

The ACCA logo is a red square with the letters 'ACCA' in white, bold, sans-serif font.

**ACCA**

An aerial photograph of a multi-lane highway, viewed from an elevated angle. The road is divided into lanes by yellow and blue checkered barriers. The road surface is dark asphalt with white lane markings. The background is a solid teal color.

**COVID-19  
GLOBAL SURVEY:  
INSIDE BUSINESS  
IMPACTS AND  
RESPONSES**

Think Ahead

# About ACCA

**ACCA is the Association of Chartered Certified Accountants. We're a thriving global community of 219,000 members and 527,000 students based in 179 countries that upholds the highest professional and ethical values.**

We believe that accountancy is a cornerstone profession of society that supports both the private and public sectors. That's why we're committed to the development of a strong global accountancy profession and the many benefits that this brings to organisations, individuals and society.

Our qualifications develop forward-thinking professionals with the financial and business skills essential for the creation of sustainable economies and flourishing societies. Every day, ACCA professional accountants support people and organisations in making sound decisions and doing the right thing. We build public trust by creating an inclusive profession with people from all backgrounds, bound by a common global code of ethics and committed to updating their skills to meet ever-changing needs.

Since 1904 being a force for public good has been embedded in our purpose, and this powers everything we do. Like offering everyone, everywhere the opportunity to access a rewarding career in accountancy. By working in partnership with emerging economies to establish their own professional accountancy organisations and grow their finance ecosystems. Through freely sharing our leading-edge research that answers today's questions and prepares us for tomorrow. And by supporting our global family of members, future members, and partners and developing the profession for the next generation.

**We think ahead and lead the profession.**

**Find out more at [www.accaglobal.com](http://www.accaglobal.com)**



# COVID-19 GLOBAL SURVEY: INSIDE BUSINESS IMPACTS AND RESPONSES

The COVID-19 crisis is a systemic shock to the global economy that has affected all organisations. The world is on the edge of a major economic recession. This short report gauges ACCA members and other stakeholders' views of the impact of the crisis so far and the measures being undertaken to mitigate the impact of COVID-19, exploring and sharing the early lessons that have been learned.

The survey supporting this report was issued on 13 March 2020. Over 10,000 members and other stakeholders across the world from over 100 countries responded to the survey. Further demographic information on the respondent base is available towards the end of this report.

# INSIDE BUSINESS

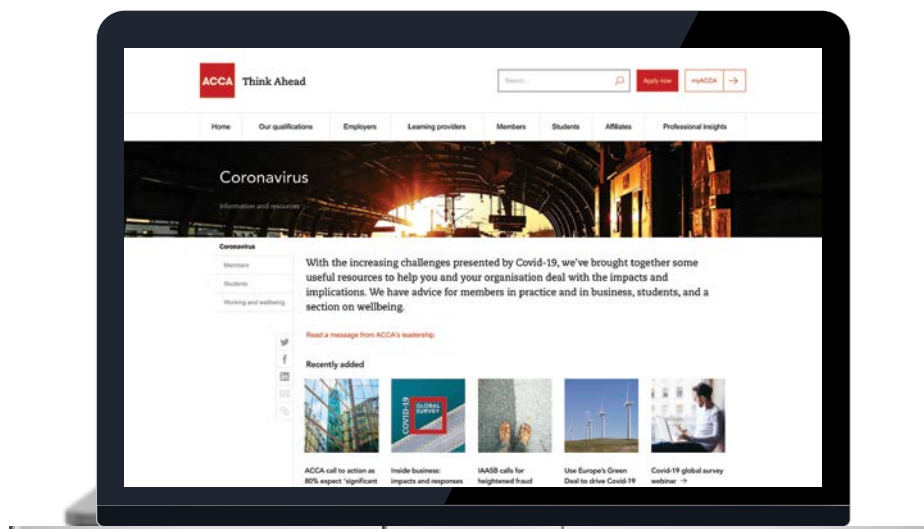
## IMPACTS AND RESPONSES

ACCA's global research with over 10,000 finance professionals identifies a wide range of business and financial challenges facing organisations of all sizes and across all sectors.

- > **80% OF BUSINESS LEADERS** expect a significant downturn in expected revenues and profit year on year
- > **EMPLOYEE PRODUCTIVITY IDENTIFIED** as the most widespread concern facing organisations
- > **OVER ONE THIRD** of organisations already facing cashflow problems
- > **ONE FIFTH** of organisations deferring investments
- > **ALMOST HALF** of businesses had not undertaken a reforecast impacting ability to plan
- > **OVER ONE FIFTH** of organisations already freezing recruitment
- > **ONLY 17%** currently see current government interventions as effective
- > **ALMOST ONE THIRD** of organisations have no business continuity plan in place

See ACCA's COVID-19 hub, which includes useful resources to help organisations deal with the impacts and implications, including advice for ACCA members in practice and in business, students, and a section on wellbeing.

[accaglobal.com/covid-19](https://accaglobal.com/covid-19)



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**THE COVID-19  
CRISIS IS AFFECTING  
ALL ORGANISATIONS  
IRRESPECTIVE OF SIZE,  
SECTOR OR COUNTRY  
OF OPERATION.**

”

# Executive summary

The COVID-19 crisis is a once-in-a-lifetime systemic shock to the global economy. At the time of writing over 2.5 million cases of coronavirus COVID-19 (SARS-CoV-2) have been recorded globally in more than 180 countries, with transmission growth accelerating. Things may never be the same again.

There is even talk of a 'Pre-COVID-19' and 'Post-COVID-19' world. The long-term impact on the global economy and our working lives at the time of writing remains impossible to calibrate precisely.

Nonetheless, there is a clear narrative from ACCA's global data of the impact of COVID-19 so far on organisations and the global business community. It is, of course, only the start of the story. Over the coming weeks and months different regions of the world, countries, businesses and organisations in all sectors will seek to navigate a way through the crisis, using different strategies and interventions to respond to the crisis in what will be a continuously and rapidly fast-changing situation.

So what story does the data tell us so far from our global survey of members and other stakeholders on the business impact of the crisis so far, and how should organisations be responding to the situation?

## Business and financial impact of COVID-19

Organisations irrespective of size, sector or country of operation are being hit right across the value chain

- The data is very clear in one sense. The COVID-19 crisis is **affecting all organisations irrespective of size, sector or country of operation**. This is a major challenge facing all business leaders.
- The impact on **organisations' stakeholders, particularly employees**, is by far the most widespread concern that respondents have had. Almost 60% of respondents cite reductions in employee productivity. Stakeholder health and safety is 'front and centre' as an immediate issue.

- Beyond concerns about well-being, the challenges facing organisations cut right across the **operational value chain**. A significant number of respondents are seeing falling customer demand, major supply chain disruptions, deferred launches of new products and services, and capital investment plans being put on hold. Organisations are struggling to fulfil customer orders and some are facing higher operating costs from increases in input prices. There is an increased risk of stock obsolescence.
- These interconnected issues naturally have an **impact on core financing issues**. Almost 40% of respondents are already experiencing cash-flow issues, a particularly acute challenge for smaller organisations, and for a minority there are small but growing concerns about financing and debt obligations, which we could expect to rise in the coming weeks. The immediate picture is of focusing on short-term survival, which may worsen over the coming weeks and months. Many respondents see these issues threatening the very viability of their organisations over the next six months.

## Revenue and profit forecasts are being dramatically reduced

- Given the situation, it is no surprise that **revenue and profit forecasts are being dramatically reduced**. Among business leaders surveyed, 80% expect year-on-year revenue and profit this year to be significantly below the previous year. In a 'worst case' scenario, well over half of business leaders responding to our survey expect revenues and profits to be down over 25% year-on-year. For those organisations expecting to make a loss in the current financial year, almost half believe this will be because of the COVID-19 outbreak.

- This outbreak is particularly challenging for smaller organisations. They have an even more pessimistic view than the largest organisations when considering both revenue and profit, compared with the previous financial year. Among business leaders of the smallest organisations (fewer than 200 employees) 85% expect year-on-year revenue to be lower than the previous year, and 86% expect year-on-year profit to be lower.

#### Organisational response is compromised by a lack of regular financial forecasting and poor data

- In the face of a significant crisis such as COVID-19, it's important for organisations to plan and perform financial reforecasts regularly. In practice, only 53% of respondents suggest that their organisations have performed a reforecast since the COVID-19 outbreak.
- While the usual challenges of poor data and a lack of good analytical tools are cited as impeding the ability to forecast accurately, by a significant margin the biggest challenge organisations currently face with their forecasting is the uncertainty created by the COVID-19 outbreak. Almost half of respondents (47%) suggested that the crisis was having a very significant impact on their ability to establish reasonable forecasts.

#### The effectiveness of government economic interventions so far is uncertain for many

- The data suggests many respondents remain unsure of the impact of different government interventions around the world in response to the COVID-19 crisis. While different business support strategies are being adopted, **only 17% currently see these as effective**, with almost one-third of respondents indicating that they remain unsure. It is vital that government assistance interventions are easily accessible and understood.
- There were, however, noticeable differences identified across different countries in the perceived effectiveness of government interventions, which may be a reflection of the differences in policies adopted as well as the stage the pandemic had reached in a particular country at the time of the survey. Differences between large and small organisations here were marginal.

## How are organisations responding to COVID-19?

### An immediate response about employee and stakeholder health and safety followed by shoring up the operational fundamentals

- As an immediate response to the COVID-19 crisis, the vast majority of organisations are rightly prioritising the health and well-being of employees and other stakeholders such as customers, suppliers and other partners. Among our respondents, 84% suggested that their organisations have already put heightened health and safety practices in place for their employees and 71% have already established communication mechanisms, relating to COVID-19 measures, for employees, customers and partners.
- The data also shows that, as we look forward, other responses are being actively considered. And many of these measures focus on operational practicalities and ensuring that the business stays viable. These include activities focused on reducing costs, negotiating with banks and debt providers on debt service repayment obligations, reviewing creditors and debtors to manage cash flow, delaying investments, and making adjustments to remuneration and employment models.

### Remuneration and employment models under review

- Employment and remuneration policies are under review to reduce cost, flex employment models and ensure compliance with emerging health and safety requirements. Unsurprisingly, the most widespread intervention has been an immediate recruitment freeze, as this is quick to implement. Yet the data also shows a range of other interventions already activated by some organisations, such as salary freezes and removal of staff bonuses. It also shows that many organisations are considering more interventions to remuneration and employment models in the near future.

### Continuity planning is falling short

- The data suggests that a significant minority of organisations (almost one-third) do not have appropriate business continuity plans in place to respond effectively to the crisis. This potentially compromises the resilience of organisations' management through the COVID-19 outbreak and could have significant implications for employees, customers, investors and all stakeholders connected to the organisation. This is a particularly acute issue for smaller organisations, with almost 40% suggesting they do not have a continuity plan in place.



**COVID-19 response: recommendations for organisations<sup>1</sup>**

- In the face of this unprecedented crisis, all organisations need to respond quickly and effectively to ensure both short-term survival and to build resilience to chart a path to longer-term recovery.

<p><b>ACT AND RESPOND IN A SUSTAINABLE MANNER</b></p>	<p><b>1. Think 'people first'.</b> Pay attention to the physical and mental health of employees and develop appropriate plans for the resumption of work. Put in place a communications plan that will engage and update employees regularly and human resources policies that address crisis measures.</p> <p><b>2. Accept the short-term focus and demonstrate true leadership.</b> Timelines and targets will need to be refocused on near and mid-term horizons. Senior leaders in organisations need to accept a change of focus from strategic to tactical.</p> <p><b>3. Recognise the needs of your customers and other stakeholders.</b> Make sure you do not miss the opportunity to respond to those changing needs. Understand the impact on your supply chains, and wider relationships with stakeholders and partners.</p> <p><b>4. Use a crisis-management team / skills and establish a resilience plan.</b> Oversee major issues, formulate business contingency plans, coordinate and align implementation across different departments, and ensure speedy responses and decision-making. Initiate resilience planning to ensure activities across the organisation are connected in response to an event and broader business integrity is protected.</p>
<p><b>ANALYSE THE DIFFERENT INFORMATION SOURCES TO SECURE YOUR ORGANISATION</b></p>	<p><b>5. Model scenarios and plan for resumption.</b> In a crisis such as COVID-19, organisational scenarios are not constant and require regular review. It is important to understand how using analytical capabilities to assess both external and internal data can put the organisation in a stronger position and help it understand the operational and financial impact of different scenarios that may arise. Information insight is also critically important for business resumption planning, which aims to get the organisation back up and running properly, planned in manageable phases. This requires analysis of the resources and assets that the organisation needs to safeguard in order to be able to resume.</p> <p><b>6. Review government and fiscal policies that may be of benefit.</b> Monitor the relief measures and policies introduced by the government and seek to use the benefits fully. Take a lead role and communicate the needs of your industry (leveraging on data insights) to relevant government agencies for appropriate policy formulation, refinement or implementation.</p> <p><b>7. Remember: 'Liquidity is the lifeblood'.</b> Organisations should review their lines of credit and renegotiate their debt financing obligations. Payment periods, for example, may well be extended in the immediate term as businesses recover. Strong focus on cash management and liquidity should be in place to bridge different business scenarios, accepting that recovery to full liquidity is likely to be a long process.</p>
<p><b>ANTICIPATE THE BUSINESS IMPACT AND FUTURE TRENDS</b></p>	<p><b>8. Look for opportunities to innovate.</b> Organisations should consider opportunities for short- or medium-term innovation. This could involve product and service development or thinking innovatively about partnerships. It could mean ensuring that employees have new opportunities for producing innovative ideas or looking again at how the organisation is deploying digital and technological innovations.</p> <p><b>9. Review company strategies.</b> Re-examine business models. Explore new channels to market, supply-chain diversification, new approaches to customer services, and opportunities to grow.</p> <p><b>10. Don't forget: fundamental business risks remain.</b> Don't lose sight of the fundamentals. Even in the face of COVID-19, the organisation will still face not only existing risks (eg cybersecurity), but also different ways of working, and strategic reactions to COVID-19 could change these risks or introduce new ones.</p>

<sup>1</sup> See the checklist on page 30 of this report.



