Industry Perspective on the Challenges of Today
Business Leader Perspectives on Economic, Supply Chain, and Workforce Challenges Presented by COVID-19 Pandemic

In the wake of the COVID-19 pandemic, business leaders in corporate, facility, and general management are expressing a high level of concern regarding business goals in the near future, including concerns about supply chain interruptions.

The following survey details fears surrounding the current economy, business stability for the next 12 months, labor and supply chain concerns, and overall perceptions on how to return to "business as usual" in the future.

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Research Overview

- **Methodology:** 12 Minute Online Survey
- **Fieldwork Dates:** April 30 – May 4, 2020
- **Audience:**
  - Participation from 964 B2B Industry Professionals
  - Deep dive into perspective of 248 Business Leaders*
  - *NOTE: Business Leaders are defined by involvement in these job functions: Corporate Management, Facility Management, General Management, Government, Manufacturing, Owner/Operators, Production/Operations, Quality, Retailers*
- **Industry Involvement Coverage:** Architecture, Engineering, Construction, Mechanical Systems, Food/Beverage Manufacturing, Manufacturing, Security/Critical Facilities, & Gaming/Hospitality

#### Regional Representation

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northeast</td>
<td>21%</td>
</tr>
<tr>
<td>Midwest</td>
<td>27%</td>
</tr>
<tr>
<td>South</td>
<td>28%</td>
</tr>
<tr>
<td>West</td>
<td>23%</td>
</tr>
<tr>
<td>Other U.S. Territory</td>
<td>&lt;1%</td>
</tr>
</tbody>
</table>
Concerns are high surrounding the current economy as well as business stability for the next 12 months.

% Highly Concerned (8-10 Rating)

<table>
<thead>
<tr>
<th>Current economy</th>
<th>Business stability for next 12 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>71%</td>
<td>73%</td>
</tr>
<tr>
<td>59%</td>
<td>60%</td>
</tr>
</tbody>
</table>

Q100. Please indicate your level of concern with each of the following: (Scale: 1=Not at all concerned; 10=Highly Concerned)

"Don’t know/Doesn’t apply" responses removed for analysis purposes

Results Published: 5/6/2020
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The level of concern among Business Leaders varies based on industry involvement, with those in Gaming & Hospitality expressing higher levels of concern.

% Highly Concerned (8-10 Rating)

Q100. Please indicate your level of concern with each of the following: (Scale: 1=Not at all concerned; 10=Highly Concerned)

“Don’t know/Doesn’t apply” responses removed for analysis purposes

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Regionally, Business Leaders across the US share similar levels of concern, with the exception of those in the West who express greater concern about the current economy than do those in the Midwest.

% Highly Concerned (8-10 Rating)

- Business Leaders (n=247)
  - Current economy: 73%
  - Business stability for next 12 months: 60%
- Northeast (n=43)
  - Current economy: 72%
  - Business stability for next 12 months: 58%
- Midwest (n=77-78)
  - Current economy: 68%
  - Business stability for next 12 months: 60%
- South (n=64-65)
  - Current economy: 72%
  - Business stability for next 12 months: 63%
- West (n=60)
  - Current economy: 82%
  - Business stability for next 12 months: 57%

Q100. Please indicate your level of concern with each of the following: (Scale: 1=Not at all concerned; 10=Highly Concerned)

"Don't know/Doesn't apply" responses removed for analysis purposes.

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Business Leaders report being highly concerned about achieving business goals within the next three months as well as the next six months; near term goal achievement appears to be causing greater concern at this time.

Q100. Please indicate your level of concern with each of the following: (Scale: 1=Not at all concerned; 10=Highly Concerned)

"Don’t know/Doesn’t apply" responses removed for analysis purposes
Regardless of industry involvement, Business Leaders are more highly concerned about achieving business goals over the next three months compared with the next six months.

% Highly Concerned (8-10 Rating)

- Business Leaders (n=246)
- Construction (n=59)
- Food & Beverage Mfg (n=58)
- Manufacturing (n=95)
- Gaming & Hospitality (n=34)

Achieving business goals over next three months:
- Business Leaders: 72%
- Construction: 69%
- Food & Beverage Mfg: 78%
- Manufacturing: 100%
- Gaming & Hospitality: 60%

Achieving business goals over next six months:
- Business Leaders: 61%
- Construction: 59%
- Food & Beverage Mfg: 60%
- Manufacturing: 54%
- Gaming & Hospitality: 85%

Q100. Please indicate your level of concern with each of the following: (Scale: 1=Not at all concerned; 10=Highly Concerned)

*Don’t know/Doesn’t apply* responses removed for analysis purposes.

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Regionally, the Northeast appears directionally less concerned about achieving three month business goals compared with those in other regions of the US.

<table>
<thead>
<tr>
<th>Region</th>
<th>Achieving business goals over next three months</th>
<th>Achieving business goals over next six months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Leaders</td>
<td>72%</td>
<td>61%</td>
</tr>
<tr>
<td>Northeast</td>
<td>64%</td>
<td>57%</td>
</tr>
<tr>
<td>Midwest</td>
<td>71%</td>
<td>60%</td>
</tr>
<tr>
<td>South</td>
<td>74%</td>
<td>63%</td>
</tr>
<tr>
<td>West</td>
<td>75%</td>
<td>62%</td>
</tr>
</tbody>
</table>

**Q100. Please indicate your level of concern with each of the following: (Scale: 1=Not at all concerned; 10=Highly Concerned)****

"Don't know/Doesn't apply" responses removed for analysis purposes
Concerns related to supply chain interruptions are reportedly greater than concerns surrounding skilled labor shortages.

