

Improvise. Adapt. Overcome?

A study on firms dealing with the Covid-19 Crisis in Germany

Part 1

When and How Did Companies Notice the Covid-19 Crisis?

52 business owners and managers shared their experience in dealing with Corona.

Part 1

When and How Did Companies Notice the Covid-19 Crisis?

Part 2

upcoming

What Were Firms' Expectations towards Partners, Employees, and Authorities?

Part 3

upcoming

How Did Companies React to the Crisis? What Role Do Networks Play?



Qualitative Interviews

1h to 2h



52 Participants

in management positions



52 Firms

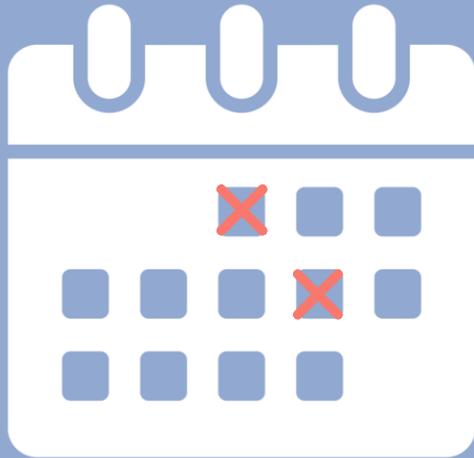
with subsidiaries in Germany*



2 Weeks

survey period

When did companies in
Germany first notice the crisis?



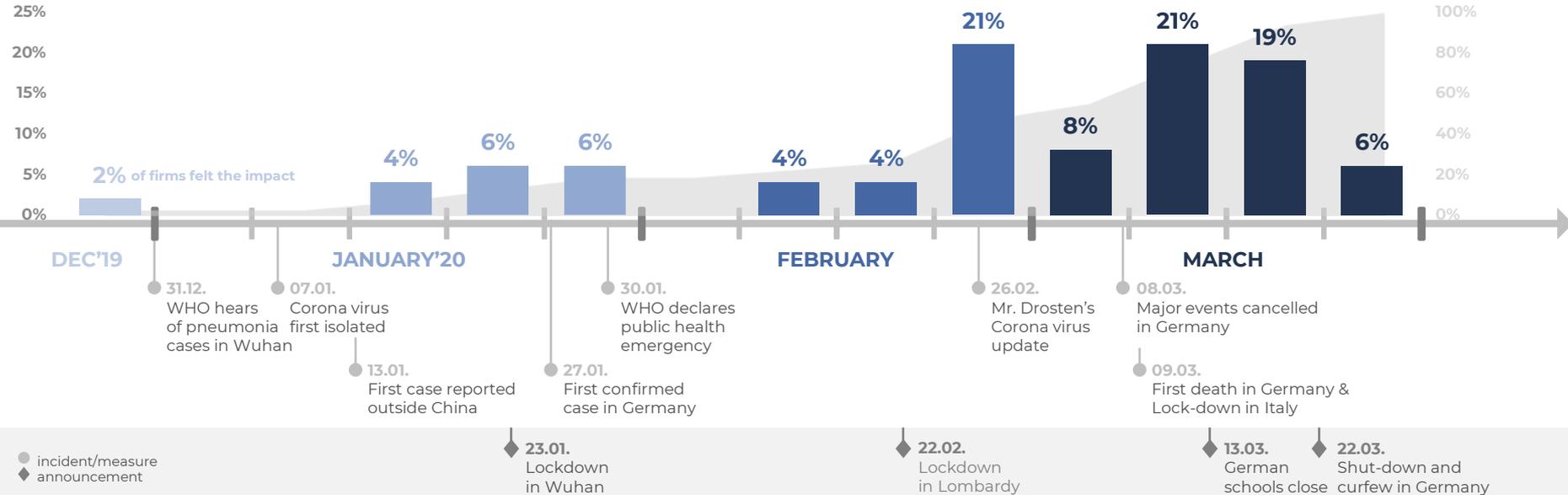
Smaller and domestic
companies were first
affected by school closures
in Mid-March.

Big multinationals
noticed the crisis way
before.

Half of all firms didn't notice the crisis until after the nationwide lockdown in Italy.