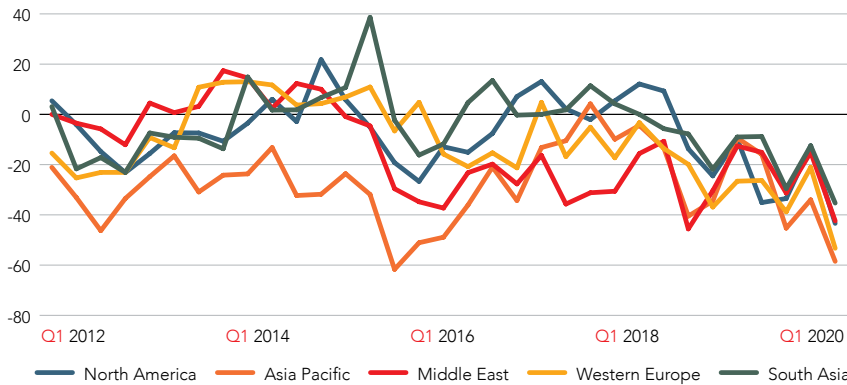
ACCA Global Economic Conditions Survey report: Q1 2020

ACCA Think Ahead

ima The Association of Accountants and Financial Professionals in Business

'CONFIDENCE FALLS EVERYWHERE'

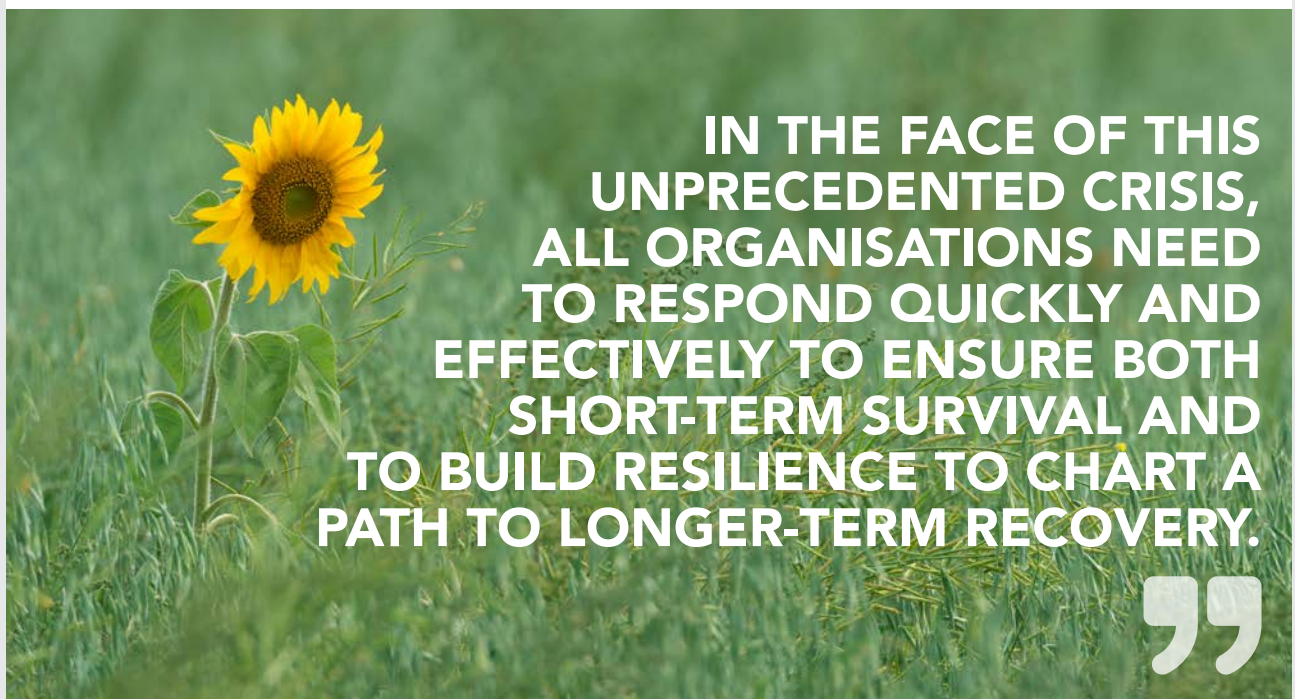
GECS confidence indices: major regions



Source: ACCA/IMA (2012-20)

ACCA's Q1 2020 Global Economic Conditions Survey (GECS) was conducted from 28 February to 12 March inclusive. This period included the spread of COVID-19 to Europe and the US and saw some of the initial policy responses, mainly from central banks. While the major impact on economic activity from lockdowns and business closures had not yet begun to be experienced globally, by this time such effects were having quite profound impacts in the Asia-Pacific region, the source of the outbreak. This geographical split is reflected in some of the key indicators in the Q1 GECS.

Confidence fell everywhere: in most cases, sharply and to the lowest levels since the survey began. The Q1 drop in Asia-Pacific confidence is less than the global average, but confidence here was already relatively weak as a consequence of US-China trade tensions. Hence, it took a relatively small drop to reduce confidence in Asia-Pacific to the lowest level among all regions. Western Europe and the Middle East have only a slightly higher confidence level. Indeed, there is relatively little divergence in confidence between regions, which is to be expected given the global nature of the COVID-19 economic shock. ■



**IN THE FACE OF THIS UNPRECEDENTED CRISIS, ALL ORGANISATIONS NEED TO RESPOND QUICKLY AND EFFECTIVELY TO ENSURE BOTH SHORT-TERM SURVIVAL AND TO BUILD RESILIENCE TO CHART A PATH TO LONGER-TERM RECOVERY.**





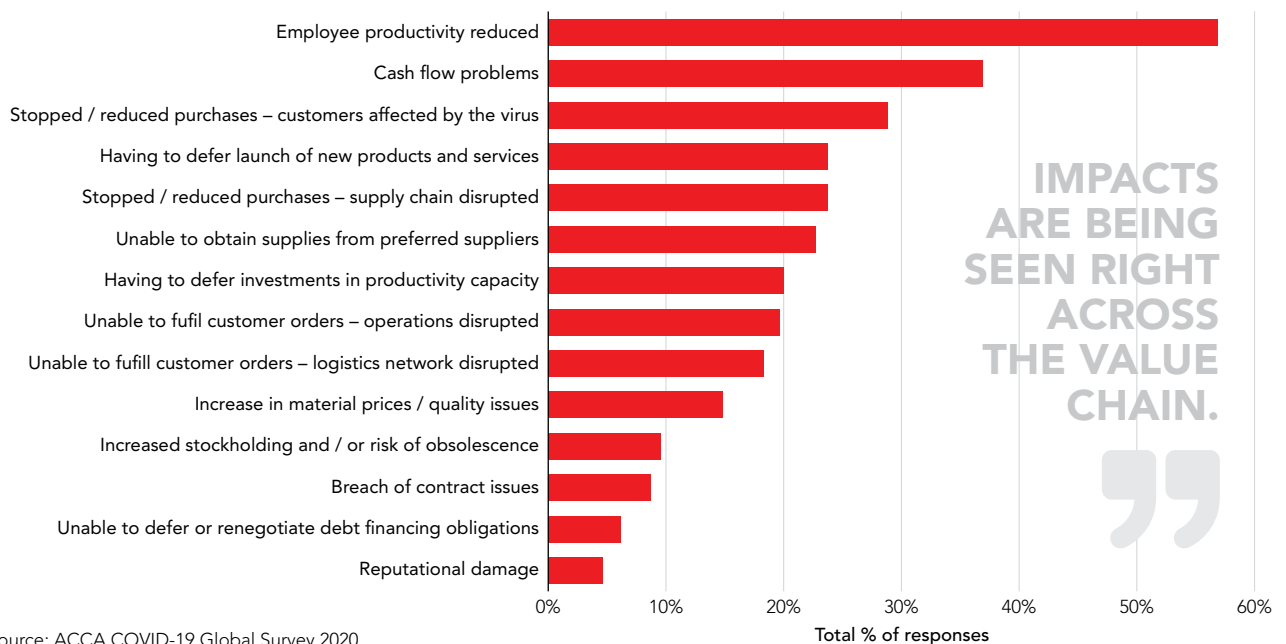
# 1. Business and financial impact of COVID-19

Organisations, irrespective of size, sector or country of operation are being affected right across the value chain.

Our data survey shows that the impact of COVID-19 is extensive, affecting organisations irrespective of size, sector or geography. Across a wide range of parameters, respondents have identified key issues facing their organisations. Businesses are confronting a wide range of challenges that are, crucially, interconnected and present right across the organisation operational value chain (Figure 1.1).

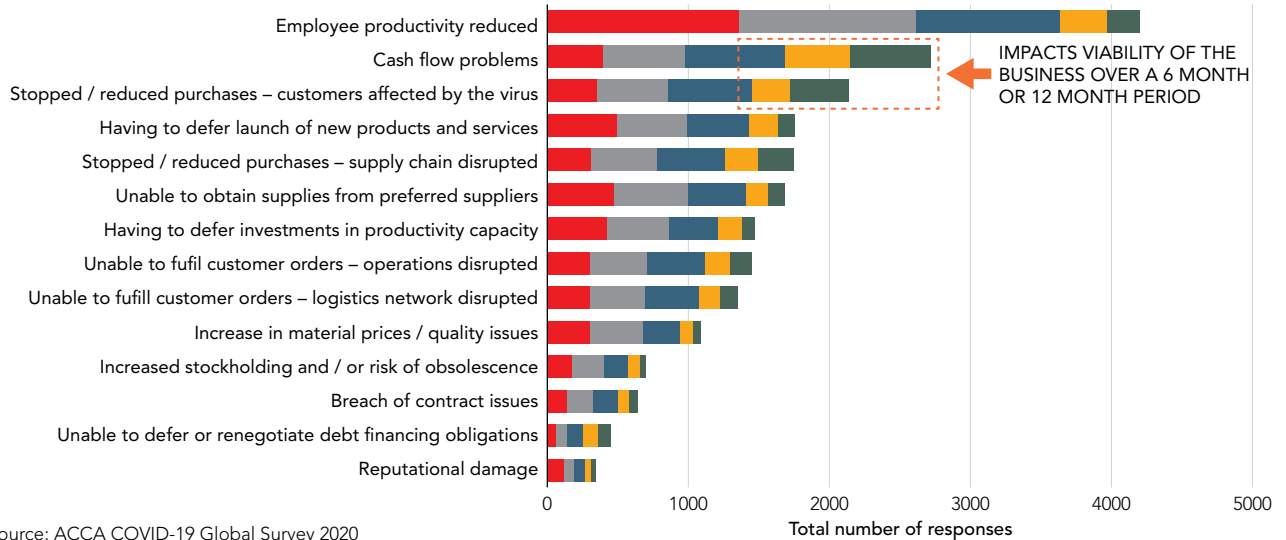
The challenges faced by many organisations represent the classic issues for business as the global economy downturns, but magnified by complete lockdown in many jurisdictions. Falling customer demand is compounded by supply chain disruptions as logistics are severely impaired, creating challenges in fulfilling whatever customer order demand may still exist. At the same time, some organisations are immediately deferring new product and service launches and putting capital investment plans on hold.

**FIGURE 1.1:** Business impacts faced owing to the outbreak of COVID-19



Source: ACCA COVID-19 Global Survey 2020

**FIGURE 1.2:** Severity of the business impacts faced



Source: ACCA COVID-19 Global Survey 2020

These interconnected issues are inevitably creating core financing issues. Almost 40% of respondents already have cash-flow problems, a challenge felt particularly acutely by smaller organisations, and for a minority there are small but growing concerns about financing and debt obligations, which we may expect to rise in the coming weeks. It’s an immediate picture of short-term survival, which may worsen over the coming months. For some respondents to our survey, these issues present significant challenges to the viability of the organisation over the next 6 to 12 months (Figure 1.2), with cash flow identified by the most of these respondents as likely to cause business failure.

**ALMOST 40% OF RESPONDENTS ALREADY HAVE CASH-FLOW PROBLEMS, A CHALLENGE FELT PARTICULARLY ACUTELY BY SMALLER ORGANISATIONS.**



**COVID-19: An auditor perspective**

The key factor in managing a crisis of any nature is, first, to maintain a strong element of trust within the organisation. Without trust, the disruption to the business operation could end up doing far worse damage than the COVID-19 outbreak itself. In maintaining trust, management has to ensure transparency and constantly communicate with the organisation’s people about the measures taken to ensure their well-being. The business continuity plan must be clearly communicated, at the outset, to provide the much-needed assurance in a crisis.

Next is the process of managing the confidence level and expectations of external stakeholders, both customers and suppliers. Again, this is about clarity and communication, assessing and communicating the impact of a crisis to customers on a regular basis, whether that impact is logistical delays, or the inability to meet the sales order. On the suppliers’ front, the immediate assessment of stock in hand and diversity of supply chain is critical. This is when the effectiveness of the Risk Register developed by the company is truly tested. Continuous engagement with suppliers that have been affected by this crisis is also critical, not only in managing the situation during the crisis, but also in planning for post-crisis supply chain management to prepare for a sudden surge in demand when the crisis is finally over. ■

**Dato’ Lock Peng Kuan**, Managing Partner, Audit & Assurance, Baker Tilly Malaysia and Chair of ACCA Audit and Assurance Global Forum

### Auditors face different challenges

The COVID-19 crisis has specific implications for auditing firms. The nature of the audit process requires engagement and interaction with the audited entity, and although digital advances continue to influence how audits are conducted and how evidence is acquired, as well as aspects of the reporting process, for many firms the crisis is creating a systemic shock to normal client engagement activities. From increased pressure to complete audit work through to challenges in acquiring audit evidence, and very sensitive judgements in areas such as going concern, auditors will need to re-evaluate how they undertake normal auditing activities. But our respondents from audit practices also see significant opportunities for providing enhanced insights and value to audited entities through the audit process. (Figure 1.3)

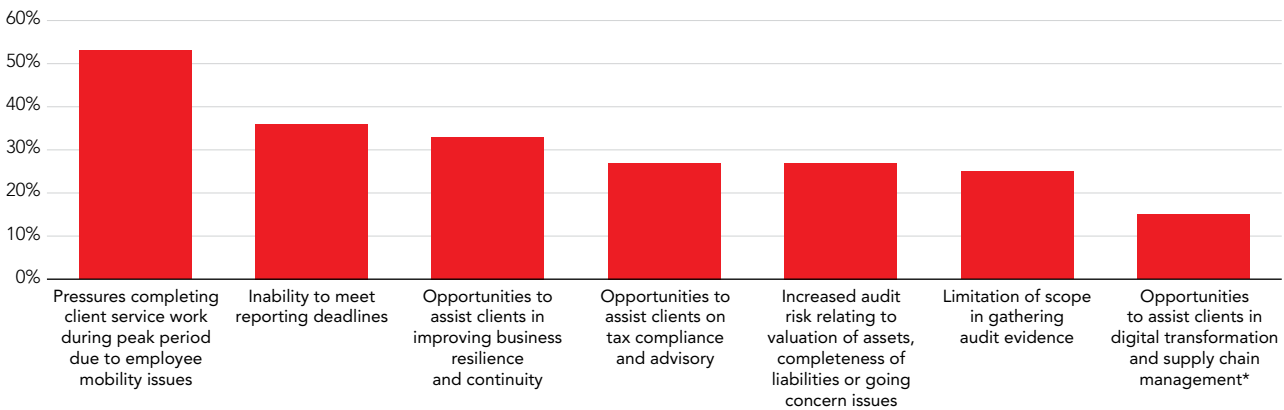
### Impacts by size, sector and country

From looking at the six most significant impacts identified globally, we can see that these challenges are reasonably

consistent across the different sectors in the global economy (Figure 1.4). The data here shows concerns for employee productivity in the public sector and cash-flow concerns in the private sector. The latter, as well as broader challenges relating to reduced customer demand and supply chain disruptions, appear more acute for smaller organisations in particular (Figure 1.5), and are potentially more likely to reduce the viability of these businesses over the next 6 to 12 months (Figure 1.6).

