

# COVID-19

## *Roundtable: Impact on asset & wealth management*

April 2020



# **Roundtable: COVID-19 and Impact on asset & wealth management**

- **Introduction : Iris van de Looij ( Dufas ) and Patrick Heisen (PwC)**
- **Experience Sharing: China and Hong Kong**
  - China
  - Hong Kong
  - Q&A
- **Engaging people during turbulent times**
  - Leading virtual teams
  - Our tips for working at home... with kids
  - Q&A
- **After immediate response, it is time for analyzing the impact on future plans**



# COVID-19

## Asset and Wealth Management Experience Sharing: China and Hong Kong

## China: Key learnings from the crisis so far...



**Managing cyber risk under  
new working environment**



**Digital in China and  
Impact on businesses, such as distribution**



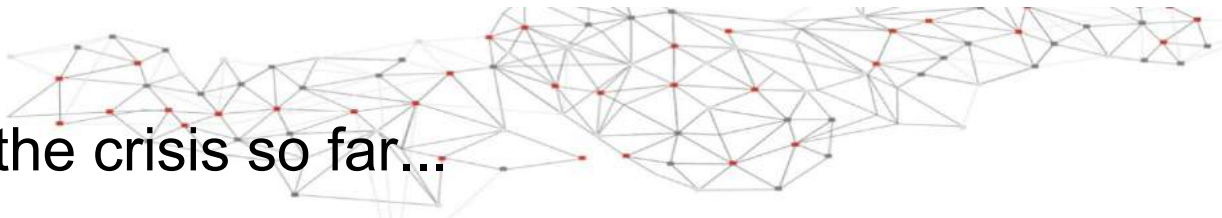
***Aileen Wang***

Partner, Risk Assurance  
PwC China



***Jane Xue***

Asset and Wealth Management Leader  
PwC China



# Hong Kong: Key learnings from the crisis so far...



**Exercising Business Continuity Plan  
= the new normal**



## Key regulatory concerns

- Fair treatment of investors
- Liquidity risk management
- Potential mis-selling

## Focus on the future



Revisit firm strategy



Sharpen productivity and upskill



Accelerating the digital journey



Redefine purpose



**Marie-Anne Kong**  
Asset and Wealth Management  
Leader  
PwC Hong Kong

### Read more on our recent publication

**Beyond the storms of COVID-19: Steering Asset and Wealth Managers through uncertainty**

The outbreak of the novel Coronavirus (COVID-19) has no doubt placed additional pressure on the asset and wealth management industry, in the line of selling, financial markets are in turmoil with increasing market volatility and investor confidence shaken.

We have prepared some general guidance in response to COVID-19 for business leaders:

- **Stress-Test Assets:** provides helpful resources helping you to prepare for, respond to, and recover from the challenges ahead.
- **Look Inside the Black Box:** provides a comprehensive checklist to address issues in relation to governing any funds, valuations, management, legal, taxation and IT infrastructure.
- **Reassess the Investment:** provides a checklist to help you to consider if managing the impact on business operations.
- **Asset management focus during uncertain and volatile markets:** considerations for asset and wealth managers in regards to staying agile during these working.

While the present situation we outlined earlier for all our asset managers deals with client impact and regulatory issues, we highlight additional considerations asset and wealth managers should be aware of in relation to the distribution of our other guidance on COVID-19.

**Related:**

- Accounting & Finance
- Operations and Technology

<https://www.pwccn.com/en/industries/financial-services/asset-and-wealth-management/publications/beyond-the-storms-of-covid-19.html>



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April 2020

# Engaging employees during turbulent times

Bastiaan Starink  
People & Organisation



# Content overview



1. Introduction

2. Leading virtual teams

3. More insights

Appendix: Our tips for  
working from home with  
kids

# Introduction



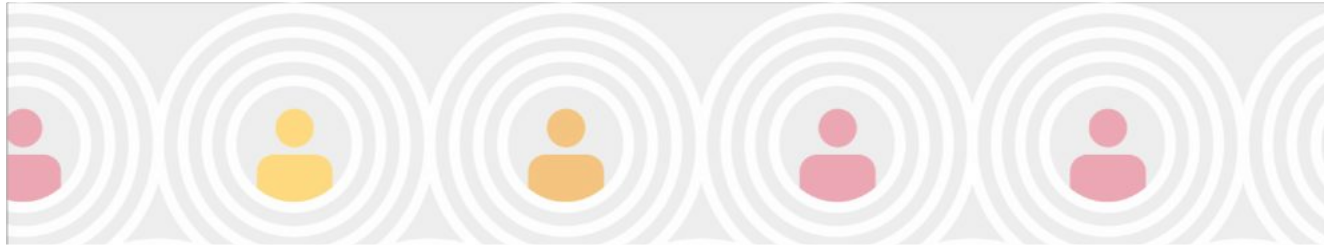


# Leading virtual teams

How to lead a virtual team; helping your team to stay productive and engaged while working from home

