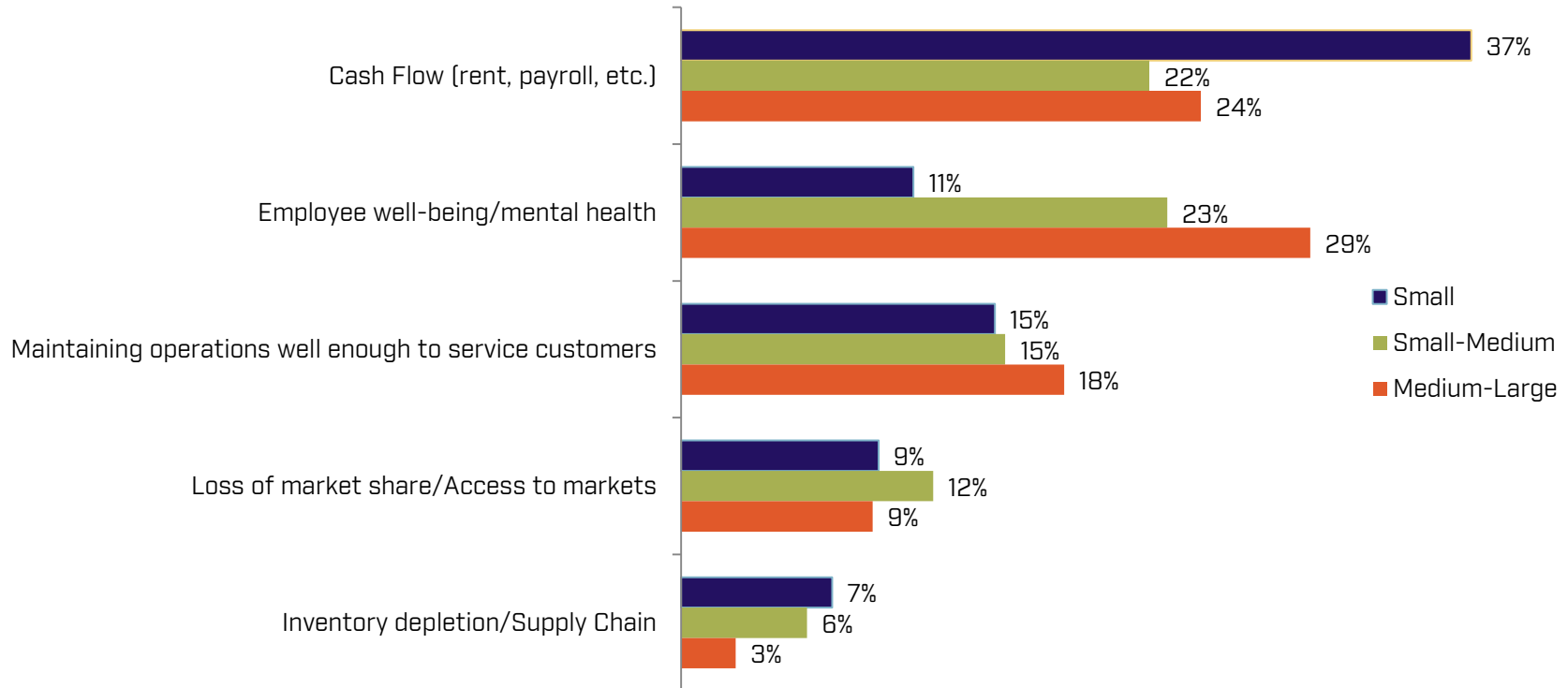


69% of all businesses who say they have been affected 'extremely negatively' (Q1) mentioned **cash flow** as their top concern, while 10% of them selected **loss of market share** as their top concern.

BUSINESS CONCERNS – BUSINESS SIZE

Q3. Please rank/sort the items below in terms of what you are most worried about right now as it relates to the internal operations of your business? [TOP CONCERN]

Base: All respondents (n=397)



ADDRESSING EMPLOYEE AND CUSTOMER CONCERNS

Q4: What steps is your business taking to address employee and customer concerns about COVID-19?

[TOTAL MENTIONS-FREQUENT RESPONSES] Base: All respondents (n=397)

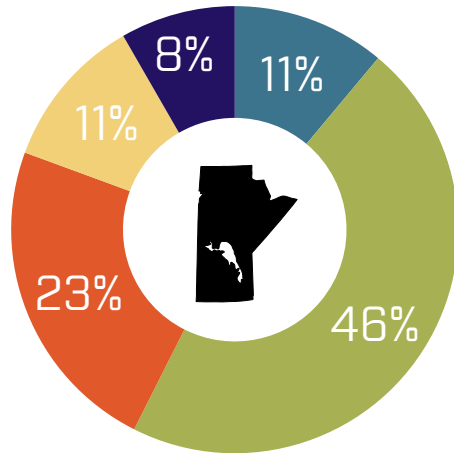


PROVINCE'S RESPONSE TO PANDEMIC

OPINION ON STAGED REOPENING OF PROVINCE

Q9: The Province of Manitoba re-opened Manitoba's economy in a staged approach, with multiple phases implemented over the summer. What was your impression of the government's approach to re-opening the province's economy?

Base: All respondents (n=397)



- It was a very good approach
- It was a good approach
- It was a poor approach
- It was a very poor approach
- Don't know

Total GOOD APPROACH, 57%

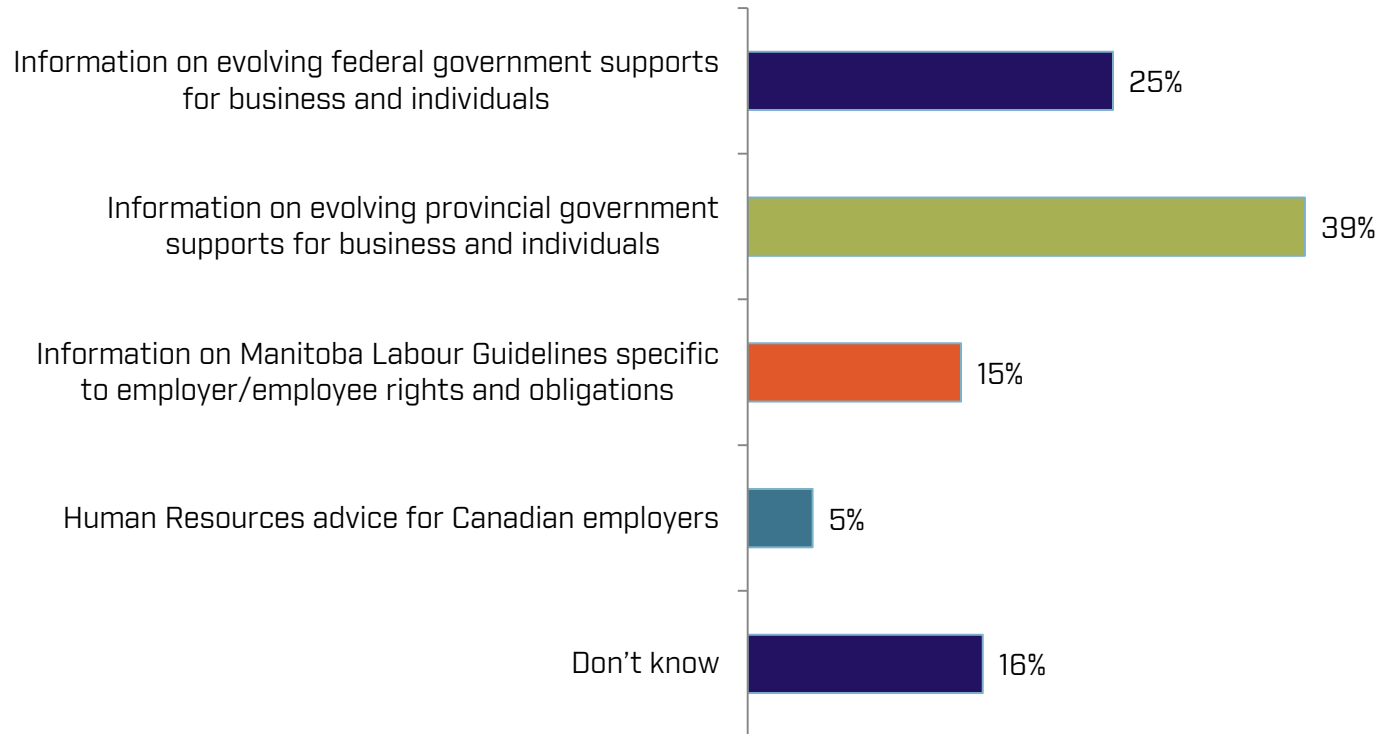
Total POOR APPROACH, 34%

Small businesses are more likely to say that the re-opening in a staged manner was a poor approach (40% vs. 28% medium or large business). Those reporting an “extremely negative impact” are also more likely to believe the approach to be poor (49% vs. 30% other businesses).

CURRENT INFORMATION REQUIREMENTS

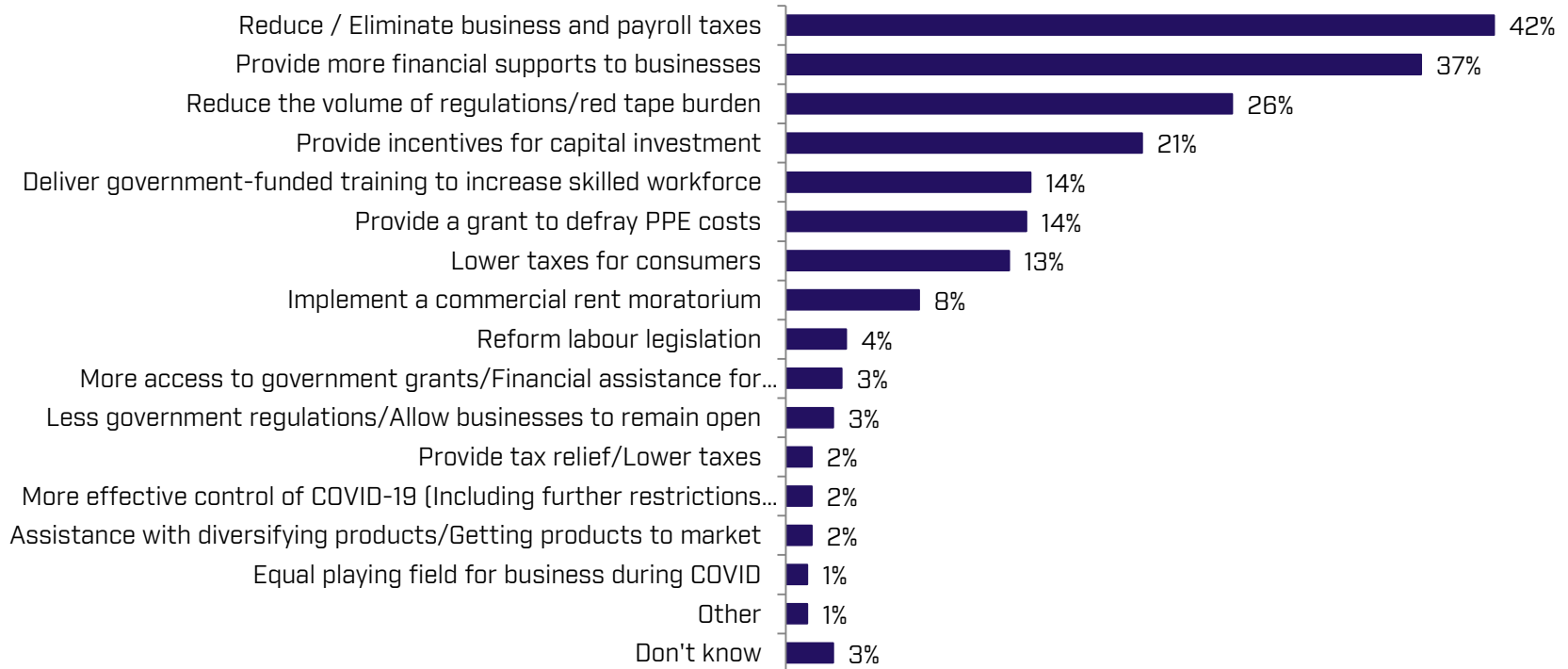
Q11: What type of information do you need the most right now for your business?

