

# Navigator Report Germany

Businesses face their greatest challenge in a generation.



**Beyond the terrible human toll, the COVID-19 crisis has precipitated the worst global recession since the Great Depression.**

**This factsheet covers the results of the survey of German corporates and how they are experiencing the new normal.**

The Navigator Resilience Survey was conducted between 28 April and 12 May 2020 in of over 2,600 businesses across 14 countries, markets and territories.

These markets had varying degrees of business activity – from mainland China where domestic business largely resumed, to Europe under stringent lockdown.

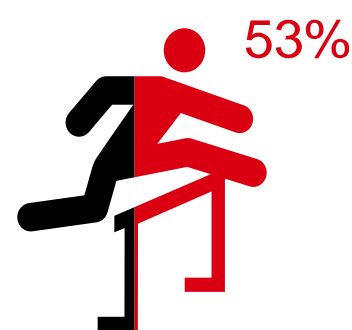


The Navigator survey results paint a picture of **challenge and change**

**The impact of COVID-19 has been felt by more than nine out of ten businesses surveyed in Germany.**

The proportion of German businesses who were strongly impacted is the lowest across all the markets (53% Germany vs. 72% all markets) and this may be a reflection of the German governments' relatively successful containment strategy.

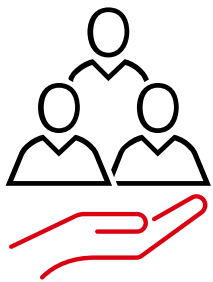
More than **9 out of 10** businesses in Germany think that they were prepared to some extent for the challenges of the past six months.



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## Companies that **build resilience** into their DNA will better weather crises – but building resilience is about **much more than a strong balance sheet**

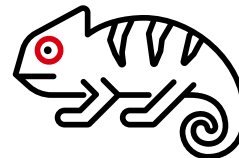
In line with all markets, German businesses felt that resilience is built on customers, employees and the ability to adapt fast to external events.



**48%**  
chose  
“treating  
employees  
well”



**47%**  
selected  
“valuing  
customers”

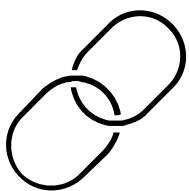


**43%**  
mentioned  
„adapting  
fast to  
external  
events”

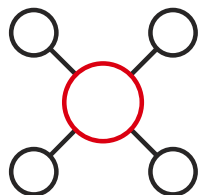
Beyond these, acting sustainably and having a robust supply chain were mentioned by more than a third of companies. Only 29% of the German corporates mentioned having a strong balance sheet as a mark of resilience.

## Supply chains have become a **strategic issue** for business leaders

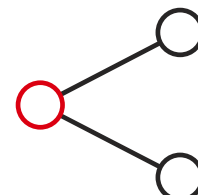
Businesses have grown closer to customers/employees and supply chain partners and have become more collaborative.



**76%**  
felt closer to their  
strategic/ supply  
chain partners  
(80% all markets)



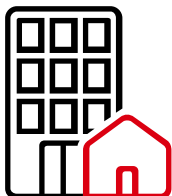
**90%**  
felt closer to their  
employees (83%  
all markets)



**81%**  
felt closer to their  
customers (82%  
all markets)

## Supporting each other during the crises – another way to **build resilience**

Around **9 out of 10** businesses surveyed in Germany, in common with all markets, said that they have extended support to and have received support from other businesses in the last 6 months.



**89%**  
have supported other  
smaller businesses they  
work with (93% all markets)



**87%**  
have received support from  
other businesses they work  
with (92% all markets)

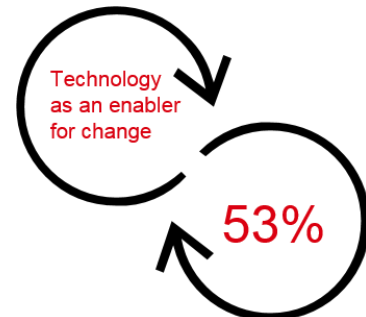
This included both sharing of expertise and premises as well as more favourable financial treatment, including examples of COVID specific support. In the last 6 months, around a third of German businesses mentioned seeing other businesses adapt to help meet market needs enabled by exploring innovative ways of working.

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## Technology is critical to business continuity. And more broadly it is seen to enable **cultural change** and **greater agility**.

**Investing in technology and innovation** is the biggest measure businesses plan to take in the next 5 years and it is their top priority.

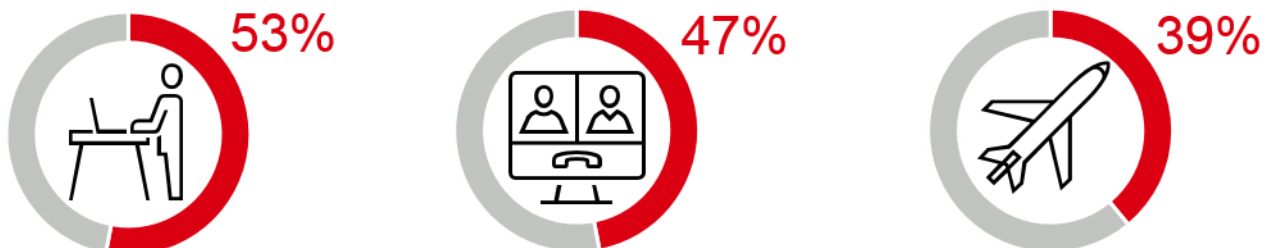
Based on the past 6 months, German corporates see multiple benefits from technology and that it is an enabler of change. Over 50% of them felt the advantages of technology for their workforce and for their customers.



## Companies are adopting new ways of working to create **cultural change** and **promote agility**

With the adoption of technology and changes in the ways of working – new norms will be established requiring new thinking and greater agility.

**About half of the corporates identified some form of flexible working as becoming standard for their business.** The most notable would be more virtual internal and external meetings and reduced air travel for meetings.

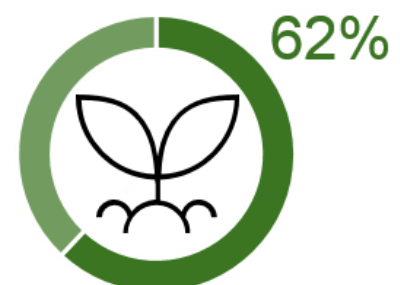


## The trend towards **sustainability** is only accelerating for businesses around the world

As previous Navigator reports note, environmental sustainability now permeates all aspects of business strategy. The current crisis has not caused firms to backtrack or change focus.

**Based on the events of the past 6 months, emphasis on sustainability has either unchanged or increased for three out of five German businesses.**

Nearly **9 out of 10** German businesses agree that the need to reassess and review their operations will enable them to rebuild their business on firmer environmental foundations.



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## Survey methodology

The HSBC Navigator survey is conducted on behalf of HSBC by Kantar. It is compiled from responses by decision-makers at 2,604 businesses, ranging from small and mid-market firms to large corporations, across a broad range of sectors.

The respondents hold influence over their company's strategic direction and represent a broad range of roles: including c-suite, finance, procurement, supply chain, sales and marketing.

A total of 14 markets were surveyed between 28 April and 12 May 2020.

- Americas: Canada, Mexico, USA
- Asia Pacific: Australia, Hong Kong, India, Indonesia, Mainland China, Malaysia, Singapore
- Europe: France, Germany, UK
- MENA: UAE

Sample size for Germany: 200

Results have been weighted to be representative of markets international trade volume (World Trade Organization data for 2017-2018).

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