



# Returning to a New Reality

**An external view on what is happening in Insurance,  
with a focus on returning to work**



# Impact on Insurance



# KPMG's 4R response

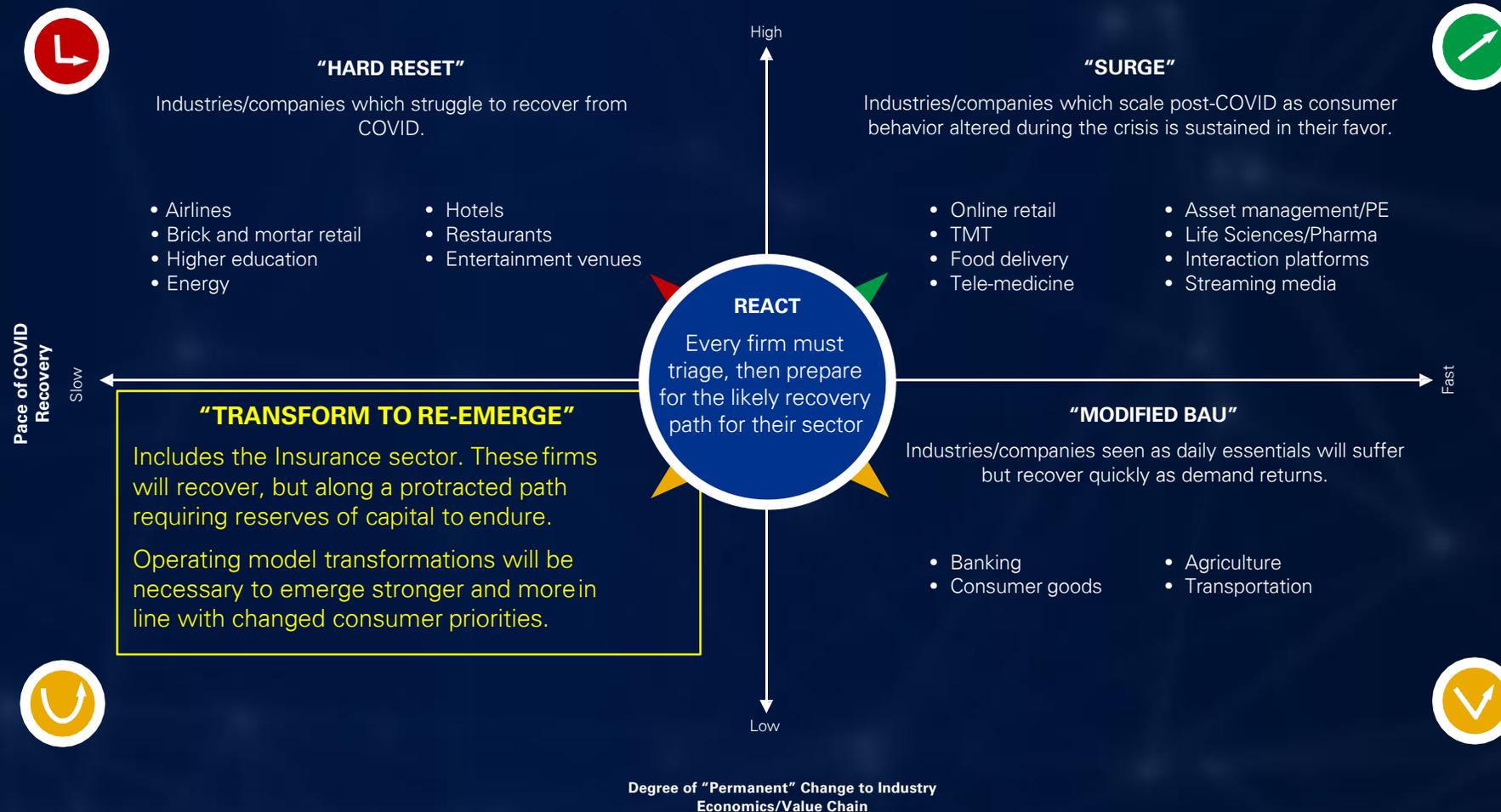
All companies will experience similar short and long-term macro-economic conditions created by the COVID crisis...

REACTION	RESILIENCE	RECOVERY	NEW REALITY
Professional and personal lives rapidly and simultaneously disrupted.	Panic behavior subsides and controls loosen as virus spread is seen to be contained and/or "curable."	Capital projects begin to scale and fuel hiring.	"New normal" sets in as learned behaviors and technologies tested during crisis become standard.
Lack of precedence and uncoordinated government responses fuel panic-type behavior.	Consumer demand still constrained by lost wages, investment losses, and recessionary fears.	Consumer sentiment and consumption improves as jobs are created, investments trend positive and anxiety passes.	Nature of interactions (communication/travel/education) is irrevocably changed.
Capital market sell offs and consumer good shortages compound panic.	Global supply chains are slow to recover.	Positive climate impacts from reduced travel during crisis fuel "ESG-aware" recovery.	Migration towards mega-cities levels off as remote connectivity proves viable and fears of population density risks persist.
Lockdown orders stall all but "essential" consumption.	"Interest free" capital struggles to find early takers and momentum builds slowly.	Early indications of "new normal" emerge as certain pre-COVID stalwarts struggle to recover while crisis-tested alternative solutions continue to scale.	New baby boom among Millennials redefines their spending priorities and habits.
Immediate liquidity crises for businesses and individuals.	<b>86% of firms in Resilience or Recovery phase</b> <i>(KPMG webinar polling, w/c 20 April)</i>		