Base: All respondents (n=397)



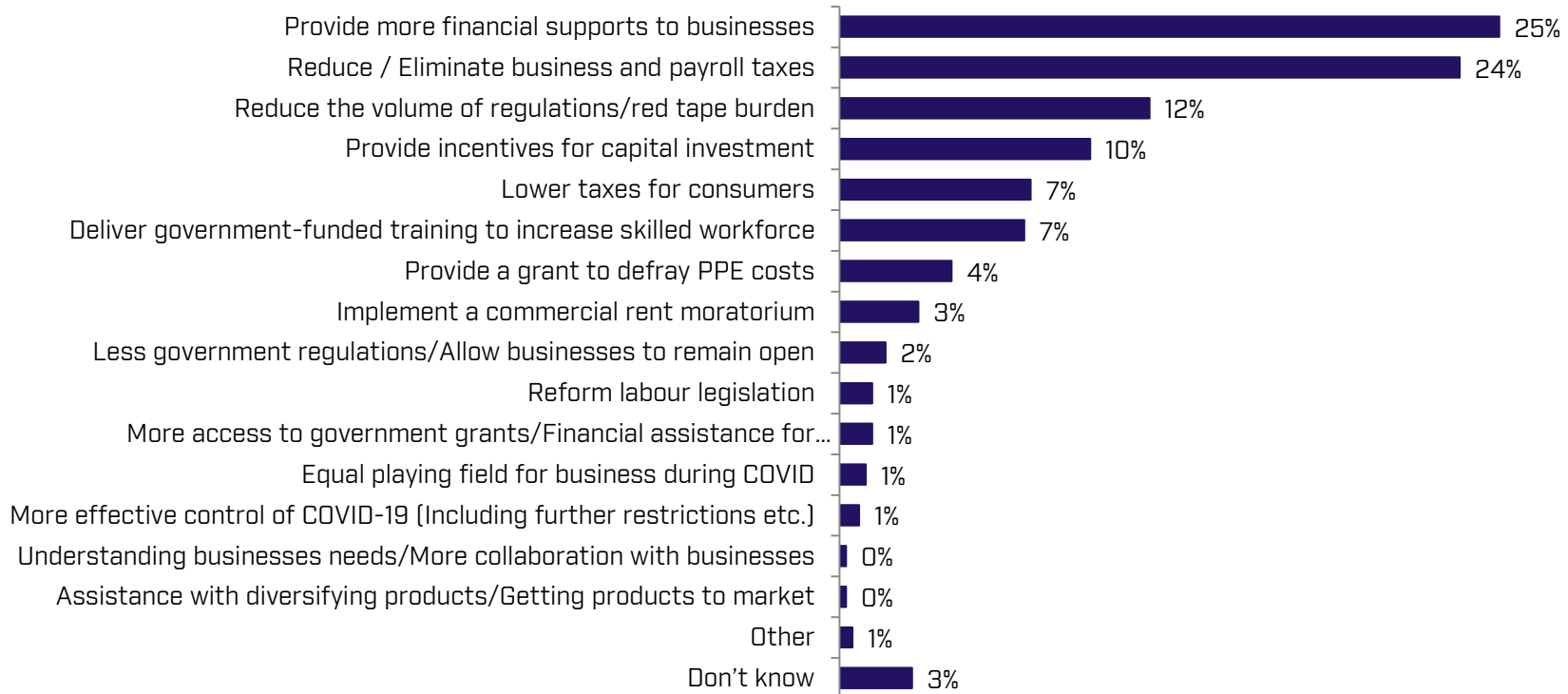
ADDITIONAL EXPECTATIONS FROM GOVERNMENT – TOTAL MENTIONS

Q18: Beyond specific pandemic relief measures, if you had the opportunity, what would you tell the provincial government it should do to support the Manitoba business community? (TOTAL MENTIONS) Base: All respondents (n=397)



ADDITIONAL EXPECTATIONS FROM GOVERNMENT – TOP MENTION

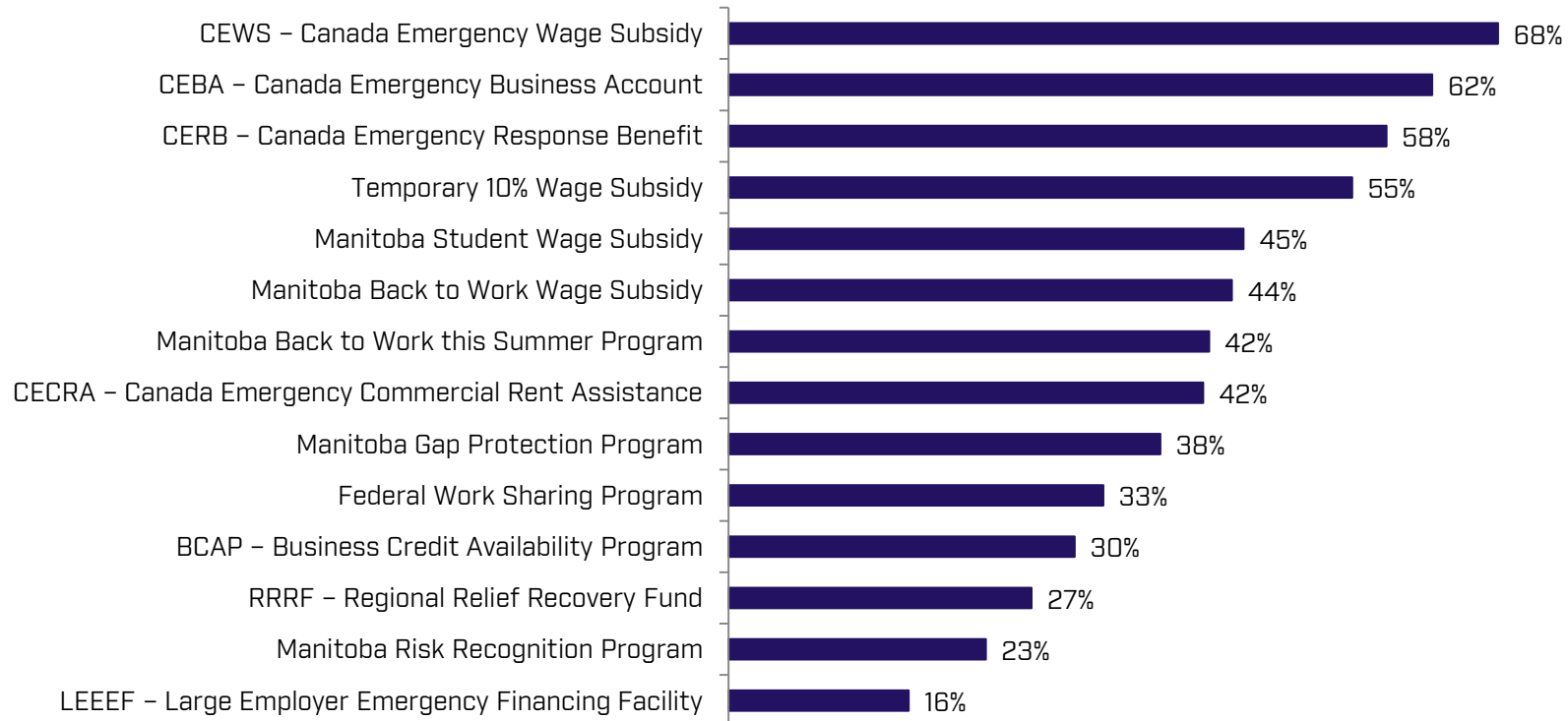
Q18: Beyond specific pandemic relief measures, if you had the opportunity, what would you tell the provincial government it should do to support the Manitoba business community? (Top Mention) Base: All respondents (n=397)



Business Support Programs

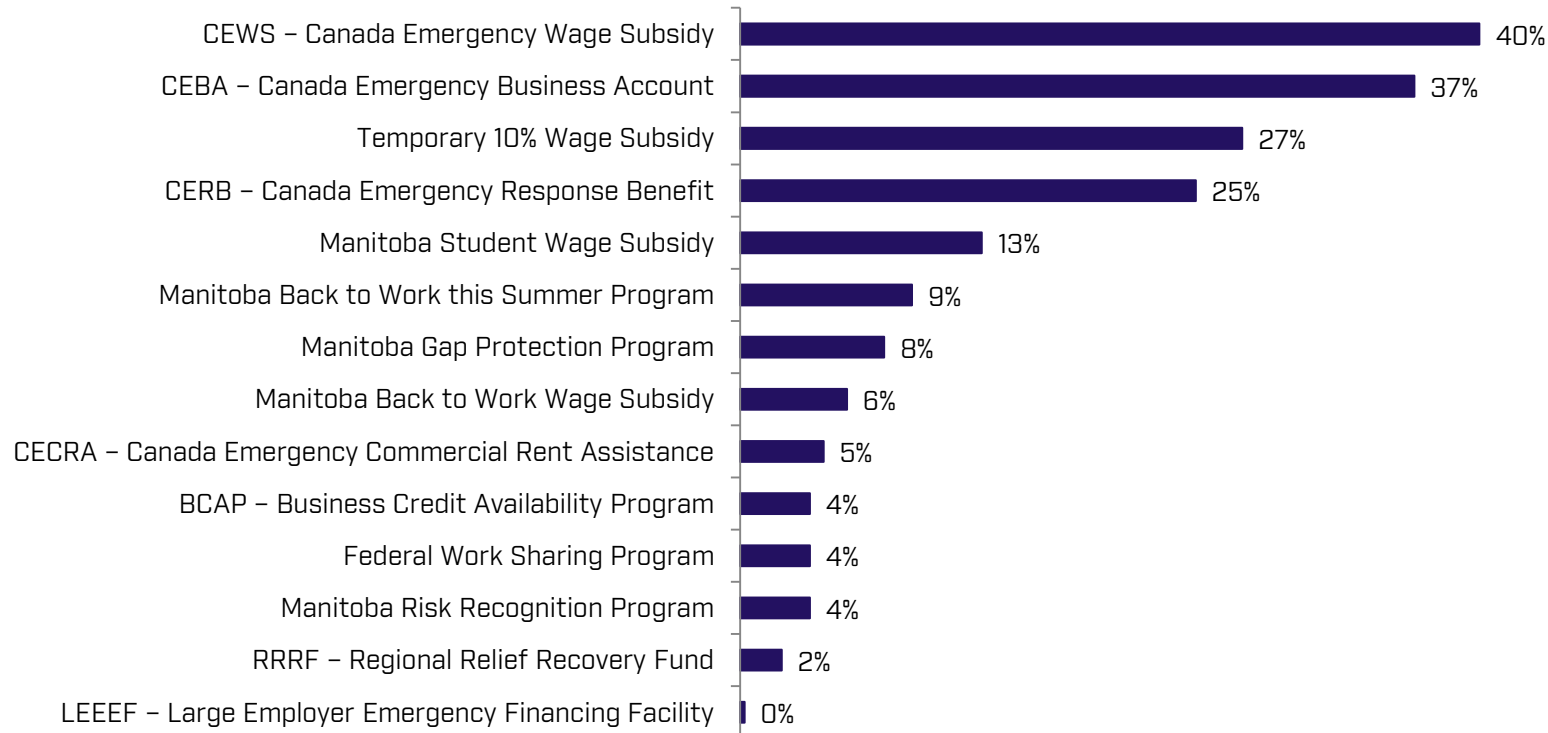
SUPPORT PROGRAMS [AWARE]