Companies Aware of Crisis

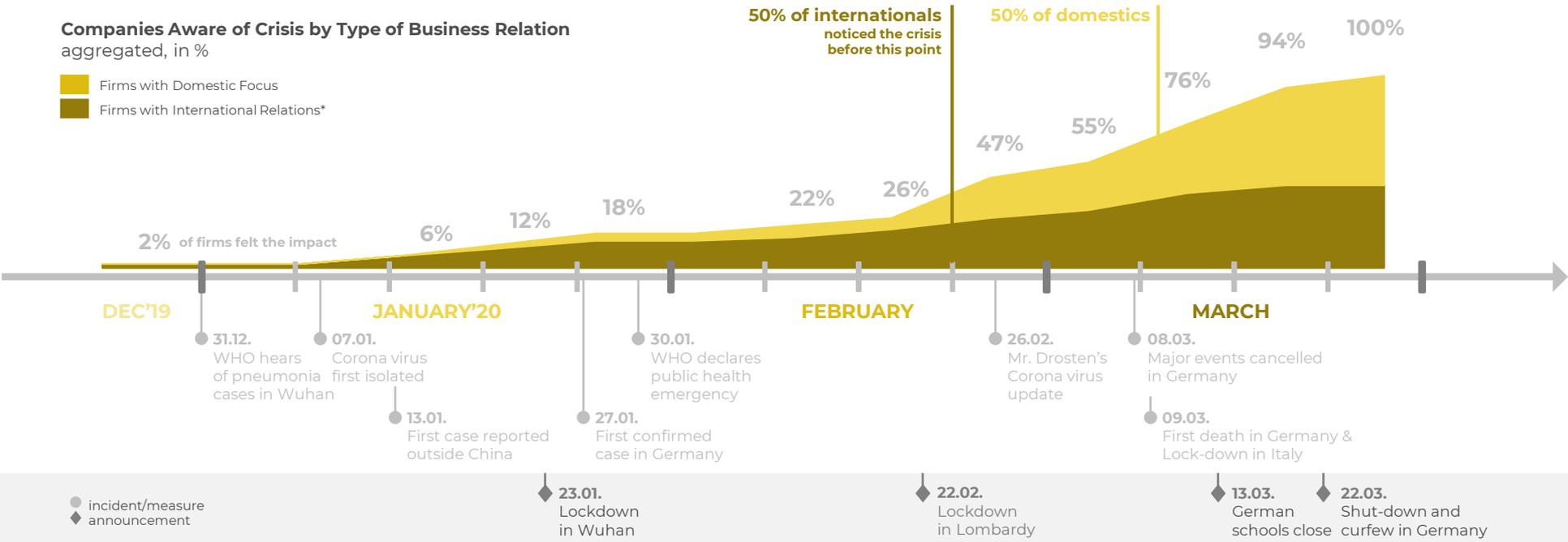
in % and aggregated in %



Multinationals noticed the crisis 2 weeks earlier than firms with domestic focus.

Companies Aware of Crisis by Type of Business Relation aggregated, in %

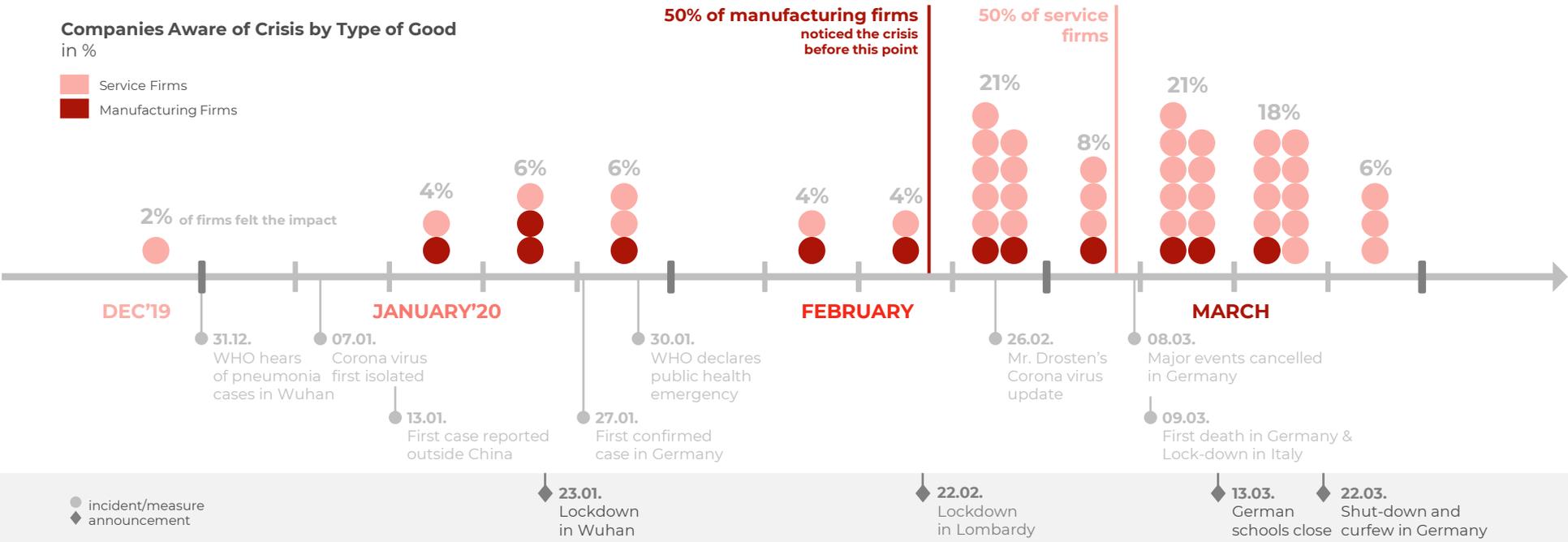
- Firms with Domestic Focus
- Firms with International Relations*