Broadly, the range of impacts organisations face are reasonably consistent across different countries (Figure 1.7). There are, however, some outliers in the data, with particular concerns on cash flow and reduced customer demand and supply chain concerns voiced in the United Arab Emirates (UAE) (this could be a reflection of the local economy and its reliance on particular sectors such as oil and natural gas extraction or retail trade), and slightly more promising indicators from China for employee productivity (which may be a reflection of China's current position in the evolution of the COVID-19 pandemic).

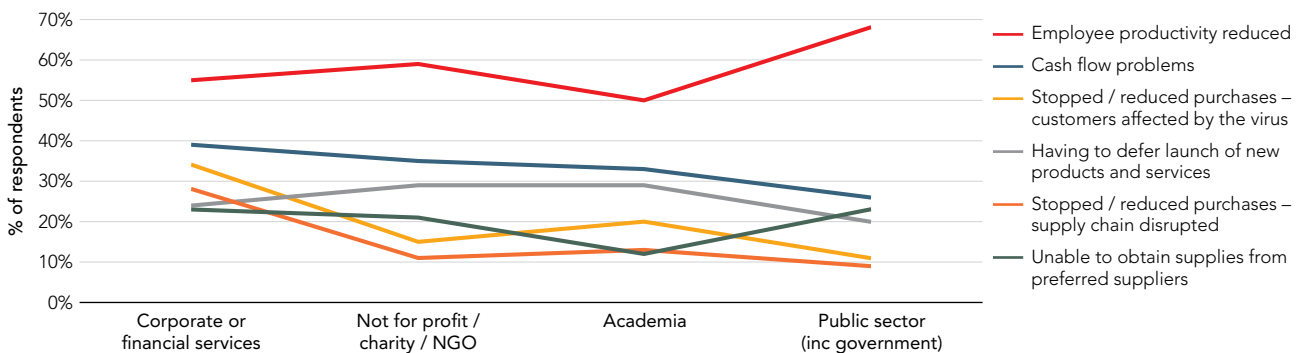
**FIGURE 1.3:** Business impacts faced by auditors (all responses in public practice)



Source: ACCA COVID-19 Global Survey 2020

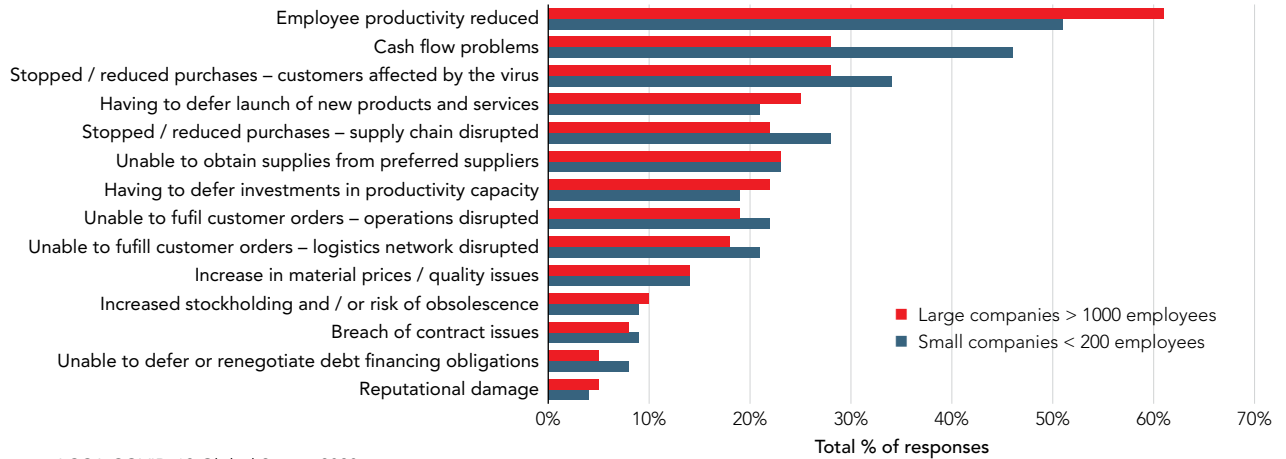
\*eg robotic process automation, cloud computing, remote work

**FIGURE 1.4:** Top impacts organisations face (sector comparison)



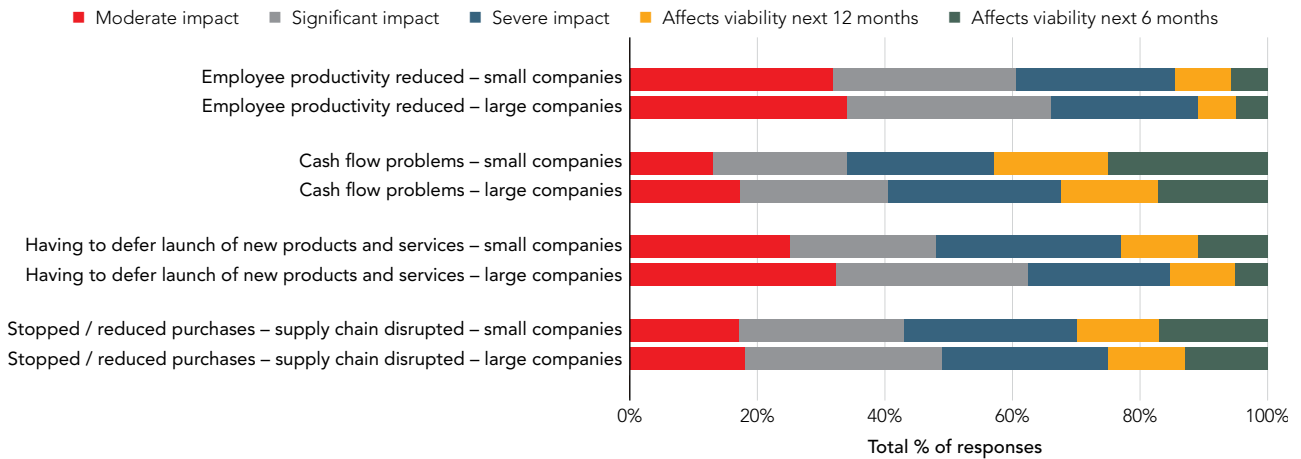
Source: ACCA COVID-19 Global Survey 2020

**FIGURE 1.5:** Types of impact organisations face (size of organisation comparison)



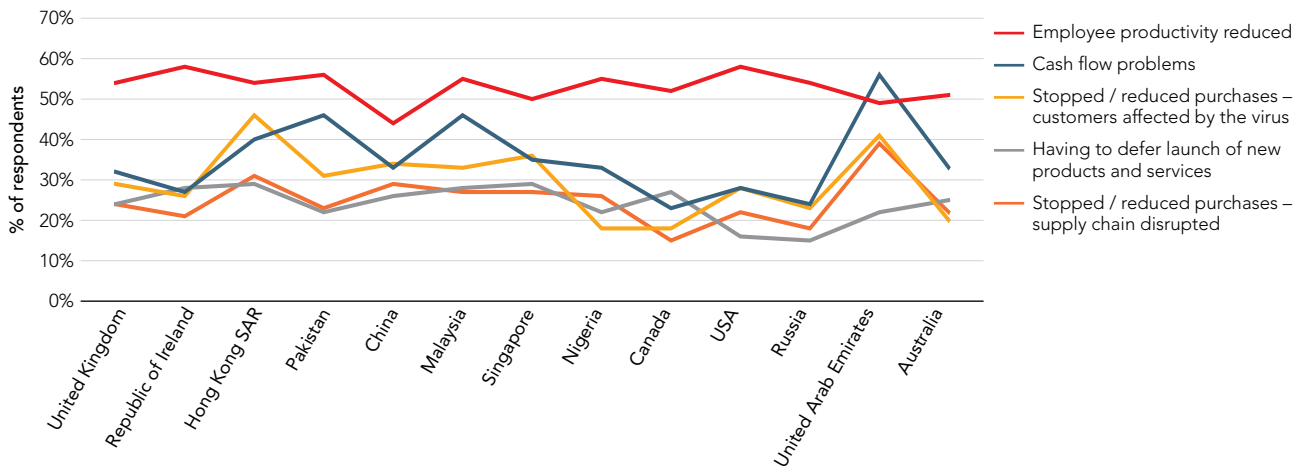
Source: ACCA COVID-19 Global Survey 2020

**FIGURE 1.6:** Level of impact organisations face (by size of organisation)



Source: ACCA COVID-19 Global Survey 2020

**FIGURE 1.7:** Top impacts organisations face (by key countries)



Source: ACCA COVID-19 Global Survey 2020



## Understanding the public sector impacts of COVID-19



As in other sectors, COVID-19 is putting a strain on the public sector while also reshaping how these organisations provide value for citizens. With many public sector budgets set on an annual basis, it is understandable that the immediate cash-flow challenges faced by respondents here are less pronounced than those reported by their peers in the private sector. The impact on employee productivity could be explained by the fact that many public sector organisations provide 'human services', so their productivity is susceptible to lockdown or social distancing measures. For example, the effective provision of court and educational services is severely curtailed in a country under lockdown. Public sector organisations will need to innovate rapidly in the provision of their services in order to counter this initial impact on employee productivity.

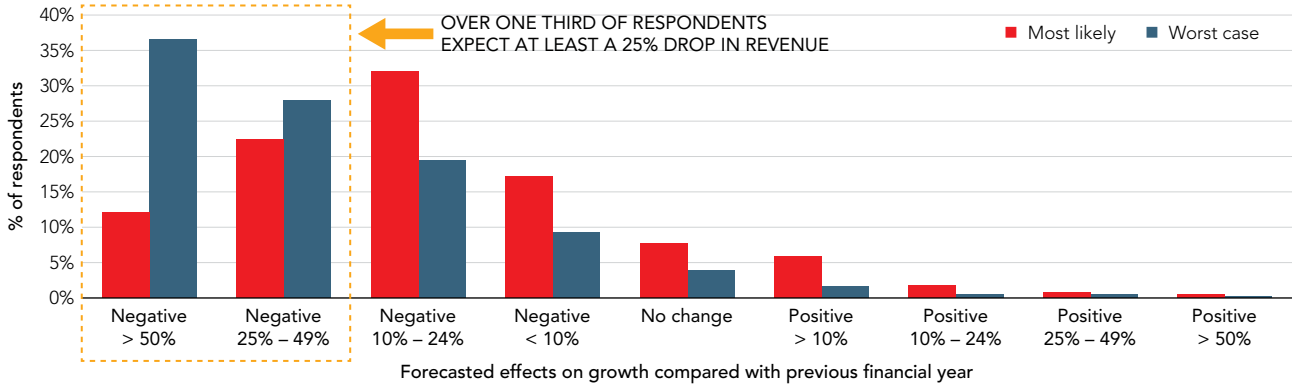
Another immediate challenge for governments and the broader public sector will be the changing nature of the demand for public services, raising questions of how service levels can be maintained or must be altered while social distancing measures are in place. These changes are immediately clear for the provision of health care and public health services, but the shock will require much wider alterations in the delivery of public services. Across the public sector, finance professionals will play a critical role in navigating public sector organisations' adaptation to this new environment.

Equally, COVID-19 has had a significant impact on public finances. As of April 2020, the fiscal response by governments, globally, has amounted to about \$8 trillion<sup>2</sup> – nearly 10% of global GDP before the crisis. This includes higher spending to support health systems, as well as public sector loans and direct transfers to help households and businesses endure the crisis. Even for governments with the resources to mount a substantial response to COVID-19, the new public sector liabilities arising from these measures will have a long-term impact on the financial health of the public sector that will outlive the immediate impact of this global pandemic. ■

2 IMF (International Monetary Fund), 'Chapter 1: Policies to Support People During the COVID-19 Pandemic', Fiscal Monitor [website] April 2020 <<https://www.imf.org/en/Publications/FM/Issues/2020/04/06/fiscal-monitor-april-2020>>, accessed 16 April 2020.