Q12: Which federal and/or provincial COVID-19 emergency relief programs have you applied for and/or qualified for/received? [Aware] Base: All respondents (n=397)



SUPPORT PROGRAMS [APPLIED & RECEIVED]

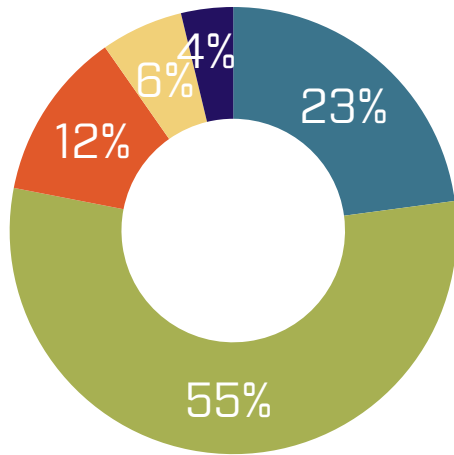
Q12: Which federal and/or provincial COVID-19 emergency relief programs have you applied for and/or qualified for/received? [Applied, Benefits Received] Base: All respondents (n=397)



SUPPORT PROGRAMS- MEETING BUSINESS NEEDS

QRED1: You mentioned that you accessed Government business support programs. Thinking about the support you received, would you say the programs met or didn't meet your business needs?

Base: All respondents applied for support programs (n=319)



- Met my business needs completely
- Somewhat met my business needs
- Somewhat didn't meet my business needs

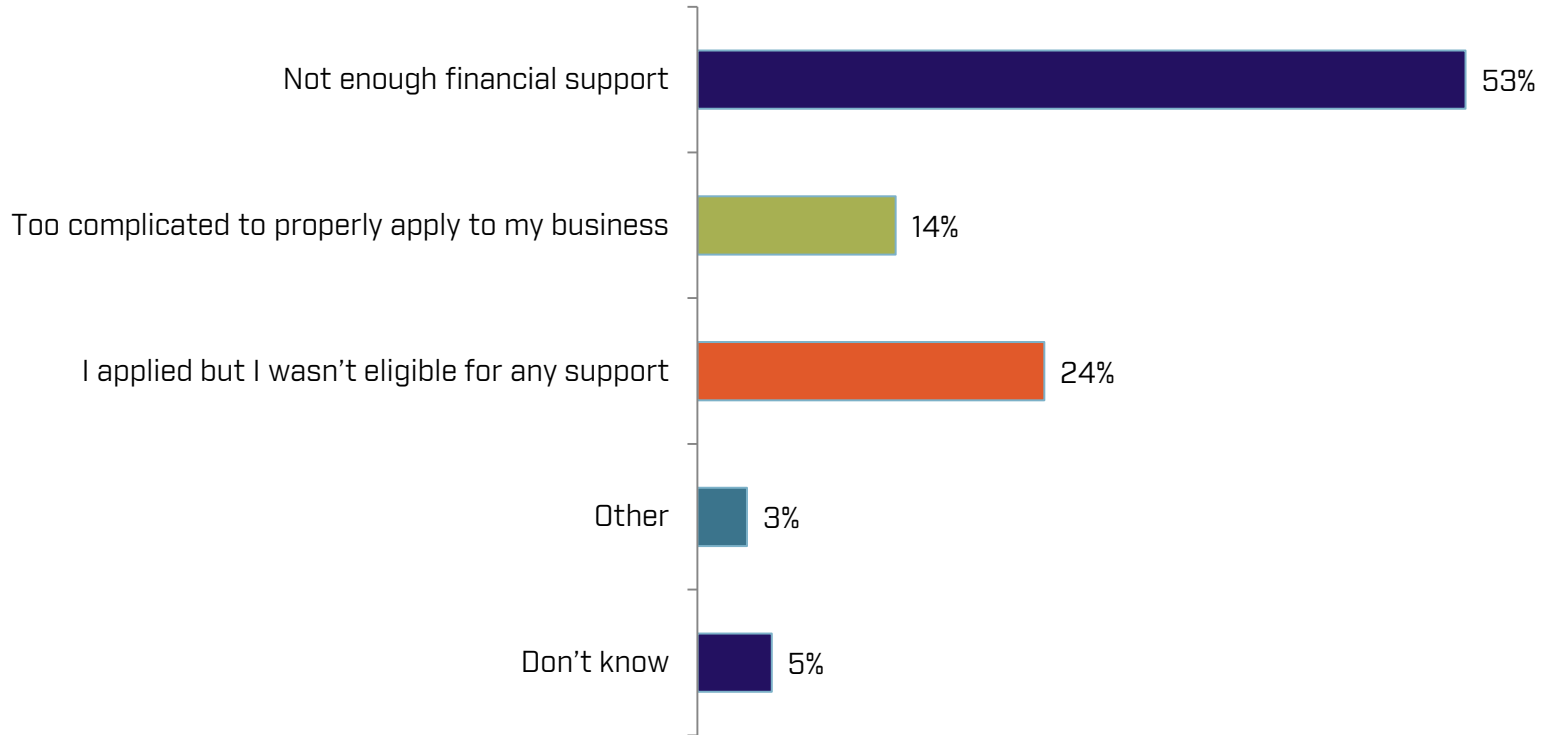
Total MET NEEDS, 78%

Total DID NOT MEET NEEDS, 18%

SUPPORT PROGRAM - WHY DID NOT MEET BUSINESS NEEDS

QRE02: Why did the program(s) not meet your business needs?

Base: Respondents – Support programs didn't meet needs (n=58)

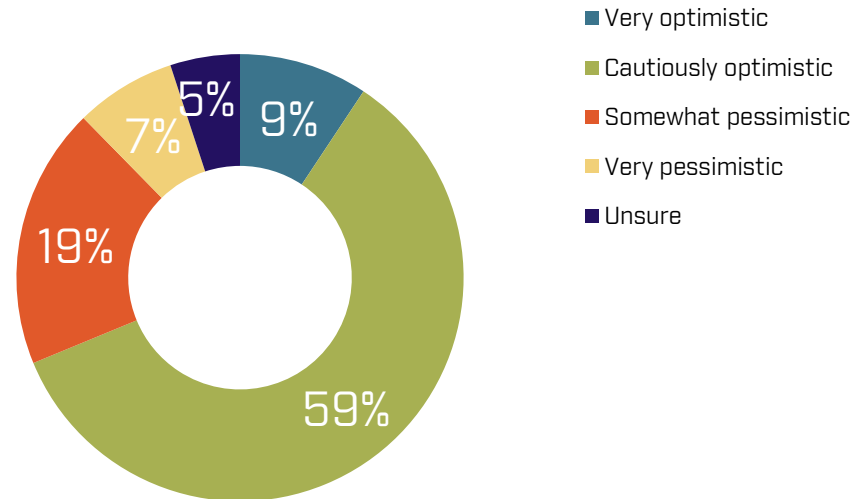


Future Business Expectations

OPTIMISM ABOUT BUSINESS

Q16: At this point in time, how do you feel about your business and its performance? Are you generally optimistic or pessimistic?

Base: All respondents (n=397)



In the 2019 Manitoba Business Outlook Survey:

- Very Optimistic – 16%
- Cautiously Optimistic – 62%
- Somewhat Pessimistic – 17%
- Very Pessimistic – 3%
- Don't Know – 2%

Total OPTIMISTIC, 69%

Total PESSIMISTIC, 26%

Small businesses rate slightly low on optimism compared to small-medium businesses [63% vs. 75% optimistic].

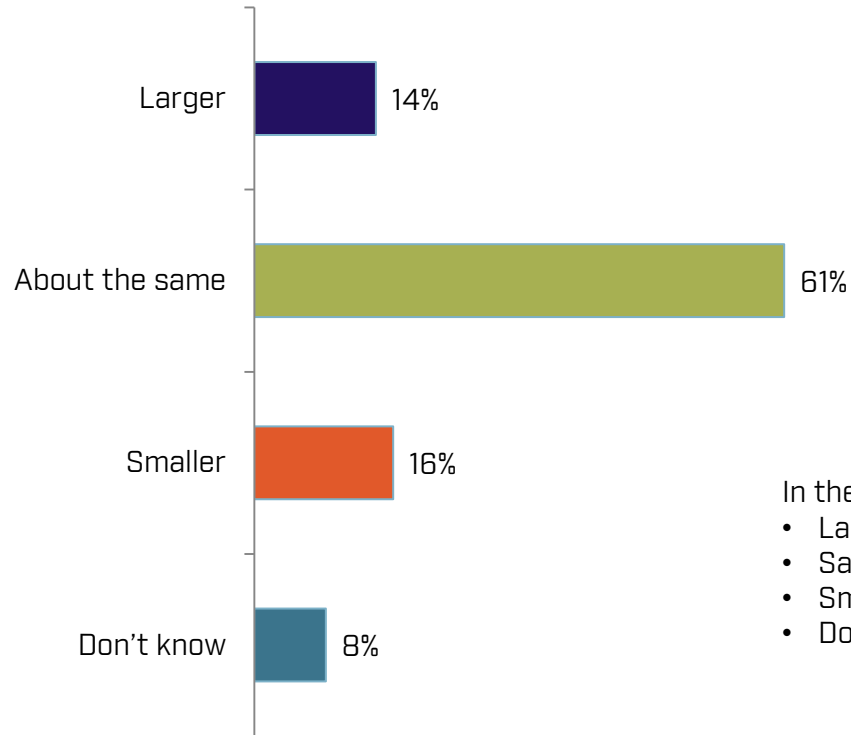
Restaurant/Hospitality/Tourism businesses are most pessimistic [59% pessimistic vs. 26% other businesses].

Winnipeg businesses are more optimistic as compared to non-Winnipeg [74% vs. 64%].

BUSINESS GROWTH EXPECTATIONS

Q15: Thinking about 12 months from now, do you expect the number of people employed by your organization will be...?