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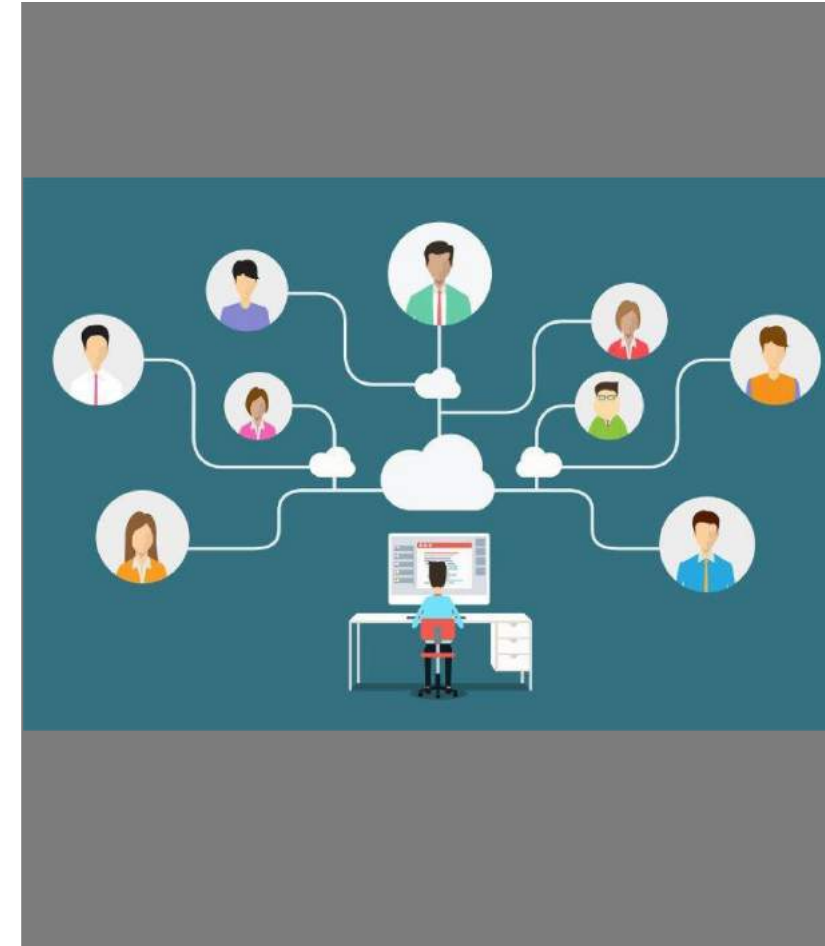


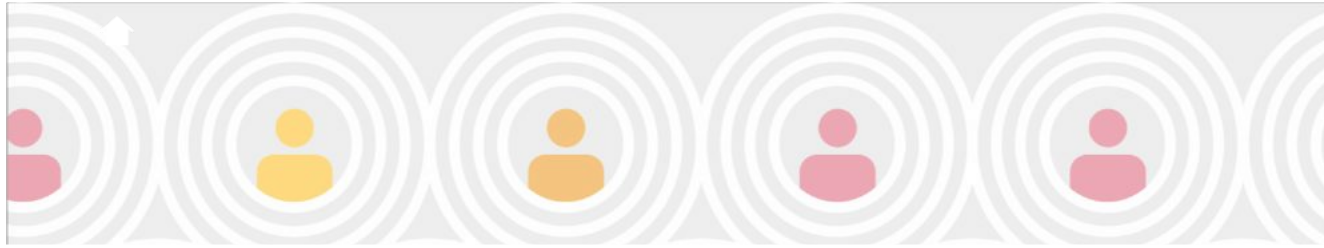
# Leading virtual teams

The COVID-19 crisis forces us all to change our day-to-day (work)life. Team dynamics change and teams need to be innovative and flexible in the way they collaborate with each other. This 'new normal' requires a shift in the way we work together and how leaders manage their teams. We realize that this is a challenging time for everybody, and thus, also for leaders. Feeling a little lost as to what practical steps to take?

Everyone has a strong drive to help each other, this is where we can make a difference (especially now). We hope that the following tips will help you achieve this and that all of us will come out of this situation stronger, together.

