



Second Wind Ltd.

AGENCY IMPACT SURVEY RESULTS

COVID-19 CRISIS

March 30, 2020



INTRODUCTION

Second Wind would like to thank everyone who responded to this survey during such a difficult time. Your input has provided an important look at the impact COVID-19 has had on smaller agencies.

While things are certainly difficult, the results show how resilient and nimble small agencies can be, particularly when times are challenging. While many of you are experiencing reductions in revenue and client commitments, you've taken the necessary steps to set up remote working environments to keep your staff safe; you're continuing to reach out to clients and offer help; you've taken difficult remedial action where necessary and are seeking out financial assistance to help you weather the storm.

I realize that at the moment it's very difficult to see how and when this crisis may end. Let me assure you, however, that it will end at some point. The steps you are taking now to protect your business are critical to making it through to the other side. And remember, you're not alone. There are thousands of smaller agency owners experiencing what you're going through right now. I hope the contents of this survey help to comfort you and provide insight on the steps you can take to help you through this time.

AS A RESULT OF THIS SURVEY

SECOND WIND

WILL BE SENDING SEVERAL PIECES
OF FOLLOW UP COMMUNICATION

FIRST

We plan to outline how you can take advantage of assistance through the CARES Act, SBA and other institutions to help your business financially.

SECOND


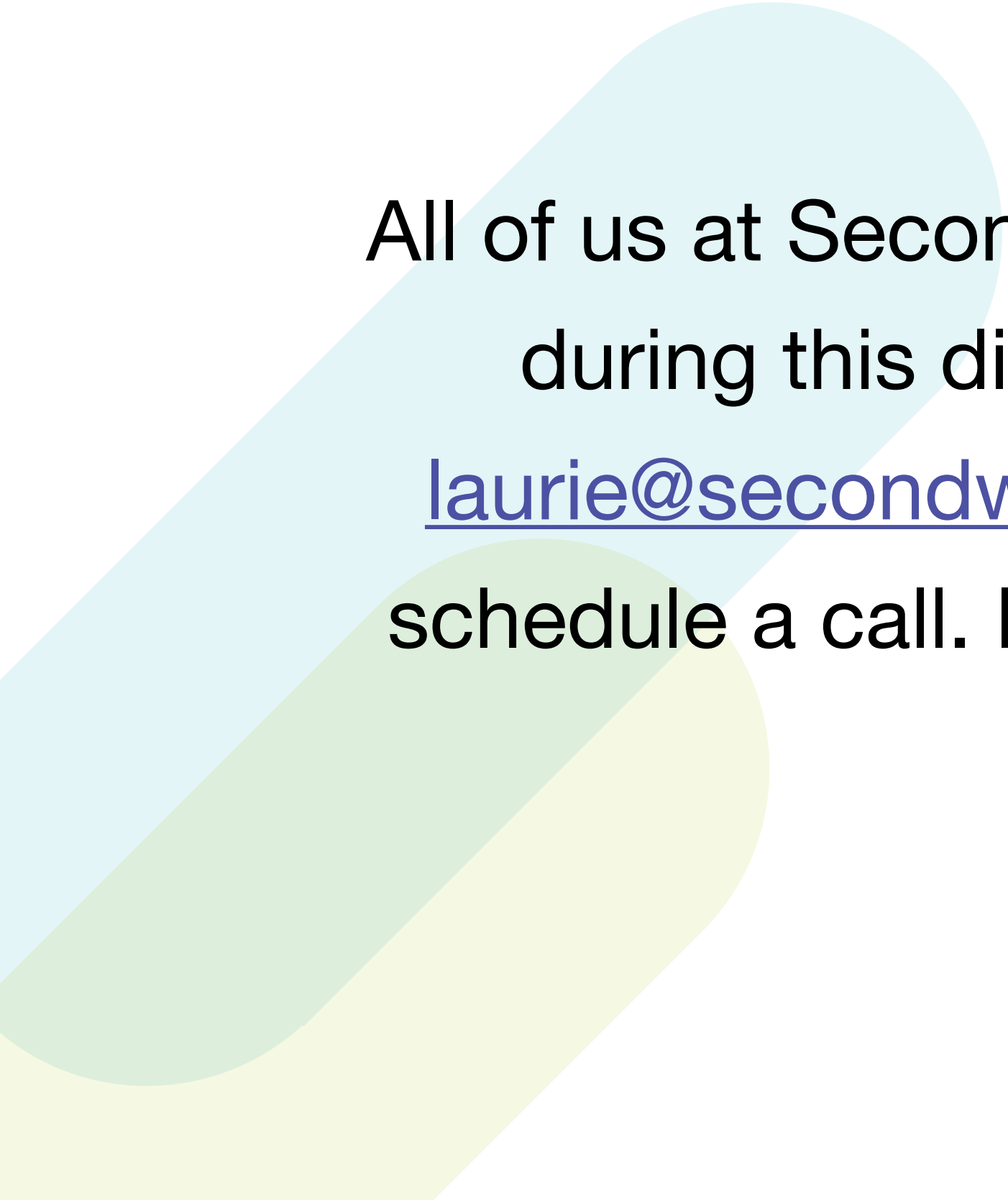
We will be holding a series of group video calls so agency principals can talk to one another about the current situation. These calls will start as early as April 1. Please watch for your invitation.