Base: All respondents (n=397)

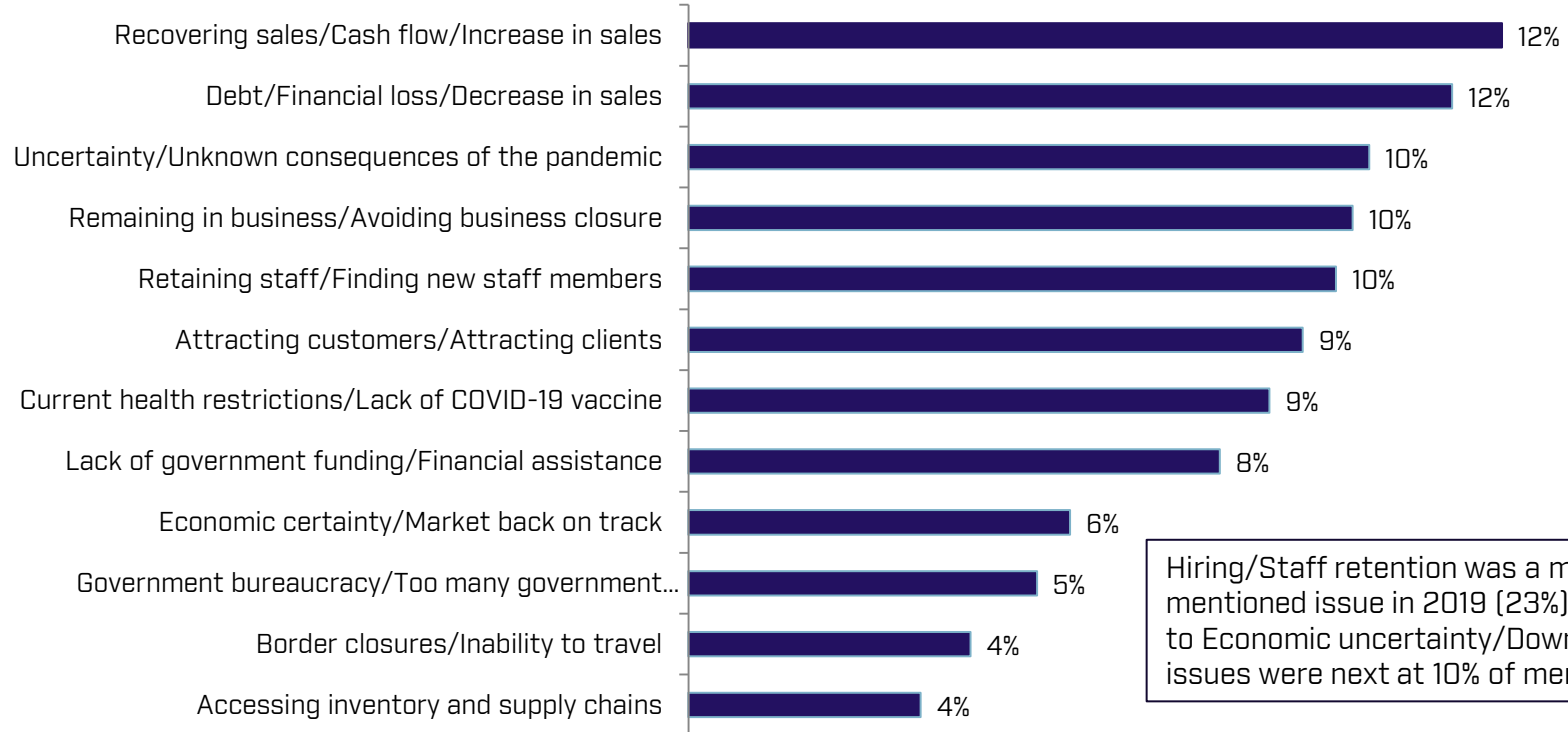


In the 2019 Manitoba Business Outlook Survey:

- Larger – 23%
- Same – 66%
- Smaller – 11%
- Don't Know – 11%

GREATEST CHALLENGE FACING COMPANY IN NEXT 12-18 MONTHS

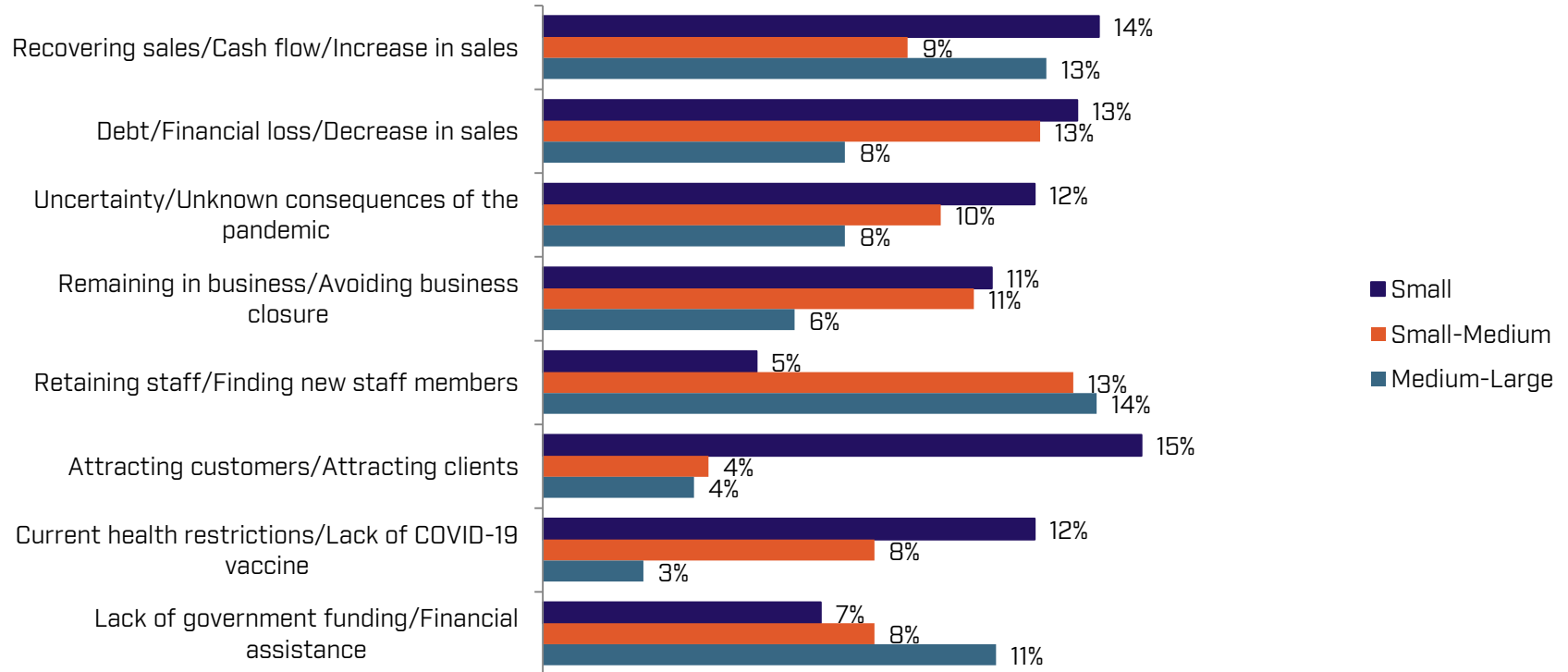
Q14: Beyond the pandemic, thinking about the next 12 to 18 months, from your perspective, what is the greatest challenge facing your organization? (TOTAL MENTIONS) [FREQUENT SELECTIONS] Base: All respondents (n=397)



Hiring/Staff retention was a most frequently mentioned issue in 2019 [23%]. References to Economic uncertainty/Downturn/Trade issues were next at 10% of mentions.

GREATEST CHALLENGING FACING COMPANY – INDUSTRY SIZE

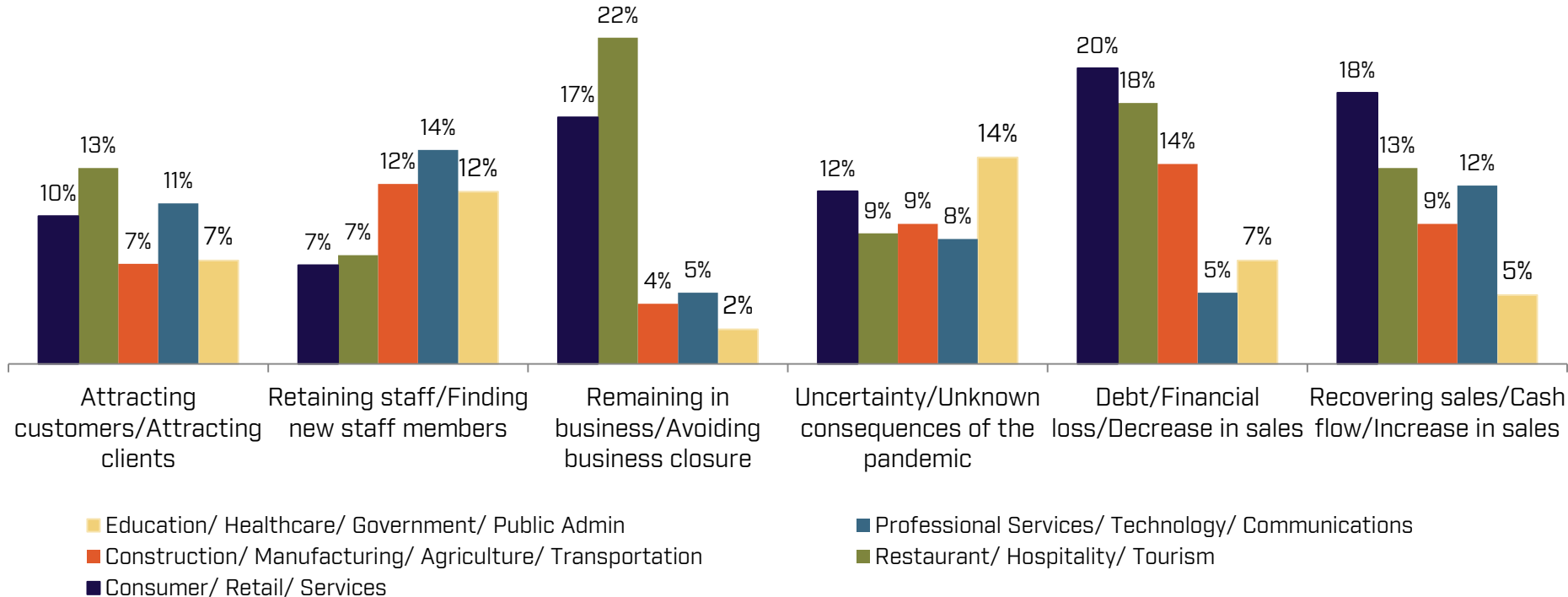
Q14: Beyond the pandemic, thinking about the next 12 to 18 months, from your perspective, what is the greatest challenge facing your organization? (TOTAL MENTIONS) [FREQUENT SELECTIONS] Base: All respondents (n=397)



Mentions Less than 8% are not shown

GREATEST CHALLENGING FACING COMPANY – INDUSTRY SIZE

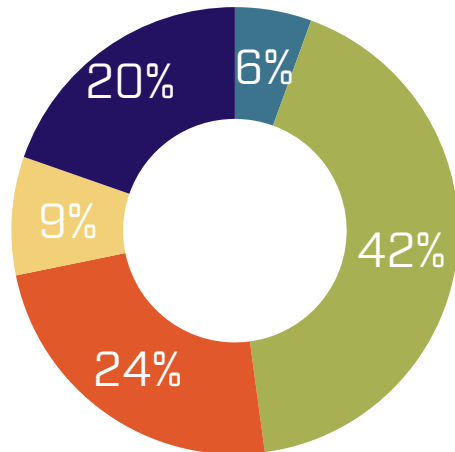
Q14: Beyond the pandemic, thinking about the next 12 to 18 months, from your perspective, what is the greatest challenge facing your organization? (TOTAL MENTIONS) [FREQUENT SELECTIONS] Base: All respondents (n=397)



COMPETITIVENESS OF BUSINESS CLIMATE

Q17: Do you agree or disagree with the following statement: Manitoba's business climate is competitive with other provinces?

