

NAM CORONAVIRUS OUTBREAK SPECIAL SURVEY FEBRUARY/MARCH 2020

The National Association of Manufacturers conducted a survey of its member companies on the impact of the COVID-19 outbreak to manufacturers. The survey was in the field from Feb. 28 to March 9, 2020. The 558 respondents were asked about effects to their supply chain and operations, their financial expectations and their emergency response plans.

- 35.5% of respondents say they are facing supply chain disruptions, with 64.5% saying they are not.
- More than 53% of manufacturing firms anticipate a change in their operations in the coming months.
- More than 78% say that uncertainty around the COVID-19 outbreak is likely to have a (negative) financial impact on their businesses.
- Respondents were split between having an emergency response at their company (50.8%) and not (49.2%).
- The full list of questions and responses is below.

Respondents were also asked in an open-ended question about the resources that would help them prepare. They generally cited five types of needed resources:

- Nonpolitical and non-sensationalized information, particularly company-specific
- Clear and timely updates on new restrictions and health advisories
- Information about how other companies are responding
- Clear guidelines and protocols from the Centers for Disease Control and Prevention and National Institutes of Health
- Quick and early detection resources

When commenting **on supply chain disruptions**, respondents noted issues with parts arriving late and delivering to customers late as a result. While some say these disruptions are “manageable at this point,” they do create “some additional costs.” Many mentioned having to find “alternative suppliers,” and while disruptions are characterized as “minor now,” they are expected to become more serious “if slowdowns continue beyond next quarter.”

When discussing **operations**, respondents are anticipating slowdowns and “reduced customer demand.” Other responses mentioned “evaluating work schedules and inventory levels,” fielding “work from home requests” and implementing “business continuity” response plans that include curtailed travel, workplace sanitation, restricted face-to-face interactions and “staggered shifts on the shop floor to help compensate for higher-than-normal absences.”

On **emergency response plans**, respondents noted restricting external visitors, “fine-tuning” existing continuity plans and offering a “more lenient leave policy.” Others replied they do not yet have an emergency response plan but are working on developing one. Respondents also mentioned providing regular updates from the CDC. One respondent highlighted the worst-case scenario: “If the virus hits our employees, we will need to shut down. That would be catastrophic to our business.”

Survey Responses

1. Are you currently facing supply chain disruptions due to the coronavirus outbreak?
 - a. Yes – 35.5%
 - b. No – 64.5%

2. Are you anticipating a change in your operations due to the coronavirus outbreak, both now and for the coming months?
 - a. Yes – 53.1%
 - b. No – 46.9%

3. Is the uncertainty around the COVID-19 outbreak likely to have a financial impact on your business?
 - a. Yes – 78.3%
 - b. No – 21.7%

4. Do you have an emergency response plan in place to prepare your company and employees?
 - a. Yes – 50.8%
 - b. No – 49.2%