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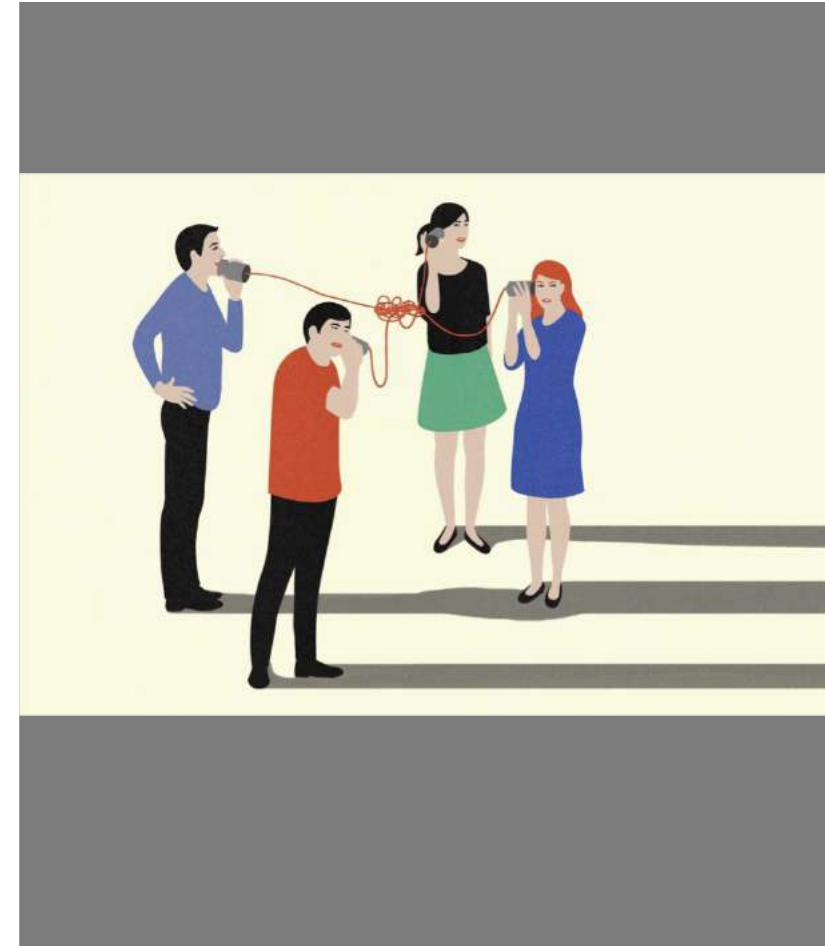




# #1 Organize the right communication lines

How do we interact and communicate with each other working virtual?

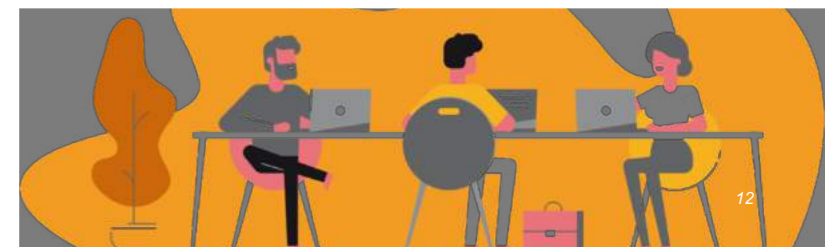
- Establish the ground rules of communication with the entire team (what do we need as a team for effective and efficient communication)
- Discuss frequency of communication (daily stand-up, weekly check-ins etc) and set-up the right communication channels (where do we share documents, do we use Skype, Teams, Google Hangouts, Whatsapp, Slack)
- Make sure the entire team has access and knows how to use the right systems, you could make one person in charge of the technology. This person can search for ways to make optimal use of technology (Jira, Hangouts, MSFT, Mural, etc)
- Plan the right interaction based on the needs of the individual with your team members.



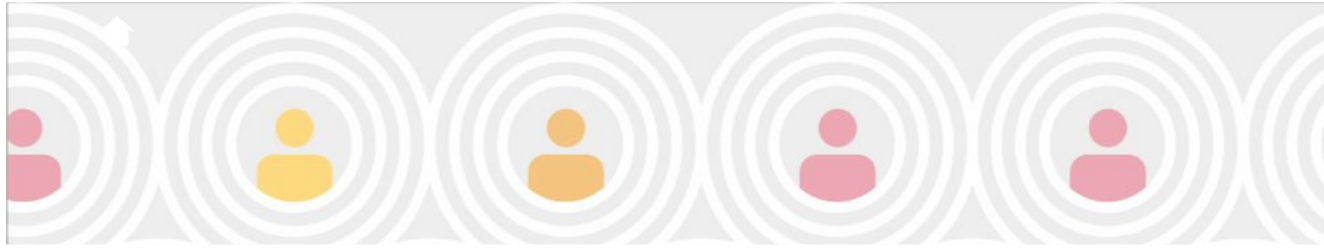
## #2 Keep your team productive

How to keep your team productive while working virtually, from home?