Base: All respondents (n=397)



- Strongly agree
- Somewhat agree
- Somewhat disagree
- Strongly disagree
- Don't know

Total AGREE, 48%

Total DISAGREE, 32%

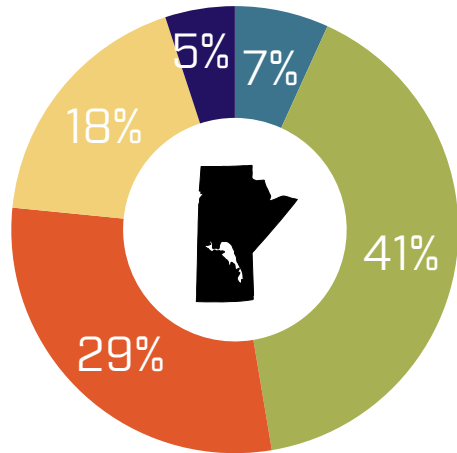
In the 2019 Manitoba Business Outlook Survey:

- Strongly Agree – 6%
- Somewhat Agree – 52%
- Somewhat Disagree – 26%
- Strongly Disagree – 9%
- Don't Know – 8%

OPINIONS ON MANITOBA'S FUTURE

Q13: In spite of the pandemic, in your opinion as a business person, do you feel things overall in the province are still heading in the right direction or is Manitoba on the wrong track?

Base: All respondents (n=397)



- Strongly in the right direction
- Somewhat in the right direction
- Somewhat on the wrong track
- Strongly on the wrong track
- Don't know

Total RIGHT DIRECTION, 48%

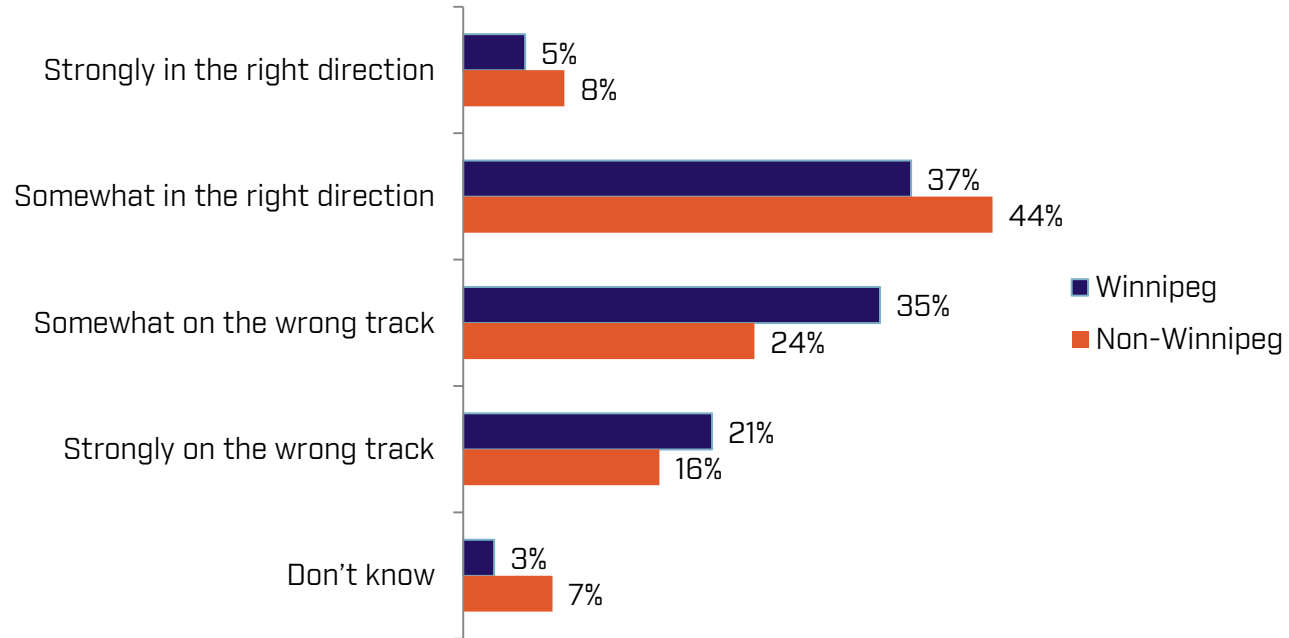
Total WRONG TRACK, 47%

In the 2019 Manitoba Business Outlook Survey:

- Strongly Right Direction – 7%
- Somewhat Right Direction – 65%
- Somewhat Wrong Track – 16%
- Strongly Wrong Track – 8%
- Don't Know – 4%

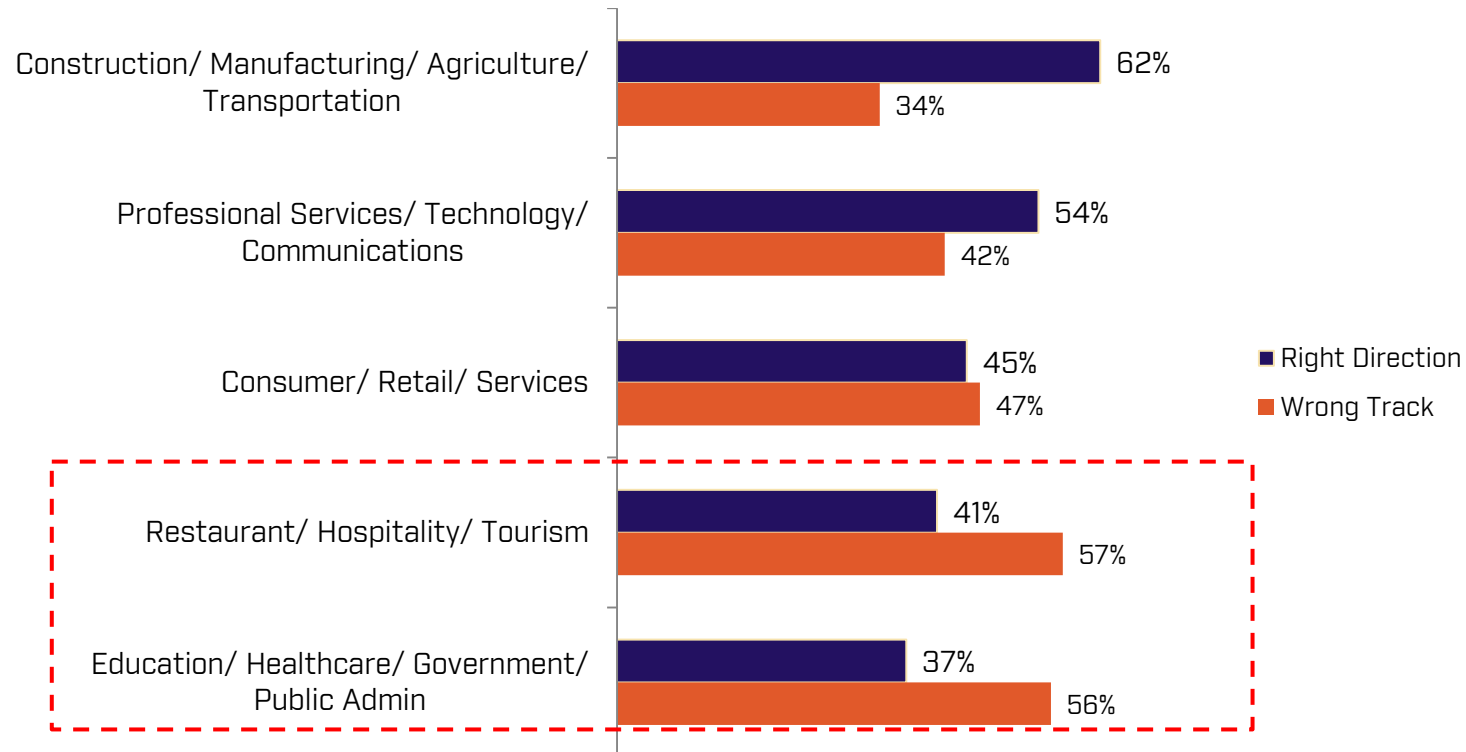
OPINIONS ON MANITOBA'S FUTURE – BY REGION

Q13: In spite of the pandemic, in your opinion as a business person, do you feel things overall in the province are still heading in the right direction or is Manitoba on the wrong track? Base: All respondents (n=397)



OPINIONS ON MANITOBA'S FUTURE – BY INDUSTRY TYPE

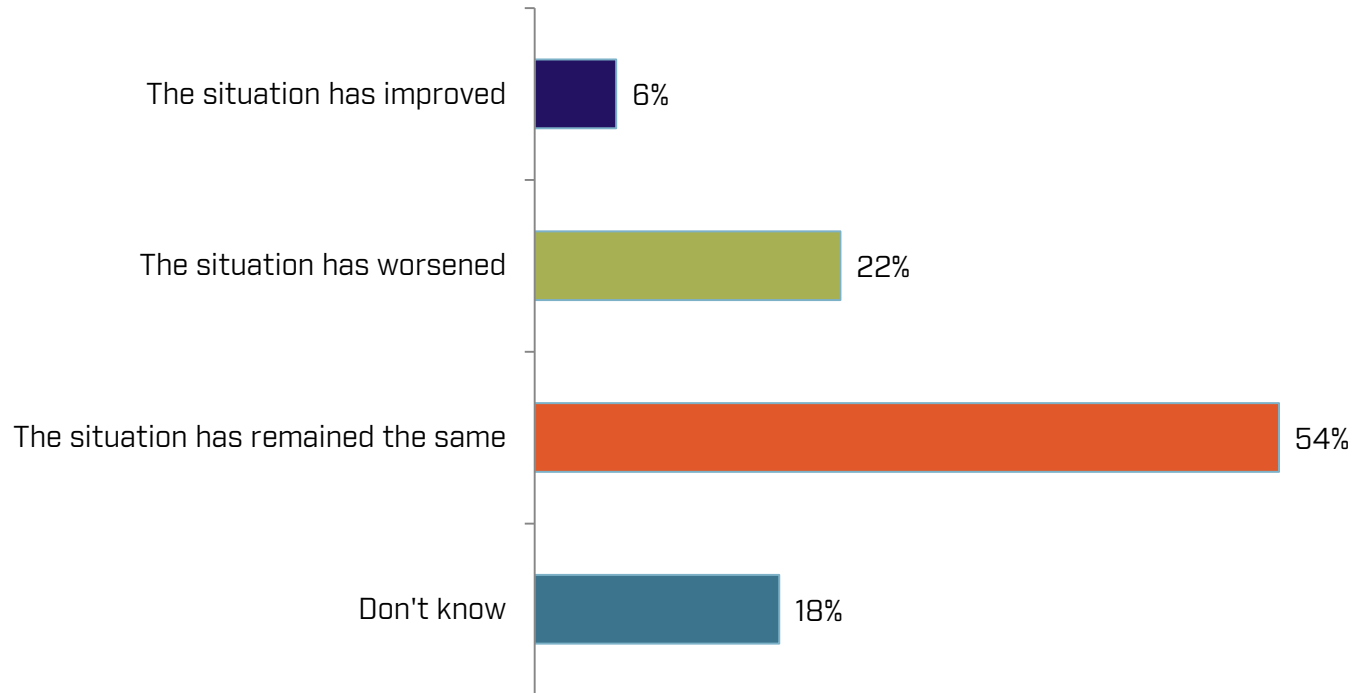
Q13: In spite of the pandemic, in your opinion as a business person, do you feel things overall in the province are still heading in the right direction or is Manitoba on the wrong track? Base: All respondents (n=397)



Labour Market Perceptions

ACCESS TO SKILLED LABOUR

Q19. In years past, Manitoba business leaders cited labour shortages as a major concern, along with access to skilled workers to fill positions. In your opinion, has the situation related to access to skilled labour in Manitoba improved, worsened, or stayed the same compared to 2 to 3 years ago? Base: Respondents – ‘not’ negatively impacted by Pandemic (n=135)