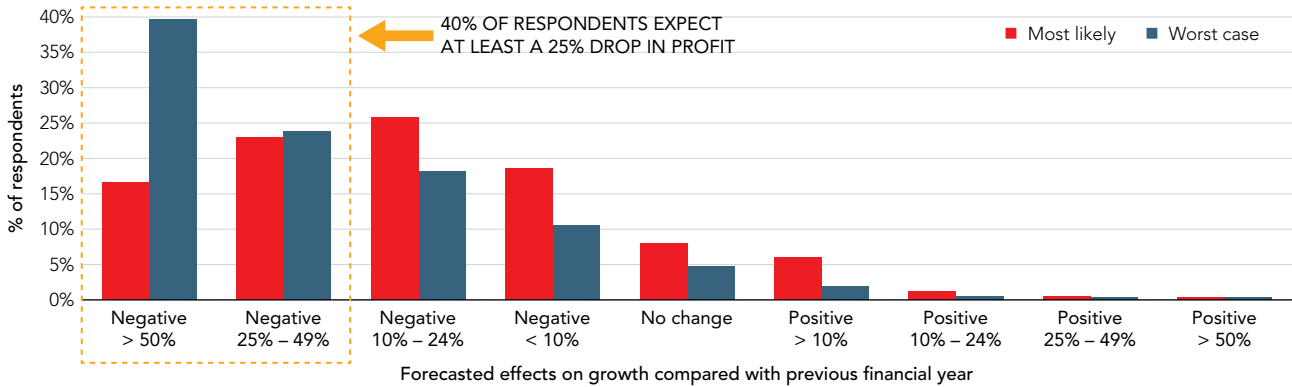


**FIGURE 1.8:** Revenue (forecasted) compared with the previous financial year



Source: ACCA COVID-19 Global Survey 2020

**FIGURE 1.9:** Profit (forecasted) compared with the previous financial year



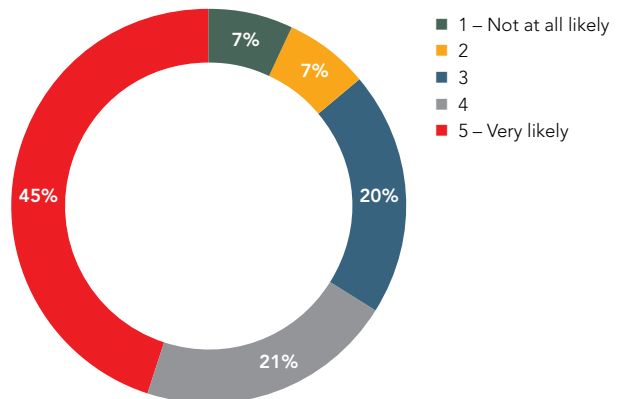
Source: ACCA COVID-19 Global Survey 2020

**Revenue and profit forecasts are being dramatically reduced**

As stakeholder and wider operational challenges start to hit organisations across countries and sectors, it is no surprise to see this quickly translating into downward projections for core financials. Overwhelmingly, according to the business leaders surveyed, the COVID-19 crisis is having a sharp damaging impact on both revenue and profit forecasts for the current year (Figure 1.8 and Figure 1.9).

The data tells a clear story: over 80% of business leaders consulted expect revenue to fall this year compared with the previous financial year, and a similar figure suggest that profit will also fall. Cutting the data a different way, over one-third of respondents expect at least a 25% drop in revenue compared with the previous year, rising to almost two-thirds of respondents predicting this in a ‘worst-case’ scenario, and it is almost exactly the same story for profit expectations. For those organisations expecting to make a loss in the current financial year, almost half believe this will very likely be caused by the COVID-19 outbreak (Figure 1.10).

**FIGURE 1.10:** If your organisation is expected to make a loss in the current financial year, how likely will this be because of the COVID-19 outbreak?

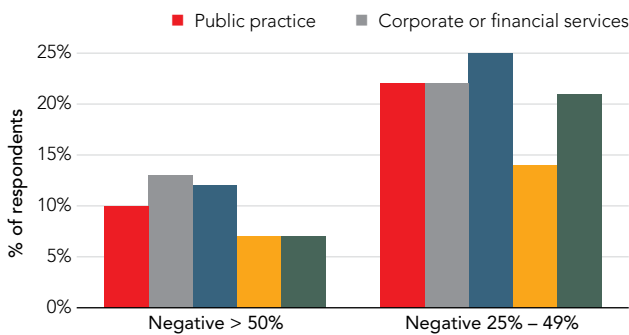


Source: ACCA COVID-19 Global Survey 2020

But is the negative view on revenue and profit forecasts representative of the wider picture across different sectors? Our analysis suggests a high degree of similarity from respondents irrespective of sector, although those from academia appear to indicate slightly lower than average reductions to both revenue and profit, and both corporate sector and not-for-profit respondents suggest slightly higher than average reductions. It is a similar story

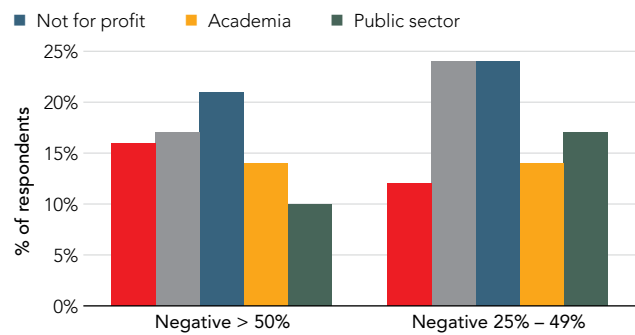
for expected profit growth (Figure 1.11 and Figure 1.12). Examining revenue forecasts across different selected countries (Figure 1.13) and different sizes of organisations (Figure 1.14) whilst some differences are noted between countries, most striking is the differences between small and large organisations. In summary, small organisations are particularly concerned about the impact on revenue and profit.

**FIGURE 1.11: Forecast impact on revenue (by sector)**



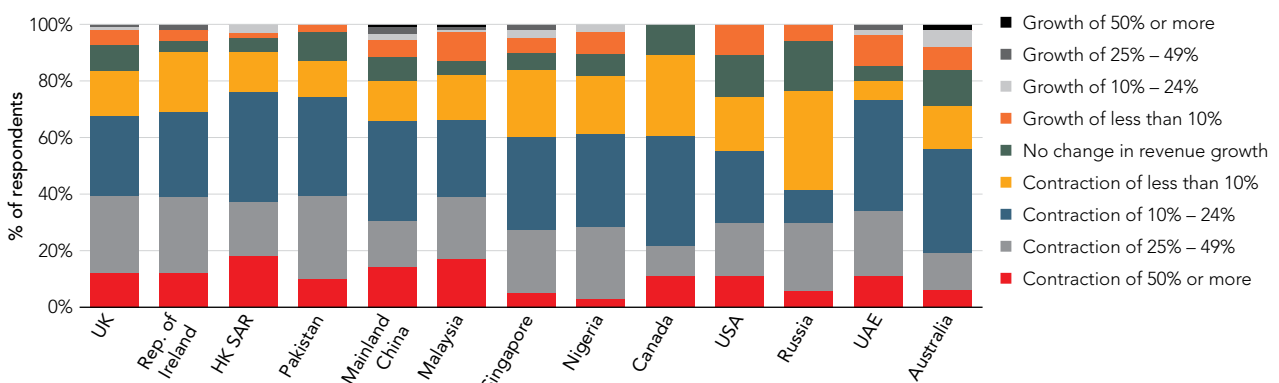
Source: ACCA COVID-19 Global Survey 2020

**FIGURE 1.12: Forecast impact on profit (by sector)**



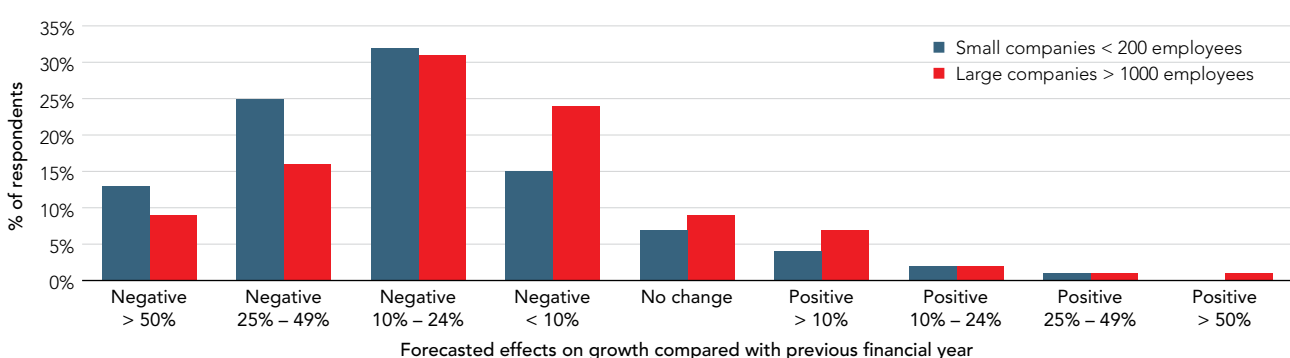
Source: ACCA COVID-19 Global Survey 2020

**FIGURE 1.13: Forecast impact on revenue growth (by country)**



Source: ACCA COVID-19 Global Survey 2020

**FIGURE 1.14: Forecast impact on revenue growth by size of organisation**



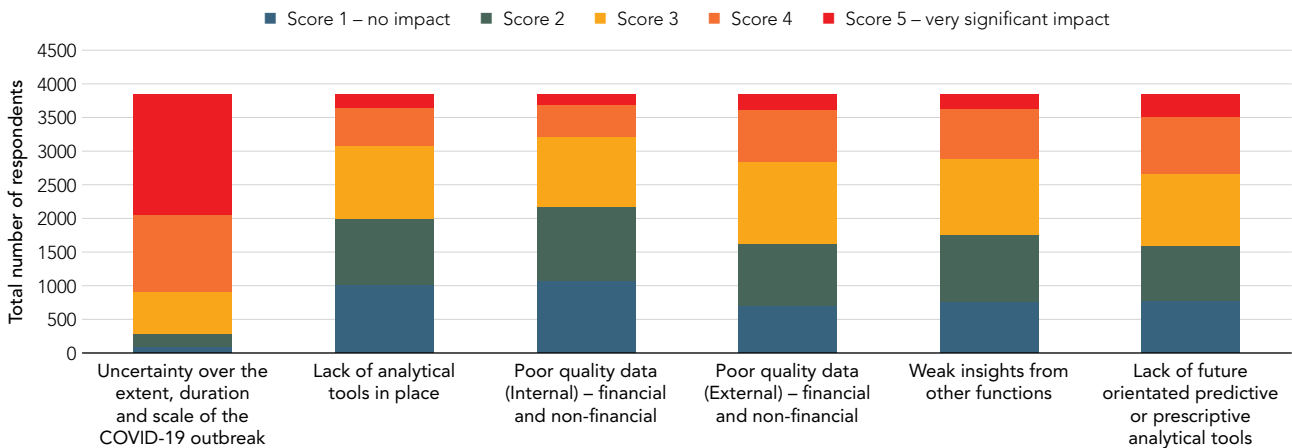
Source: ACCA COVID-19 Global Survey 2020

**Organisational response is compromised by a lack of regular financial forecasting and poor data**

Regular financial forecasting is a core activity that helps organisations understand their strategic and financial position and, if necessary, take corrective action in the face of business challenges. It is particularly vital where organisations confront critical widespread risks such as the COVID-19 outbreak that could threaten their viability, and where a path to potential recovery needs to be clearly understood. Our data suggests that the COVID-19 crisis is dramatically reducing the ability of organisations to forecast accurately, even in comparison with the usual challenges, such as a paucity of good data or technological challenges (Figure 1.15).

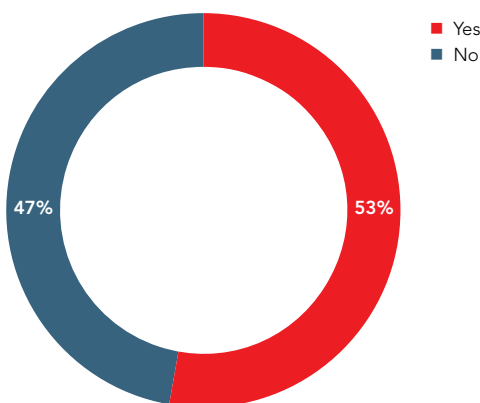
Yet this issue is further compounded by the fact that, according to our data, almost half of our respondents had not undertaken a financial reforecast since the onset of the COVID-19 outbreak (Figure 1.16), and significant differences appear to be present when this data point is analysed by different country responses (Figure 1.17), although the results were exactly the same when comparing large organisations with small organisations, with 46% of respondents from both saying they had not performed a reforecast. Some marginal differences were identified across different sectors (Figure 1.18).

**FIGURE 1.15:** The impact of COVID-19 and other factors on organisational ability to establish reasonable forecasts for the current financial year