THIRD

We are conducting a series of video interviews with agency principals and industry experts who will all provide their advice and experience on making it through the next weeks and months.

FINALLY

We have made the [entire survey results](#) available. You can review all the data and verbatim answers provided by agencies who responded.



All of us at Second Wind are working hard to help you during this difficult time. Please contact me at laurie@secondwindonline.com with questions or to schedule a call. I'm more than happy to talk anytime.

RESPONDENT SUMMARY

SECOND WIND RECEIVED

105 responses to the survey from its membership base.

THE AVERAGE

responding agency has 19 employees.

RESPONDENTS WERE

primarily located around the U.S. with a small number in Canada.



KEY FINDINGS

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While many agencies are feeling the effects of the crisis, the majority are experiencing moderate disruption to their business, at this time.

With that said, most are closely watching how things unfold and are prepared to take remedial action, if necessary.


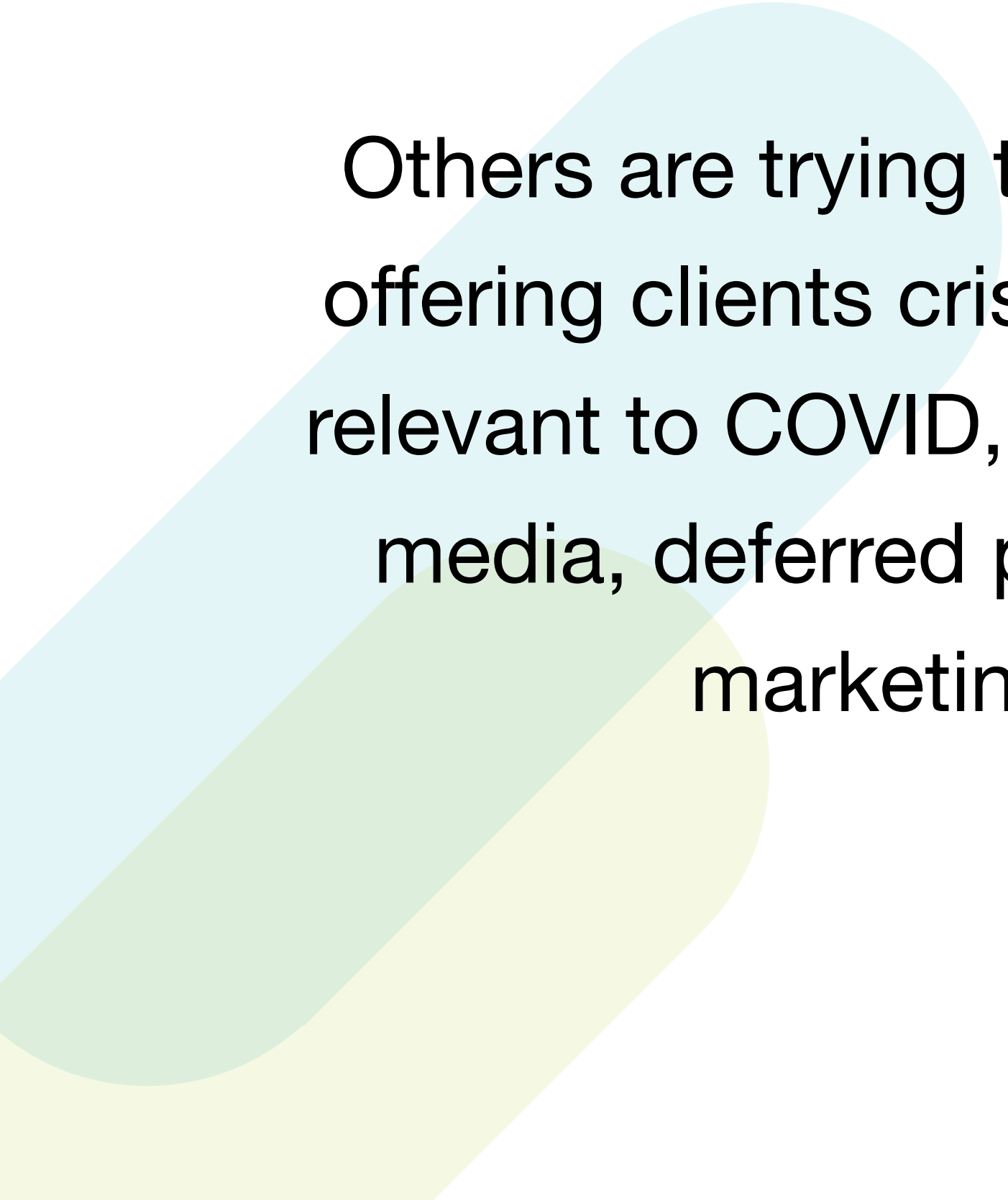
Many agencies have already cut unnecessary expenses, laid-off staff and cut payroll to help with existing and/or potential decreases in revenue.

