

techUK COVID-19 member survey

Impacts and insights

20 March 2020

About us

techUK is the UK's leading technology membership organisation, with more than 850 members spread across the UK. We are a network that enables our members to learn from each other and grow in a way which contributes to the country both socially and economically.

Introduction

In this period of extreme uncertainty and continuous evolution techUK stands ready to support our members and Government respond to COVID-19 and ensure the digital economy is able to withstand and recover from the impact and disruption.

To do this we have been working closely with Government to understand how our members can help the NHS and Government respond to the crisis recognising the critical role digital technologies have to play - whether helping the NHS model and analyse data; ensuring the public is receiving high-quality and trusted information and combatting loneliness amongst the vulnerable, elderly and those self-isolating.

techUK is also working continually to understand the impact COVID-19 is having on our members and advocate on their behalf to Government as it works to support businesses and their workers through this period.

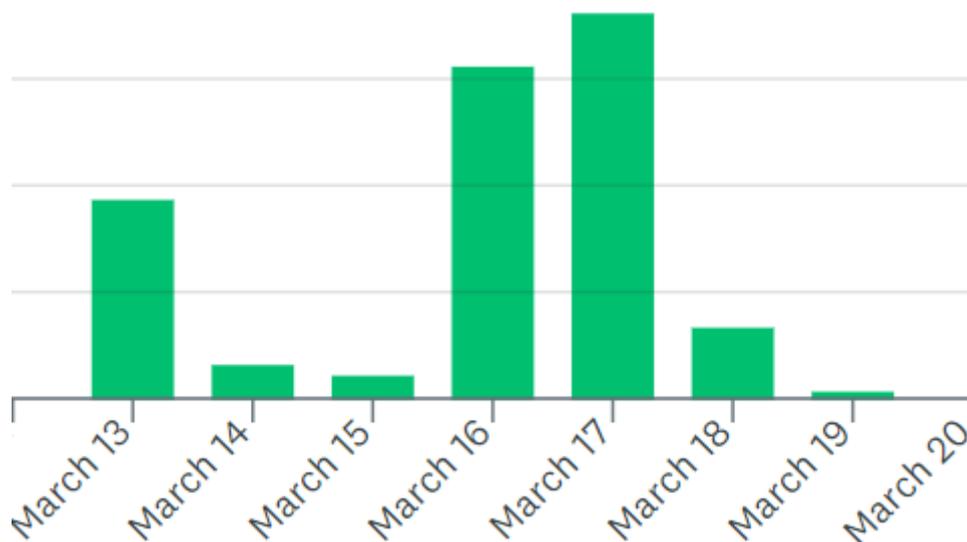
Member survey

On Friday 13 March 2020 techUK launched a survey of its members to better understand the impacts of COVID-19 on their businesses and glean insights into best practice our members were seeing domestically and internationally.

The survey ran for seven days and asked 12 questions to members. techUK received almost 200 responses from members. Almost half of respondents were small or micro-sized enterprises (45%), with 21% responding on behalf of medium-sized and enterprises and 33% from large companies.

