# 10 priorities for financial services leaders in the new reality

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## To understand how COVID-19 was impacting Financial Services organisations, our team met with more than 50 executive teams – over 250 individuals. Whilst many firms have been focused on remaining resilient, we have also observed a drive to harness opportunities as catalysts for enduring change.

Across our executive sessions, we identified 10 common areas of priority that leadership teams are focusing on to thrive in the new reality.

From anticipating consumer behaviours, through to accelerating digital transformation and reimagining the workplace, we have explored each of these themes, considered the opportunities that now exist and provided advice to seize these in the new reality.

# Foreword

## KPMG met with Financial Services (FS) leaders to understand the common challenges they were facing due to COVID-19. From this, we have identified the opportunities that exist to thrive in the new reality.

The financial services industry will forever be transformed by the Great Lockdown of 2020-2X – the effects of which are likely to be compared with those of the Great Depression and the Great Recession.

Since March, we have met with over 50 Financial Services (FS) executive teams – over 250 individual executives – to understand how this crisis is unfolding for their businesses, the challenges being faced by leaders and how they are pivoting to respond.

Whilst these firms have been primarily preoccupied with remaining resilient in the face of the crisis, we have also observed a determination to harness the opportunities presented by this pandemic as catalysts for enduring change.

Across our 50+ COVID-19 executive sessions, we have observed 10 consistent priorities which are driving how leadership teams preparing to thrive in the new reality.

At KPMG Australia, our network of financial services professionals is committed to playing a positive and thought-provoking role in the discourse around what the new reality for our industry looks like. In this series we will explore the 10 common priorities we have observed, highlight the opportunities that exist, and provide practical recommendations for seizing them.

**Daniel Knoll**
**National Industry Leader,**
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**Customer & Strategy**

Priority 1:

# Anticipate consumer behaviour changes

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COVID-19 has triggered a greater appreciation among customers for organisations who can get the basics right, even under crisis; including minimising time and effort in delivering to expectations, providing value and supporting vulnerable customers.

### What we've heard

We are seeing a new consumer emerging – one that is financially constrained and consistently re-evaluating value, more advanced in their use of digital technologies and more thoughtful and selective in their decision-making.

In a recent KPMG survey, 40 per cent of customers said they are financially constrained, with 28 per cent feeling financially overwhelmed. Additionally, the survey results showed that the pandemic accelerated engagement with technology with 50 per cent more digital services being used, 20 per cent of which is through new users. Key purchasing decisions are now value for money (80 per cent in Australia compared to 63 per cent globally); ease of buying; and trust in the brand.

### Why this matters

As the impacts of COVID-19 continue, organisations need to rethink business and operating models. Consumers' search for value for money is a fundamental change in purchase priorities and will continue to be for the foreseeable future. As customer behaviours continue to evolve, organisations will need to redefine their segments and how to best realign their products and services to meet the needs of these new segments. For example, during COVID-19, the local community became more important as a network in providing essential comforts and alleviating social isolation. Defined as the new micro network, the behaviours within these new segments are important to understand in responding to the changing consumer needs.

## What next?

- Assess social license, community touch points, brand value and attributes against the new customer needs.
- Leverage customer insights through machine learning and AI to monitor products and services to proactively identify issues.
- Identify early warning indicators and develop robust plans for dealing with forbearance.
- Redefine product and services value propositions to ensure they remain relevant. For example:
  - grow and expand new integrated merchant service solutions and e-commerce packages to bring customers online
  - review value proposition and consider new product development to leverage new insights
  - focus on member interactions and education to reduce churn and provide value through the super draw-down trigger period.
- Accelerate digital infrastructure programs to drive enhanced functionality, fulfilment and simplified personalisation.
- Redesign service delivery and channel strategy for key products – leveraging innovation with third parties to enable the shift to match the new consumers' preferences, fundamentally changing the branch, contact centre and digital offering mix.

Customer & Strategy

Priority 2:

# Transform portfolios for growth

**Authors**

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Consider bold changes to the business portfolio that anticipate competitive pressures, optimise use of capital and position for profitability and new growth avenues – this includes mergers, acquisitions and partnerships.

### What we've heard

To address the accelerating pressures on FS organisations caused by the pandemic, businesses need to simplify their portfolios and uncover new sources of growth at the same time – a topic KPMG Australia explored in The new reality for bank profitability.