KEY FINDINGS

The biggest disruptions for most agencies have been client budget cuts, work stoppage, suspension of retainers and media cancellation.

Other disruptions include lack of preparation for a remote workforce, reduced staff due to layoffs, slower cash flow and sidelined new business initiatives.

A few agencies are experiencing an uptick in client work for industries not majorly impacted by the crisis.



Others are trying to make the best of a bad situation by offering clients crisis communications, brand messaging relevant to COVID, relevant content preparation for social media, deferred payment plans and realigning current marketing plans for future execution.



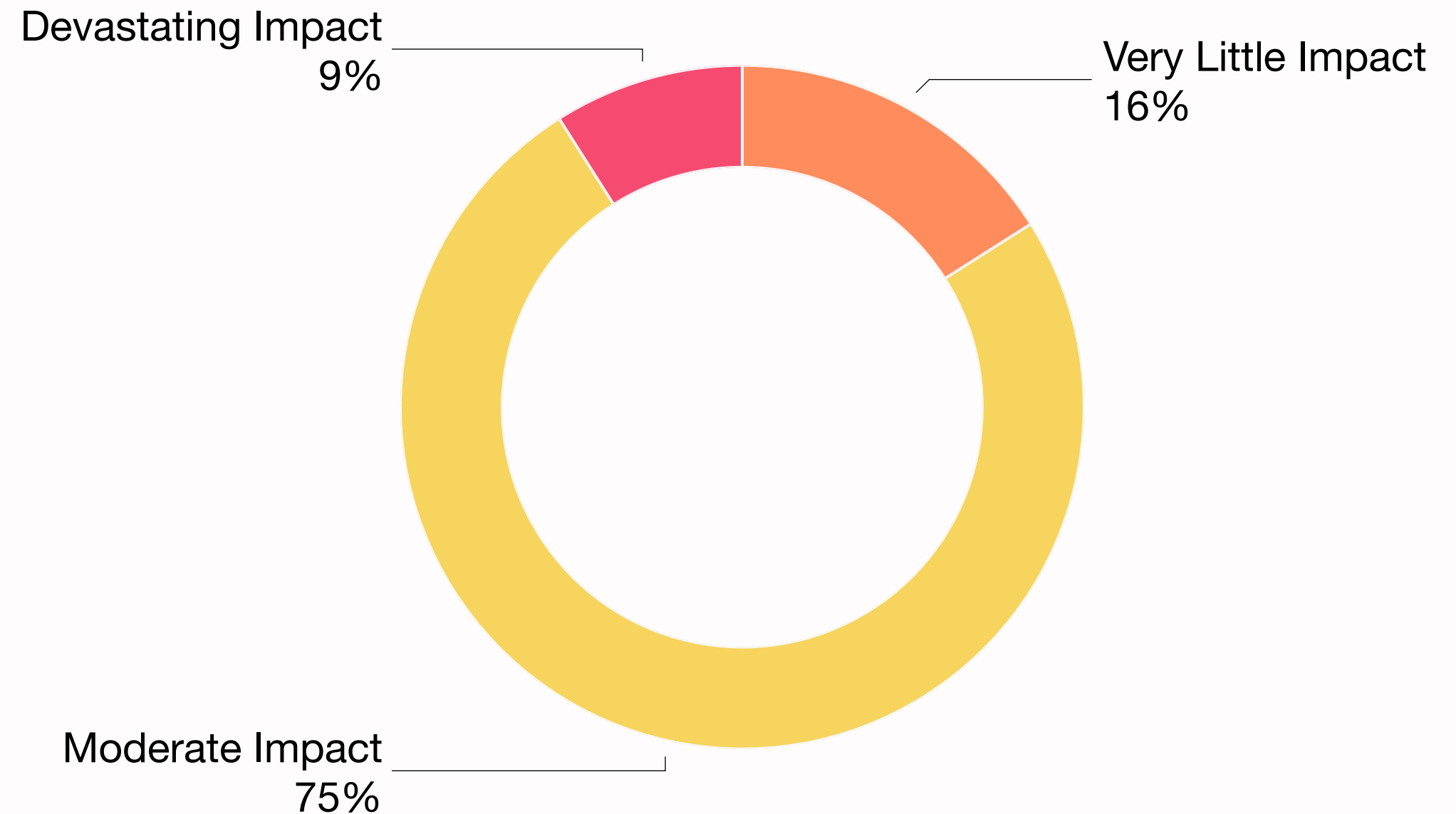
BUSINESS IMPACT

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At this time, 75% of respondents feel their business has been moderately impacted.

A small number (16%) are fortunate to feel very little impact.

Another 9% are experiencing devastating impact from the COVID crisis.