- Help your team to find a rhythm in their day
- Advise your team and yourself to take enough breaks - for example; encourage time to enjoy a nice lunch away from the computer
- Help your team members in creating a comfortable working space, with as little distractions as possible. Of course, as a leader, there is little you can do to help in creating a comfortable working environment, though explaining the importance of such an environment can encourage the team to put some extra effort into it
- Especially when living with a partner and/or children, investing in time for yourself is crucial, even if it is only 10 minutes. Tell your team that this is important and encourage them to take these moments of self-reflection and rest
- Take a moment with the entire team, to share challenges and successes with working virtually, from home. Thus, creating an open culture in which team members will be able to help each other and learn from best practices.







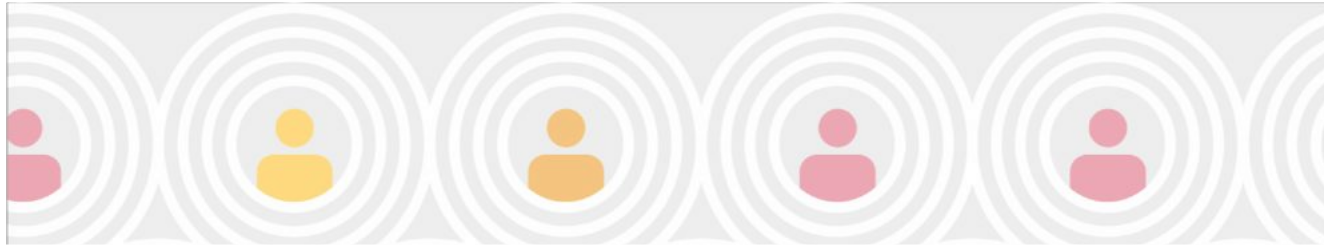
## #3 Give trust and freedom

How to make people feel confident and trusted while working together virtually?

- Create a culture in which your people are encouraged to tell each other how they feel, what you need to work effectively together or if there are things preventing them from being able to work effectively
- Encourage an environment where people understand about other people's situations and trust people to do their job at the best of their ability
- If working in a new team, take time to get to know each other on a personal level in order to establish a culture of trust
- Make a difference by sharing your challenges and issues as a leader as well. By doing this, you will give your team members a feeling of security and make them feel more confident to share their own feelings about the situation
- Accept it takes extra time in the beginning of a crisis in order to create stability and trust. If you need to reach a big amount of people you could send out a video message.



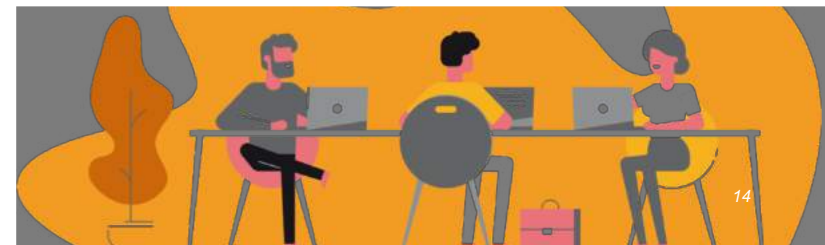


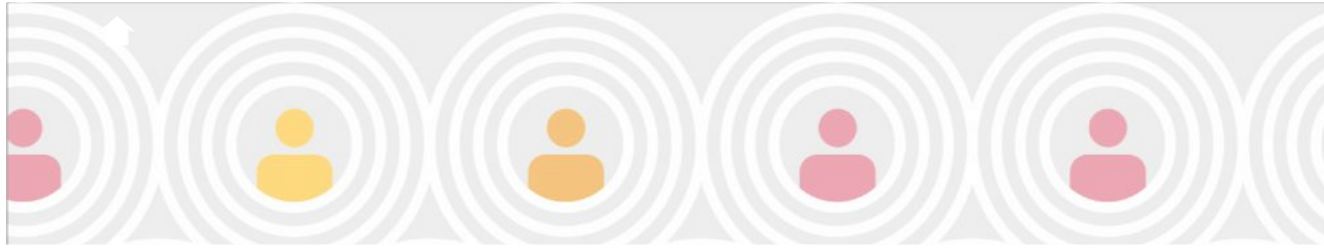


## #4 Be aware of team members feeling isolated

How to connect with your colleagues without meeting them face-to-face?

- Encourage your team to take a daily walk or bicycle ride outside
- Remind your team to not only call each other to discuss content but also talk about how you and your colleagues are doing working from home - take time for informal catch-ups - for example; schedule a video meeting and sit down for a virtual team lunch
- Do short individual check-ins with your team members so they feel heard and seen. Show some extra care. This will ensure trust between you and your team members, making it easier for them to share their challenges or issues with working in this 'new normal'
- Share pictures with each other of your home offices, walking breaks or maybe share a selfie. This will make people feel connected, even when working from a distance. Put your camera on when in hang-outs to make that personal connection.