The Royal Commission challenged all FS firms to rethink their strategies and focus on their core business. As a result, largely diversified FS organisations were compelled to simplify business models to best serve customers, manage risks and reduce inefficiencies caused by the complexities of their portfolios.

FS firms are now looking to optimise their portfolios, and invest and divest to drive growth in their core business. In addition, private equity firms and other financial investors are keen to create value by buying the assets that the FS organisations are looking to divest.

### Why this matters

Now is a decisive moment for FS firms to consider which areas of their portfolios are core to their business. Mergers and Acquisitions (M&A), both in terms of divestment of non-core businesses and investment in core areas, will be the key to optimising product portfolios. Organisations need to remember that M&A is not a quick process, with many transactions taking 12-24 months to ensure full value is extracted from the deal for both the seller and the buyer.

Partnerships are booming in the FS industry as they inject innovation into a business. Australia has a thriving fintech industry which larger, legacy players can tap into for fresh ideas and innovation – and to leverage expertise lacking in their core business. Partnerships can be around product or distribution, for example reselling white labelled products to fulfil a client need where it is not part of a core offering. Equally, many necessary functions can be outsourced to specialists, including in the payments space.

## What next?

- FS organisations need to strategically evaluate their business portfolios to increase focus on core business and simplify complex portfolios through divestiture.
- Investments should support growth, especially in the core business of the acquirer.
- An M&A roadmap should be developed, with an effective integration/separation blueprint created before engaging in transactions.
- Strategic partnerships with industry utilities, other industry players or with fintechs offering white labelled products, should be investigated to round out the product portfolio in non-core areas.
- Outsourcing of specialist functions (ATMs, payment switching) to expert providers can deliver a quality experience while keeping focus on the core business.

Customer & Strategy

Priority 3:

# Support customers through uncertainty

**Authors**

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FS came together as an industry to rapidly support customers. Many of their customers made decisions quickly to manage the challenges that arose due to the impact of COVID-19 on their individual circumstances. FS organisations need to implement a plan to proactively monitor and support customers/members facing uncertainty to avoid collections, and manage financial and product implications due to COVID-19 related decisions. Where there is a need, remediate customers/members to make them whole and provide assurance over COVID-19 related activities such as deferral of mortgages and early release of superannuation.

## What we've heard

Australian FS organisations have been tasked with supporting their customers and the broader community through the uncertainty caused by COVID-19. FS firms have quickly adopted a shock absorber role by extending various assistance packages, such as loan payment holidays or deferments, to impacted individuals and business customers.

Additionally, enforced lock-downs and reduced foot traffic in branches drove a need for efficient and effective online banking services to be implemented. COVID-19 work from home directives also provided the necessary catalyst to re-imagine ways of working for their staff.

We have also heard that some insurers have come under pricing pressure and have been investigating and evaluating policy inclusions to maintain their competitiveness.

## Why this matters

At the start of 2020, Australian FS firms were still dealing with the impacts of the Royal Commission. The COVID-19 pandemic presents an opportunity for the industry to collectively start rebuilding trust by supporting customers - and in doing so, the economy and community more broadly. The increased focus on positive customer outcomes and process reengineering also presents an opportunity to design and develop more suitable products and services, and deliver them more efficiently.

## What next?

- FS organisations need to speed up the fulfilment of their remediation obligations from the Royal Commission to demonstrate continued support for their customers.
- FS organisations need to evaluate their fulfilment processes and supply chains to ensure they are linked in order to improve customer experience.
- The short term capabilities that were created to proactively monitor and assist customers impacted by COVID-19 should be built into longer term operations capability.

Cost, Capacity & Simplification

Priority 4:

# Simplify to lower cost

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To manage the rise in costs driven by the pandemic, FS organisations are simplifying the customer proposition, cost base, operating model and organisation structure. FS businesses must take concrete measures to reduce costs sustainably, including reinventing operating models.

## What we've heard

Cost is not a new agenda item for FS organisations. Based on the conversations that KPMG Australia has held, about 60 per cent of KPMG FS clients see cost as their highest priority and 90 per cent see it as a top priority. Many firms already had bold cost and simplification goals, and now they are facing even greater challenges. The impacts of COVID-19 have increased the complexity of achieving these goals even more and compelled FS organisations to employ stronger governance and risk measures for processes and people while concentrating on keeping business running, managing the impacts of remote working, adjusting fulfilment channels and bringing critical services back on shore. FS organisations can expect to incur a cost base increase of 10-15 per cent as they contend with these challenges.