Source: ACCA COVID-19 Global Survey 2020

**FIGURE 1.16:** Financial reforecast performed since the outbreak of COVID-19

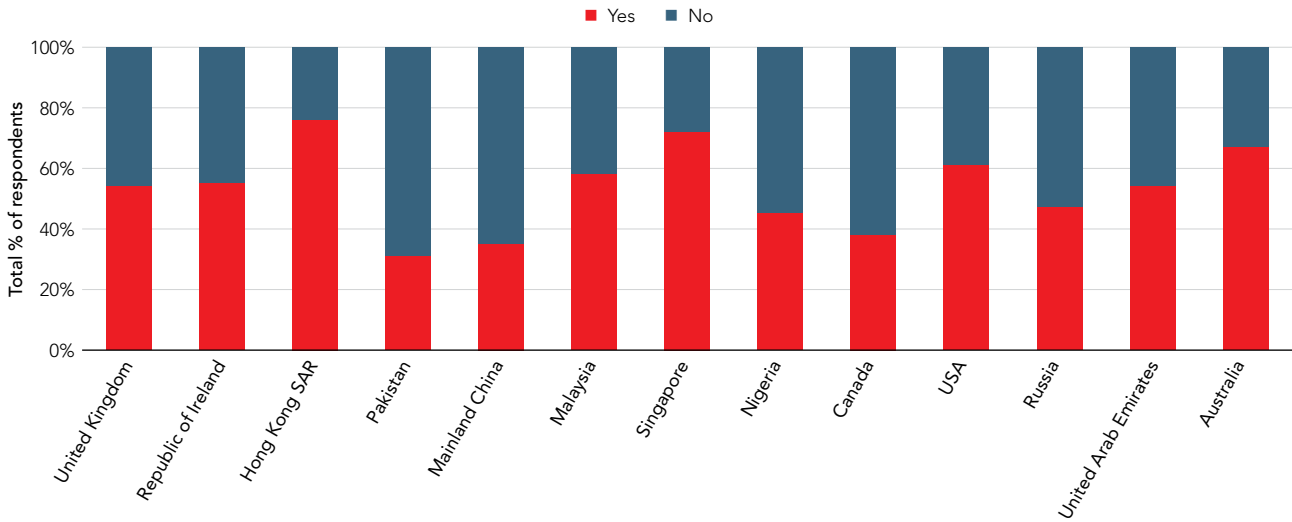


Source: ACCA COVID-19 Global Survey 2020

**ALMOST HALF OF OUR RESPONDENTS HAD NOT UNDERTAKEN A FINANCIAL REFORECAST SINCE THE ONSET OF THE COVID-19 OUTBREAK.**

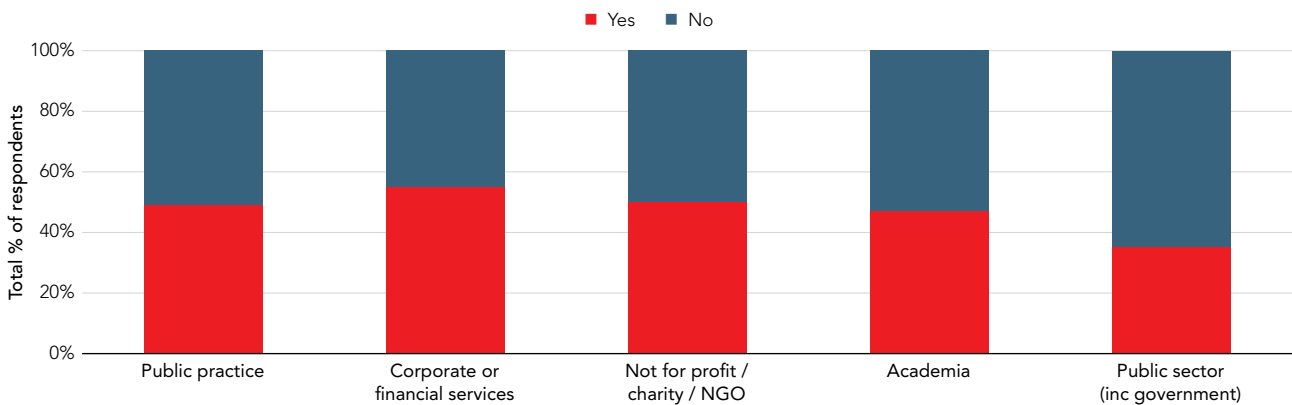


**FIGURE 1.17:** Financial reforecast performed since the outbreak of COVID-19 (by country)



Source: ACCA COVID-19 Global Survey 2020

**FIGURE 1.18:** Financial reforecast performed since the outbreak of COVID-19 (by sector)



Source: ACCA COVID-19 Global Survey 2020

**REGULAR FINANCIAL FORECASTING IS A CORE ACTIVITY THAT HELPS ORGANISATIONS UNDERSTAND THEIR STRATEGIC AND FINANCIAL POSITION AND, IF NECESSARY, TAKE CORRECTIVE ACTION IN THE FACE OF BUSINESS CHALLENGES.**



**Effectiveness of government economic interventions so far is uncertain for many**

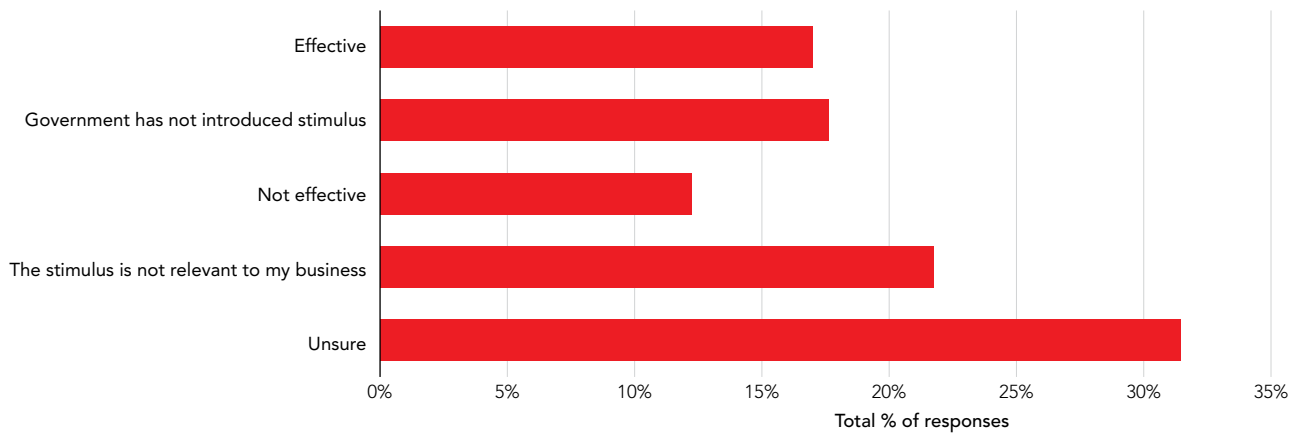
Across the world, governments are deploying a wide range of monetary and fiscal interventions to support businesses in the face of the COVID-19 outbreak. These range from quantitative easing measures and interest rate reductions through to stepping in to pay the wages of workers and delaying or forgoing tax receipts.

But how successful are these current strategies, according to our data? Only a relatively small proportion of respondents (17%) currently see these initiatives as effective, while 12% see them as ineffective (Figure 1.19). Perhaps more importantly, almost one-third of respondents remain unsure, possibly suggesting that it is too early to gauge impact properly in an environment

which is rapidly shifting, and where additional government intervention measures are likely to be required in many jurisdictions. Nonetheless, a comparison of effectiveness by countries (Figure 1.20) reveals some notable differences, particularly with the perceived effectiveness of interventions in China.

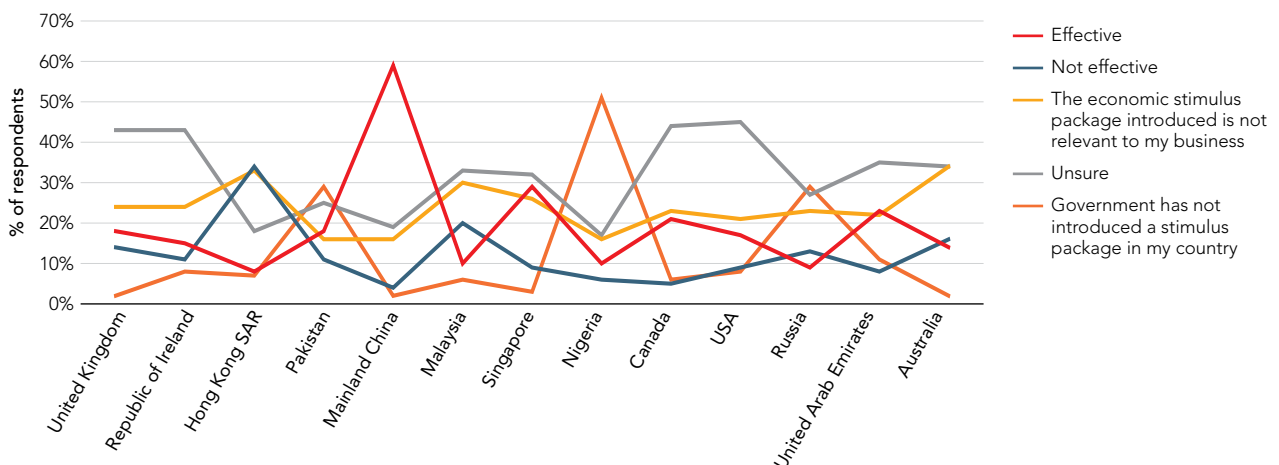
This could be due to the timing of the survey, which was launched in mid-March, by which time the impact of the virus was mostly reported to be under control in China, but also partly to the Chinese government’s monetary and fiscal response, ensuring liquidity in financial markets, lowering interest rates and initiating specific policies to support the production of medical supplies. Fewer differences were identified when comparing the largest and smallest organisations. (Figure 1.21)

**FIGURE 1.19:** Perceptions of effectiveness of current government economic stimulus interventions



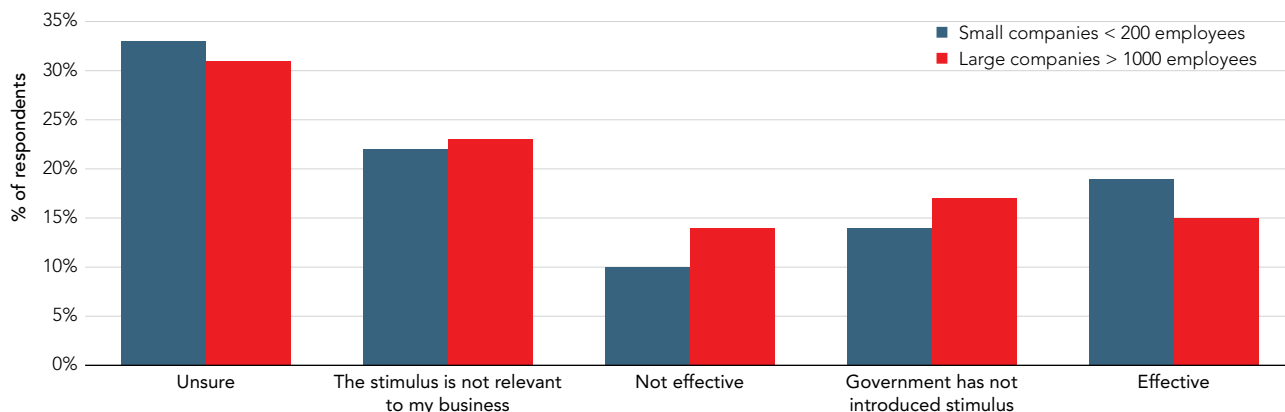
Source: ACCA COVID-19 Global Survey 2020

**FIGURE 1.20:** Effectiveness of current government economic stimulus interventions (by country)



Source: ACCA COVID-19 Global Survey 2020

**FIGURE 1.21:** Effectiveness of current government economic stimuli interventions (large v small organisations)



Source: ACCA COVID-19 Global Survey 2020



## COVID-19: Reflections from an Advisory Leader in Deloitte, China

**Q: WHAT HAVE BEEN THE KEY IMPACTS OF COVID-19 ON YOUR BUSINESS SO FAR?**

**A:** Large-scale quarantine and lockdown in many cities globally followed by the worldwide spread of COVID-19 have caused unprecedented disruptions to business norms. It is a strong signal for us to think outside the box and accelerate some fundamental and structural changes within the organisation in order to ensure the safety of our people and maintain ‘business as usual’ at the same time.

Since the initial outbreak, like many of the world’s leading companies, Deloitte has promoted ‘no touch’ experiences supported by advanced technology and digital innovation. Internally, we implemented flexi-work arrangements to minimise onsite work and travel for the same physical location. Externally, virtualisation of work also means our professionals can continue to engage with and serve our clients to address their needs and challenges in this difficult time.

**Q: WHAT STRATEGIES IS YOUR BUSINESS ADOPTING TO RESPOND TO COVID-19?**

**A:** Making decisions that tie back to the organisation’s purpose is particularly important during a crisis. Deloitte’s commitment to responsible business is rooted in our purpose – making an impact that matters for our people, society, and clients. The steps we take are designed from the heart and the head with empathy – walking in the shoes of our employees, clients and the broader ecosystems. Research also shows that purpose-driven organisations tend to thrive during challenging environments.

Dealing with urgent issues from multiple fronts, we must put mission first and establish priority areas that can quickly cascade. Upon the initial outbreak, it is critical to form an emergency response team right away to assess the risks and formulate strategies, after conducting robust scenario planning. Resilience is key for enabling us to move quickly to maintain open lines of communication with our people and our clients on the impacts of COVID-19 to the business and the emergency actions implemented. This approach of working in partnership has built confidence amid the uncertainty.

**Q: WHAT ADVICE WOULD YOU SHARE?**

**A:** For many businesses globally, the COVID-19 outbreak is also a test of resilient leadership. Crises like these, with deep challenges to be resolved in the short and long terms, will lead to opportunities for learning and deepening trust with all stakeholders. The necessity of operating differently also gives businesses the opportunity to understand what they can do. Once you discover that you can do things differently, you may want to consider whether you should continue doing so. It is an opportunity for businesses to equip themselves for a step change that creates more value for their people, customers and the society as a whole. ■

**David Wu**, Vice Chairman, China Financial Services Industry Leader, Deloitte China



## COVID-19 ACCA survey – global policy recommendation for governments

The COVID-19 crisis is a once-in-lifetime systemic shock to the global economy. At the time of writing over two million cases of coronavirus (SARS-CoV-2) have been recorded globally in more than 180 countries, with transmission growth accelerating. The true extent of the long-term impact on the global economy and the future of work remains uncertain.

According to new research from ACCA, the global body for professional accountants, organisations across the world in both public and private sectors have expressed deep concerns about the impact of the COVID-19 crisis on their people, productivity and cash flow, COVID-19 Global Survey: Inside Business – Impacts and Responses also suggests that the crisis is significantly affecting financial forecasts, with 80% of business leaders expecting this year's revenue and profits to be lower than last year's.

The severity of the headwinds facing the global economy were also reflected in ACCA's GECS for Q1 of 2020. Headline findings found that global confidence fell to its lowest level since the GECS began, with big falls in all regions. The global orders index, which tends to be less volatile than confidence, also fell sharply but not to an all-time low. In Asia-Pacific, confidence is the lowest among all regions and the orders balance fell more than anywhere else in Q1.

The global economy is heading into recession as private economic activity collapses owing to an effective lockdown in many countries. Falls in output approaching 10% are possible. Early data releases, such as monthly surveys in the US, eurozone and UK point to plunging levels of economic output. Emerging market economies face additional difficulties as a flight to quality among investors triggers capital outflows. Oil exporters will suffer lost revenue, given the collapse in oil prices.

ACCA is recommending that organisations follow the 'three As' of crisis planning and response – **ACT** to respond in a sustainable manner and focus on employees and stakeholders; **ANALYSE** the different information sources to secure your organisation; and **ANTICIPATE** the business impact and future trends so that your organisation can try to innovate.

The findings from both our COVID-19 and Global Economic Conditions surveys send a clear and urgent message to governments across the world. The 'three As' are as relevant for governments and policymakers as they are for businesses, in responding to the pandemic crisis.

Governments must act to ensure that businesses have the support necessary to overcome immediate cash-flow problems caused by the shutting down of economies that

has been done to tackle the spread of COVID-19. This pandemic poses very different challenges to previous international economic shocks. Governments and central banks therefore need to think and act fast to mitigate the consequences as economies hit an 'emergency stop'.

Governments that have acted quickly to address the immediate impact on business and the wider economy are to be congratulated. But they must not become complacent. According to our survey, almost one-third of respondents remain unsure about the effectiveness of current government economic stimulus packages, and 12% currently see them as ineffective. Fiscal policymakers must analyse the effectiveness of the measures they have put in place, in real time. Stimulus and support measures must be kept open and flexible in order to mitigate the biggest risk faced by economies as the crisis evolves. Crucially, measures are needed that will get support to businesses and to people quickly, to mitigate the short-term cash-flow problems that so many are grappling with.