## #5 Keep challenging the team and yourself

How to let you people grow and learn while working virtually for multiple weeks?

- Dust off your list of people to connect with. Schedule some virtual coffee catch ups with people you have not spoken in a while
- Look for ways to challenge the team and yourself - for example; look on Vantage which e-learnings you can do to digitally upskill yourself or share knowledge with colleagues in virtual lunch & learn sessions
- Challenge your team to reimagine the possible, by writing articles on topics of interest for your sector and competence
- Take the opportunity to tackle some of your "do later" backlog. Keep track of your to-dos and check those boxes!
- Discuss topics the team and you would like to develop and look for ways how to put ideas into practice

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# More insights



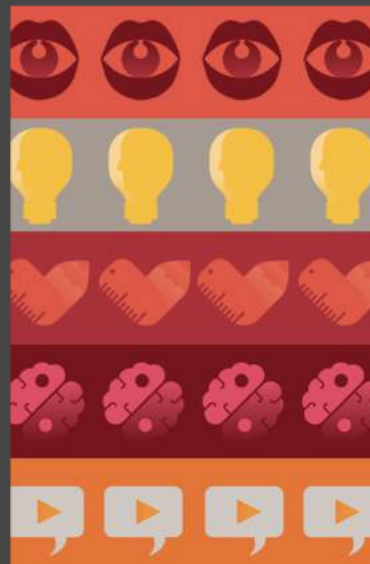
January 2020

**Annual Global CEO Survey >>**



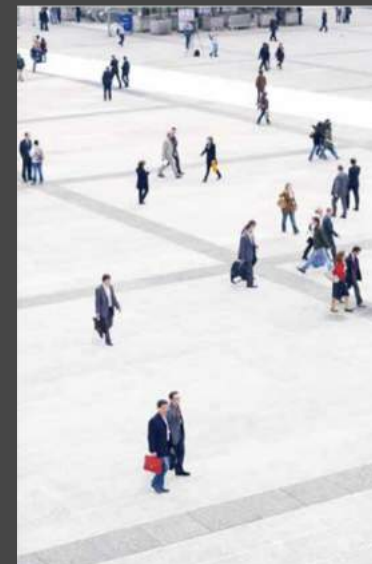
November 2019

**Communicating to rebuild trust >>**



April 2017

**The power of visual communications >>**



February 2016

**The chemistry of communication >>**

For more information

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# COVID-19

*After immediate response, it is time for  
analyzing the impact on future plans*