Manufacturing firms noticed the crisis 2 weeks earlier than service firms.

Companies Aware of Crisis by Type of Good in %

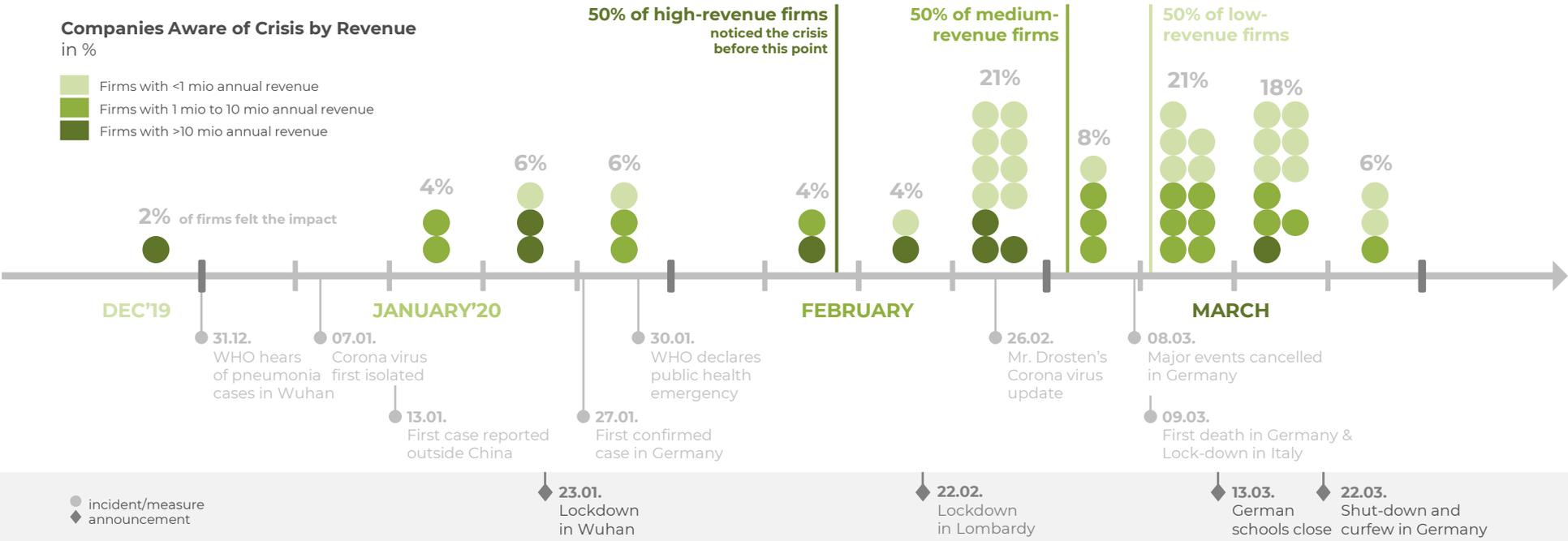
Service Firms
Manufacturing Firms



The **smaller** the annual revenue, the **later** firms noticed the crisis.

