

# Hart & Associates

Management Consultants Ltd.

## NEWSLETTER

Summer 2020

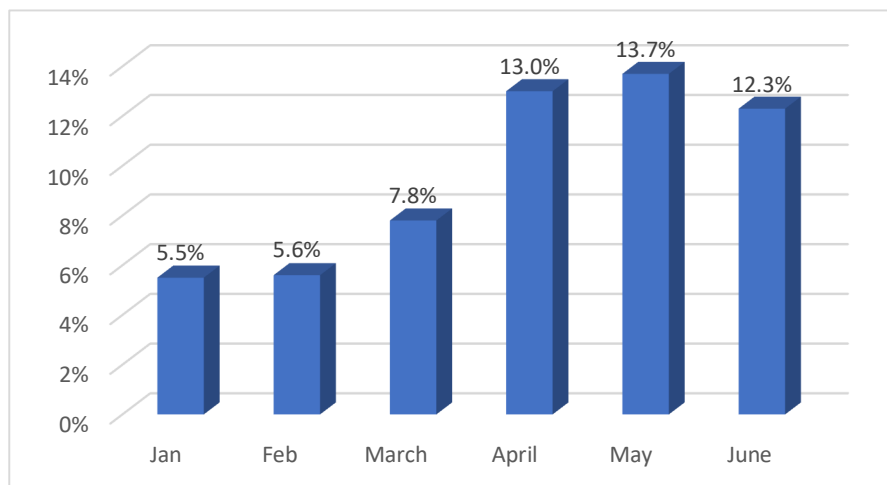
In this newsletter we provide a snapshot of the results of the Canadian economy. The Covid 19 virus put the brakes of the economy with higher unemployment rates, a sharp drop in GDP and a big drop and then a recovery in retail sales. We provide economic results available as of the end of July, 2020 in this newsletter.

We also provide our insights into how you can take advantage of this current disruption to gain new customers and improve market effectiveness.

### A. Canadian Economic Results

#### 1. Unemployment rates rose to historic highs

Canadian Monthly Unemployment Rates  
2020



Unemployment rates rose in late March and shot up in April and May to almost 14% as many companies closed and staffing levels were cut. June showed an “improvement” by dropping to 12.3%.

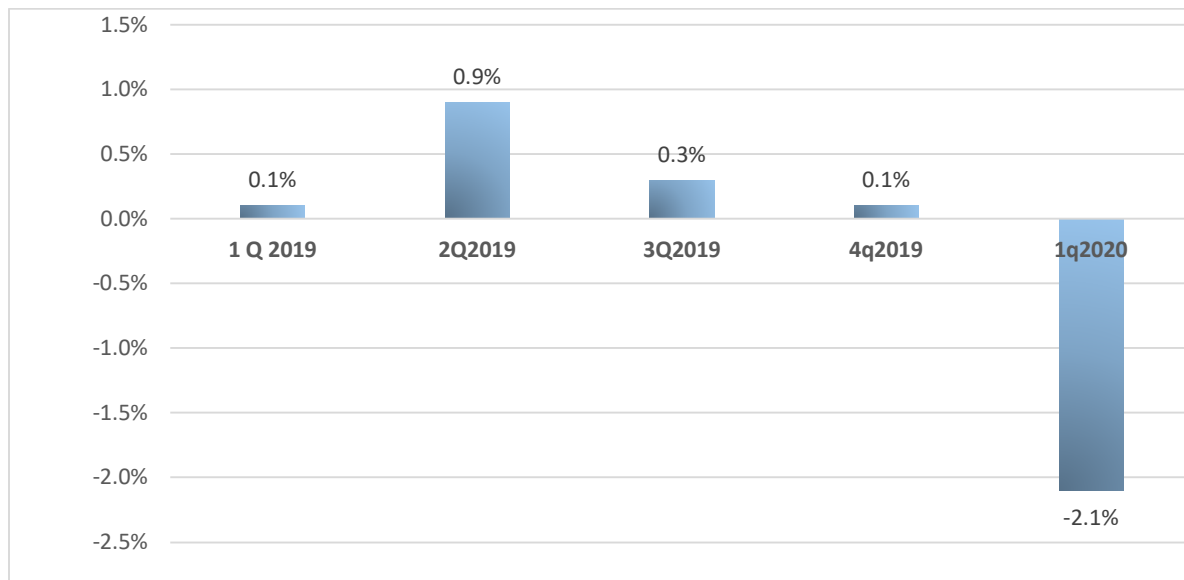
We would expect to see further improvements in the unemployment rate in July as companies began to open their doors in many sectors.