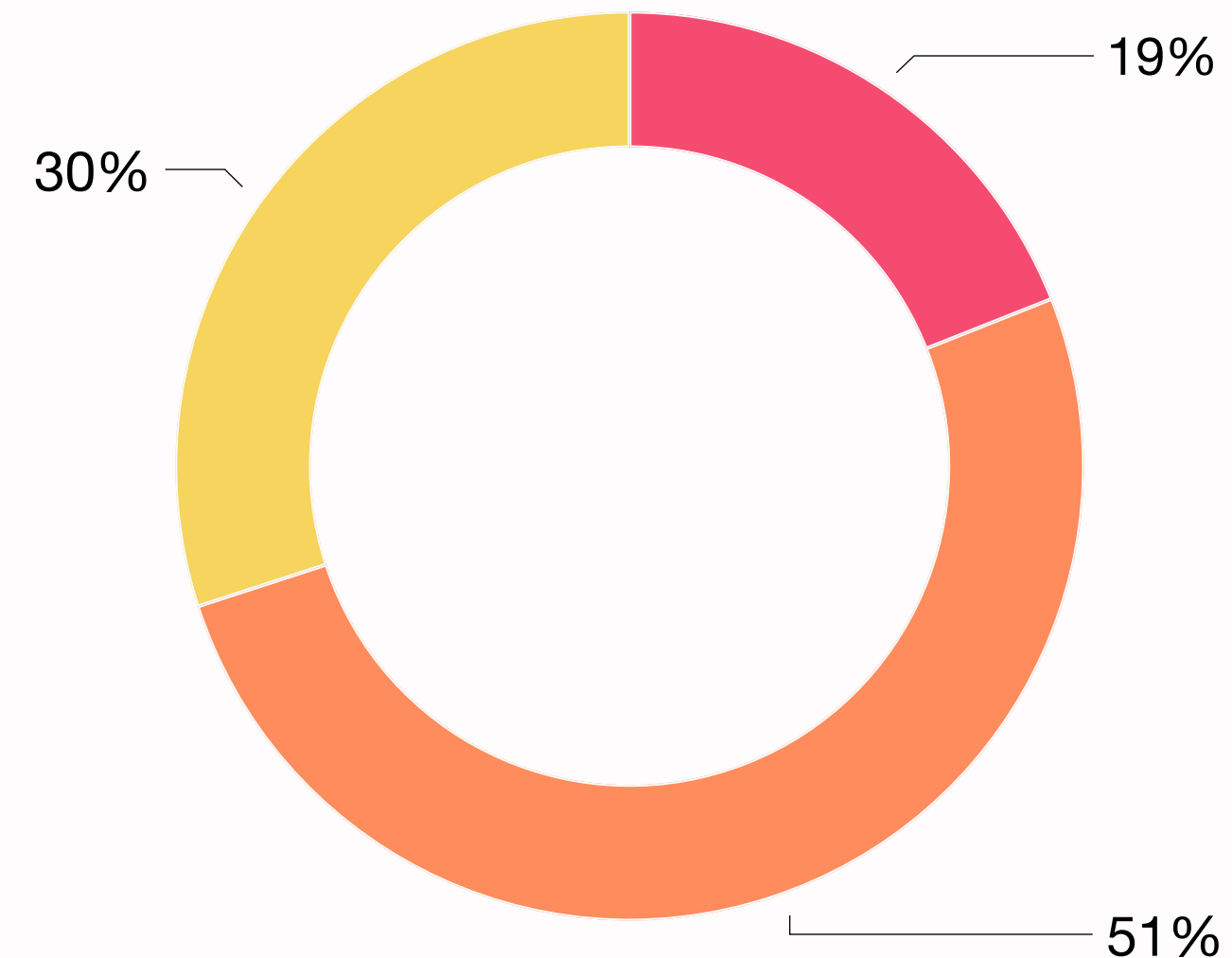
CONTINUITY PLANS

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Of respondents, 19% have a full continuity plan in place and have activated that plan.

