

## Owning the Future and the Opportunities it Offers Us

By Gundi Jeffrey, Managing Editor



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Since the beginning of the year, Covid 19 has taken the world hostage, killing millions, devastating the economy and changing irrevocably how we live, work and interact. Since the onset of the pandemic became very obvious last March, we have had to adapt to social distancing, living and working mostly at home, constantly washing our hands, wearing masks, buying online and relying more than ever on technology to get us through the day. And all of these changes came in an instant. We will never return to what we once knew as “normal.”

But, once the Coronavirus abates, what will our new world hold in store for us? What will our workplace be like? What new technology developments can we look forward to? What will the accounting and financial landscape look like? And how can we best adapt? Many questions, fewer answers.

*ThinkTWENTY20* spoke to three accounting firms to get their take on what we can expect in the coming months, how they see the business world adapting to the inevitable changes, what challenges and opportunities they envision for their clients and their own firms, and how they hope to best move forward in a world that will surely be transformed in as yet incalculable ways.

Offering the perspectives of different-sized firms in different locations across Canada are Massimo Marinelli, EY Canada’s Assurance Leader, Micheal Burch, FCPA, FCA, CFP, Managing Partner of Ottawa-based Welch LLP, and Laurence W. Zeifman, CPA, CA, a partner with Toronto-based Zeifmans.

***ThinkTWENTY20:*** Overall, once we get to a safer place in terms of Covid 19, what do you expect our new reality will look like?

***EY’s Marinelli:*** All sectors have been impacted by COVID-19 in one way or another. Organizations that saw the biggest losses at the outset of the pandemic were those directly affected by mobility



and physical distancing restrictions and consumers' hesitation to spend on non-discretionary goods — industries such as bricks and mortar retail, entertainment, foodservice, travel and energy. We're now, however, starting to see an uptick in footfall and mobility as restrictions ease, leading to a return in consumer spending. As companies look to position themselves effectively for recovery, they will have to consider new customer expectations and preferences while meeting necessary public health and safety measures.

Meanwhile, sectors that have seen the most growth are those that are providing essential goods and services. Grocery stores and healthcare are obvious ones. But also, the automotive sector as people look to avoid public transit or ridesharing, home improvement companies as people look to build out spaces for long-term work-from-home solutions, and home entertainment such as video games or streaming.

EY's Future Consumer Index suggests that businesses that provide cashless and contactless delivery services are also set to experience rapid growth. It found that 41% of Canadians who were slow to adopt online grocery shopping pre-pandemic are now depending on the service. Going forward, providing a seamless omnichannel experience for consumers will be vital for organizations to secure customer loyalty.



**Welch's Burch:** Unfortunately, or fortunately, I don't think our world will ever be the same. Obviously, one of the big differences will be the remote work force. "Working from home" has proven to be successful and has provided certain benefits to our workforce. I also suspect that technology is only going to enhance this mode of operation. We are already seeing video conferencing tools that offer time gathering and posting to the work in process (WIP). This change is here to stay. Perhaps not a total move to remote working but certainly a big component of our strategies going forward. Depending on our client's industries, I believe they will feel the same pressures.

**Zeifman:** From the beginning of the pandemic, at Zeifmans our number 1 priority has been to keep staff our staff healthy and safe, to not only support their families but also be able to support our clients through this trying time. So, firstly, I think that employers now, more than ever, have a bigger responsibility to provide their staff with safe and healthy workspace and I think this trend will continue.

At Zeifmans, our office quickly switched to a completely mobile workplace, which we developed the capability to do years ago. Though many of our staff have returned to the office – to ensure safety, they alternate days in which they are physically in the office – many of our teams have decided to remain offsite. Thus, I anticipate the traditional workplace is a thing of the past. I believe that we will continue to move away from the confines of a brick



and mortar office space and that mobile workforces will continue to grow and become the norm for many organizations.

**ThinkTWENTY20:** *Will you and your clients have to adapt to new business models? If so, what will the most important changes or features be?*

**Marinelli:** From an assurance perspective, we luckily were already a highly mobile workforce and had made significant investments in digital tools before the pandemic that have made it possible for teams to effectively conduct quarterly reviews and annual audits remotely. Our existing global digital audit platforms — EY Canvas, EY Helix and EY Atlas — enable collaboration, insights and risk management for our teams, and allow us to virtually engage with clients in a number of different ways. We were already seeing the value in adapting the way we interact with clients to make communication much more seamless and transparent — COVID-19 just further highlighted and validated the importance of embracing new ways of doing things.

