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WHITE PAPER

CFOs:

What should we expect from a post-COVID reality?





We all agree that COVID-19 hit the world hard. Now in 2021, there's hope. With the discovery, production, and distribution of vaccines, the world is ever so slowly righting itself. Which leads to thoughts of the future...

Will things really go back to the way they were pre-COVID? Will we be taking the daily commute to the busy office anytime soon? Who can say? But there are some interesting things to consider, particularly for CFOs and those in charge of the bottom line.

The role of the CFO is increasingly crucial for organisations. In addition to the fact that the finance function permeates all the different verticals of a firm, the needs of an increasingly hyperconnected world have made the role of the CFO into a leader for transformation. The CFO is capable of having an impact on a company's culture, people, processes, technology, corporate governance, sustainability, and relationships with different stakeholders.

With the CFO's impact in mind, we outline a few things CFOs should be thinking about as we consider a 'post-COVID normal'.

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Remote working is not just viable – it works very well

Remember March 2020? Lockdowns were everywhere, but there was still work to be done and deadlines to be met.

Companies activated their Business Continuity or Disaster Recovery plans (BCP/DR), giving virtual network access to their people, so deadlines could be met from home without putting themselves or anyone else at risk. Those businesses with no BCP/DR scrambled to setup virtual access to their networks, outfit their staff, and keep business going.

And it worked. In fact, it's going strong.

If COVID has taught us anything, it's taught us that virtual business is equally productive, and in some cases, even preferred.

According to one UK study¹, two-fifths (40.9%) of homeworkers reported that they were able to get as much work done in June 2020 (in full lockdown²) as they were six months earlier. Over a quarter (28.9%) said they got more done, while 30.2% said that their productivity had fallen – which is understandable given the home-schooling and childcare requirements of a full lockdown.

The [UK Institute of Directors \(IoD\) undertook a survey of almost 1000 members](#) with some interesting results. Nearly three quarters (74%) of respondents said they would be keeping increased remote working after the threat of coronavirus has waned.

An [EU study](#) published in 2020 went further:

“Evidence suggests that in normal times people working from home can sustain, or even enhance, their productivity, while enjoying a better work/life balance.”

So, we generally like working from home. Productivity hasn't been affected, work is still being done.

Many companies have already announced that, once the COVID threat is negated, they'll adopt flexible working and allow staff to spend two or three days per week working from home.

Which leads to an interesting thought...

¹ Felstead, A and Reuschke, D (2020) 'Homeworking in the UK: before and during the 2020 lockdown', WISERD Report, Cardiff: Wales Institute of Social and Economic Research.

² Full lockdown = Schools closed, people only able to leave the house for essential food/medicines or 1hr exercise per day.



“Evidence suggests that in normal times people working from home can sustain, or even enhance, their productivity, while enjoying a better work/life balance.”





Do we really need so much office space?

The IoD's survey produced another interesting response. More than half of those polled said their organisation intended to reduce their long-term use of centralised workplaces. More than one in five reported their usage would be significantly lower.

The World Economic Forum published an article from Senior VP at Dell Technologies, Mark Pringle: "We need to evolve the dated mindset that being in an office full-time is an actual business imperative."

An additional consideration for the post-COVID workplace is the need to comply with social distancing requirements. If we're pragmatic, social distancing is going to be a reality for a long time. But given the space limitations of the typical office environment, is it possible?

The additional expense of installing anti-COVID measures, the fact that capacities would be reduced by half, if not more – is having one big office really still viable?

COVID has proven it's not essential for all employees gather at a specific location every workday. Yes, new policies have had to be adopted to ensure network security and exclusivity of access, but these aren't insurmountable problems.

And a [report from VoxEU](#) suggests a very healthy percentage of jobs can be effectively carried out remotely. These roles are mainly service-based; professors, engineers, accountants, lawyers, architects, and administrative and marketing activities could all be, possibly, permanently online. In the largest EU countries, this equates to between a quarter to one third of the whole employment market.

Having permanent remote workers, though, does remove some of the more enjoyable and social aspects of the office – the chats around the water cooler or over lunch, colleague interactions and friendships. Employers will have to carefully consider employee mental health and teambuilding.

And there are other considerations too. Flexible working can be perfect for employees who have worked in a company for several years, but it may not be as good for new joiners, for employees who need a work environment with no distractions, or those who need physical access (to server rooms, etc.). Each employee's needs should be assessed individually.

There have also been reports of work/life balance being affected by remote working – that employees are working more hours than normal. This may be due to lockdowns restricting movement and the distractions of normal life being unavailable, but it's something to keep in mind.



Each employee's needs should be assessed individually.



Either way, it's likely that we'll see a change from the current layouts to more 'hotdesk' type arrangements, which will no doubt reduce floorspace requirements and also bring teamwork to the fore.

Whatever the decision of your company, [the European Business Review](#) agrees that the physical office is likely to become a thing of the past, leaving massive amounts of formerly commercial real estate to be transformed for different purposes.

Which opens more possibilities for real estate firms.





Access to a worldwide talent pool

Another benefit of a 'virtual workplace' – your workers can be anywhere.

If you're not using a formal office, why should there be a requirement for your workers to be able to physically go there? As long as time zones and working hours are agreed, there's little reason to assume your workers have to be in the same country as your headquarters.

This opens your business to the chance to recruit and utilise the very best talent in your industry, no matter where they are.