Another 51% have some plans in place and are implementing those steps as best as they can.

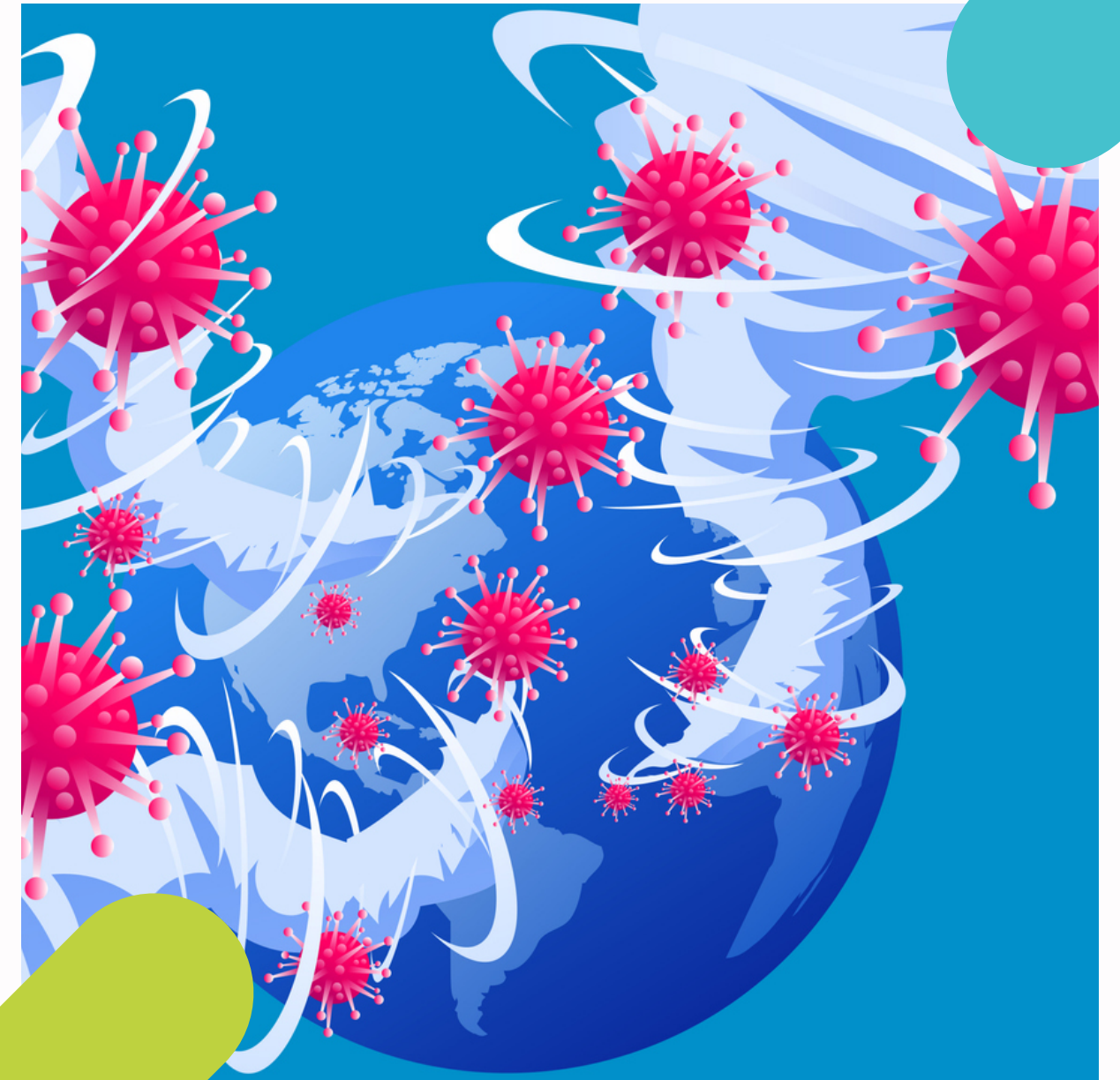
Nearly 30% have no continuity plan and are reacting to the situation day-by-day.



