Composites Industry COVID-19 Impact Survey

Public Release Summary

In response to the COVID-19 pandemic, CKN initiated an industry-wide survey to understand immediate impacts and access likely needs during recovery. Over 350 companies were invited to participate, of which 63 submitted responses between December 2020 and January 2021. The survey participants were representative of the wider industry including all sizes, applications, and positions in the supply chain. Companies from most provinces participated.

The survey results demonstrated that—to date—the industry had survived the pandemic reasonably well with most companies continuing to operate their businesses as previously, albeit with adjustments and various accommodations. Unfortunately, growth reported from the 2017 to 2019 period (in a pre-pandemic 2019 CRN survey) had been largely replaced with stagnant revenues and a greater number of companies reported decreasing revenues and staffing levels.

An observable staff downshift appears in this study that was not identified in the pre-pandemic survey. Specifically, the 5-9-person companies from 2019 appear to have collapsed into a < 5-person grouping. There are also weak indications of the 10-24-person companies reducing staff as well.

While there was evidence of larger companies experiencing revenue decreases, medium sized companies appear to have had their revenues impacted the most. There were no solid correlations of company contraction to region, or application.

Many companies cited the pandemic as a factor that influenced their current status. Nearly 3⁄4 of companies reported a pandemic-induced negative business change related to customers, such as reduction in new leads, sales volumes, or satisfaction. This suggests that the industry may struggle in the coming years to recover from reduced orders, weaker market position, and poorer customer relations.

Of some concern is that 40% of smallest companies (with staff of 5 or less) indicated they could likely not survive beyond 2 years under current conditions. This is almost double the percentage of large and medium sized companies responding to the same question. Small companies are often those with the highest growth potential, so risk to their survival represents a potential major loss of future economic activity for the industry.

When asked about future priorities, many companies indicated a strong focus on restaffing and retraining with composites knowledge and skills as a prominent theme. The top priorities of companies seeking guidance and help (from outside sources) were:

- Production enhancements for improvements to outputs and cost
- Investing in new products / services / markets
- Retention and development of skills related to composites within their company and supply chain

These survey results demonstrate that CKN's mission—to develop, capture, and disseminate knowledge about composites to industry—is more relevant than ever and has the potential to become a driving factor in the recovery of the Canadian composite industry. Furthermore, CKN's plans to develop a new concierge service for industry and the soon-to-be-launched Knowledge in Practice Centre are both extremely timely additions to the knowledge toolbox for Canadian enterprises.

Further information about CKN: https://compositeskn.org/contact-us/

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