Companies Aware of Crisis by Revenue in %

- Firms with <1 mio annual revenue
- Firms with 1 mio to 10 mio annual revenue
- Firms with >10 mio annual revenue



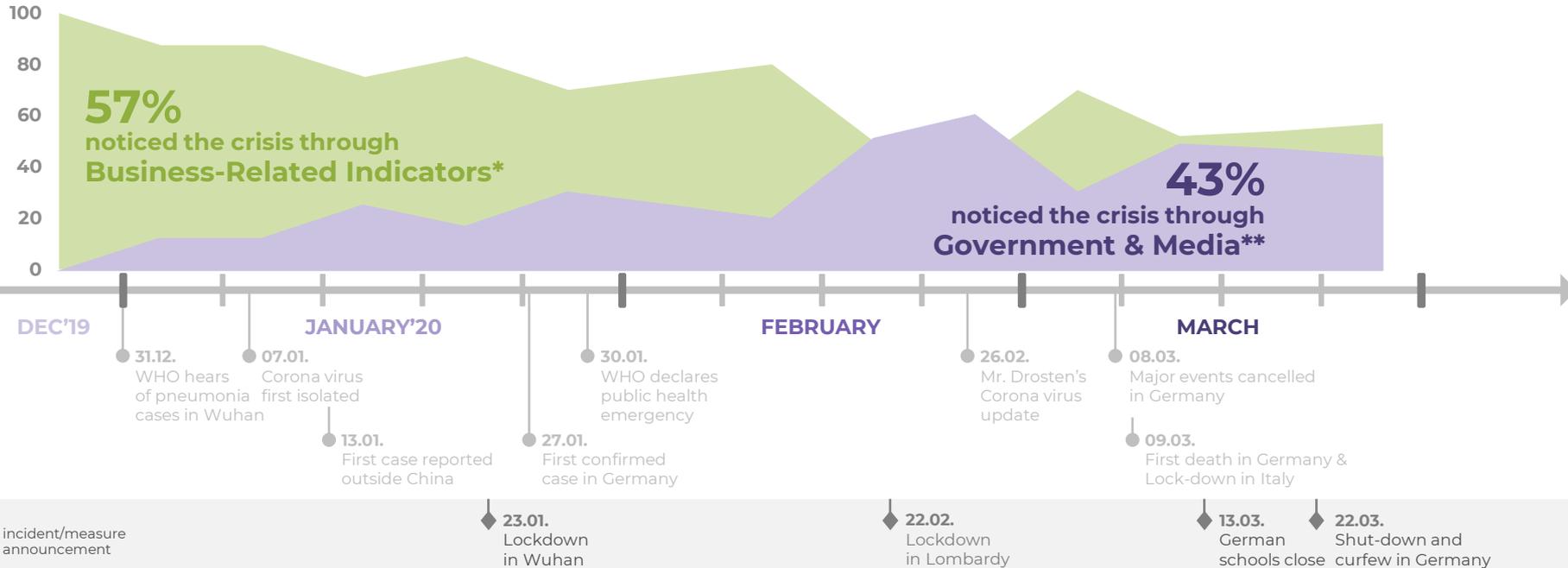
How did companies in Germany first notice the crisis?



Firms noticed Corona through **disruptions in their own business environment and supply chains** even before government measures were announced.

Firms who noticed the crisis first, learned about it through **business-related indicators**.

First Crisis Indicators
in %

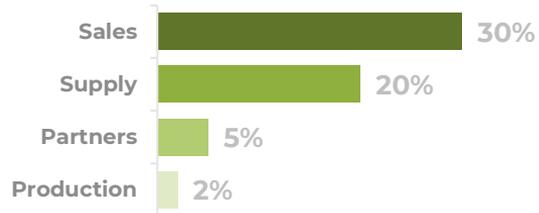


Supply and sales disruptions dominated long before government measures began.