BARRIERS TO HIRE QUALIFIED EMPLOYEES

Q20: What do you see as the biggest barriers to your ability to hire qualified employees in your business? (TOTAL MENTIONS) Base: Respondents – ‘not’ negatively impacted by Pandemic Q1 (n=135)



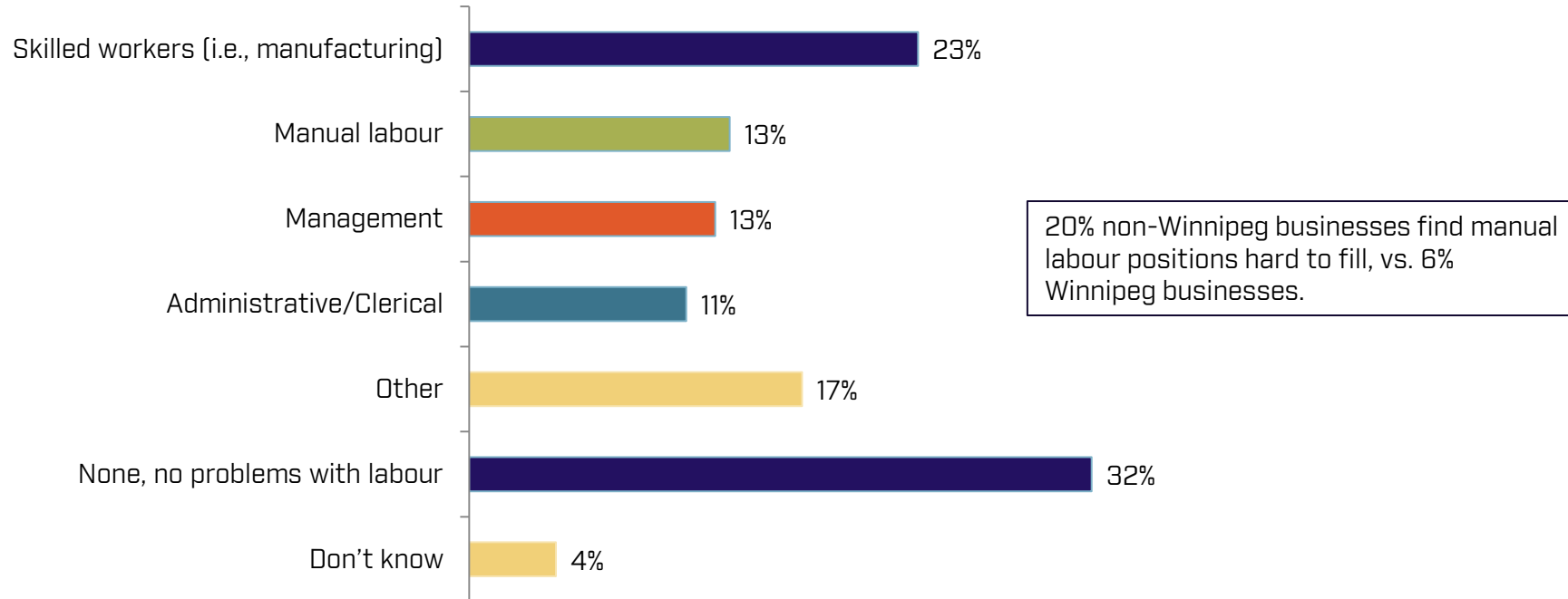
36% of non-Winnipeg businesses say 'Inability to attract qualified candidates' vs. 20% Winnipeg.

44% Restaurant/Hospitality, 35% Education/Healthcare businesses say 'Wages don't meet expectations' vs. 6% Construction/Manufacturing businesses

DIFFICULT TO FILL POSITIONS

Q21: What positions is your organization having the most difficulty filling? (TOTAL MENTIONS)

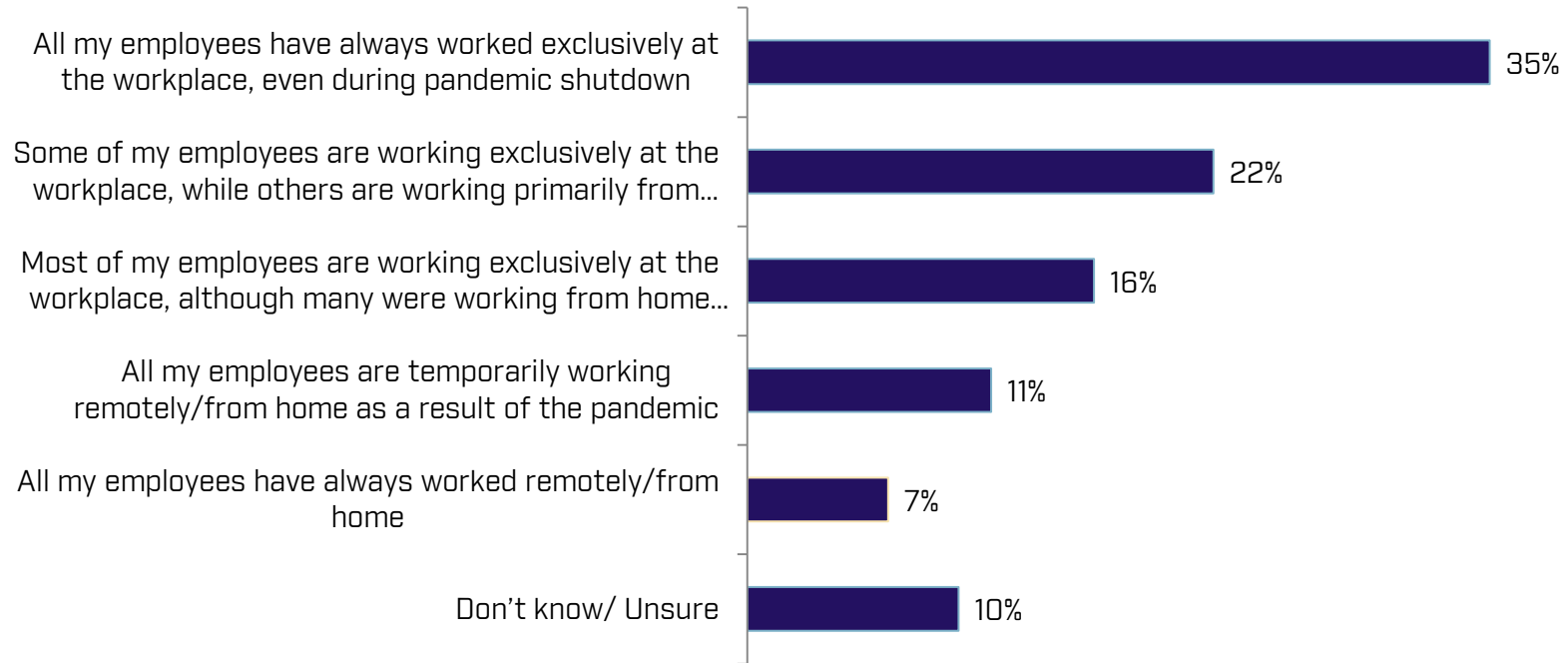
Base: Respondents – ‘not’ negatively impacted by Pandemic Q1 (n=135)



Current Employee Work Situation

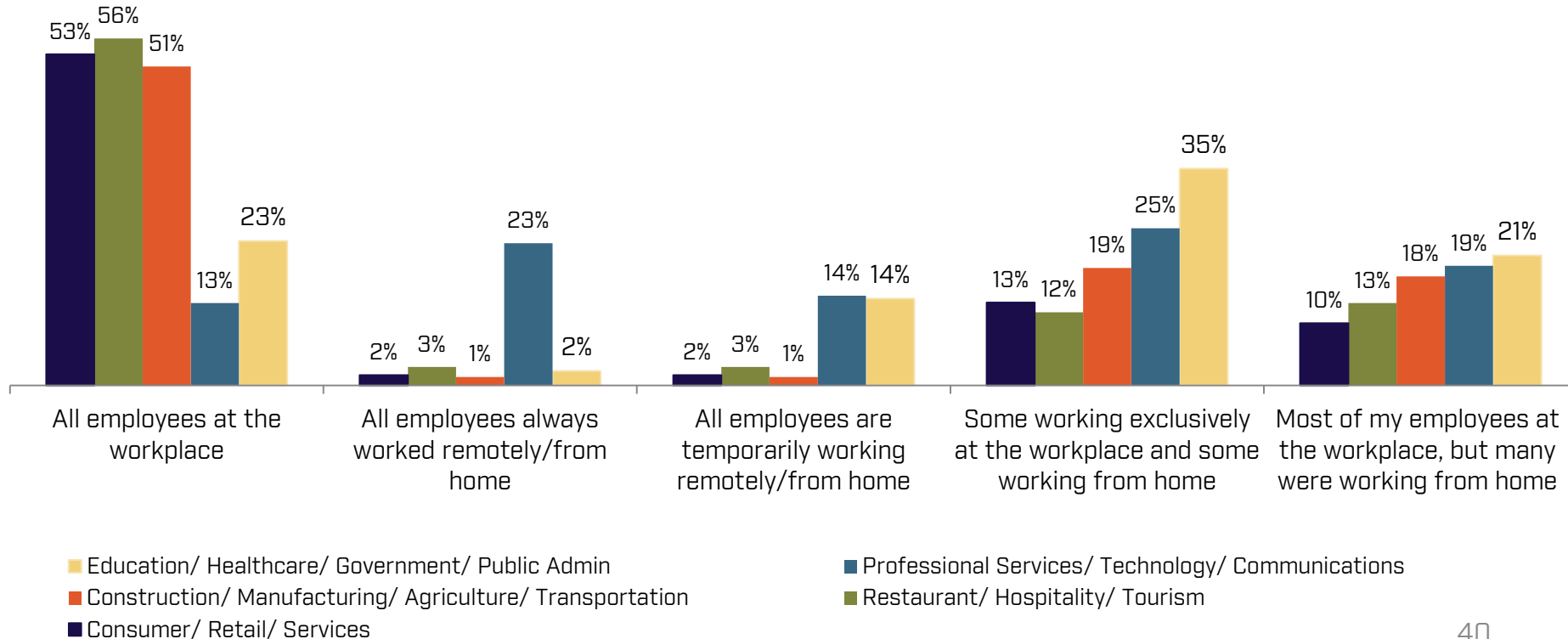
EMPLOYEE WORK SITUATION

Q22: What statement below best describes your employees' work locations? Base: All Respondents (n=397)



