

Press release

Corona hits SMEs much harder than expected, yet the majority of companies consider the work of the policy makers to be good

Trend indicator for SMEs: One in five companies sees the possibility of insolvency in the near future

Hamburg, 30 April 2020 - The state of emergency continues. The Corona crisis has hit the the small and medium sized enterprises (SMEs) particularly hard in recent weeks and there is no sign of an easing of the situation. After a poll at the beginning of March, Visable has now again asked around 300 SMEs from the DACH region about the consequences of Corona.¹ The results clearly show that the situation has developed more dramatically than was assumed at the beginning of the crisis. Loss of sales and short-time work determine the daily work routine of the respondents. Every fifth company sees itself threatened by the possibility of insolvency in the near future. The crisis management of politics in recent weeks is unanimously rated 3+.

The survey shows how enormous the economic losses are. Every fifth company sees its existence directly threatened: nine percent say that they will be insolvent if the lockdown lasts longer, while a further 13 percent do not know how long they can continue their business under these circumstances. After all, a quarter of the companies (26 percent) rely on state support and hope to secure their existence by taking advantage of state aid. On the other hand, 40 percent of the companies believe that they can get off with a slap on the wrist and continue to exist after the crisis.

Increased short-time work and production stoppages

The renewed survey also makes it clear how much the situation for SMEs in the DACH region has become more acute since the beginning of March: The number of companies that are sending their employees on short-time working has more than doubled in comparison: 40 percent of those surveyed now stated that they were working in a significantly reduced form. At the beginning of March, this figure was still 19 percent.

In addition, more than one in four companies (27 percent) is affected by the complete closure of their operations due to official orders. In around eight percent of the companies surveyed, production has come to a standstill.

A further consequence is an enormous drop in sales. Two thirds of those surveyed are now experiencing this. In March, this figure was less than half (45 percent).

In spite of everything, everyday working life still prevails in some companies: 22 percent of the companies work in normal operation mode using respiratory masks. 27 percent work from their home office – a completely new experience for many.

"These figures show once again that SMEs must act now to secure their existence. Now flexibility and courage are required. Old structures have to be broken up, supply chains reviewed and

¹ The online survey was conducted from 21 to 26 April 2020. Around 300 managers from medium-sized companies in the DACH region were surveyed.

reorganized," comments Peter F. Schmid, CEO of Visible, on the study results. "36 percent of those surveyed report delivery difficulties in the procurement of materials. These bottlenecks represent enormous cuts in production."

Companies are looking for alternative suppliers, crisis is accelerator for digitalization

As an expert for B2B marketplaces in Europe, Visible has recorded significantly higher traffic figures on its EUROPAGES and "Wer liefert was" platforms since the beginning of the crisis in early March. Week after week, traffic grew by more than 25 per cent year-over-year. "Many are forced to completely rethink their procurement strategy or are dependent on alternative sources of supply in the short term because established supply chains are breaking away from them. Suppliers from the surrounding markets with shorter delivery routes are also coming back into focus," explains Peter F. Schmid.

Against the background of the current crisis, he sees great opportunities for digitization: "The current state of emergency is proof that purchasing, procurement, but also marketing and sales will have to completely reposition themselves in the long term and become more digital in order to be prepared for the future. Visible is the leading digital partner for SMEs with its EUROPAGES platforms for the whole of Europe and "Wer liefert was" in the DACH region as well as with its other digital services, such as Google Ads and Retargeting".

Crisis management in Germany and Austria gets a grade 3+

Both German and Austrian SMEs rate the crisis management of their respective federal government on average with a 3+ grade.

The majority of German companies see the work of the policymakers as good and award a *very good* (twelve percent) or a *grade 2* (41 percent). With a *grade 3*, 27 percent of those surveyed rate the work of the German federal government in recent weeks. A good 19 percent award a *grade 4* or worse.

In Austria, the distribution is very similar: 14 percent award one *very good*, 40 percent a *grade 2*. A *grade 3* awards exactly one fifth (20 percent), 25 percent awards one *grade 4* or worse. Overall, politics in Austria is more polarised. For almost twelve percent of those surveyed rate the work of the Austrian federal government as a *grade 6*.

A statement about Switzerland could not be made because of the low number of answers to this question.

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About Visable

Visable enables small and medium-sized industrial businesses to make products and services internationally accessible to purchasers. The company offers a broad range of specially tailored services for business customers to increase their digital reach. This includes a combination of company owned B2B marketplaces and online marketing services, such as Google Ads and retargeting campaigns.

Marketplaces operated by the Visable GmbH include "Wer liefert was" (wlw), which is the leading B2B marketplace in the D-A-CH region, as well as the European B2B platform EUROPAGES. Together, the two marketplaces reach more than 3.7 million B2B purchasers per month, looking for detailed company and product information. In total, over 3.6 million companies are registered on both platforms. With its online marketing services Visable offers businesses additional opportunities to increase their online reach. Visable is currently the only Google Premium Partner with a strong B2B focus.

The company Visable was established in response to the challenges of internationalisation and digitisation in the B2B market and employs today more than 380 people at its locations in Hamburg, Berlin and Paris. Visable represents the umbrella for the brands "Wer liefert was" and EUROPAGES and continues to expand its marketplaces and online marketing services.

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