- Yes, and we've activated that plan
- We had some plan in place
- No, we're implementing measures day-by-day

IN WHAT WAYS HAS THE COVID-19 CRISIS NEGATIVELY IMPACTED YOUR BUSINESS?

As stated earlier, the biggest impact on agencies has been the reduction or elimination of client marketing and media budgets.



ACTIVE PROPOSALS

Have been put on hold and new business efforts have completely stalled.

CASH FLOW

Has also been impacted with clients holding payment or being unable to pay.

IT HAS BEEN DIFFICULT

To reach clients for conversations as many are working remotely and out of their normal routine.

INABILITY TO FORECAST

The changing COVID landscape makes planning almost impossible; right now most agencies are reacting day-by-day.

ADJUSTMENT TO WORKING REMOTELY HAS ALSO IMPACTED MANY AGENCIES

There is a lack of appropriate equipment for working at home.

Parents with young children cannot utilize childcare so work is impacted.

Keeping communication and culture in-check while working remotely has been challenging.



IMMEDIATE STEPS TAKEN TO MINIMIZE IMPACT



MOST AGENCIES ARE WORKING REMOTELY

Whether or not it's been mandated by their state; keeping staff and owners healthy is a priority.

REVIEWED AND CUT UNNECESSARY EXPENSES

Including subscriptions, office services like cleaning and landscaping; negotiated longer payment terms on rent.

LAID-OFF EMPLOYEES

Or implemented furloughs for some staff.

IMPLEMENTED ACROSS THE BOARD SALARY CUTS

Versus layoffs, at this point.

IN SOME CASES

Agencies have moved some employees to part-time or hourly.

PRIORITIZING CLIENT COMMUNICATION

And offering no-cost consultations on how to deal most effectively with this crisis.

REACHING OUT TO INACTIVE CLIENTS

To see if they can help.

IMPLEMENTED NEW TOOLS LIKE ZOOM

To facilitate communication in addition to providing new technology to make working remotely more effective.



LONGER TERM STEPS
TAKEN TO MINIMIZE IMPACT



MOST AGENCIES

Are considering longer term actions to deal with the crisis but will watch the situation carefully before implementing.

SOME AGENCIES

Are considering further layoffs or furloughs.

OTHERS ARE LOOKING AT LOANS

Available through the SBA and the CARES Act as a way to minimize disruption and keep the agency functioning.

AGENCIES ARE CREATING MULTIPLE PLAN SCENARIOS

To help them implement change based on how things progress.



RECONSIDERING THE AMOUNT THEY CONTRIBUTE

To insurance premiums and benefits.

CONCENTRATING ON SAVING CASH

To build up a reserve that will help carry them through the next few months.

PUT PLANS ON HOLD

For business improvements, larger offices spaces, technology investments, etc.