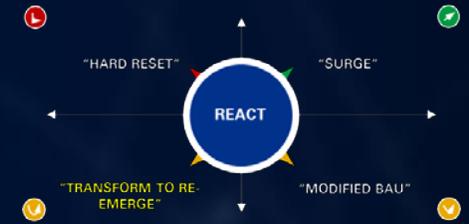


# Varying recovery patterns by sector

...but varying degrees of risk exposure to COVID-driven shifts will result in an “alphabet soup” of recovery patterns when viewed at the sector/company level vs. global/national.



# Projected outcomes for Insurance



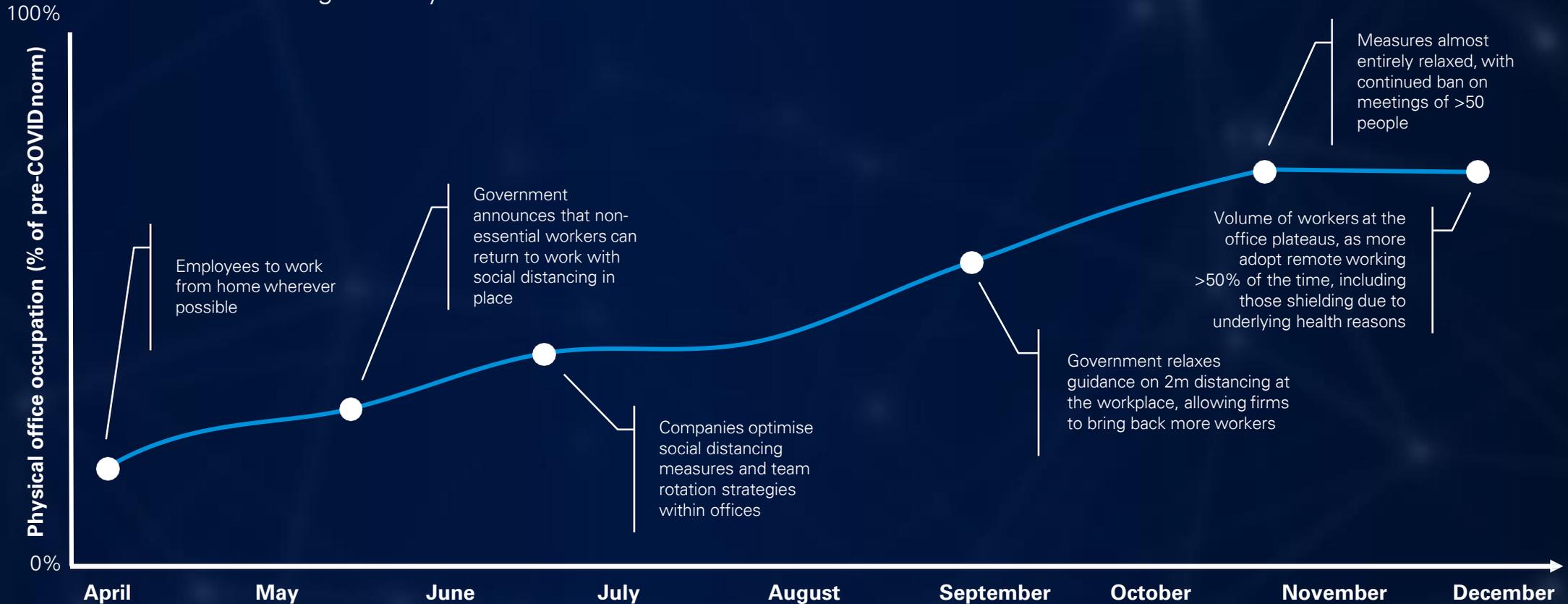
## THEME

## PROJECTED OUTCOMES

1	Ways of Working	<ul style="list-style-type: none"> <li>Corporate travel and real estate are re-imagined as part of transformation</li> <li>Sustained investment in collaboration infrastructure, adoption of 5G plus VR/AR to reduce physical touch points</li> </ul>
2	Workforce	<ul style="list-style-type: none"> <li>Timeline brought forward on sizeable workforce automation and re-skilling</li> <li>Re-deployment and re-skilling strategies become key to transformation effort – long term view is needed on operating model</li> <li>Investment in digital talent needed</li> </ul>
3	Digital Commerce	<ul style="list-style-type: none"> <li>Returning to traditional business model is hampered by reduced / changed demand</li> <li>Compelling need to explore disruptive business model innovation to meet changed consumer priorities</li> <li>Significant investment in enabling technologies (especially payments, AI, platforms)</li> </ul>
4	Supply Chain and Manufacturing	<ul style="list-style-type: none"> <li>Digital Transformation initiatives will accelerate, forcing companies to reconfigure their supply chain (re-evaluating their existing relationships and strategies) while reconstructing supply chains with a greater focus on transparency, agility and ethics</li> </ul>
5	Continuity and Resilience	<ul style="list-style-type: none"> <li>Continuity and resilience are built into transformation effort</li> <li>Investment in technology infrastructure is key to new operating model</li> <li>Revisiting organizational structures to consider 'modularity' to enable fast movement in future events (divestiture, separation etc.)</li> </ul>
6	Environment & Climate Change	<ul style="list-style-type: none"> <li>Pressure for growth will make it difficult to prioritize ESG in the short term</li> <li>Business model transformation provides the opportunity to create sustainable, technology-enabled business models incorporating ESG values and providing differentiation</li> </ul>
7	Debt Burden	<ul style="list-style-type: none"> <li>Balancing payback of servicing mounting debt whilst funding large scale transformation</li> <li>Allocation of bailout funding towards remaining operational in current form vs. transforming to new form</li> </ul>
8	Globalisation	<ul style="list-style-type: none"> <li>Multinationals have to adjust to the new post-COVID realities and balance between local and international markets</li> <li>New business model opportunities might exist to capture shifts in consumer preferences or government support for national interests</li> </ul>

# KPMG prediction: The return to the workplace

As Government measures are relaxed over time, the volume of workers returning to the physical office will increase. However, we predict that due to a change in ways of working facilitated by an improved technology strategy, many will opt to spend the majority of their week working remotely.



# Steps back to a new reality

As we start to consider the easing of lockdown and a return to options for working flexibly, not just remotely, there are a number of elements to plan:



## Priority groups

Who are a priority for returning to work onsite?



## Scheduling

How do we group teams to be in the same physical space?