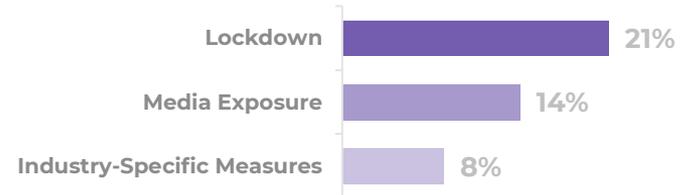
First Crisis Indicators
in %



57% Business-Related Indicators

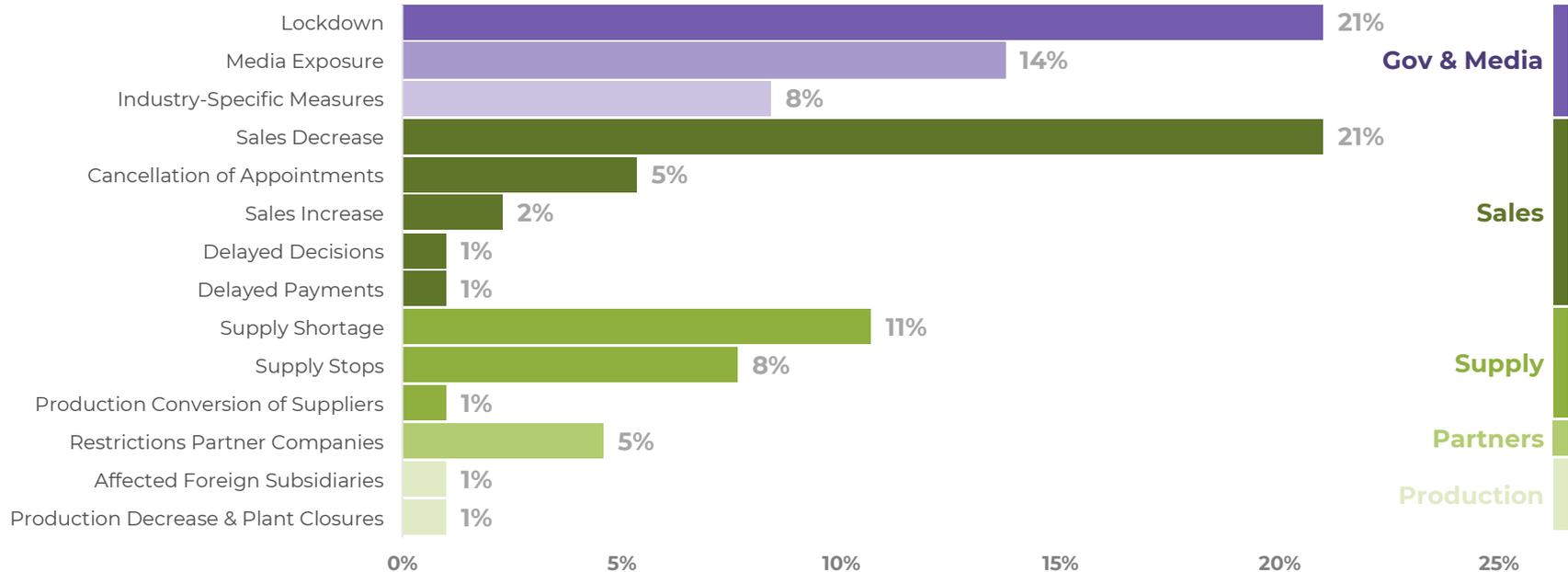


43% Government & Media



Sales slumps, supply losses, media coverage, and the lockdown were **most common indicators.**

First Crisis Indicators
in %



This **Covid-19 study** is jointly conducted by Siegen University and Digital Oxygen.

The Study's Purpose

This study aims at understanding the economic and social implications of the Covid-19 pandemic in companies doing business in Germany. The study shall help to mitigate the consequences of an impending recession by recognizing challenges and pointing out constructive solution approaches.

Contents

Situation and Challenges	What is the current situation of companies in Germany? What are companies' needs and challenges during this crisis? Which business areas are affected in what way?
Expectations and Reactions	What do companies expect from key stakeholders? What are the plans to overcome current and future challenges?

Results

Best Practices	Discovery of possible approaches and constructive solutions (cost reduction, increases in productivity).
Digital Solutions	Identification of digital solutions to proactively manage the crisis and emerge with competitive advantage.

Cooperation Siegen University and Digital Oxygen



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Appendix

Appendix A – Glossary and Abbreviations

Term	Definition
Measure	Measure of any kind directed at mitigating Covid-19 outbreaks or consequences therefrom
WHO	World Health Organization
International focus	Firms that mainly engage with foreign customers, clients, partners, and suppliers
Domestic focus	Firms that mainly engage with customers, clients, partners, and suppliers in Germany
Service firms	Firms that focus on service offerings
Manufacturing firms	Firms that focus on producing and selling goods
Major events	Events with more than 1000 participants
Mr. Drosten's Corona update	Educational podcast on the latest Corona-related research in the field of virology by Prof. Dr. Christian Drosten from the Institute for Virology at Charité Berlin