But that's not to say that there haven't been any learning curves. One of the biggest impacts to audit professionals in the spring was the delay in tax deadlines by the federal government and, as a result, financial reporting. Preparers of financial statements, audit committees and auditors were suddenly faced with a new reporting cycle. Not only were timelines shifted, but we also had to quickly learn how to be better advisors to our clients to help them understand new government programs and how best to take advantage of what was available.

**Burch:** Certainly, we will need to adopt our business development model. Historically, we attend and hold numerous events each year. This strategy is a big part of our branding and contact development. We will also need to find new ways to ensure that we are staying connected with our clients and our staff in this remote world.

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**ThinkTWENTY20:** *I have read that the Covid 19 pandemic has produced some positive changes and has given us new opportunities to become more useful to our clients. Where do those opportunities lie in the accounting world?*

**Marinelli:** We can bring more value by delivering new insights and perspectives. As auditors, our responsibility has historically been to pull financials for reporting, but there's a growing opportunity to help our clients think more long term. Many of them are alternating or shifting their revenue streams to respond to new customer expectations and are looking to us as leaders in understanding the dynamic changes and to provide insights across our services lines on areas such as adapting supply chains, building an online presence and assessing associated

risks to their workforces. Providing that outsider perspective on the social, economic and governance factors that may be affecting the business — whether at a local, national or global level — and advising on how to capitalize on growth opportunities, optimize cash or reduce taxes can help broaden their perspective and shed light on industry best practices.

**Burch:** The positive changes I have noticed are reflective of what takes place after all major disruptions. All individuals and entities take a much closer look at how they operate with a view to becoming more competitive and leaner. As part of this reflection, we are looking at new opportunities for our firm and recognizing the already rapid changes in our profession. We now see a framework as to how we can employ remote workers that do not need to be resident in the cities of the offices they support. In fact, we now have one of our partners operating out of a province in which we do not yet have an office. This reflection has also forced us to have a better understanding of the technologies that are available to us to assist our clients in a more focused way. All in all, this is providing more flexibility for our firms going forward.

**Zeifman:** Our message at Zeifmans, throughout, is staying connected and that we are in this together – with our clients and our staff. With that, in my opinion, the most positive thing that came out of the pandemic, is the power of digital connectivity, whether from using Zoom to conduct meetings to the massive growth of various social platforms. Our global connection to our clients and our affiliates across Canada and around the world now seems larger and stronger than ever.

**We will continue to move away from the confines of a brick and mortar office space and mobile workforces will continue to grow.**

**ThinkTWENTY20:** *And how will your traditional services be modified?*

**Burch:** Before the pandemic, our traditional services, especially compliance, were becoming less of a focus for us. In fact, new technology has reduced the time required to meet this, less useful, part of our service offering. Because of this, you will see many firms broadening the services they are providing their clients by becoming far more advisory focused.

**Zeifman:** I do not think our traditional services have been drastically modified. If anything, our service to our clients has grown due to our commitment in ensuring that their businesses can survive a pandemic.

**ThinkTWENTY20:** *What do you expect the workplace of the future to look like? I don't suppose all of your workforce will return to their prior offices. Covid 19 has taught us some lessons on balancing a work force at home with one working in your offices. What do you envision will happen?*

**Marinelli:** We're taking a phased approach to welcoming our people back to the office. Each of our regional offices are open, with limited capacity, based on local recommendations and our ability to accommodate employees safely. But, overall, our approach is two-gear. It focuses on both transition and transformation simultaneously to manage risks as employees return to physical locations while reimagining the way our office will look and operate in a post-pandemic world.

The pandemic has really helped to shine a light on the resiliency of our people and their ability to adapt in uncertain times. It's also made many of our people and clients recognize that work can be done just as efficiently and effectively remotely or online. While in-person meetings and office amenities are missed, we suspect that the use of a more distributed workforce will continue in the future as our people look to exercise more flexible working styles to accommodate work/life responsibilities.

**Burch:** As noted above, our new reality will include a much different in-office experience. This provides some level of concern related to how do we keep our staff engaged and loyal to our brand and to our firm. To a certain extent, this is also true of our clients. Can we retain our long-term relationships with staff and clients in a remote environment?