COVID-19 has amplified the challenges of complicated legacy product portfolios – FS firms can no longer rely on branch-heavy distribution channels to educate clients about their offerings

Despite the disruptions and challenges, the current period offers a unique opportunity for companies to re-evaluate what is core to their business and customers.

## Why this matters

With customers increasingly utilising digital channels to do business, there is a need for FS organisations to simplify and rationalise their product portfolios and fee structures. This will make it easier to communicate product propositions to customers while allowing FS organisations to be more transparent.

Australian FS organisations are also still under continued pressure to meet regulator reporting requirements. To improve reporting on key operational, financial and compliance measures, organisations must understand and simplify essential processes.

## What next?

- Stringent cost management and performance management of each business unit is necessary, with executive alignment on the simplification agenda and cost expectation.
- A zero-based budgeting approach is recommended with accountability at each business unit, along with enterprise-wide management and measurement across three levels:

1. Clarity (cost management discipline, organisation design simplification and transformation optimisation)
2. Model (changes to the business/ product and operating model)
3. Engineering (digital and automation, channel, tech, property, sourcing, operational efficiency, tax and legal).

- Fastest speed to cash will be achieved by those who can execute effectively on operational effectiveness, end-to-end digitisation of their critical services, product simplification and re-sequencing their transformation portfolio to do less, but do it faster by 30-40 per cent.

Priority 5:

# Accelerate digital solutions

**Authors**

Vanessa Wolfe-Coote

COVID-19 has forced FS organisations to fundamentally rethink their traditional business operating models and customer value propositions. It is imperative to accelerate the implementation of digital solutions across end-to-end services to respond to shifting customer needs and preferences for greater use of digital channels.

## What we've heard

The immediate impacts of COVID-19 have meant organisations had to offer digital solutions, almost overnight. While the initial focus was on maintaining business operations and minimising disruption to customers and employees, as the impacts have expanded and endured focus has shifted to more strategic digital transformation programs and optimising customer service delivery models. Now FS organisations are making choices around the digitisation of core front, middle and back office activities and collecting data for better decision making and personalisation – and with greater urgency.

## Why this matters

COVID-19 has accelerated changes in customer delivery preferences and expectations. Customers of FS products are increasingly shifting to digital channels, with almost 80 per cent now preferring online access. This shift towards digital has given FS firms access to more customer data than before, in turn this creates an opportunity to use data to build greater customer intimacy and retention.

With growing financial pressure and an increasingly competitive landscape, FS organisations must make digital and data a foundational enabler of their operating models and supply chain.

A shift to digital processes can also lower barriers to customers switching financial providers so it is crucial to build trust and sustain value through all customer experiences and interactions.

By embracing digital innovation and a digital-first mindset, FS organisations will benefit from greater effectiveness and efficiencies, which in turn has the potential to free up capacity and reduce costs.

## What next?

- FS organisations should adopt a customer-centric, digital-first strategy to respond to shifting customer needs and preferences to create sustainable growth and value.
- They need a strong investment portfolio that balances nearer term wins with longer term resilience should be created.
- FS organisations must recognise data as the foundation of customer intimacy, smart operations and future growth. In line with this, careful consideration must be given to the collection of meaningful data and the design of the intelligence and analytics around it.
- FS organisations need to focus on digitisation of core processes across the front, middle and back offices and build capability to deliver seamless end-to-end customer experiences.

Capability, Operations, Change & Technology

Priority 6:

# Refocus transformation programs around critical processes

**Authors**

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During the COVID-19 crisis, financial organisations needed to refocus their attention to a set of mission critical changes to stay competitive and resilient in the market. The new operating model, workforce strategies, regulatory measures, and movement restrictions present a lot of new challenges and opportunities to financial organisations.

## What we've heard

Organisations have limited capacity for maintaining business operations and conducting change programs at the same time. The impacts of COVID-19 are forcing FS organisations to refine and refocus efforts on key priorities and programs. Many firms are considering their mission critical changes, when they need to happen, what can be achieved and what needs to be dropped. A variety of approaches and techniques are being used to prioritise programs.

Similar to organisations, their employees' personal capacity and tolerance for change is being stressed by the enduring impacts of COVID-19.

## Why this matters

With increased uncertainty, incomplete information and limited future visibility, a structured approach should be taken to review change management programs. Prioritising attention on mission critical programs will allow organisations to deliver better results.