Appendix B – Chronology of Selected Events

Date	Event Type	Description	Reference
Tue, 31.12.	Incident	WHO China Country Office informed of cases of pneumonia	WHO: https://www.who.int/csr/don/05-january-2020-pneumonia-of-unknown-cause-china/en/
Tue, 07.01.	Incident	New corona virus first isolated	WHO: https://www.who.int/docs/default-source/coronaviruse/situation-reports/20200121-sitrep-1-2019-ncov.pdf?sfvrsn=20a99c10_4
Mon, 13.01.	Incident	First reported case outside of China (Thailand)	WHO: https://www.who.int/docs/default-source/coronaviruse/situation-reports/20200121-sitrep-1-2019-ncov.pdf?sfvrsn=20a99c10_4
Mon, 23.01.	Announcement	Lockdown in Wuhan, introduction of measures from 23.01.-25.01.	Central News Agency, Taipeh: https://www.cna.com.tw/news/firstnews/202001230154.aspx
Mon, 27.01.	Incident	First confirmed case in Germany	Bavarian State Ministry: https://www.stmgp.bayern.de/presse/bestaetigter-coronavirus-fall-in-bayern-infektionsschutzmassnahmen-laufen/
Thu, 30.01.	Measure	WHO declares public health emergency of international concern	WHO: https://www.who.int/emergencies/diseases/novel-coronavirus-2019/events-as-they-happen
Wed, 22.02.	Announcement	Lockdown in Lombardy, start of first measures	The Guardian: https://www.theguardian.com/world/2020/feb/23/coronavirus-northern-italian-towns-close-schools-and-businesses
Wed, 26.02.	Measure	Start of Mr. Drosten's Corona virus update	Norddeutscher Rundfunk (Radionews Northern Germany): https://www.ndr.de/nachrichten/info/podcast4684_page-6.html
Sun, 08.03.	Measure	Recommendation to cancel all major events in Germany	Tagesschau (ARD): https://www.tagesschau.de/inland/coronavirus-spahn-rki-103.html
Mon, 09.03.	Incident	First confirmed deaths in Germany	Deutsche Welle (ARD): https://www.dw.com/de/erste-corona-todesfall-in-deutschland/a-52597027
Mon, 09.03.	Incident	Italy declares nationwide lock-down	BBC News: https://www.bbc.com/news/world-europe-51810673
Fri, 13.03.	Announcement	Germany closes all schools from 16.03.	Tagesschau (ARD): https://www.tagesschau.de/inland/corona-schulschliessungen-103.html
Sun, 22.03.	Announcement	Nationwide shut-down with state-dependent curfew from upcoming week onwards	Spiegel: https://www.spiegel.de/politik/deutschland/corona-krise-kommt-die-ausgangssperre-fuer-ganz-deutschland-a-5f564c5d-74f3-444b-bd8f-d60667b9215a

Appendix C – Category Definitions *Timeline*

Reference Definition

References to specific dates and events were checked for accuracy and allocated to the corresponding week.

Announcements and events on Sundays were registered for the following week.

References to timeframes of several weeks were conservatively allocated to the latest date mentioned.

References to general media exposure (no specific date or event) were allocated to week 9.

References to media exposure concerning the lockdown were allocated to week 12, when the lockdown was first announced.

References to the start of lockdown were allocated to week 13, the first week of the lockdown.

References to school closures were allocated to week 11, when the first school closure announcement happened.

References to panic buying were allocated to week 11.

Appendix D – Category Definitions *Indicators*

Category	Definition
Affected foreign subsidiaries	Affected subsidiaries of interviewed company, not specifying the way the subsidiary was affected
Cancellation of appointments	Cancellation of sales appointments and general appointments with partners and customers that were not specifically caused by the lockdown and/or industry-specific measures
Delayed decisions and payments	Delayed decisions in partner companies and delayed payments by debtors and customers
Industry specific measures	Official orders, measures, announcements, or recommendations limiting or forbidding business activities in selected industries, e.g. closure of sports clubs
Lockdown	Official orders limiting movement or activities in a community, not considering region or state-specific forms of lockdown
Media exposure	Awareness through overall media and press coverage or coverage on specific Corona-related events or announcements
Production conversions	Suppliers altering their production/products/plans/schedules, e.g. prioritized production of disinfectants
Production decrease and plant closures	Reduction of company-internal production or full closure of foreign or domestic production sites
Restrictions partner companies	Change in partner companies' communication and other crisis preparation in partner companies
Sales decrease	Decreased demand, lower sales, less customer acquisition, and cancelled or postponed projects
Sales increase	Higher demand, higher sales (especially in reference to panic buying) and related increase in demand for logistics services
Supply shortage	Decreased availability of products and longer waiting periods for products
Supply stops	Complete supply stops of products and product groups, supply chain disruptions, and transportation barriers