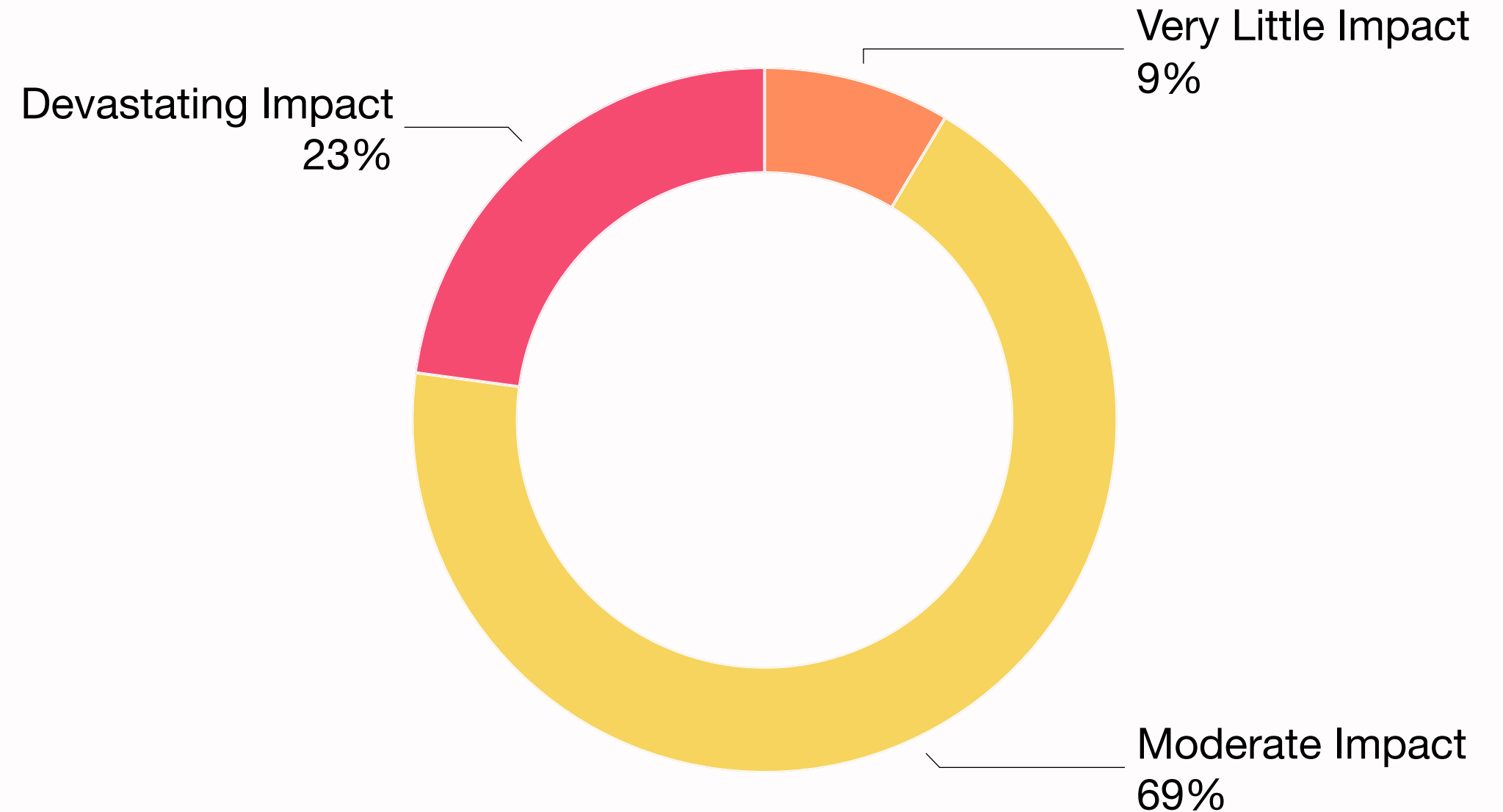
HOW THE CRISIS HAS IMPACTED CLIENTS

CLIENT IMPACT

For most agencies (69%), their clients are experiencing a moderate impact, at this point.


Twenty-three percent state that their clients have been devastated by the crisis.

Another 9% say that their clients have fortunately experienced very little impact.






WHAT AGENCIES ARE DOING TO HELP THEIR CLIENTS DURING THIS DIFFICULT TIME



While many agencies have stated their clients are pulling back, most are still reaching out proactively to offer help.