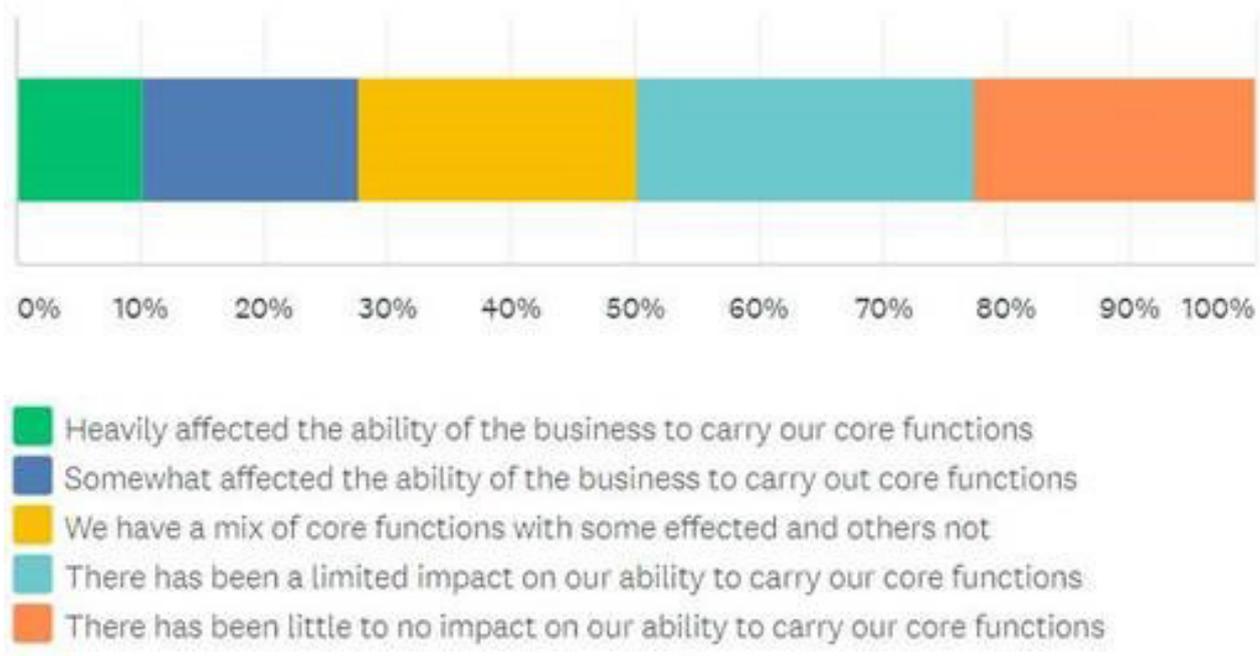
30% of respondents to the survey responded on behalf of businesses serving the domestic (UK) market only and 12% served the EU and UK. The majority (57%) of respondents to techUK's survey serve a global market - giving us insights into truly international best practice and their experiences in third-countries also responding to COVID-19.

The impact of COVID-19 in the UK is changing on a day-to-day basis, as is the Government and business response. The graph below is a visualisation of the number of responses techUK received from members on each day the survey was open. It is clear that the majority of the responses came in the first half of this period, no doubt as the situation has evolved so has the impact. However, at the time of writing we can assume that the impact will have deteriorated rather than improved.



Impact on core functions

We asked our members whether the spread of COVID-19 and the direct and indirect impacts had so far affected the ability of their business to perform its core functions.



Almost 80% had seen some impact on their business as a result of COVID-19; however only 10% had seen their businesses 'heavily' impacted. This speaks to the resilience within the tech sector. When we asked our members the steps they'd taken to help control the introduction or spread of COVID-19 within their own businesses various points of resilience became clear. For example, the vast majority (92% of respondents) were able to take meetings virtually, 90% of businesses who responded by ending all non-essential travel and almost half of those responding (48%) had instituted remote working from staff.

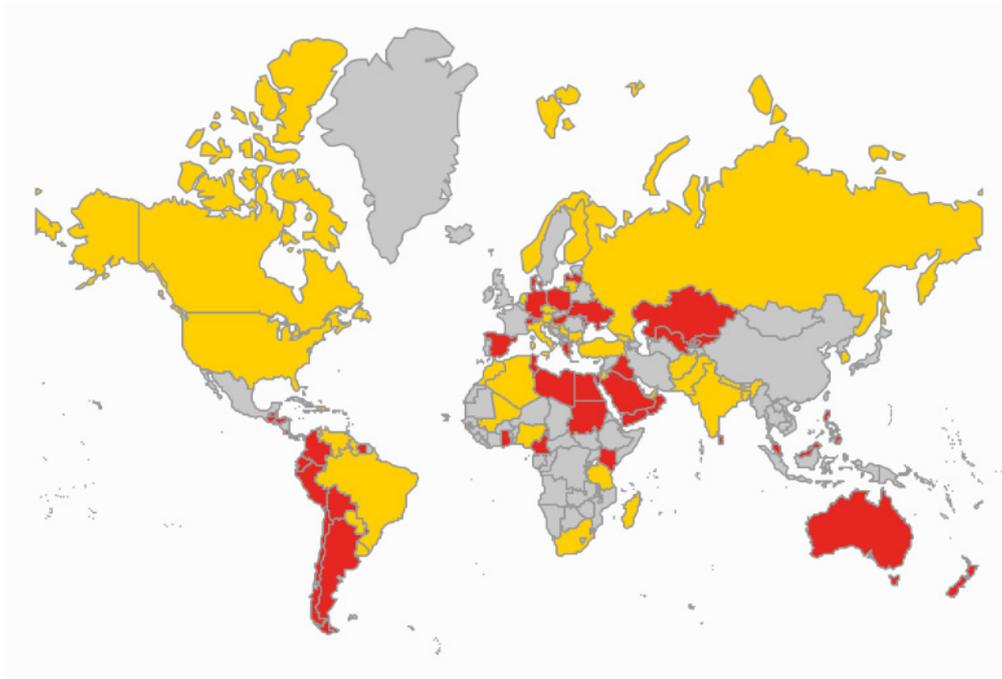
This level of flexibility speaks to the many tools technology companies employ on a day to day basis that has smoothed this transition and allowed companies to introduce social-distancing and remote-working measure quickly. These tools include but are not limited to:

- Collaboration software
- Cloud storage
- Conferencing facilities

Similarly, the culture within our sector – one that allows greater flexibility has allowed tech firms to respond in agile and dynamic way.

Impacts on supply chains and labour supply

Despite the resilience within the tech sector, there has undoubtedly been an impact – and the picture continues to change day-on-day. techUK’s survey asked members what impact they were seeing on their supply chains. 36% of our members who responded to the survey had seen some disruption within their supply chain. However, encouragingly 24% had seen little to no impact. It is important to bear in mind that many of our members responding to this survey will have responded in advance of countries taking the decision to partially or fully close their borders. As the map below illustrates (correct as of 18 March), in the last few days a significant number of companies have partially (yellow) or completely (red) closed their borders – except for citizens or residents returning home or special circumstances.



A quarter of survey respondents had seen some impact on labour supply, with those who had yet to see an impact expecting there to be one. As a result 22% of respondents to the survey (who had not introduced remote working) had taken steps to introduce a change to working patterns for employees – for example introducing shift patterns, to protect against the spread of COVID-19 in the workplace.

Other challenges faced by the tech sector

techUK is proud of the diversity within our membership. We represent small UK owned businesses serving the domestic market and multinationals with a significant global footprint. Our members include software companies and hardware manufacturers, companies scaling at speed and those with business models that rely on continuous and steady cashflow simply to maintain the status quo. These companies will require different things to withstand the crisis and recover. Below techUK details some of the ways in which Government can assist the sector, which in many cases will allow the sector continue to serve Government, the NHS and the public during this period of uncertainty and disruption.

- 1. Ensuring clear lines of communications between government and industry and within government.** The situation continues to change on a daily basis. It is crucial that government’s efforts to engage and understand the sector are done so in a coordinated manner to ensure energy is not being expended providing the same information into multiple departments.

techUK is committed to acting as a conduit of information and intelligence between government and industry. techUK is proud of the diversity within our membership ensuring that we can represent the needs of the sector across all departments.

- 2. Managing disruption to business-as-usual.** Our members are reprioritising their work to best position them to respond to COVID-19, whether that is ensuring the continuing of their business or allowing resource and capacity to help the wider response to the pandemic. As such, teams are being shifted and non-priority work paused. Given the extraordinary nature of this disruption businesses would benefit a 'pause' on all non-essential government consultation to ensure that HMG hears from all voices who do wish to participate but who may not currently have the capacity to do so. A relief or flexibility on introducing (and enforcing) new regulations where not enough time has been given to prepare.

techUK is preparing an initial list of consultations that we believe should be paused with immediate effect to ensure that businesses can concentrate their efforts on the immediate issues raised by COVID-19. This will be shared with Government as soon as possible

- 3. Forward planning for a lock-down scenario.** Digital resilience and parts of the digital economy will be key to ensuring continued connectivity and economic activity through this period. Data centre staff and contractors will need to continue to access sites and should be designated as key workers. Similarly, electronic shops – in order to facilitate repairs and device purchases, during a period of home-working and distance learning for children will be crucial, and these retailers should remain open.

techUK is already working with government to advocate for these positions should more restrictive measures be introduced.

- 4. Financial support.** The Government has taken significant steps to support the economy through this period, techUK welcomes this. However, The Bank of England loan facility is only available to companies issuing Commercial Paper, that means it won't be available to a lot of tech companies who are fast growth, high risk, VC backed. Similarly, additional measures could be taken to support the economy through this period such as tax relief for SMEs on the purchase of digital tools to enable home-working.

techUK will continue to review the situation and feedback to Government offering creative solutions where possible. We're at the early stages of this process and companies are still discovering challenges and barriers to continuity of business. It will be vital that existing emergency channels remain open.