

MANAGING THROUGH COVID-19

A CASE STUDY

MANAGING THROUGH COVID-19

KOH REE NIE CPA
AUDIT PARTNER KPMG

COUNCIL MEMBER OF CPA AUSTRALIA MALAYSIA
DIVISION

Ree Nie, partner at KPMG, shares that organisational priorities for staff wellbeing and forward-thinking digital transformation initiatives has allowed the firm to cope with the plethora of changes brought on by the COVID-19 outbreak. During this difficult time, Ree Nie and her fellow partners in KPMG also feel a strong obligation, as a corporate citizen, to be ever more committed at to offer support to society. The partners of KPMG in Malaysia contributed RM150,000 to The Edge COVID-19 Healthcare Workers Support Fund to support front-liners working relentlessly and risking exposure to help others.

DEALING WITH CHALLENGES FROM THE COVID-19 CRISIS

The Movement Control Order (MCO) was mandated by the Government on 18 March 2020. KPMG transitioned its workforce to work from home during this period.

KPMG commenced a business continuity plan (BCP) and provided support and guidance to staff to enable them to conscientiously deliver quality services to KPMG clients whilst complying with all relevant laws, regulations and policies.

Nevertheless, some of the key challenges faced during this period include:

- Restriction in physical movements leading to **slower process of work completion** as it also deters staff movement of the companies that they are servicing
- **Staff productivity** is naturally affected
- **Business development** activities are curtailed significantly
- **Liquidity** is affected due to slow-down in cash collections

In KPMG, a firm-wide Digital Transformation Strategy was established and implemented over the past 4 years. The firm is already equipped with an established and secure IT infrastructure to enable its people to work remotely from anywhere.

Leaders of KPMG's Audit, Tax and Advisory functions are constantly in touch with their partners and personnel who are working from home during this MCO period to ensure constant engagement and communication with

clients. Business Support teams are also given access to KPMG's secured network and resources to ensure continuity in administrative support to the front-line teams.

SAFEGUARDING HUMAN CAPITAL

KPMG prioritises the health and safety of its employees. Since the start of the COVID-19 outbreak, the firm has taken unprecedented steps to ensure the wellbeing of the employees, which include the following measures:

- Prohibition of business-related travel for all KPMG personnel
- Segregation of KPMG personnel into teams to minimise staff concentration in a single location.
- Usage of secured technology tools, communication and interactive platforms that are vastly available in the markets for all business meetings, internal discussions and training classes.
- Cessation of large-scale gatherings in KPMG offices nationwide
- Implementation of a Health and Travel declaration policy for all visitors at KPMG offices nationwide
- Increase in the frequency of cleaning and potency of disinfectants used to disinfect the office work areas
- Heightened awareness/reminders to all KPMG personnel on upkeeping personal hygiene and use of hand sanitiser stations deployed at all entry/exit points of KPMG's offices in Malaysia.

SUPPORTING CLIENTS AND THE WIDER COMMUNITY

While the full scope of the economic effects caused by the COVID-19 pandemic on other businesses and industry segments have yet to be determined, KPMG has witnessed significant impacts on companies operating in susceptible industries related to tourism and hospitality, aviation, F&B and retail (including shopping malls).

In addition to support provided on engagements, a [KPMG website](#), which is accessible to public, is "stocked" with practical guidelines and insights to help clients and prospective clients understand their exposure from the impact of COVID-19 and to help them position their businesses to be more resilient in the face of this health and economic threat. Publications that analyse stimulus packages and aids provided by the Government are also made available to KPMG clients and business associates, breaking down the support measures available and mechanism for access.

KPMG organises a series of complimentary topical webinars for clients and potential clients highlighting the complexities/challenges that may arise as a result of the pandemic. To date, seven webinars have been held with more in the pipeline.

KPMG has also conducted a nationwide survey to understand the impact of working from home ('WFH') and social wellbeing. A report pulling together insights from the study will be prepared and shared with business leaders and policy makers to help them gain a better understanding of the wider implications of the work-from-home concept. Ree Nie says the firm is hopeful to be able to substantiate some related insights for social distancing measures and provide a holistic view in achieving a sustainable and effective WFH programme by focusing on the elements of Compliance, Capacity, Cost, Connectivity and Capability.

ADVICE FOR OTHER BUSINESS LEADERS

This situation started as a health crisis and quickly evolved into a global financial crisis at a speed and magnitude we have not seen in our lifetime. Lockdowns of different degrees are enforced in multiple countries, which has had dire economic consequences. Supply chains are affected, and companies are unable to deploy their people effectively.

Ree Nie, iterates that ultimately employees are a business' key asset. Therefore, prioritising the wellbeing of the internal workforce, both physically and mentally, over the coming months is an urgent emphasis for business leaders. Not only is it important to address contagion risks in the respective companies, CPAs will need to critically evaluate the immediate and foreseeable impact to their business such as executing cost containment measures,

ensuring cash flows are well managed, considering alternative revenue channels and constantly devising new strategies in anticipation of an unforeseeable timeline.