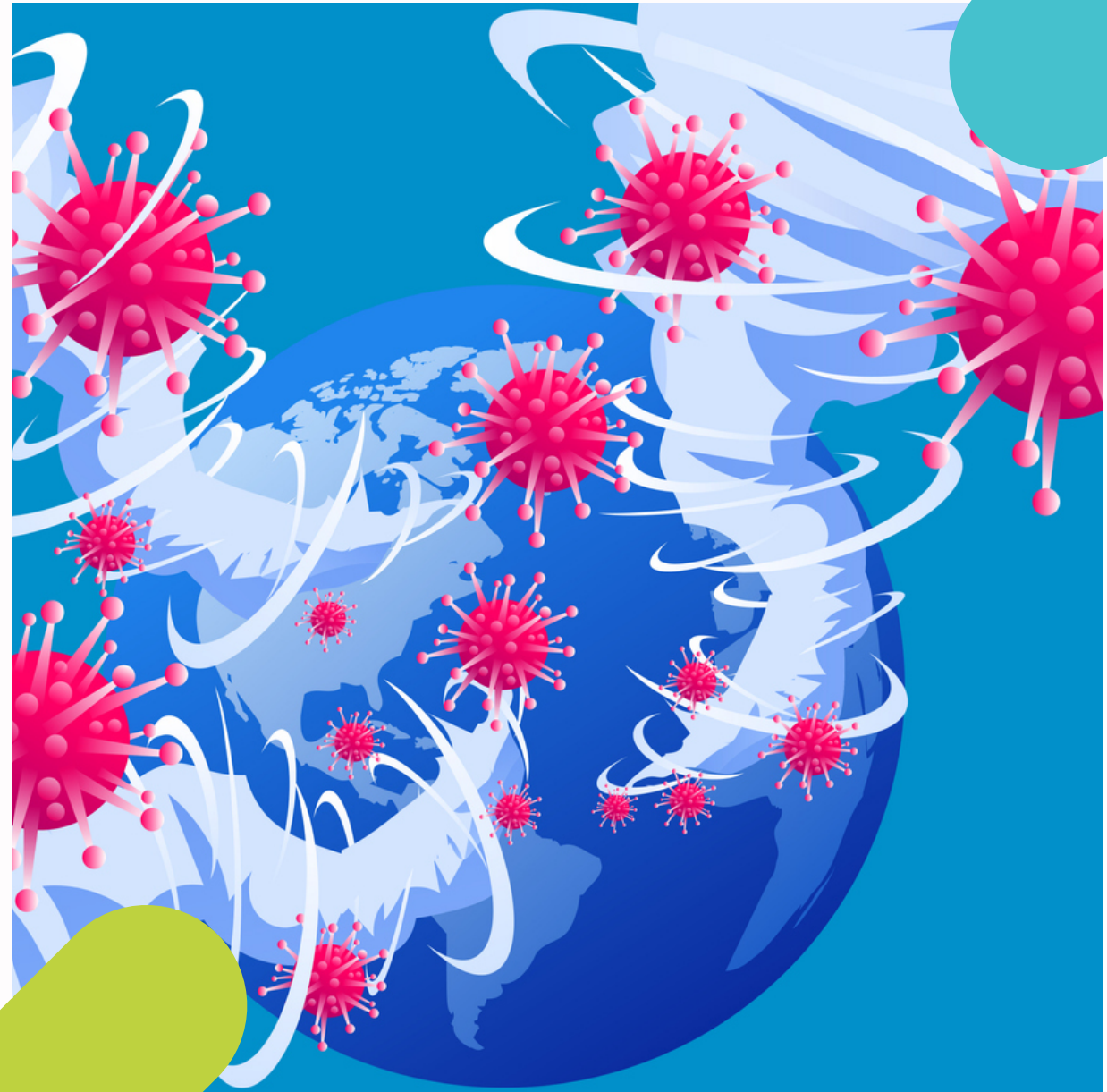
Others are offering industry specific recommendations on how to deal with the crisis and communicate with customers.



Many agencies are attempting to be a voice of reason and stability for their clients in a time of uncertainty.

Many are providing communications strategy and tactics including crisis communications, internal communications and appropriate brand and social media communications related to COVID-19.

Agencies are expediting COVID related work to ensure it's executed in a timely fashion and some are providing this work at no charge.



OFFERING LONGER OR DEFERRED PAYMENT TERMS

Allowing clients to execute work now but pay later.

MAKING SURE CLIENTS KNOW THEY ARE FULLY FUNCTIONING

Even while working remotely and they can call on them anytime if they have a need or request; it's an important time to show clients you are by their side.



RESOURCES SECOND WIND
CAN PROVIDE TO HELP YOUR
AGENCY DURING THIS TIME

INFORMATION ABOUT

What financial opportunities are available to them through the CARES Act, SBA and other resources.

A LIST OF

Small agency strategies for surviving a crisis like this.

INFORMATION ON

A successful remote work environment and how to ensure productivity.

HOW TO PREPARE

Should anything like this ever happen again in the future.

CONTACT SECOND WIND



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