Taking their limited capacity into consideration, organisations need to determine what can feasibly be managed and implemented from both a change and an investment perspective. Careful selection and scheduling will help focus efforts on the core processes, such as new loans or insurance claims, and their execution needs. Improvements in speed of execution and operational excellence will help financial organisations stay competitive. Through scenario planning, firms can better prepare for the changing needs of consumers and the business, while positioning the organisation for organic and inorganic growth opportunities.

When evaluating mission critical changes, FS organisations must consider their employees. Maintaining a high performance culture and employee engagement will be critical for organisations to succeed with any change management efforts.

## What next?

- Identify mission critical projects, focusing on what is needed to drive efficiency.
- Evaluate core criteria around desired outcomes:
  - What is necessary now?
  - What will likely be required in future?
  - Consider scenario planning to combat future uncertainty.
- Stress test for external factors eg economic, regulatory and competitive scenarios.
- Consider people and culture and the role of communications and technology in enabling high performance.
- Review strategic agility and ability to innovate into the future.

Priority 7:

# Embed resilience in technology infrastructure

**Authors**

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As FS organisations navigate this crisis, they are trying hard to be robust and adapt to the changing environment to emerge stronger out of this unprecedented situation. The need for a well-defined and tested technology and cyber framework is critical for FS organisations to be resilient now and hereafter.

## What we've heard

Trust has never been more important when the environment is highly volatile and uncertain. Enabling trust in a highly connected digital world and meeting evolving obligations to all stakeholders while managing costs continues to be top of mind. Black swan events, combined with a growing awareness of the importance and complexity in safeguarding customers from fraud, financial crimes and cyber threats, are putting technology departments under stress. IT leaders in all industries are refining their technology investment portfolio with a view to accelerating initiatives essential to building resilience and customer trust, while optimising their operating models to improve agility and efficiency.

## Why this matters

It is no longer enough to have a business continuity plan that responds to a single crisis. Business and technology leaders need to broaden their crisis management plans and accelerate investments in data, technology and operating models to improve future business resilience.

Technology infrastructure that is vulnerable to cyber-attacks and outages poses risks to customer service, supply/fulfilment chains and overall business operations. Businesses need technology infrastructure that can rapidly adapt to unexpected disruptions. IT leaders must accelerate preparation around areas such as security practices, identity and access management, asset management and service management to improve the businesses ability to efficiently predict, prevent and respond to threatening events and bring risk to acceptable tolerance levels.

In addition, regulators continue to show a growing interest in building resilience from a technology and cybersecurity standpoint, for example via the introduction of new standards such as CP 19/32 in the UK on operational resilience, and local APRA Prudential Standards CPS 231 and CPS 234 for outsourcing, and information security across an enterprise.

## What next?

- Start with an organisation-wide view of resilience across four pillars: financial, operational, commercial and community – refer to KPMG Enterprise Resilience Framework.
- Adopt five imperatives for technology resilience:
  1. Define what's important and worth protecting, identify the risks and threats and design the response
  2. Plan and test for unexpected events
  3. Monitor and measure with an eye on metrics that matter
  4. Leverage intelligent automation for efficiency, productivity and continuity measures
  5. Prepare for remote work, now and the future.
- Consider three technology investment areas to recover from the COVID-19 crisis:
  1. Speed: the responsiveness and ability to respond to events through technology
  2. Service: ability to provide 24/7 service capability across all the infrastructure and platforms
  3. Safety and security: ensure a safe and secure environment and provide a seamless experience for customers.
- Modernise the technology and data environment: automate, digitise and consider cloud solutions to enhance performance, scalability and potential cost savings. Industrialise the technology and process to achieve the greatest certainty on the outcomes.
- Remember the 'people' dimension of resilience:
  - what skills and behaviours are required in IT and beyond e.g. cyber safety awareness.
  - sourcing and allocation of staff.

Control, Risk & Regulation

Priority 8:

# Meet credit, control, risk and regulatory demands

The inherent nature of the FS sector is its dynamic and highly regulated environment. Both markets and regulation continue to evolve and change. Building a strategy to manage the pace and complexity of regulatory change is pivotal to strengthening governance, risk management and compliance controls and practices.

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## What we've heard

There has been a significant focus on FS organisations' governance and risk management frameworks to ensure that risks are properly identified, managed and monitored. With 150-200 regulatory/legislative changes anticipated over the next 2–3 years FS leaders are facing challenges due to the volume and speed of regulatory change, and their ability to respond in an effective, efficient and compliant manner.

What is making this an even bigger challenge is the shortage of skill and expertise in the market at a time when employees and job candidates are hardly mobile.