Patrick Heisen  
Asset & Wealth Management Leader PwC Netherlands

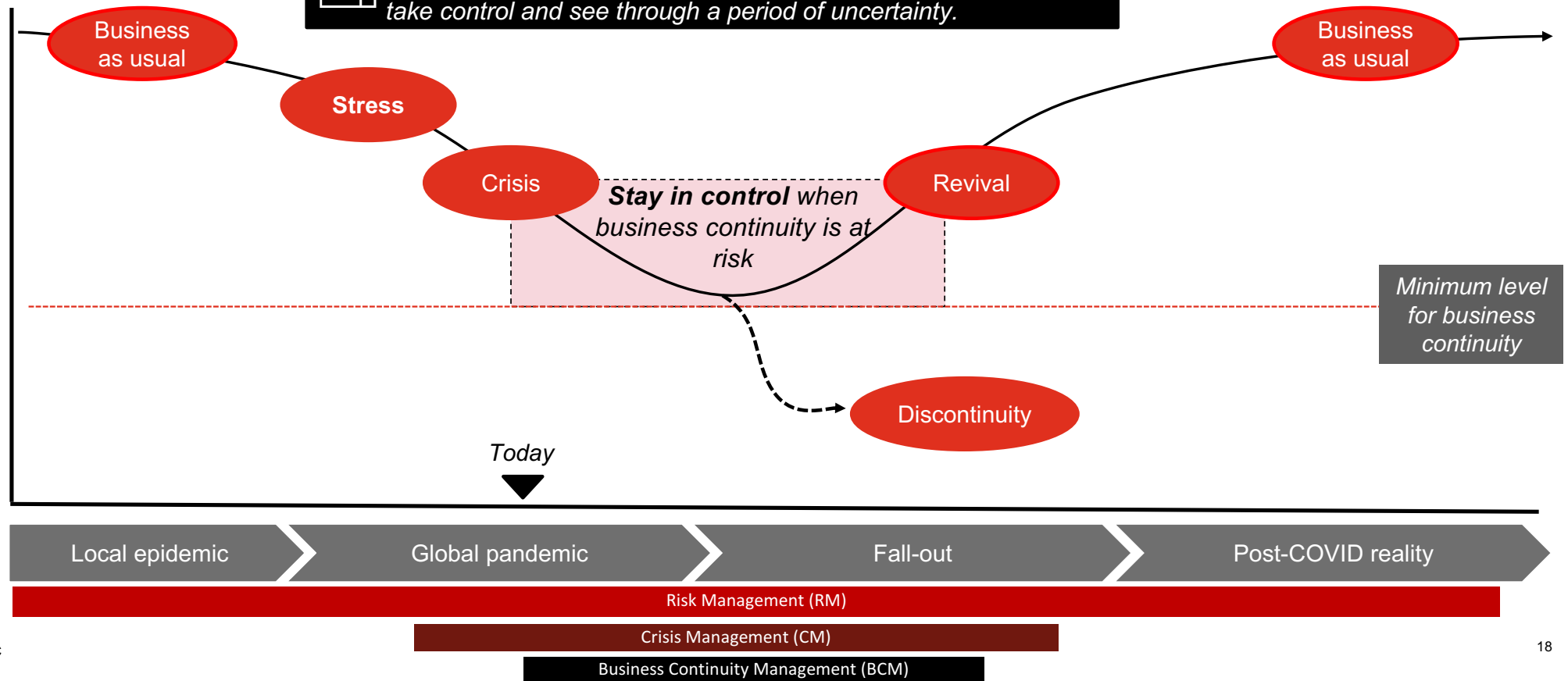




# Having reliable information and a plan to manage the risks following the COVID-19 pandemic and fall-out are crucial



*In our experience, gaining control over an emerging crisis is a matter of **weeks, not months**. Having a plan is an opportunity to take control and see through a period of uncertainty.*

