

# Some businesses struggle under COVID-19, while others can barely keep up with demand

By **BRENDAN KENNEDY** INVESTIGATIVE REPORTER  
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Like a lot of restaurants in the city, Soula's Modern Greek Cuisine is technically open. The dining room is closed, but it's still taking orders for takeout and delivery.

Trouble is, it's never really been a takeout restaurant, and the transition has been difficult.



Chris Christodoulou has seen business at his restaurant plummet with closures caused by the COVID-19

pandemic. (RENE JOHNSTON / TORONTO STAR)

General manager Chris Christodoulou estimates his sales are down 96 or 97 per cent.

He has laid off almost all of the restaurant's staff — about 20 people — keeping only three cooks, with only one working each day. He has tried reducing prices, offering discounts, but little has worked.

"It's tough," Christodoulou said in a phone interview from the restaurant. "I understand why they do it, but ...", he trailed off.

Hundreds of other businesses are in the same boat, with [COVID-19](#) and the social distancing required to contain it delivering a devastating shock to the economy.

But not every industry is suffering.

While small businesses, airlines, hotels, restaurants and bars are laying workers off by the thousands, grocery stores, some major retail chains, and delivery companies are paying bonuses and scrambling to hire more staff.

Amazon, trying to keep up with the increase in online orders, announced a massive hiring spree earlier this week, saying it was looking to add 100,000 workers, mostly in the U.S.

Walmart Canada, meanwhile, is hiring 10,000 new employees, accelerating annual bonuses and boosting hourly wages.

Dollarama has bumped up its employees' pay by 10 per cent, and Amazon, Loblaw, Metro, Sobeys, Giant Tiger and Whole Foods all recently announced temporary wage increases of roughly \$2 per hour.

Starkmans, a Toronto-based medical supplies store, has suspended its online orders due to “heavy volume” and is warning its customers to expect delays.

Technology companies that provide work-from-home solutions are also seeing higher demand for their products and services.

Despite his decimated sales, Christodoulou said he is still buying ads on popular food-delivery apps, such as UberEats, Foodora and Skip the Dishes, which he relies upon to deliver food orders to the handful of customers who are making them.

So the economic pain caused by COVID-19 is not being distributed equally.

That’s usually the case when there’s economic disruption, said Bernie Wolf, an economics professor at York University’s Schulich School of Business. Typically the disruption is delivered by technological change, he said. In this case, a public health crisis is accelerating several pre-existing trends, such as working remotely and ordering online. Companies at the forefront of those trends are likely to become even more deeply entrenched as a result, he said.

“The world is not really going to be the same anymore,” Wolf said. “This is such a fundamental change in terms of the economy; it’s almost revolutionary.”

Working from home will increase. More conferences and conventions will become virtual. People will become even more accustomed to shopping online.

“The way people live their lives are changing now and some of those changes that are taking place will stick,” Wolf said. “This is a demonstration of what can work and what can’t work.”

Economic shifts like this don’t usually come so rapidly, Wolf said. It’s usually more incremental and harder to notice in real time. As a result, it may lead to brutal changes for some companies.

“For some it will be a big jump up; for others it will be a big jump down. And there will have to be adaptation.”

Tony Olvet, a technology market analyst and group vice-president of research at International Data Corporation (IDC) Canada, agreed with Wolf that whenever the crisis is over, businesses will not simply return to how things were.

“I think this is going to fundamentally change how business leaders think of managing and handling their workforce.”

Olivet said it was difficult to think of anyone benefiting from the current situation, citing the expected loss of life, strain on the healthcare system and global economic strife wrought by the coronavirus.

“We have to keep in mind that ‘work from home’ is not a solution for the entire labour force,” he said.

But some services are definitely in greater demand as a result of so many businesses rapidly transitioning to working remotely. Companies that provide cloud-based collaboration, video services, cyber security and any kind of remote-work solutions will benefit, he said.

“Anything network based is going to see a boost,” he said, adding that software companies, like Microsoft and Cisco, as well as cybersecurity firms, will see an increase in demand.

“Some office workers were already using these technologies occasionally,” Olvet said. “Now there is a boost in demand.”

Canada has good technological infrastructure in place to support a large segment of the workforce working from home, Olvet said, but there is still a limited capacity.

“It reinforces the importance of ongoing capital expenditures to make sure the network is going to be able to handle a new workload and the data requirements for a far more distributed workforce.”

Olvet said whenever we get on the other side of COVID-19, there will likely be a “big strategic rethink” by most companies about how they organize their workforce.

“The possibility of another pandemic will always loom now.”

Christodoulou, meanwhile, is worried about both the short- and long-term viability of his restaurant. He won’t be able to pay his \$14,000 monthly rent next week, and although he knows he won’t be immediately kicked out and may be allowed to defer his payment, eventually the bill will come due. “Everything is just piled up at the end.”

He’s also worried about the “after this” and how the business will survive once it can reopen. He fears that the widespread economic uncertainty will lead to fewer customers, that the business won’t be able to sustain the impact of a closure that could drag on for weeks, even months.

“I don’t think we’re going to go back to normal any time soon,” he said. “So God help us.”

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