We have also observed that financial risk measurement models that drive loan loss provisioning, regulatory capital, stress testing and disclosure requirements as well as provide key information for management decisions are based on historical data and economic forecasts that did not contemplate the dramatic shifts created by COVID-19.

An additional challenge that FS organisations are experiencing is the unprecedented pressure to simplify products and related systems and processes to make it easier for customers and staff, as well as reduce cost, risk and complexity. Unwinding years of product complexity and customisation is not easy, but this should not discourage FS firms from facing into the challenge.

## Why this matters

Changing regulations, increasing cost pressures and a desire to simplify and standardise all create a need for simpler (and fewer) products, easy-to-understand pricing and seamlessly enabled digital processes. FS organisations need to focus on the outcomes of the regulatory compliance process to drive benefits that go beyond 'ticking the box', and approach this process in a coordinated manner of 'digging up the road once'.

A benefit of a severe economic downturn is that it provides considerable new data on loss rates and customer behaviour under stress conditions. FS organisations have an opportunity to harness this data to develop enhanced and more predictive risk models, which will generate more robust management information while also meeting regulatory requirements.

When evaluating mission critical changes, FS organisations must consider their employees. Maintaining a high performance culture and employee engagement will be critical for organisations to succeed with any change management efforts.

## What next?

- FS organisations need to focus on the outcomes of the regulatory compliance process to drive benefits that go beyond 'ticking the box'.
- Build risk and regulatory change capability, build skills internally or source senior program directors from the market who can run and oversee risk and regulatory programs.
- Ensure effective mapping and implementation of regulatory priorities in a coordinated manner i.e. 'digging up the road once' principle.
- Establish an enterprise operating model that enables organisations to effectively respond to regulatory changes:
  - map changes that can be implemented simultaneously to mitigate overlapping procedures and improve compliance coordination
  - identify commercial benefits that can be extracted from regulatory compliance, be they cost, revenue of efficiency benefits – leveraging otherwise sunk costs
  - consider the cost of compliance and its feasibility into the business strategy.
- Don't wait until the regulatory compliance changes have been implemented to consider the data and performance metrics you will need to assure that the outcomes of the investment are being realised and that you are meeting your obligations.
- Reconsider your organisation's risk appetite and which core products and portfolios to focus on given the heightened market volatility and risk. Limited capital needs to be deployed in the most efficient manner possible.
- Simplify products and process to drive customer benefits that go beyond adherence to legal and compliance requirements.
- Build an organisation that does not rely on legacy architecture that is costly, inflexible and unintegrated.
- Ensure that the baseline of products is well understood before trying to build the future-state: clean-up the back book!

Culture & People

Priority 9:

# Embrace the evolution of work and workplace

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COVID-19 forced the 'future of work' and rapidly made it real. In addition, changes to the demographics and societal norms – people living longer, increased female participation rate in the workforce, greater flexibility being needed, 9 to 5 being dead, focus on outcomes not hours, combined with rapid acceleration in technology impacting the future of financial services and automation of work means that the future of work for FS is going to be very different to today.

## What we've heard

COVID-19 has resulted in many FS firms questioning their need for physical work and office space; looking to minimise cost through hibernation, or reduce office footprint altogether. While unused real estate is the most visible mark of the new ways of working and is seen as an easy cost out, benefits may take a long time to realise depending on the lease length and terms.

We believe that the office/workspace is not dead and still needed.

Organisations are looking at physical space as having a very different role in the future. People will no longer go to offices or working spaces just to answer emails but for a more explicit purpose. Our view is that the purpose is likely to be around socialising, 'breaking bread together', innovating, problem solving with cross-functional teams or alliance partners, on-boarding new staff, forming new relationships with staff/peers/clients.

To enable and help navigate the shift towards adopting the change in how we use our office/workspace and remote way of working, FS organisations are looking to strengthen their operational resilience by developing an automation navigator to understand where automation can provide value. With the change in the working models, corporate real estate strategy will also be reimagined.

## Why this matters

We expect the physical layout of the workplace to be different to enable these things – e.g. more innovation spaces, less hot-desking / no hot-desking, cross-functional tribes living in neighbourhoods together, a place to share meals or be in nature together (ideas are more often borne in nature).

There will be a need to more consciously create culture when you have a higher percentage of people working remotely. We think most companies will have hybrid workforces that work remotely more but meet physically for important purposes in well-designed spaces that enable that purpose: you won't be able to have one without the other in the future.