The economic impact of COVID-19 will be long lasting. Some businesses will be hurt more than others and, conversely, some will recover faster than others. Government thinking in the mid-term needs to anticipate what measures will be needed to support viable businesses and enable them to recover. This will require both long-term thinking and mid- to long-term support to save jobs and promote a return to sustainable growth.

Governments must work closely with business and international organisations in providing support packages, which may need to be in place long after the pandemic has passed. Financial institutions must do their part in keeping cash flowing to hard-hit businesses during their time of struggle. In turn, governments must do what they can to reduce the risks taken by large financial institutions, such as underwriting a proportion of their lending, or providing incentives for banks to support smaller businesses.

This is a global crisis and governments, and business and international organisations will need to work together to find solutions that will work for everyone at national, continental and global levels. It is vital that governments work together to develop national and international exit strategies that can support economic recovery after the pandemic. Failure to develop and deploy comprehensive exit strategies will only prolong the economic downturn and risk depression.

Those businesses, particularly the most profitable and least affected by the pandemic, must also expect to work with their governments to do their part in saving smaller businesses, possibly within their supply chains, from collapsing as a result of the crisis. ■

**IT IS VITAL THAT  
GOVERNMENTS  
WORK TOGETHER TO  
DEVELOP NATIONAL  
AND INTERNATIONAL  
EXIT STRATEGIES  
THAT CAN SUPPORT  
ECONOMIC RECOVERY  
AFTER THE PANDEMIC.**

”



# 2. Organisational responses to COVID-19

In the face of the significant challenges identified from our initial data, particularly the financial implications for many organisations, what does the data tell us about the responses organisations have already undertaken, as well as the actions they are actively considering to navigate a path to recovery through this crisis?

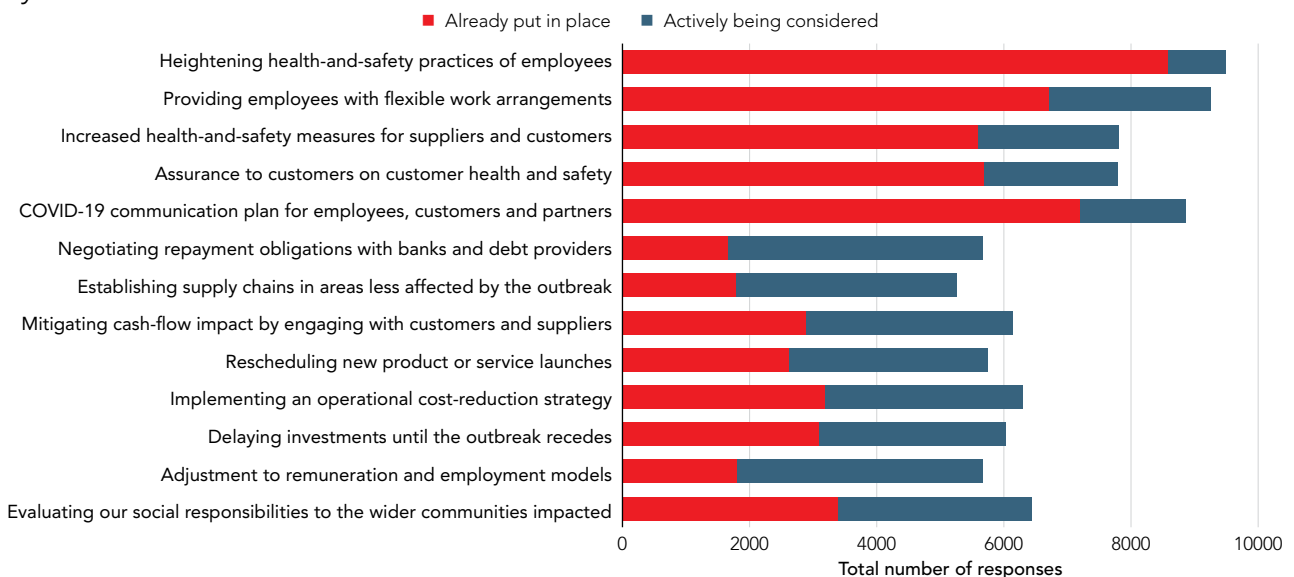
### An immediate response on employee and stakeholder health and safety followed by shoring up the operational fundamentals

Unsurprisingly the data is very clear and consistent and tells a story of an immediate and prioritised response by organisations of all sizes and across all sectors aimed at ensuring employee and broader stakeholder health and safety and well-being, perhaps possibly driven by concerns of the impact on employee productivity (Figure 2.1). We have seen a deluge of changing day-to-day

employment and customer practices across organisations to respond directly to health and safety concerns, from increased home working to social distancing practices.

What is particularly interesting in the data on organisational responses is that it suggests that a shift will take place over time with a refocusing on measures that address the operational practicalities of ensuring that the organisation remains viable. This, of course, makes perfect sense. Once immediate health and safety concerns

**FIGURE 2.1:** Measures put in place or actively being considered in response to the business disruption caused by COVID-19

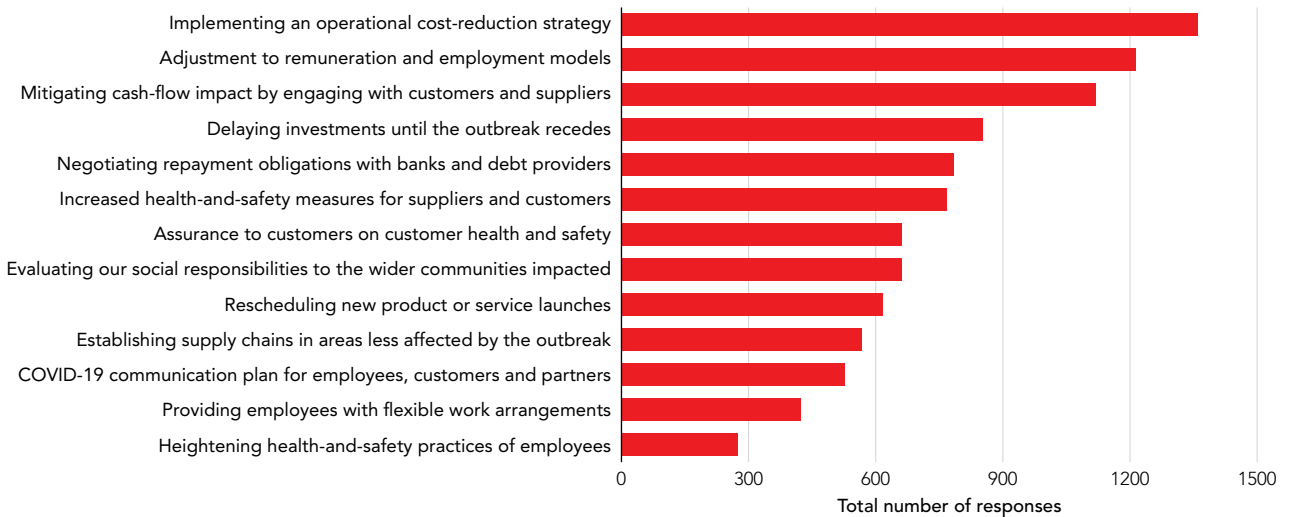


Source: ACCA COVID-19 Global Survey 2020

are addressed, there is a refocusing on organisational fundamentals. The priorities that will emerge will be taking operating cost out of the system, negotiating with banks and debt providers on debt service repayment obligations, reviewing creditors and debtors to manage cash flow, as well as making adjustments to remuneration and employment models. Looking out over the next three to four months, if the crisis continues (Figure

2.2), we can expect organisations to increasingly shift focus towards shoring up the financial fundamentals which ultimately are the oxygen and lifeblood of the organization. As the situation evolves, we should expect greater fluidity in the number of organizations looking to deploy similar strategies. The data presented few discernible differences by country, sector or size of organisation in this broader narrative.

**FIGURE 2.2:** Further measures that organisations will implement if the situation deteriorates over the next three to four months



Source: ACCA COVID-19 Global Survey 2020



### COVID-19 Crisis: A small-business response

The world watched China as the COVID 19 swept through. In a blink of an eye the whole world has caught a pandemic. Beyond the health tragedy is an unprecedented business slow-down and possible standstill. Impact on businesses is severe. At moments like this, the looking ahead and steering role of ACCA members and accountants in general becomes magnified. It is at these times of crisis that the purpose of the profession becomes more apparent.

I see the classical financial playbook unfolding. The business and working capital standstill has lasted for two months now. This is now followed by a liquidity crunch that could result in sharp spikes in interest rates – think of the 20% we saw in 1987. Businesses should take urgent steps to prepare for this, by staggering short-term maturities, tapping longer-term debt and aggressively managing their balance sheets. Central banks and governments could put in place an immediate liquidity injection lifeline to businesses and provide trade guarantees to allow working capital to flow again. Blunt instruments such as interest rates cuts, tax rebates and other stimuli will not solve this short-term liquidity crunch.

We are seeing sharp falls in foreign exchange rates resulting from deleveraging, eg in Indonesia, Thailand, Australia, with the flight to ‘safety.’ Businesses will gain by actively mitigating this stress on the balance sheet and Profit & Loss accounts. We could anticipate that economies will introduce capital controls to protect their local economies.

Are we ready to take a leadership role to steer through this tough business environment? Let’s look ahead to explore the most optimal solutions. ■

**Gabriel Low**, Founder, Breakwater Advisors Pte Ltd, former South APAC CFO Weidmuller

### Remuneration and employments models under review

Given the scale of the COVID-19 crisis, it's no surprise that some organisations across the spectrum are reviewing employee policies to understand how these can be flexed operationally to ensure compliance with governmental policies on social distancing while potentially driving cost-reduction benefits (Figure 2.3).

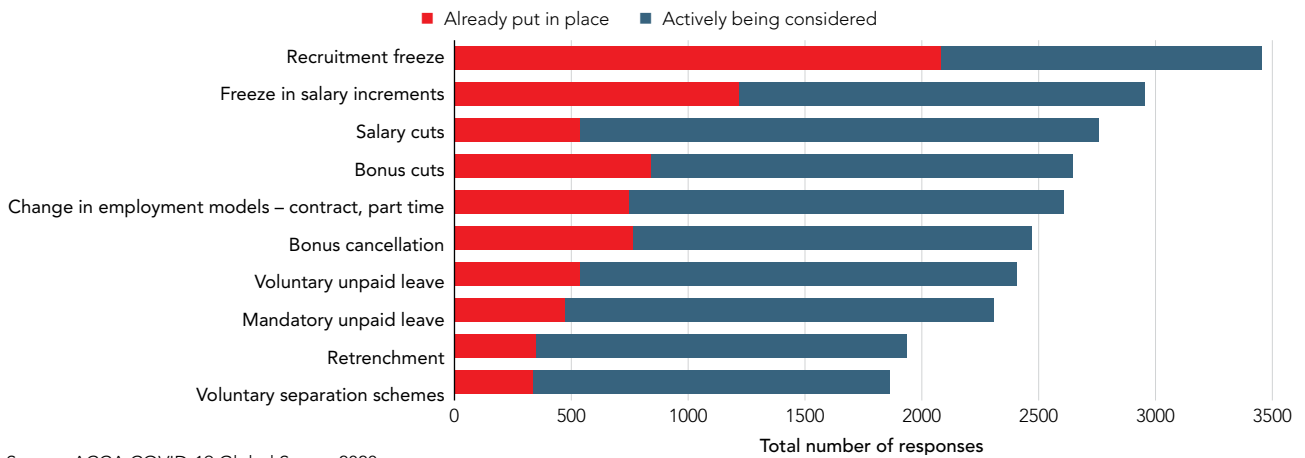
The data suggests that there has been a consistent approach to examining opportunities to reduce organisational spend, with a recruitment freeze identified by most respondents as the policy already enacted, for perhaps the obvious reason that it is the quickest to do. But the data also shows that a wide range of other remuneration and employment model interventions are being considered. Many of the organisational

strategies here will be unique to this situation and dependent on circumstances, and will also change and evolve depending on how wide and prolonged the crisis is. A focus on cost reduction for some clearly could lead to salary cuts and other mechanisms such as voluntary unpaid leave and retrenchment.

### Continuity planning is falling short

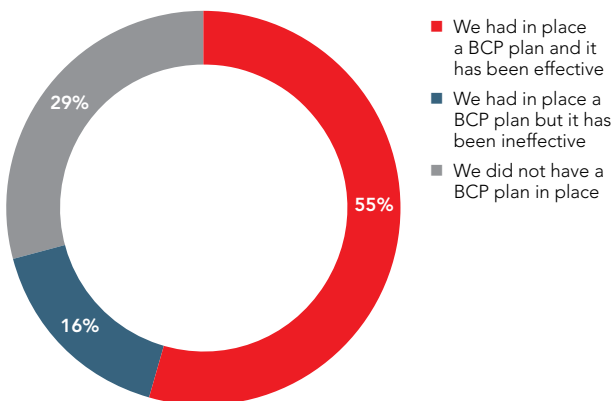
A cornerstone of a sound crisis-response strategy is a business continuity plan (BCP). The BCP enables organisations to implement coordinated and communicated procedures, ensuring it can operate in the face of a significant and unexpected issue causing business disruption. Remarkably, however, the data suggests almost one-third of organisations do not have a BCP in place, and a further 16% who have one consider it currently ineffective in the face of the COVID-19 crisis (Figure 2.4).