WORK SITUATION – BY INDUSTRY TYPE

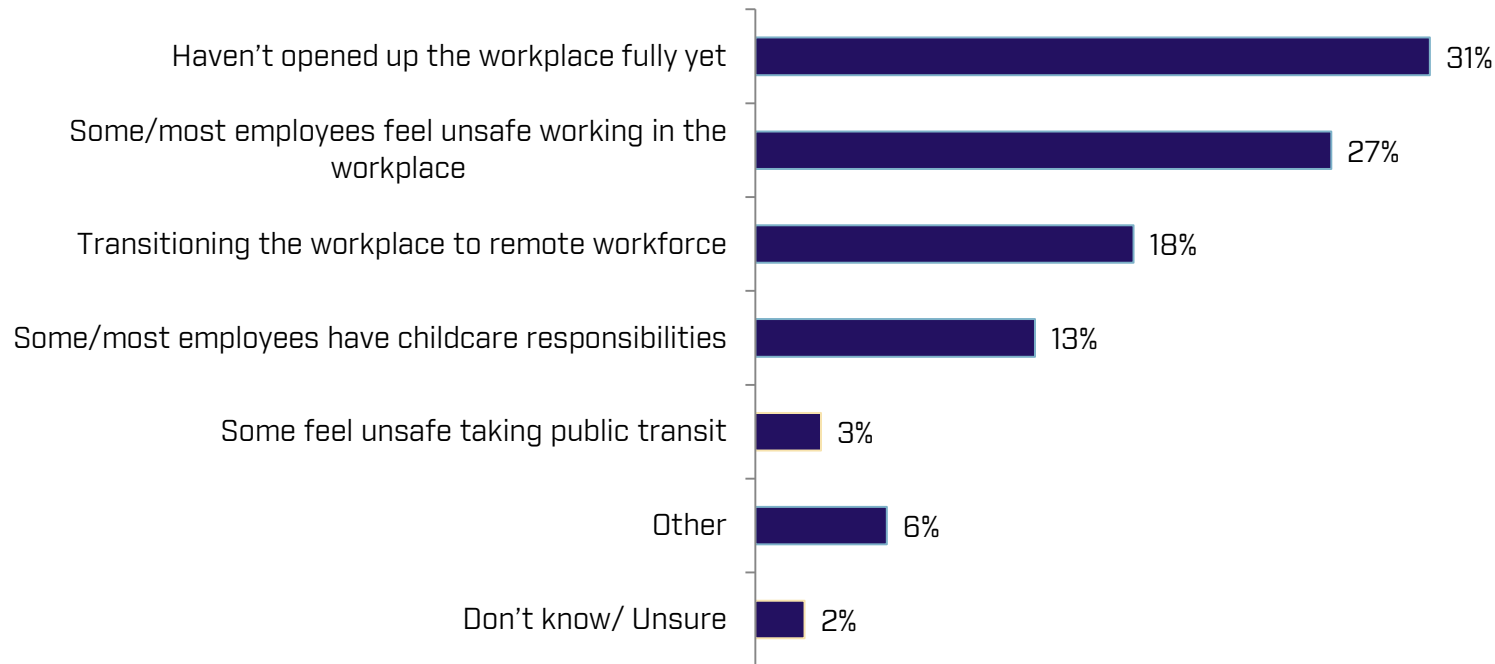
Q22: What statement below best describes your employees' work locations? Base: All Respondents (n=397)



WHY EMPLOYEES WORKING FROM HOME

Q23. In your opinion, why have some/all of the company's employees not returned to the workplace?

Base: Respondents with employees working remotely (n=131)

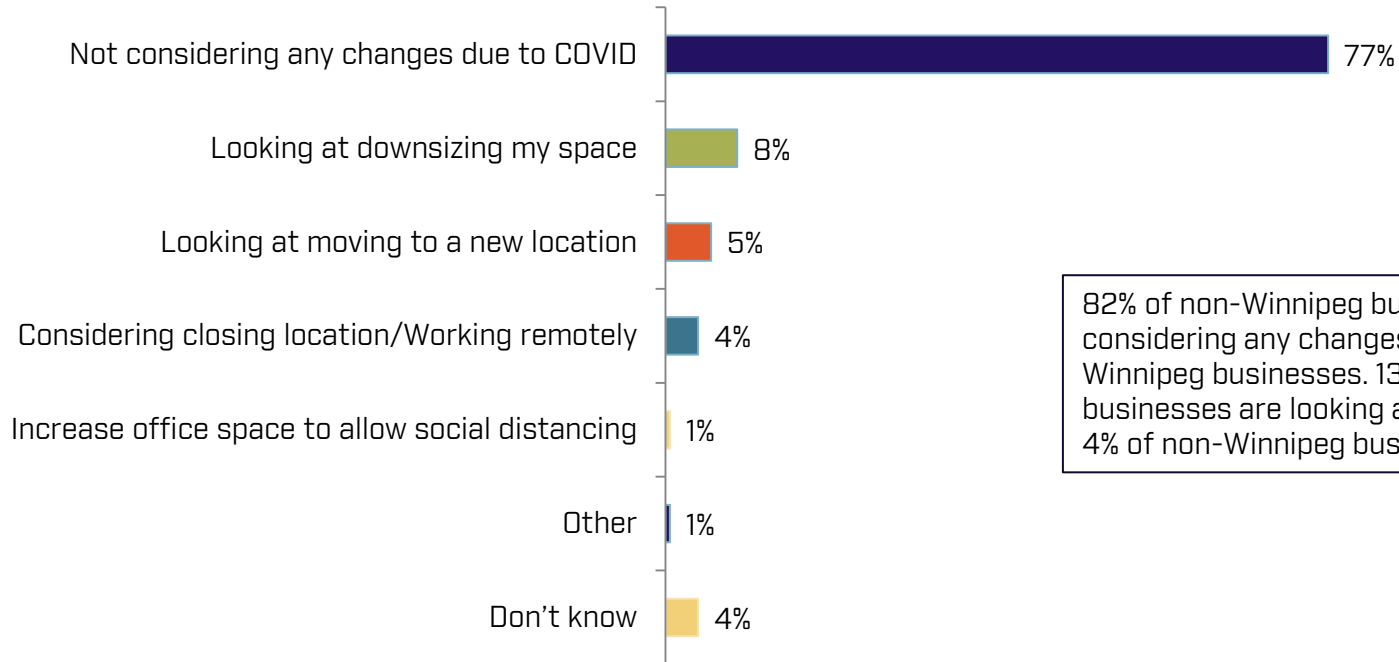


Real Estate

MOVING BUSINESS LOCATION

Q25: As a result of the pandemic have you considered moving or changing the location of the business?

Base: All respondents (n=397)

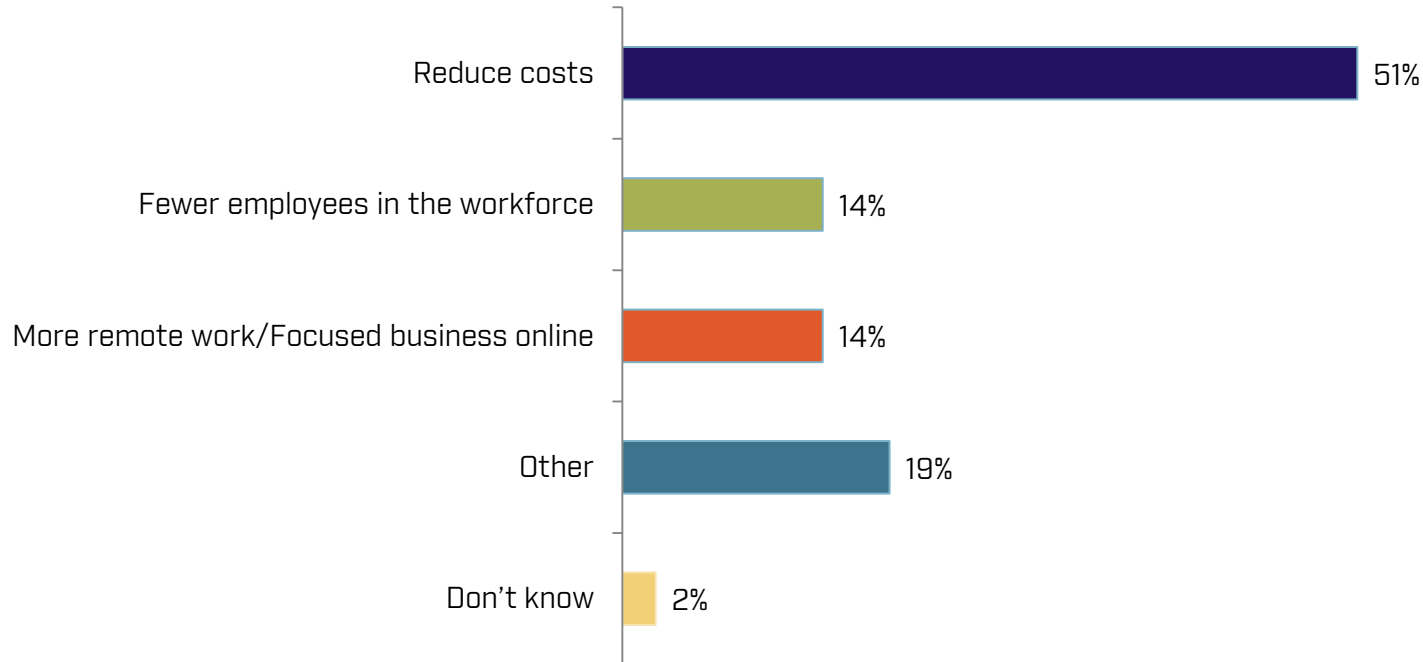


82% of non-Winnipeg businesses are NOT considering any changes vs. 71% of Winnipeg businesses. 13% of Winnipeg businesses are looking at downsizing vs. 4% of non-Winnipeg businesses.

REASON - MOVING BUSINESS LOCATION

Q26: Why are you looking at these changes?

Base: Respondents changing location (n=43)





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WINNIPEG

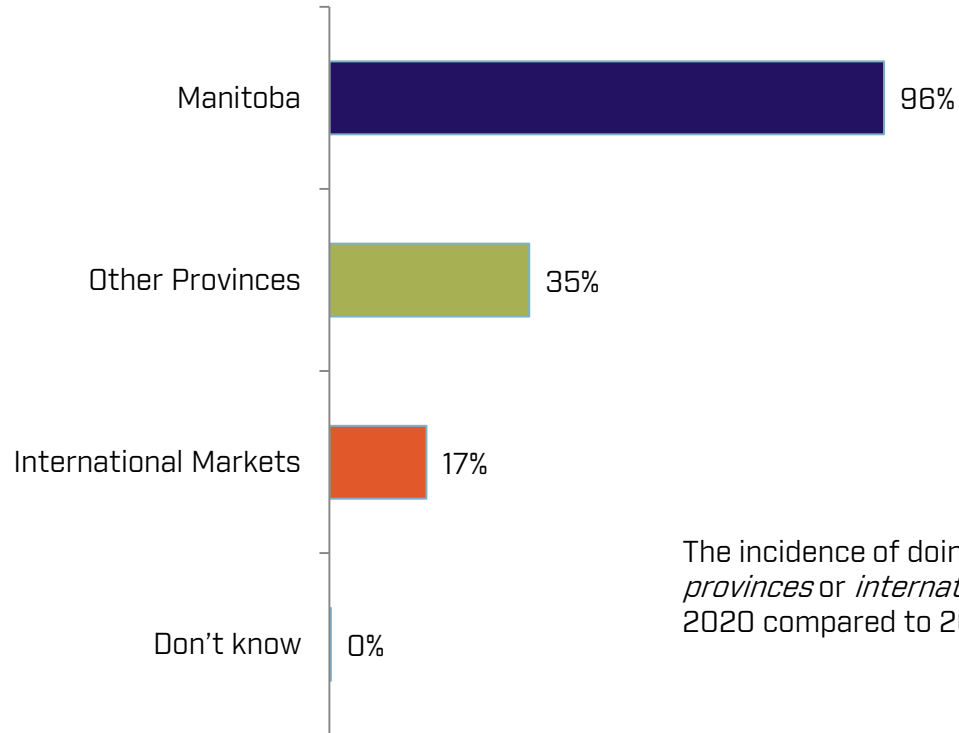
Serving all of Manitoba
Au service de tous les Manitobains

New Business Markets

Current Market Access

QWTC1: Do you currently do business in... (TOTAL MENTIONS)

Base: All respondents (n=397)

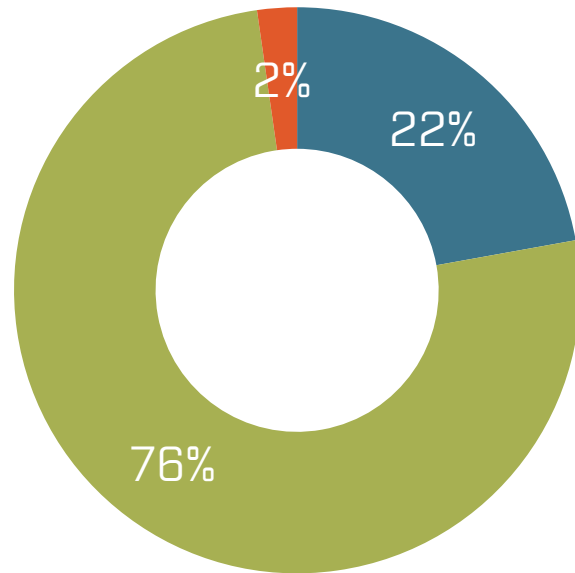


The incidence of doing business in *other provinces* or *internationally* declined in 2020 compared to 2019.

