

# COVID-19 Sector Implications

## Mid-Market



Please note that this sector summary should be read in conjunction with the [Overview](#), and that the information below considers the impact to date of COVID-19, then looks to the future under two different recovery scenarios. Additional information about the scenarios can also be found in the [Overview document](#).

- **The first scenario assumes recovery by the end of 2020**
- **The second scenario assumes a longer-term recovery**

### Impact to date

The key focus for larger privately-owned businesses is on business continuity – how owners can preserve their business, livelihoods and jobs for their employees.

The impact to date differs of course depending on what business sector they are in but virtually all sectors are expecting serious headwinds due to the flow on effects such as debtor risk, declining revenues and an expected immediate fall off in consumer spending.

Business owners have put a halt on discretionary spending with many seeing the key immediate focus being the health and well-being of their staff. Owners are reaching out to their banks and financial advisors to work collaboratively to manage the financial impact and access assistance where available, such as the Government wage subsidy scheme.

### Recovery by 2020 impact

If there is recovery by the end of 2020 most mid-market businesses should survive. There will be a lot of soul-searching and this event will be a wake-up call for owners to take a fresh look at their business and where they want it to be in the future. Many businesses will change in size and scope and succession issues will be top of mind.

### Longer term recovery impacts

If the current crisis leads to longer term economic recession, many will be concerned about survival, particularly with many mid-market participants lacking capital reserves. There will be significant rationalisation and those with access to funds and offshore investors will seek acquisition opportunities. The majority of owners will be prudent about expansion and it could take many years for businesses to employ as many people as they did pre-crisis.

**We have additional information, insights and practical advice on the business implications of COVID-19 available for you here:**

- [Business implications](#)
- [Cyber safety](#)
- [IT resilience](#)
- [Financial reporting](#)
- [Business Continuity and Crisis Management](#)

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