**FIGURE 2.3:** Adjustments to remuneration and employment models already made or being actively considered



Source: ACCA COVID-19 Global Survey 2020

**FIGURE 2.4:** Existence and effectiveness of business continuity plans



Source: ACCA COVID-19 Global Survey 2020

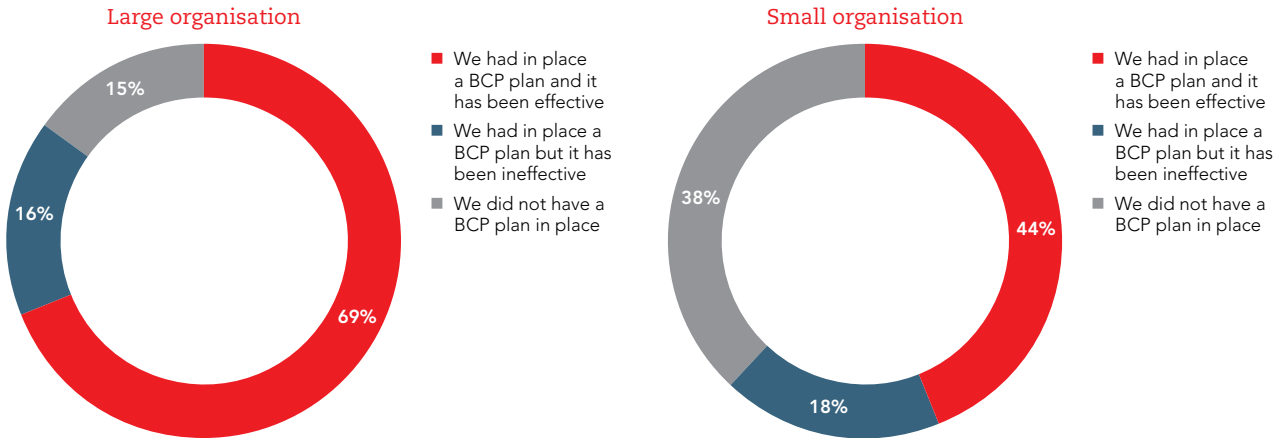
THE BCP ENABLES ORGANISATIONS TO IMPLEMENT COORDINATED AND COMMUNICATED PROCEDURES, ENSURING IT CAN OPERATE IN THE FACE OF A SIGNIFICANT AND UNEXPECTED ISSUE CAUSING BUSINESS DISRUPTION.



This finding is even more pronounced when we consider the data points for the largest and smaller organisations, which suggest potential challenges for smaller

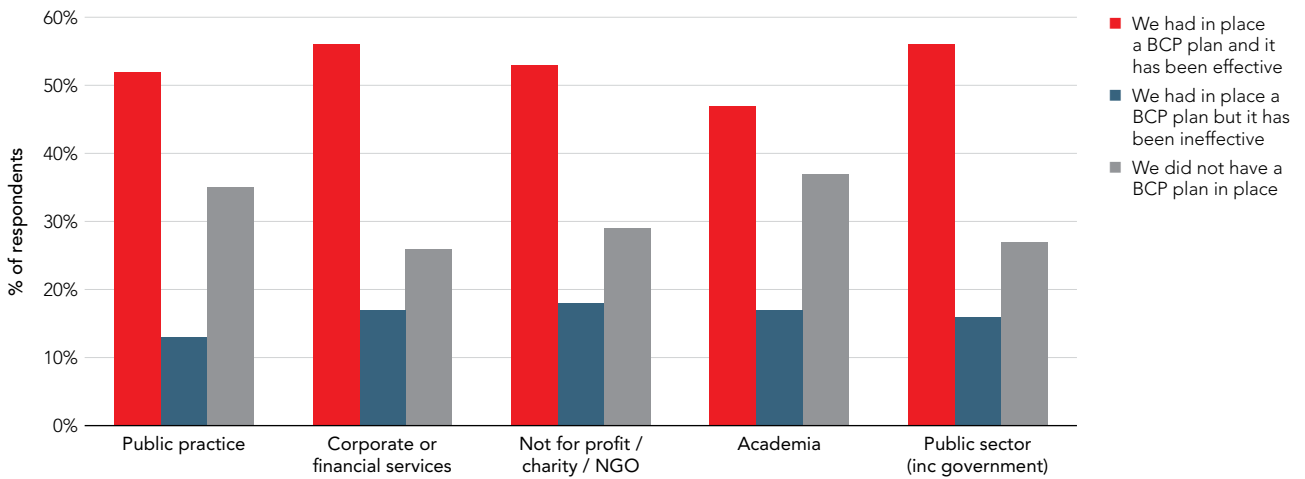
organisations in responding to the crisis (Figure 2.5). There were also notable differences identified here between sectors (Figure 2.6).

**FIGURE 2.5:** Existence and effectiveness of business continuing plans (smallest versus large organisations)



Source: ACCA COVID-19 Global Survey 2020

**FIGURE 2.6:** Existence and effectiveness of business continuity plans (sector comparison)



Source: ACCA COVID-19 Global Survey 2020



## The COVID-19 Crisis – A public sector perspective



COVID-19 emerges at an extraordinary time for leaders in health care, business, etc. to band together to move citizens and stakeholders together on a massive scale with great speed and rational actions. Besides tackling the medical aspect, the outbreak has shown that psychological fear can cause irrational behaviours and may result in loss of control, profiteering and scams. Economic repercussions are immense, as can be seen by the business losses and market downturn.

The situation requires strong leaders: leaders who consistently plan and make adequate provision for the crisis by Business Continuity Planning. An effective response during a crisis is dynamic. Smart leaders observe and react according to the needs and demands of the situation, always having a list of solutions at hand that are commensurate with the problems they have to tackle. For example, the Singapore government has disclosed how it monitors the COVID-19 situation every day and stays proactive in putting in place new measures if needed.

The Singapore government has given citizens a sense of assurance and they have given it a vote of confidence, believing that the government has strategies to use if the situation worsens. There is excellent communication on risk mitigation: a key aspect of leadership in a crisis. We know that it is impossible for the government alone to defeat COVID-19. Everyone must play a part taking individual responsibility, especially in maintaining good personal hygiene, in enforcing social distancing and in the way we look out for one another and support each other. We are in this together! Let's fight COVID-19 with confidence! ■

**Grace Lim Siew Wah**, Chief Financial Officer, KK Women's & Children's Hospital, Singapore

## COVID-19 response: recommendations for organisations

Organisations should plan a response based on what we describe as the ‘3As’: **ACT** and respond in a sustainable manner – focus on employees and other stakeholders as a priority, **ANALYSE** the different information sources to secure your organisation and plan out different scenarios, and **ANTICIPATE** the future business impact and trends so that the organisation can properly plan its recovery steps and future strategy.

### ACT AND RESPOND IN A SUSTAINABLE MANNER

#### 1. Think ‘people first.’

For all organisations, the safety of employees, customers and other stakeholders must be an immediate priority. The physical and mental well-being of human capital is particularly exposed in a crisis of this nature, and an effective workforce is critical to activating an appropriate response both immediately and over the short to medium term.

#### Checklist

- Prioritise the safety and well-being of employees.
- Maintain an appropriate communication plan for employees, explaining how the organisation is responding to the crisis and sharing key information.
- Ensure policies in key areas are available, such as those on pay and sick leave, remote working, health and safety, remuneration and employment practices in response to the crisis and make sure all line managers are aware of these.
- Ensure that ‘organisation critical’ roles and responsibilities are understood so that key organisational activities can continue.
- Consider the need to realign or redeploy the workforce into different business-critical areas.
- Identify, monitor and mitigate key people risks arising as a consequence of the crisis.

#### 2. Accept the short-term focus, and demonstrate true leadership

A key implication for any business responding to a major crisis is an immediate plan for response and recovery. Timelines and targets will need to be refocused on very near and near-to-mid-term horizons. In this situation, it is vital that senior leaders in the organisation accept the change of their focus from strategic to tactical, particularly with a crisis such as COVID-19 where the situation is both new and continues to evolve.

#### Checklist

- Think about how to adapt to support short-term resilience in light of your strategy.
- Assess targets and deliverables and whether they need to be adjusted.
- Maintain effective governance and oversight in a time of short-term and quick business responses.
- Have a communications plan focused on securing the organisation’s external reputation.
- Communicate regularly with investors.
- Ensure that the organisation’s immediate response is consistent with its culture.
- Ensure compliance with any immediate and evolving legal requirements.

#### 3. Recognise the needs of your customers and other stakeholders

Keeping a check on the immediate and changing requirements of customers and other stakeholders is essential. Continuous communication is crucial, both in order to understand evolving needs better and to respond accordingly. In particular, it will take time to rebuild consumer confidence. Good communication is also critical to understanding the impact of the situation on supply chains, stakeholders and other partners. Global supply chains and logistics operations are being very significantly challenged by the COVID-19 crisis.

#### Checklist

- Gauge and monitor changing customer demand patterns.
- Use all the customer data at your disposal to understand immediate trends.
- Ask whether your sourcing strategy needs to change.
- Ensure that you have visibility over your supply chain.
- Ensure that appropriate and legal safeguards are in place for customers and all other stakeholders.
- Assess the relevance of the customer marketing strategy.
- Assess whether customer product and service delivery channels need to change.
- Assess the customer pricing policy in light of potential liquidity and profitability issues.

#### 4. Use a crisis-management team / skills and establish a resilience plan.

The work of crisis-management teams and mobilising the relevant skills across the organisation are important for overseeing major issues, formulating business contingency plans, coordinating and aligning implementation across different departments, and ensuring speedy responses and decision-making. Focusing on a wider business resilience approach, and not just business continuity processes, is crucial in the immediate response to an event. A business resilience plan considers all the risks facing the organisation at a strategic level. It ensures that activities across the organisation are connected in response to an event to ensure broader business integrity, and to enable development of a set of coordinated actions to address the crisis. It also enables the consideration of potential new opportunities that may arise from the crisis.

#### Checklist

- Establish a dedicated crisis-management team to lead the response to the crisis.
- Have a clear BCP and communicate it to all relevant stakeholders.
- Ensure an appropriate pattern of activity in response to the crisis.
- Undertake a risk assessment of the impact of different threats.
- Understand the role of key suppliers / third parties (for example IT suppliers) as part of business continuity.
- Have a broader business resilience plan that includes both the continuity plan and crisis management.
- Ensure that organisational roles and responsibilities are clearly identified and documented as part of the business resilience planning process.
- Specifically evaluate technology resilience plans.
- Ensure that the organisation's data is secure.

### ANALYSE THE DIFFERENT INFORMATION SOURCES TO SECURE YOUR ORGANISATION

#### 5. Model scenarios and plan for resumption.

In a crisis such as COVID-19, organisational scenarios are not constant and require regular review. It is important to understand how using both external and internal data with analytical capabilities can put the organisation in a stronger position and help it understand the operational and financial impact of different scenarios that may arise. Information insight is also critically important for business resumption planning, which aims to get the organisation back up and running properly, planned in manageable phases. This requires the analysis of the type of resources and assets the organisation needs to safeguard in order to be able to resume.

#### Checklist

- Continually assess different organisational scenarios.
- Review assumptions in the scenario analysis to ensure that they are realistic.
- Clearly identify 'known unknowns' and risks as part of the scenario-planning exercise.
- Ensure that robust data is used in scenario analysis.
- Ensure that roles and responsibilities are clear in relation to scenario planning.
- Undertake a financial assessment or forecast relating to the scenarios and their link to liquidity and funding.
- Have a business-resumption plan and understand particularly the implications of this for your workforce.

#### 6. Review government and fiscal policies that may be of benefit.

It is important to monitor the relief measures and policies introduced by governments of countries relevant to your operations and prepare to use fully the benefits made available to support businesses and employees. Organisations should also keep assessing the impact of government policies and their implications for the medium- and long-term perspective and plan for the stages when government support will disappear. For smaller organisations, the support of small and medium-sized accounting practices can be key here.

#### Checklist

- Understand the key relief measures and policies being introduced.
- Establish a process for capturing these initiatives as they change.
- Communicate these policies to all staff so they are clear as to their implications.
- Have a remedial action plan in place if government interventions or support are withdrawn.
- Ensure that formal communication channels with government are open to influence policy development.
- Nurture appropriate relationships with trade bodies, professional organisations and government agencies to voice opinions.
- Ensure that any legal risks introduced following new government initiatives are managed appropriately.
- Understand the specific financial implications from specific policy initiatives; for example, those for tax or employee benefits.

### 7. Remember: 'Liquidity is the lifeblood.'

Organisations should review their lines of credit and renegotiate their debt financing obligations. Payment periods, for example, may well be extended in the immediate post-lock-down period as businesses recover. A strong focus on cash management and liquidity should be maintained to bridge different business scenarios while accepting that recovery to full liquidity is likely to be a long process.

#### Checklist

- Understand the current cash position and short-term and medium-term cash forecasts.
- Ensure that the cash-management policies of the organisation are up to date.
- Examine debtor and creditor lines to understand possible cash-flow opportunities.
- Review treasury management strategies.
- Examine unrequired assets for sale opportunities to free up cash.
- Review current financing arrangements across the business to identify how these can be extended or made more beneficial in the short term.
- Examine the controls in place to monitor and report on cash management proactively.
- Identify and proactively manage idle funds.
- Review overheads and expenses to improve cash position.
- Understand currency and foreign exchange impacts on cash position.
- Examine alternative channels to market to re-evaluate revenue streams.

## ANTICIPATE THE BUSINESS IMPACT AND FUTURE TRENDS

### 8. Look for opportunities to innovate.

In the midst of any crisis is always opportunity. Once the immediate response to the crisis is secured, organisations should consider opportunities for short or medium-term innovation. These may be for the development of products and services that can be quickly brought to market in response to changing customer needs. Or this may be an opportunity for thinking innovatively about working with partner organisations or refocusing activity and tapping into heightened energy from employees, as energy often increases in response to a crisis. Or you might take a complete relook at how the organisation is deploying digital and other technological innovation.

#### Checklist

- Understand what the quick wins for customer innovation could be.
- Examine current business operations to see which could be improved or made more efficient or agile in light of the crisis.
- Examine how more agile approaches can be adopted in the organisation to promote innovation – for example, repurposing facilities.
- Ask whether the current culture is truly supportive of innovation.
- Identify opportunities for employees to share ideas on innovation.
- Review ways of working or ways of learning and explore how technology can support these better.
- Assess opportunities to achieve more social good in the wider community.
- Consider partnering with different organisations to widen the innovation circle and share costs.
- Examine whether there are good innovation practices to be learned from external organisations.



### 9. Review company strategies

Keeping in sight a long-term perspective and using the lessons learnt to review company strategy are very important. A crisis such as COVID-19 provides an opportunity to re-examine business models, explore new channels to market, consider supply chain diversification, and explore opportunities to grow in new sectors.

#### Checklist

- Re-examine your short-term strategy and focus on organisational viability.
- Assess whether the strategy for the longer term is still relevant and future proof.
- Assess whether financially or operationally there is a need to restructure.
- Examine whether investment priorities need to change.
- Identify and assess new commercial or service opportunities in the light of the crisis.
- Understand the regulatory, tax or legal implications of changing business models.
- Be clear on the medium-term workforce plan.
- Understand the future skill needs of the organisation.
- Question whether the organisation is investing sufficiently in digital capabilities.
- Evaluate your market competitive position and understand competitor risks.