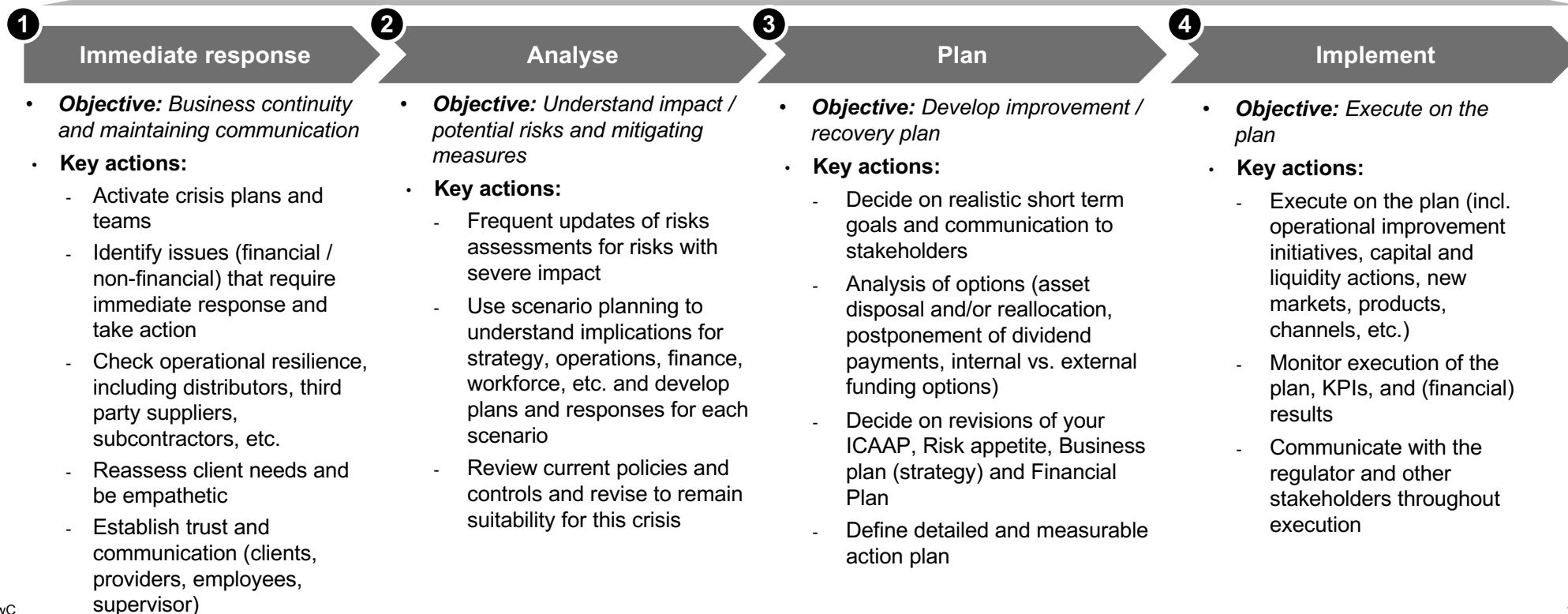




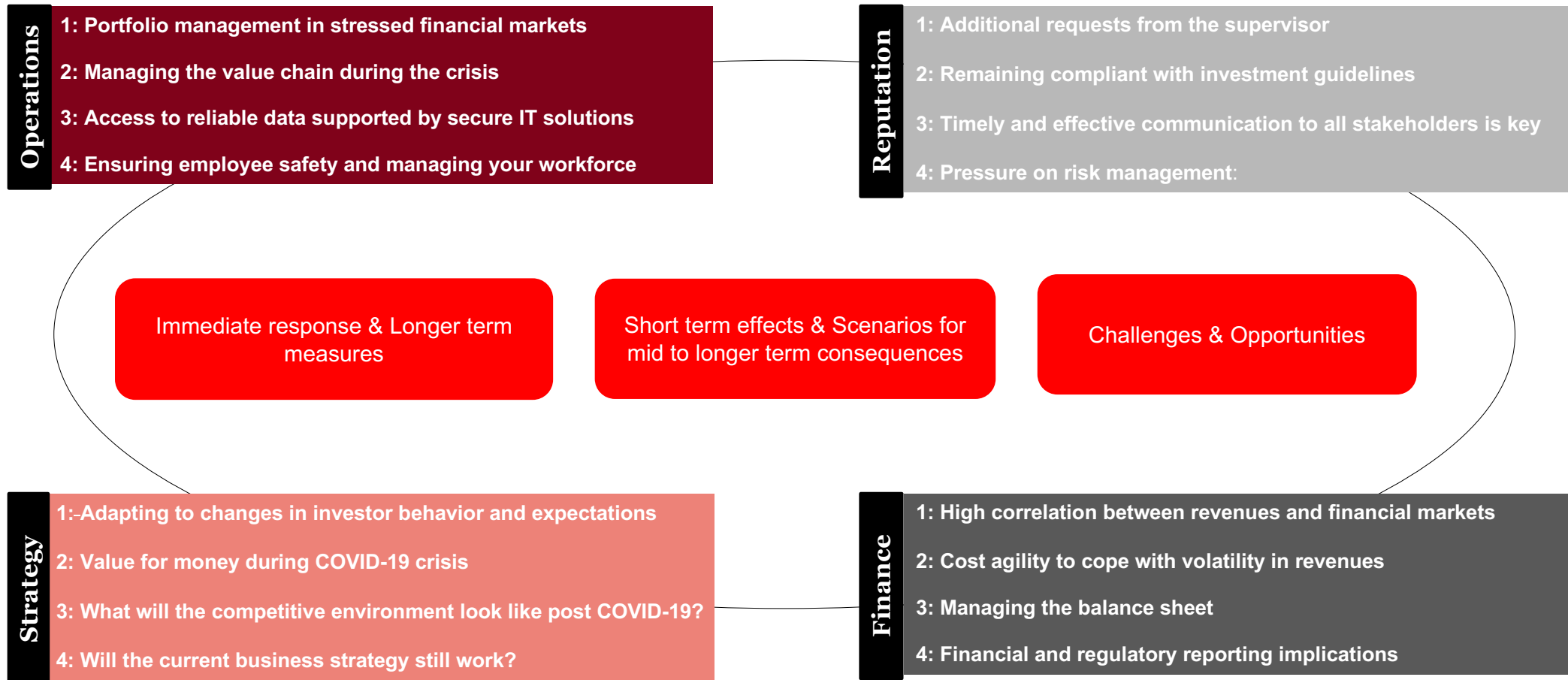
# In-depth forward looking insights are essential to stay in control and navigate acute and future COVID-19 challenges



**Stay in control during all the stages of the pandemic**



# An integrated impact-analysis identifies challenges and opportunities, provides guidance on where to focus your efforts



# Using scenarios to adapt to the 'new normal' and emerge stronger from the crisis

Risk analyses help to create the relevant scenarios. Events with a high impact determine the choice of scenarios

Operations

Reputation

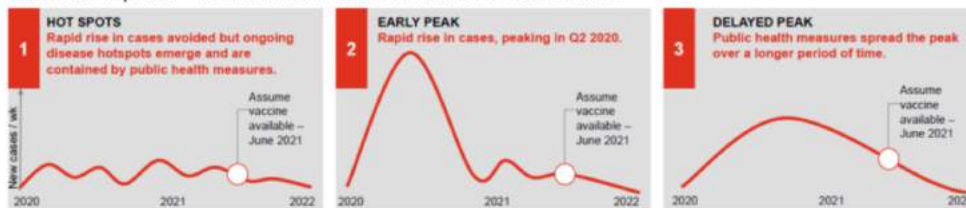
Finance

Strategy

## Examples:

### 1: Scenarios to address impact on people, economy, supply chain

PwC epidemiologists and economists have worked together to form coherent scenarios based on fact-driven assumptions – it's clear that 2 and 3 are now the most credible