## 2. GDP took a major hit

GDP growth was virtually flat in the 4<sup>th</sup> Q 2019 and declined by 2.1% in the first quarter of 2020. This decline was influenced by the last two weeks of March when much of the economy shut down. The second quarter of 2020 is expected to be dramatically lower.

GDP in April dropped by 11.6% - the largest decline in economic activity in Canadian history. The initial flash estimate for May shows a turnaround with GDP rising by 3%.

**Canadian Quarterly GDP Growth  
2019 and 2020**

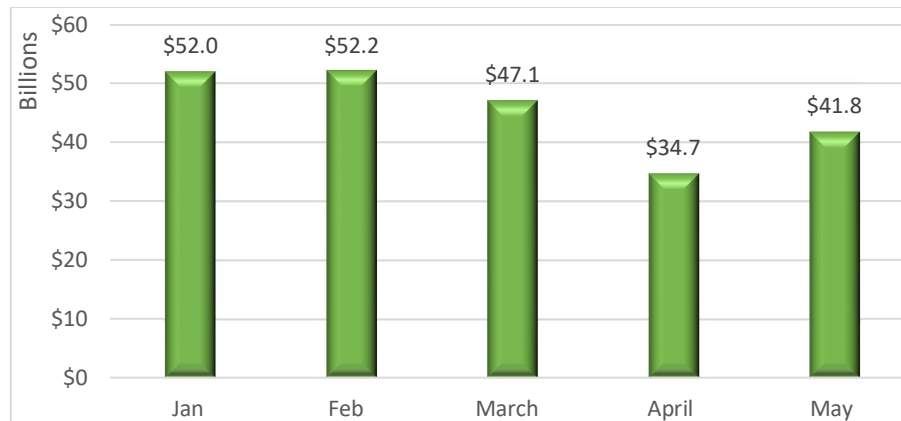


In April manufacturing activity was down by 22.5% while the food service and accommodation sectors declined by 42.4%.

### 3. Retail Sales tanked in April but recovered with store re-openings in May

As many stores closed in April, retail sales dropped by 22.9% in April. It recovered noticeably in May, up 19% to reach \$41.8 billion.

**Canadian Retail Sales 2020**  
(\$billions)



*Data Source: Stats Canada*

### B. While focusing on protecting your sales, have you put your growth plans on the shelf?

The last few months have been challenging for everyone. Some businesses have been affected more than others but all have had to adjust quickly on how to keep employees safe and continue to serve customers and generate revenues to stay in business.

Do you have plans to:

- Improve your sales and marketing effectiveness
- Take advantage of new market opportunities
- Pivot your sales approach to reaching new customers?
- Identify target companies you could acquire to fuel your long-term growth

### From disruption comes opportunity

Hart & Associates has been successful in providing growth strategies for clients in these difficult times. Innovative companies have not lost sight of the need to push ahead with their long-term growth plans.

We have helped clients over the last few months by:

- Conducting market research to identify new customers and sales channels to pursue
- Developing business feasibility studies to determine the viability of a new business expansion

- Identifying more effective ways to reach and sell to existing and new customers including on-line sales channels

**Call us if you would like to discuss how we can help improve your company's performance.**

***Strategic Plans   Feasibility Studies   Business Plans   Market Research   Market & Sales   M & A Services***

***Helping You Make The Right Decisions***

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