### 10. Don't forget: fundamental business risks remain.

It's important not to lose sight of the fundamentals. Even in the face of COVID-19, the organisation will still face existing risks (eg cybersecurity), but also remember that different ways of working and strategic reactions could change these risks or introduce new ones. Ensuring that risks continue to be managed, both specifically in response to the crisis and more generally, is essential.

#### Checklist

- Assess the relevance of your current risk-management strategy.
- Evaluate whether the profile of risks has changed.
- Evaluate lessons learned from the crisis to inform the future risk-management approach.
- Identify new risks introduced in response to the crisis.
- Identify appropriate mitigation strategies for new risks.
- Be clear on channels of communication for reporting emerging risks.
- Evaluate current governance structures to ensure they are appropriate.

**'THE GREATEST LEARNING  
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THE PLAYING FIELD IS  
LEVELLED AND EVERYONE  
IS VULNERABLE. THAT'S  
WHEN BREAKTHROUGHS  
ARE ACHIEVED.'**

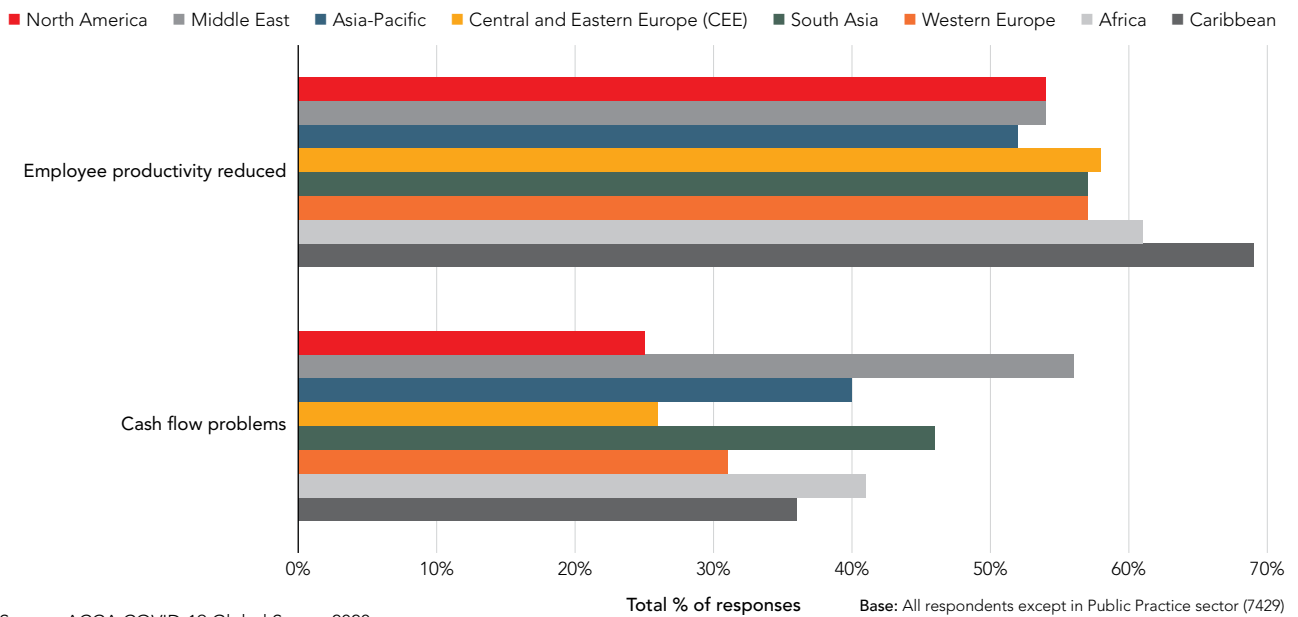
Goh Ching Yin, Chairman of Allianz Life Insurance Malaysia Berhad.

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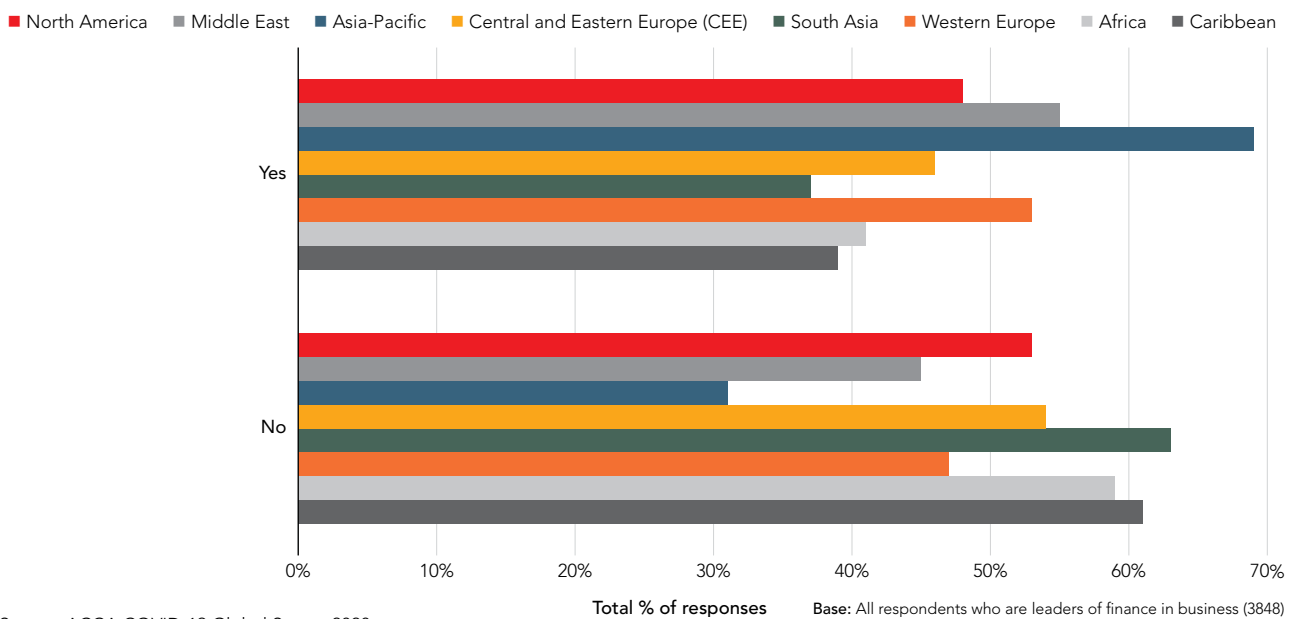


# Regional Comparisons: Data Snapshot

**REGIONAL CHART 1:** What business impact has your organisation faced due to the outbreak of COVID-19, so far?

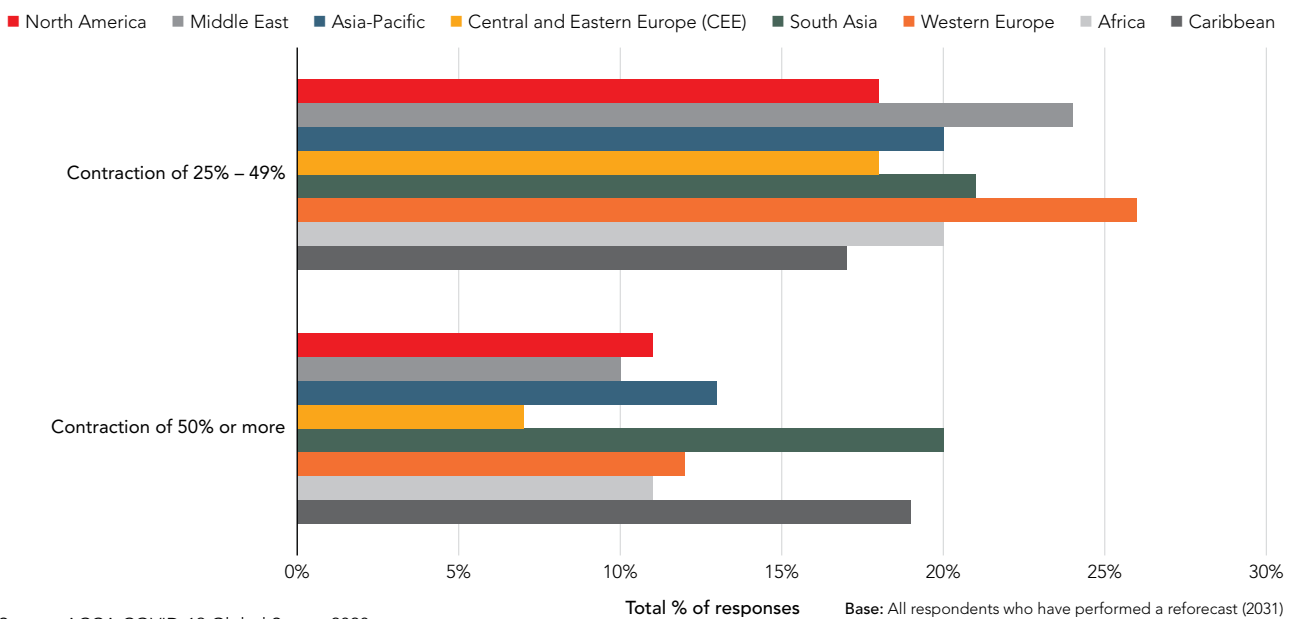


**REGIONAL CHART 2:** Since the outbreak of COVID-19, have you performed a reforecast of your organisation's revenue and profit outlook for 2020?

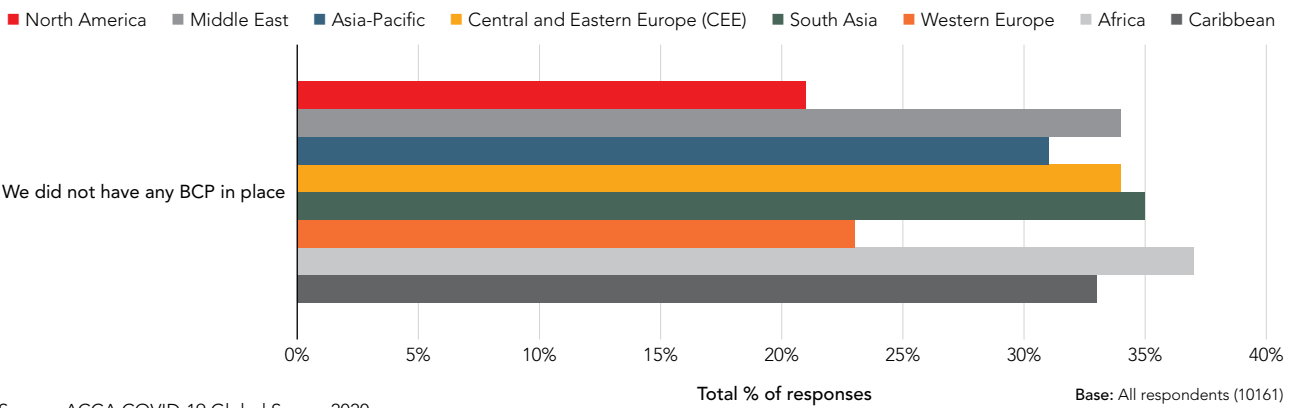


# Regional Comparisons: Data Snapshot

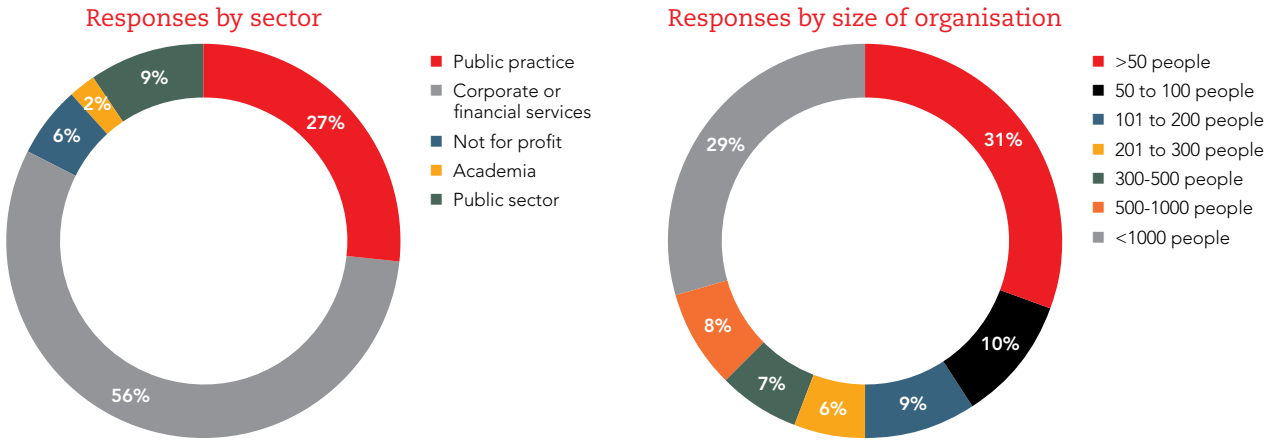
**REGIONAL CHART 3:** Based on your most recent reforecast for the current financial year, what do you believe is the MOST LIKELY CASE scenario for the expected impact on REVENUE growth compared with the prior financial year? (Showing respondents who indicated negative growth of at least 25%)



**REGIONAL CHART 4:** Percentage of respondents who indicated they had no business continuity plan in place (by region)



# Survey Demographics



## Survey demographics – top 20 responses

COUNTRY	RESPONSES	COUNTRY	RESPONSES
1. UK	2774	11. Nigeria	227
2. Malaysia	919	12. Canada	226
3. Republic of Ireland	493	13. UAE	209
4. Hong Kong SAR	481	14. Cyprus	195
5. Pakistan	353	15. Australia	185
6. Ghana	295	16. Trinidad & Tobago	143
7. Vietnam	279	17. Uganda	133
8. Mainland China	260	18. Zambia	133
9. Mauritius	236	19. USA	106
10. Singapore	234	20. Russia	94

# Acknowledgements

ACCA would like to express its gratitude to the following organisations for supporting the promotion of this survey:

- ASEAN Federation of Accountants
- British Malaysian Chamber of Commerce
- Malaysian Institute of Accountants
- The Vietnam Association of Certified Public Accountants
- Vietnam CFO Club