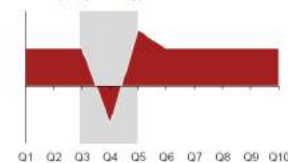


### 2: Economic scenarios to address financial impact

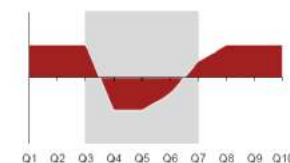
#### Scenario rationale

##### V-scenario

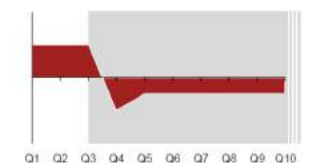
GDP change (quarterly)



##### U-scenario



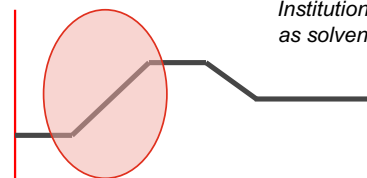
##### L-scenario



■ = crisis and recovery period

### 3: Scenarios to address investor's behavior post crisis

Risk budget

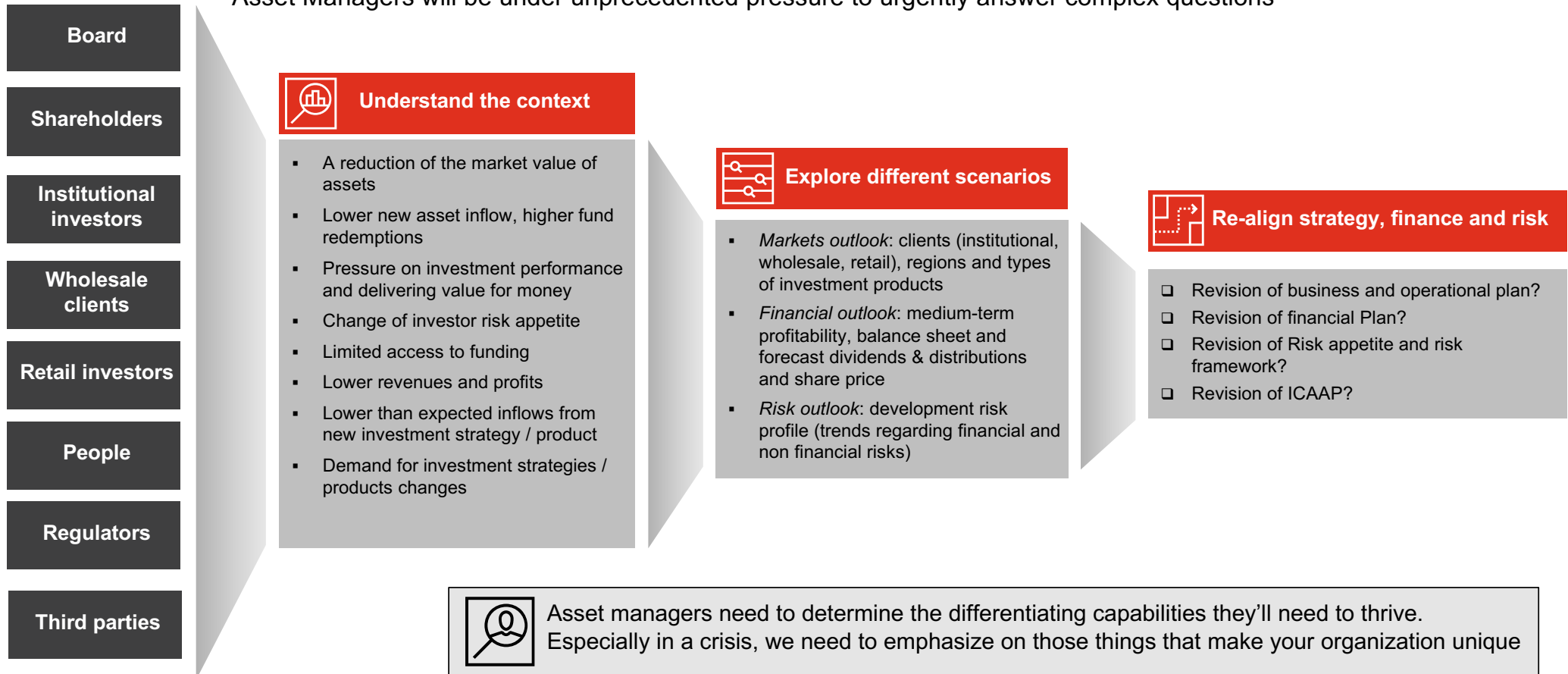


*Institutional investors de-risking their portfolios as solvency position deteriorates having effect on the asset allocation*

Solvency position

# Forecasting in the face of uncertainty requires an integrated view on strategy, finance, and risk

Asset Managers will be under unprecedented pressure to urgently answer complex questions



# Thank you

