



Adaptive, fact-based and humane

Leadership in the face of COVID-19.

Andrew Weir | Global Leadership

Effective crisis management plans, as any experienced Asset Management (AM) leader can tell you, place an emphasis on timely, decisive, well-informed action. While some threats envisaged in these plans are more-easily anticipated, assessed and mitigated, the current COVID-19 health crisis is uniquely challenging in terms of its speed, scope and impact.

That said, amid the turmoil, I believe strongly that by demonstrating a composed, agile and humane approach – and faithfully following proven best practices for crisis management – AM leaders can feel confident in their ability to limit disruption, safeguard employees and continue managing client assets in the troubled days ahead.

Keep in mind that some clients – and perhaps many of your employees – will not have experienced the Global Financial Crisis and its huge impact on markets and portfolios. The AM industry weathered that storm and emerged stronger and more resilient. Bringing that experience to bear on this situation could indeed prove helpful in maintaining a confident and optimistic outlook in your communications over the coming days and weeks.

Communicate, communicate, communicate

Communication is step one on the journey to successfully managing today's crisis. That may sound trite but amid the current tumult in the markets, it has never been truer. The COVID-19

story dominates the news in every country and across every channel. Clients and staff need, however, to hear what leadership is doing to manage the impact on their portfolios and their working lives, respectively.

From my current vantage point in Hong Kong, for example, I have been monitoring the impact of the global pandemic very closely and maintaining regular contact with my clients – responding to queries and concerns and assuring them that I remain easily accessible at any time. Our communications to staff on the issue have been, and will continue to be, on an 'at-least-weekly' basis. There's no such thing as 'over-communicating' in this environment.

Clients, staff and regulators need to hear from you regularly

Many clients will no doubt have urgent questions about their investments. As clients turn to their relationship managers and client service teams for guidance, their ability to project an air of calm, as well as being well informed about market conditions and clients' portfolios, will be critical to retaining those assets and protecting value. It's crucial to provide reassurance that the organization has experienced and effectively managed volatility before and is taking the right steps to stay on course amid the current headwinds.

Staff will also have urgent questions about working arrangements and many will have fears about the potential for job losses.

Authentic, timely and fact-based communication will be the sine qua non to retain their trust and loyalty. Be accessible to employees. Avoid speculation amid the likely rumours, predictions and social media hysteria. The COVID-19 outbreak is an unusual crisis posing an array of critical uncertainties – don't pour fuel on the bonfire of speculation. Be honest and simply stick with the facts as you know them today – you will be remembered for how you effectively managed the firm in the face of COVID-19.

Given the recent market gyrations, regulators may also have questions and concerns. Encourage an open dialogue with your regulators; inform them of instances where you are seeing stresses and use that as a platform to explore where they may be able to ameliorate – now or in the future – the impact on client assets.

Surround yourself with your best leaders

Every member of your crisis management team must be able to provide guidance and information that will help to maintain business stability and client confidence. Any weak links in the leadership chain will be ruthlessly exposed through this crisis.

Resiliency plans will need to evolve...

My sense from the AM leaders I talk to is that they are working as a C-suite team on a daily basis, for example, to ensure that their resiliency plan is functioning as it should, including consideration of risks posed by outages or disruptions affecting critical service providers such as fund accountants and custodians, or impacting offshore locations such as India and Hungary.

AM resiliency plans are also maintaining a sharp focus on the well-being and needs of staff, especially portfolio managers (PMs). PMs are like the 'first team' squad at a soccer club –

without them, the business fails. I realize this view may be somewhat controversial and may fly in the face of many firms' espoused corporate values of treating every employee equally. It does, however, reflect the reality of running an AM firm.

As the crisis spreads across the globe and more employees begin working remotely, you will need to rapidly assess your ability to support 'mass working from home,' e.g. scaling up VPN capacity and modifying data security policies. If you are allowing traders to work from home, for example, what new controls should you be implementing?

...so will 2020 budgets

This crisis is a moving target and markets are highly volatile, but leaders need to consider the implications that current – or even lower – market levels will have on their 2020 revenues. Budgets for the remainder of 2020 need to be reviewed. My advice in this regard is simple: Don't hesitate to eliminate all discretionary spending until further notice.

Be a force for good

It is at times like these when we as leaders come to realize just how fortunate we are in terms of the talent that we have at our disposal and the resources we have available to 'do good'. I would urge all AM leaders to use this time to reach out into their communities – wherever you are in the world – and find a way to help those less fortunate than ourselves.

To close . . .

The COVID-19 crisis is a truly dreadful situation. AM leaders who not only adapt their plans quickly but also communicate in calm, authoritative, sympathetic tones will steer their firms through the crisis and emerge with a renewed vigour and passion for managing their clients' asset

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