New Markets in Past Year

QWTC2: In the last 12 months, have you accessed any new markets outside Manitoba, but within Canada?

Base: All respondents (n=397)



The incidence of opening up new markets declined in 2020 compared to 2019 [34% in 2019 vs 22% this year].

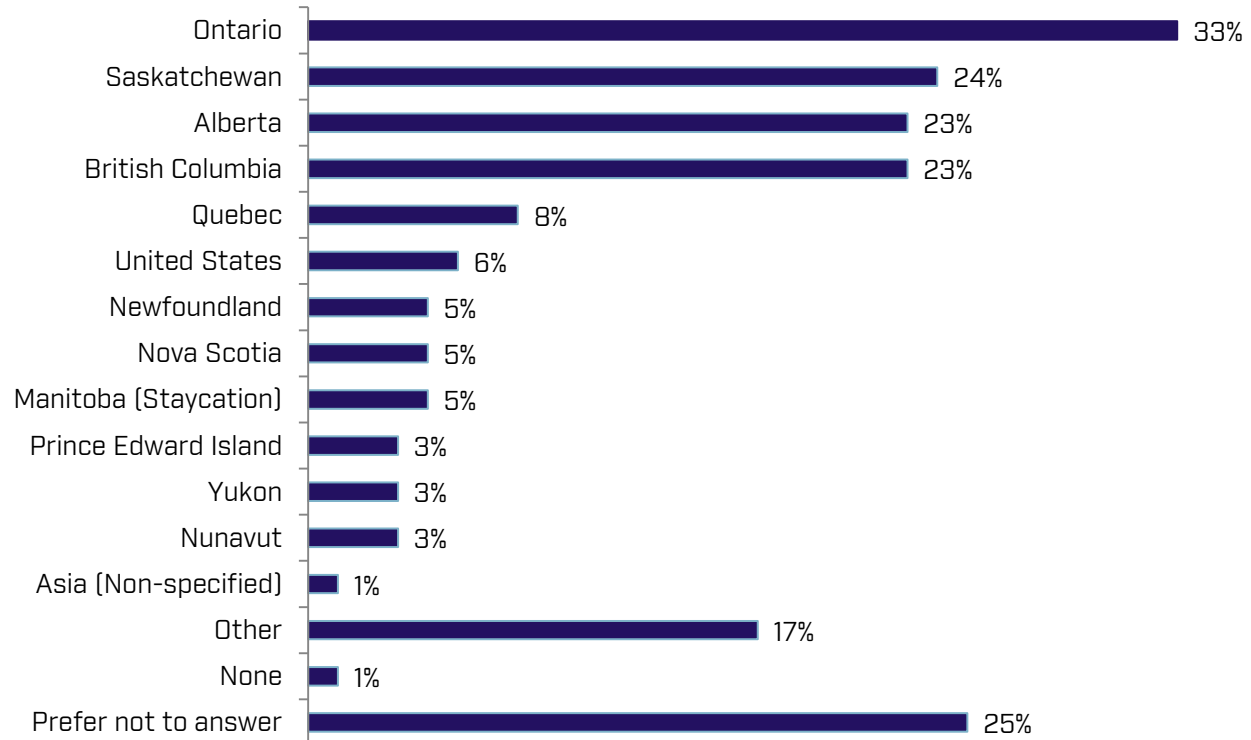
■ Yes ■ No ■ Don't know

41% of Professional services/technology/communications businesses have accessed a new market outside Manitoba in last year vs. 17% other businesses.

New Markets Accessed Last Year

QWTC3: In the space provided below, please list all the new Canadian markets outside Manitoba that you have accessed in past 12 months. (TOTAL MENTIONS)

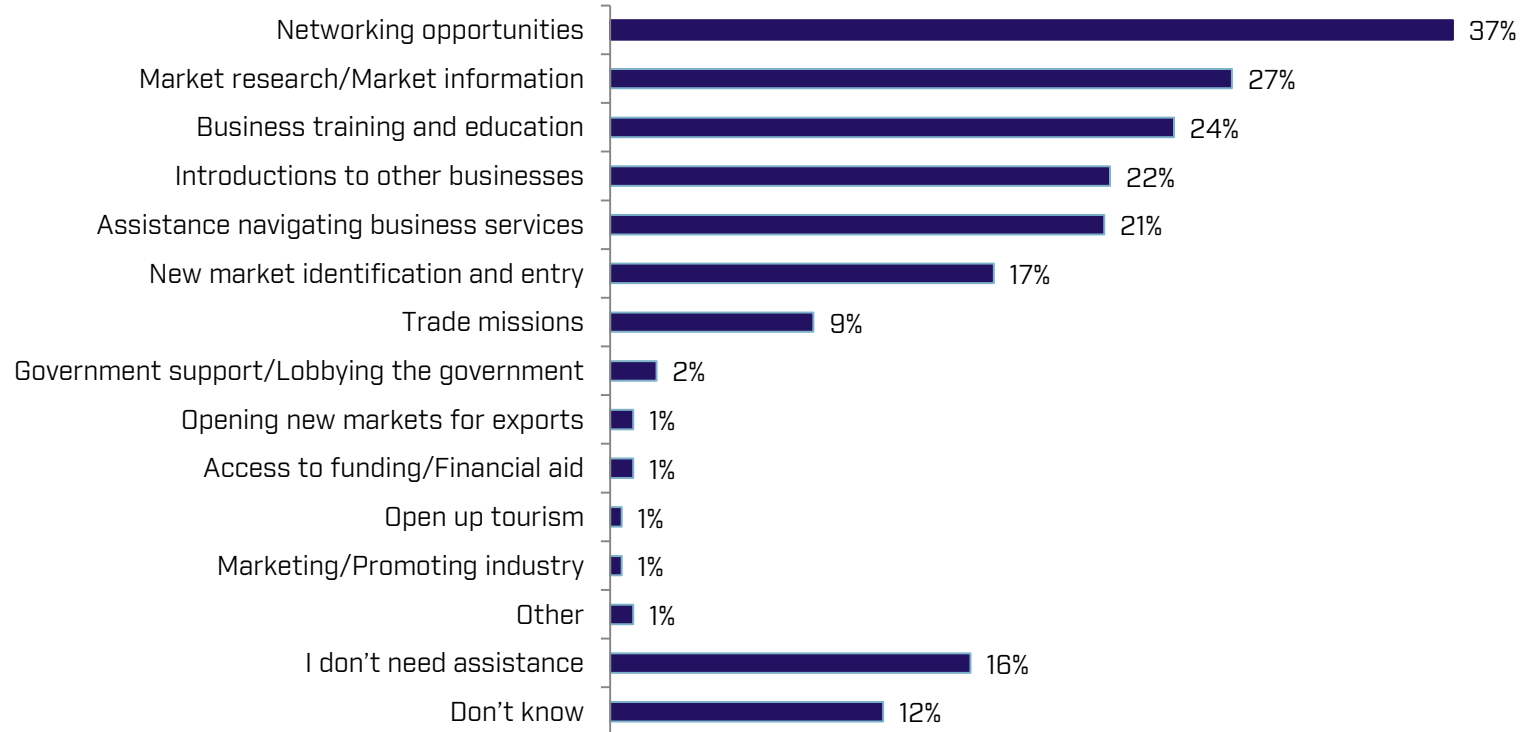
Base: All respondents (n=397)



Services Businesses Need

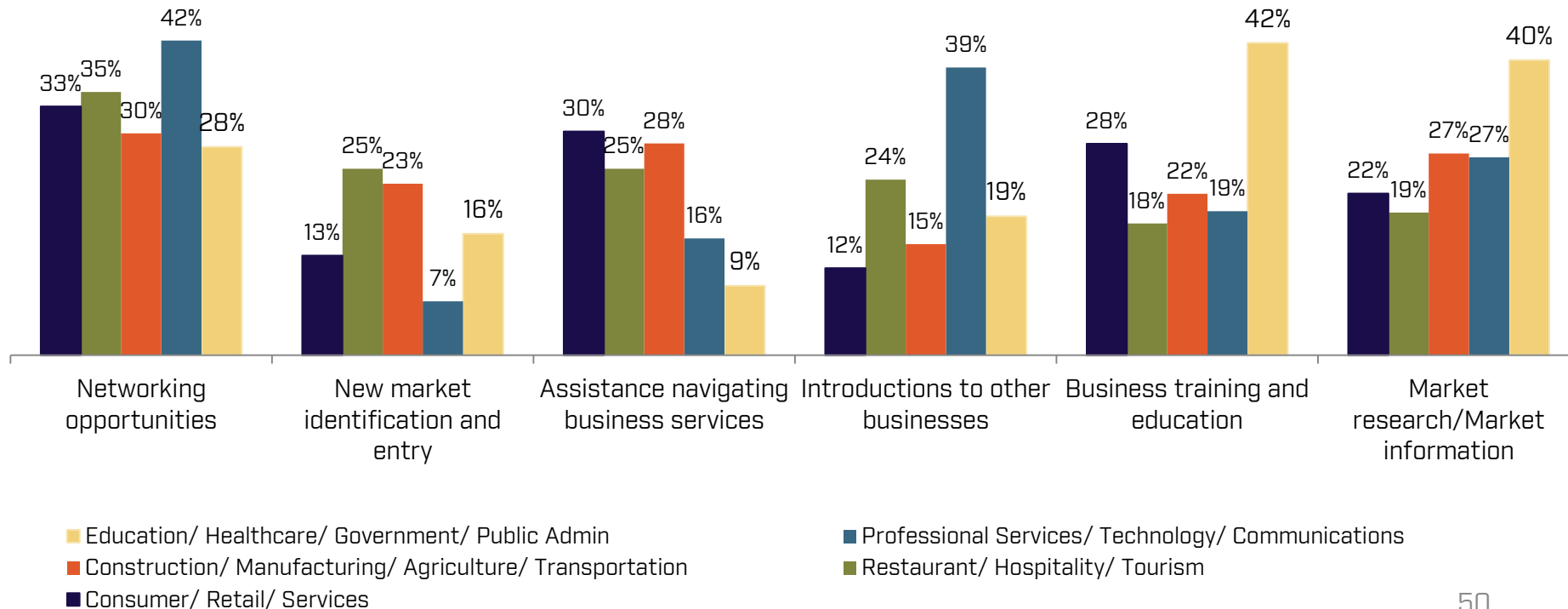
QWTC4: From the list below, select the three services from which your business could benefit the most. (TOTAL MENTIONS)

Base: All respondents (n=397)



Services Businesses Need – By Industry Type

QWTC4: From the list below, select the three services from which your business could benefit the most. (TOTAL MENTIONS) Base: All respondents (n=397)



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