Q100. Please indicate your level of concern with each of the following: (Scale: 1=Not at all concerned; 10=Highly Concerned)

"Don’t know/Doesn’t apply” responses removed for analysis purposes
Supply chain interruptions appear to be causing greater concern for Business Leaders involved with the Gaming & Hospitality industry than those in other industry verticals. Across all industries supply chain interruption concerns are higher than concerns surrounding skilled labor shortages.

% Highly Concerned (8-10 Rating)

<table>
<thead>
<tr>
<th>Industry</th>
<th>Supply chain interruptions</th>
<th>Skilled labor shortages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Leaders (n=243-247)</td>
<td>54%</td>
<td>76%</td>
</tr>
<tr>
<td>Construction (n=58-60)</td>
<td>57%</td>
<td>35%</td>
</tr>
<tr>
<td>Food &amp; Beverage Mfg (n=57-59)</td>
<td>58%</td>
<td>40%</td>
</tr>
<tr>
<td>Manufacturing (n=94-95)</td>
<td>43%</td>
<td>39%</td>
</tr>
<tr>
<td>Gaming &amp; Hospitality (n=33-34)</td>
<td>76%</td>
<td>39%</td>
</tr>
</tbody>
</table>

Q100. Please indicate your level of concern with each of the following: (Scale: 1=Not at all concerned; 10=Highly Concerned)

“Don’t know/Doesn’t apply” responses removed for analysis purposes
Directionally, Business Leaders in the South express greater concern with supply chain interruptions than those other regions of the US. Labor shortages are of relatively equal concern across the country, although appear to be directionally higher in the Midwest.

% Highly Concerned (8-10 Rating)

- Business Leaders (n=243-247)
- Northeast (n=43)
- Midwest (n=76-77)
- South (n=63-65)
- West (n=59-60)

Q100. Please indicate your level of concern with each of the following: (Scale: 1=Not at all concerned; 10=Highly Concerned)

"Don't know/Doesn't apply" responses removed for analysis purposes

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One-in-three anticipate no workforce changes over the next three months. Business Leaders appear somewhat more optimistic when considering rehiring/hiring compared to the industry overall.

**Q115. What workforce changes do you anticipate at your company in the next 3 months? (Select all that apply)**

### % Anticipating Following Changes in Next 3 Months

- **Total** (n=923)
  - No change: 34%
  - Lay off all employees: 2%
  - Temporarily suspend employees with pay: 13%
  - Temporarily suspend employees without pay: 12%
  - Lay off some employees: 18%
  - Hire new employees: 19%
  - Rehire previously suspended/laid off employees: 23%
  - Don’t know: 10%

- **Business Leaders** (n=244)
  - No change: 36%
  - Lay off all employees: 2%
  - Temporarily suspend employees without pay: 12%
  - Temporarily suspend employees with pay: 6%
  - Lay off some employees: 18%
  - Hire new employees: 19%
  - Rehire previously suspended/laid off employees: 23%
  - Don’t know: 11%
The Gaming & Hospitality industry is more likely to anticipate change in the next three months specific to rehiring previously suspended or laid off employees.

% Anticipating Following Changes in Next 3 Months

- No change
- Lay off some employees
- Lay off all employees
- Rehire previously suspended/laid off employees
- Temporarily suspend employees without pay
- Temporarily suspend employees with pay
- Hire new employees
- Don't know

Q115. What workforce changes do you anticipate at your company in the next 3 months? (Select all that apply)
At a regional level, the West is anticipating an increase in rehiring of previously suspended/laid off employees at a higher rate than the Midwest.

% Anticipating Following Changes in Next 3 Months

- No change
- Lay off some employees
- Lay off all employees
- Rehire previously suspended/laid off employees
- Hire new employees
- Temporarily suspend employees without pay
- Temporarily suspend employees with pay
- Lay off all employees
- Don’t know

Q115. What workforce changes do you anticipate at your company in the next 3 months? (Select all that apply)
Not surprisingly the Gaming & Hospitality Industry is expecting it to take longer for their businesses to get back on track than are other industries.

Q157. Roughly, how long do you think it will take from today, for your business to get back on track?

“Don’t know/Doesn’t apply” responses removed for analysis purposes

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Nationally, Business Leaders are estimating it will take roughly 8 months for their companies to get back on track. The Northeast Business Leaders appear slightly more optimistic, expecting to be back on track in just under 7 months.

Average Estimated Number of Months to Get Business Back on Track

<table>
<thead>
<tr>
<th>Region</th>
<th>Average Estimated Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Leaders (n=243)</td>
<td>7.92</td>
</tr>
<tr>
<td>Northeast (n=41)</td>
<td>6.51</td>
</tr>
<tr>
<td>Midwest (n=77)</td>
<td>8.32</td>
</tr>
<tr>
<td>South (n=63)</td>
<td>7.86</td>
</tr>
<tr>
<td>West (n=60)</td>
<td>8.00</td>
</tr>
</tbody>
</table>

Q157. Roughly, how long do you think it will take from today, for your business to get back on track?

"Don't know/Doesn't apply" responses removed for analysis purposes.
Q: Job. Which of the following most closely describes your job function?

Q: Industry. Which of the following most closely describes your business industry?
Additional Information:

• Learn more about this research and the data available to industry professionals surrounding the current pandemic at: https://www.clearseasresearch.com/reports/industries/current-events/

• Learn more about the upcoming Logistics Development Forum Event at: https://www.logisticsdevelopmentforum.com/
Register to attend the Logistics Development Forum this **August 3 – 5** for a chance to review the next round of data in this research series and gain insights from top site-selection consultants!