Culture & People

Additionally, the success of moving to remote working has led to a fundamental rethink of how FS organisations service their clients and how their employees function. These shifts came on the heels of an existing push for more flexible working conditions and work-life balance driven by demographic shifts such as more women joining the workforce – coupled with technological advances that finally made remote working possible.

FS organisations need to take a broader lens view to evolve business and operating models to the changed nature of work and determine what the post COVID-19 workplace should look like. We have heard that COVID-19 is also helping financial institutions combine previously disconnected conversations around streams such as automation, digitisation and flexible working.

Automation is another area requiring investment. Australian FS firms are lagging their overseas peers who have already made comprehensive changes to their business, operating models and associated workforce through digitisation of group operations and back office functions. The lack of automation is inhibiting ability to achieve workforce shaping and real estate targets.

## What next?

- FS organisations need to take a holistic view of the evolving ways of working and their customer and employee needs when refreshing their corporate real estate strategy.
- Embrace workforce shaping in order to articulate a strategic understanding of the employees the business requires in the next five to ten years:
  - consider probable, preferable, possible and predictable scenarios
  - consider workforce composition and the 5B's: buy, borrow, build, bots and base
  - consider potential people issues and risk using the 5C model: cost, capacity, capability, compliance and connection.
- Evaluate new ways of using space fit for new ways of working: layouts beyond the open plan, such as training centres or innovation hubs, as well as new locations such as regional drop-in centres.
- Consider automation for repeatable processes and cognitive tasks which can be embedded more widely across the enterprise.
- Proactively reskill employees to enable them with the competencies they will need in future – especially for those in roles at risk of broader industry automation.

Culture & People

Priority 10:

# Strengthen leadership and culture

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COVID-19 is changing the way we work. As the world adjusts to its new normal, business leaders need to rethink strategies to drive strong leadership and culture to emerge from this crisis with more resilience. Leaders must work to understand the immediate challenges to employees and customers, as well as the long-term impact on the interconnected financial system.

## What we've heard

The one topic on the minds of FS organisations is around the future model of work: are we going to return to the office or will we stay working at home – or a combination of the two. Most organisations we've spoken with are on a spectrum of acknowledging, accepting or welcoming the fact what we're looking at some sort of a hybrid model of working in the new reality.

The other big finding was that during COVID-19 a lot of the layers of bureaucracy fell away and many organisations surprised themselves by becoming much more agile– with projects that previously used to take months or years being completed in a matter of days. Leaders stepped up, creating a clarity of purpose and providing guidelines, identifying skills to get things done regardless of where they resided in the organisation and empowering and trusting colleagues to get things done – while recognising that mistakes will be made and this is allowed. This is creating a strong interest in how FS organisations can make these features a regular part of how they work. It's also highlighted the very real difference leaders make to day-to-day organisational effectiveness and culture.

## Why this matters

Given that the hybrid way of working looks like the model of the new reality, FS organisations need to reimagine the fundamentals of customer service: how to maintain and improve the level of customer intimacy where client engagement is not face-to-face. At the same time, they need to ask themselves how they can consciously build deep levels of employee engagement and collaboration when not in the office together – and equally importantly, how to measure these things at a time when everyone is working remotely. The hybrid model of working will necessitate a step away from most organisations' one-size-fits-all culture model – requiring targeted strategies for different cohorts in the workplace.

The pandemic has also thrown up questions about the risk associated with different ways of working – from rapidly having to bring back onshore the functions that had been offshored, to planning for having to quickly shift the operating model in case of localised outbreaks or other unforeseen events.

## What next?

As business models and market dynamics continue to evolve, there are growing calls for increased focus on leadership and consciously creating culture.

To take advantage of the cultural lessons that the pandemic shock had created, organisations must consider:

- The implications of the new, most likely hybrid model of working – and the unintended consequences this has the potential to bring about.
- How can we capture the essence of the executional excellence and urgency that COVID-19 created?
- How can we build contingency planning into the operating model, where the workforce may need to be onshored and offshored at short notice?
- How to find the balance between risk and the agility needed for fast transformation?
- Finally, what leadership attributes are needed in the new reality: what stays the same, what becomes more important, what needs to be different?

"The great crises of our past – the Great Depression and the Great Recession – necessitated waves of reform and transformation. COVID-19 will be no different, and we are seeing fierce determination in the faces of Financial Services executives to use this crisis as a catalyst for enduring change."

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September 2020. 541788943FS