**Zeifman:** With working from home comes a difficult separation from personal life and work life. Personally, many days I have found myself working from the time I got up, till the time I go to bed. Mental health and wellbeing are extremely important and are part of the keys to success. So, I believe it is part of companies' responsibility to help in the process of creating boundaries between work and homelife and to provide social support when needed. For example, with my team, we unwind together on Microsoft Teams on Friday afternoons and share in the wins and accomplishments of the week. I believe this helps us stay connected, and provides a positive sounding board, to help guide us all into a "stress-free" weekend.

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**ThinkTWENTY20:** How will you be safeguarding the health, safety and privacy of your workforce?

**Marinelli:** In alignment with regional public health and safety recommendations, we have put the appropriate measures in place. Each employee is required to complete a daily self-certification of good health in advance of coming to the office, available workspaces are limited to maintain physical distancing, signage throughout the office informs our people of directional and hygiene requirements and PPE (personal protective equipment) is provided to everyone.

**Burch:** We are paying close attention to the advice provided by our health officials and ensuring that our employees are safe and aware of the proper protocols when they are in the office. Pre-pandemic we were 200 people in the office. The highest mark since then has been 38 staff members.

**ThinkTWENTY20:** *Do you see the need for new skills in your workforce?*

**Marinelli:** Our assurance practice still has regular mandates and deadlines to meet for quarterly and annual reporting, so the composition of our workforce has remained almost unchanged. We're proud to say that we had no COVID-19-related layoffs in FY20 and are still actively recruiting in the market and on campus for new hires to meet our growth ambitions.

But the pandemic did accelerate the need for many skills that we were trying to build before this all began. Plus, it has reinforced the importance of existing skill sets: skills such as data analysis, having a future-focused mindset, agility and adaptability and communication will all be vital to work effectively with distributed teams and deliver value to our clients.

**Burch:** Clearly, our workforce is going to have to be resilient and technology proficient.

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from personal life and work life.**

**ThinkTWENTY20:** *Do you see having to develop new models for communicating with your workforce?*

**Marinelli:** The need for proactive, regular and transparent communications or real-time touchpoints has been crucial to maintaining our strong workplace culture. I'd also balance the need to communicate with the need to listen — hear the challenges that our people face firsthand, or opportunities that present themselves to grow and respond with action.

**Burch:** We have already started holding our all staff Town Hall meetings via Zoom.

**ThinkTWENTY20:** *So, will Zoom become the meeting model de rigeur? I understand that many people find Zoom meetings very stressful and tiring. Are there other options?*

**Marinelli:** As we enter more progressive phases of the COVID-19 recovery, I suspect that meetings, whether internal or with clients, will be mixed between online and in-person. Where we saw, and will continue to see, the biggest impact on meetings is among larger groups, events or social activities. We have moved our events online to host various webcasts and virtual roundtables as a way to share new insights and stay close with our people and clients.



**Burch:** I am certain that all of these remote meeting tools will improve over time. We will continue to find new ways to acclimatize and make the best of this until a vaccine presents itself.

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**ThinkTWENTY20:** *Which emerging technologies do you expect to become mainstream, especially for accountants? What part of your services will be most affected by the new technologies?*

**Marinelli:** We expect the digital audit to become mainstream. It has tremendous benefits for both our practice and clients. The digital audit has allowed us to execute assurance procedures earlier in the audit lifecycle, distributing a portion of workload out of the traditional busy months. This makes it possible to better plan and prepare both clients and processes in advance to ease the rush of busy season. This gives our people more time and flexibility to team with other areas of our business and manage their day-to-day tasks to deliver on value beyond the audit.

**ThinkTWENTY20:** *What do you miss most about our life as we knew it before March?*

**Marinelli:** There are many colleagues and clients I haven't seen face-to-face since March. While working from home has its benefits, it's hard to beat the value of physical interactions.

**Burch:** I, too, miss the personal interaction in a big way. We are in a relationship business for a reason. As was noted previously, as soon as it is safe, I look forward to getting out and reconnecting with our clients and our staff. We are built to interact not to walk away from approaching people – not to be wearing masks that hide our smiles.

**ThinkTWENTY20:** *And what do you look forward to as we enter a new era of working, living – and simply surviving?*

**Marinelli:** COVID-19 has certainly accelerated and reinforced many processes, preferences and behaviours that were already existing before the pandemic began. It's shown that we can work with agility and adaptability to quickly shift gears and meet our clients' evolving needs. And – maybe most importantly – it's helped to demonstrate that we're in this together. As we look ahead to the long-term impact of COVID-19, we're examining how we may need to retool or adjust our offerings to better support our people and clients now, next and beyond. What's not to look forward to?