Of course, managing remote teams presents challenges. At the level of team management itself, time, language, and cultural differences may be present in the day-to-day. The role of the CFO is one with a large number of daily interactions, so facilitating processes and reporting may be a challenge. And we can't forget global differences in labour management, taxation, and compliance. But these challenges can be negated – solutions are available.

One thing to keep in mind, if your global talent pool is working from their home countries right now, you've got the problem of having to adhere to labour and tax regulations of multiple countries for each employee, which can cause headache upon headache. The best option is to contract to a global payroll service provider – to partner with a team with the experience to apply multiple regulations, legislation, and tax regimes to your payroll, without the need for you to train up or employ extra staff. This global payroll provider can also provide essential people analytics data in formats you can work with.

Further, for task and project management, Microsoft Teams tools and apps like Trello, Asana or Slack can facilitate smooth operations without the need for daily calls. They can even go so far as to retain the 'water cooler' sociability for a global team.

Using a worldwide talent pool also means that the CFO has the opportunity to work with talent managers and impact the cultural aspect of the organisation; to generate a culture shared by all employees that combines business aspects with other, equally necessary, intangible aspects.



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ESG

One other thing COVID lockdowns have shown us is the importance of our environment and the natural world.

The whole world has heard birdsong where there was only traffic – and we love it. Not to mention we've seen [drastic improvements to air quality](#), [water quality](#), and other [environmental measurables](#).

ESG is now considered as an essential part of a business. Your business is part of the world, not outside of it. You have a responsibility to let people know what you and your business are doing, and your business's actions on improving, to name just a few:

ESG is a driver for more than ten of the United Nations' Sustainable Development Goals (SDGs)³, which should be a consideration for every responsible business.

And applying and reporting on your ESG strategies and policies builds brand reputation and allows your firm to be in sync with your community.

³ SDGs as laid out by the United Nations



Outsourcing and automation

CFOs are constantly looking for ways to get more time in their day, so they can focus on the big picture. One of the easiest and most effective ways to get more time is to outsource your day-to-day finance functions.

Outsourcing frees you and your staff from non-value add workloads, like payroll or basic accounting functions, letting you concentrate on the work that does bring value to the business.

Outsourcing also permits easy automation – allowing your business to function without paper-shuffling. Access permissions and approval processes can be customised, keeping control in your hands and reducing risk.



Further, working with an outsourcing partner essentially provides you with an ERP system (Enterprise Resource Planning). ERPs are time-consuming to build and maintain, usually require big outlays for hardware and software, and further downtime for staff training. But you can negate the need for all but the training by using an outsourcing partner.

CFOs should be leaders in transformation, and it makes solid financial sense to increase efficiency and remove value-less tasks from yourself and your team.

By choosing an experienced and trusted outsourcing partner, you have no need to increase your servers and IT to build a system of your own. There are no programming costs. And your outsourced team is not in your office, so they don't need desk space or equipment. Your outsourcing partner can give you access to a big team for a fraction of the price.

Have you experienced that moment when the deal is done and you realise your team just doesn't have the capacity? Outsourcing removes this headache altogether. Based Spain and looking to expand into Portugal? Your outsourced team will expand with you, removing recruitment drama and training downtime; they're fully trained and productive from day one.

There's no doubt that outsourcing offers cost savings and flexibility.

Further, if you choose the right outsourcing partner, they can also provide you with local directors, instantly providing substance in new jurisdictions. Your outsourcing partner can also help with local regulations, legislation, and tax and lead you by the hand through the different federal requirements of regions you'd like to expand into. Not to mention that they can help with the cultural and language barriers involved with international expansion.

Outsourcing involves no initial outlay, and onboarding can take less than a week.

Your outsourced team have all the local expertise you need. Local teams with local knowledge, helping you run your accounting, reporting, tax, and payroll according to in-country regulations, laws and requirements.

But there's no need to have different partners in each country you operate in – one for your Luxembourg payroll and a different one for your Brazilian payroll. There's no need to have multiple parties involved in your business when one trusted partner can do it all.

The added benefit being that all your data and reporting is in the same formats and easily consolidated, giving you the information you need for forecasting and strategising – the data essential to plan your business growth.

If you haven't considered outsourcing, why not give it a try with non-core tasks? Maybe even give it a probation period, just like you would a new employee. Discover for yourself whether it's right for your business.



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Conclusion

There are opportunities to be considered for post-COVID business, to be sure. But there are also problems to be negated.

New policies need to be devised and installed to mitigate data risks and ensure staff and company safety. And you must consider everything from systems security to making sure your staff maintain a work/life balance when working remotely.

And one trusted global outsourcing partner can take the day-to-day, value-less, and troublesome functions off your hands, making your life easier, and giving you time to plan your global takeover.

To recap:



Working from home is viable



Reducing your office space immediately increases cashflow



Your tappable talent pool now reaches around the globe



Reporting your ESG builds brand reputation and credibility



Outsourcing removes a LOT of headaches, provides flexibility and cost savings



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Local knowledge – global coverage

With more than 40 years' experience, we're experts when it comes to working with multinational companies, private equity and real estate funds.

Auxadi is a specialist provider of tailored international accounting, tax compliance and payroll services. Operating in 50 jurisdictions across Europe, the USA and Latin America, we provide an end-to-end solution through cloud-based technology to make your lives as easy as possible.

Our IT platform, employees and methodology are all designed to act as a seamless extension of your accounting department to ensure that your administrative requirements are met across your investment portfolios, no matter the volume of deal flow.

Our culture is based on ethics, excellence and exceeding the expectations of our clients and we achieve this through flexible and efficient solutions developed by a motivated, committed, and solid team.



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