## Health & wellbeing

Continued provision of additional health and well-being measures, both on-site and virtually



## Effective working

Designing how mixed teams will work e.g. team meetings combining face to face with virtual, to ensure consistent interactions



## Employee engagement

Continued engagement through communications at all levels and across office based and virtual teams



## Technology

Management of technology and networks to cope with combination of in-house and remote access, ensuring remote workers are not disadvantaged



## Policy

Redesign and alignment of HR and employment policies to the new working practices



## Facilities & workplace

Redesign of office space to serve remote and face to face simultaneously

# Priority groups

Organisations should plan for continued social distancing in some measure for the rest of 2020. This brings with it a consideration of phasing employees back into the physical office...or not



## Immediate

- Unable to carry out role away from the workplace e.g.
  - Lack essential technology/equipment
  - Role is centred around a physical location or geography
  - Nature of role is highly sensitive and requires controlled environment e.g. defence and intelligence, restructuring

## Second wave

- Developed immunity to the virus (if consistent with current Government guidelines)
- Ability to work effectively is impaired, including by home surroundings (use people analytics, including pulse surveys, to establish hypotheses)
- Team workers, where there is an indication that team efficiency has been impaired by remote working
- Individuals indicating that their productivity would be greater in the office

## Longer term

- Knowledge workers, where enabling technology is in place
- Parents and carers, where schools have not yet reopened
- *Should you encourage these colleagues to continue remote working?*

## Remain remote

- Anyone with a shielding responsibility e.g.
  - above 70
  - has or has had cancer / respiratory illness
- Anyone currently testing positive for the virus, in known contact with a carrier, or showing symptoms
- Anyone recently returned from a high risk destination

Government guidelines

Health & wellbeing of employees

Reputational risk

Operational effectiveness

Financial performance

# Scheduling

Establish how many employees and teams can work together while respecting social distancing rules in the office

Ask team leads to split their teams into smaller 'units' in a way that makes sense for ways of working

Stagger arrival, departure and lunch times

Require teams to establish hand-over protocols, particularly where home working is likely to be less effective

Assign different core attendance days to different teams

Prepare to flex your strategy if another lockdown is imposed



# Health & wellbeing

## Physical wellbeing

- Ensure hand sanitisers, thermometers and personal protective equipment are readily available and guidance on use is displayed in key locations
- Provide tissues and no-touch disposal receptacles
- Consider making wearing masks at work (the office, client locations, commute and/or elsewhere) mandatory
- Dedicate and equip an isolation space in the office for people with sudden symptoms
- Carry out temperature checks – in the lobby by the management company or the lift lobby by the firm; use infra-red gates or temperature guns – always following Government guidelines
- Require staff and visitors to complete a declaration form on entering the building
- Establish a database of all staff health, quarantine declaration status, location data and analytics (complying with GDPR)

## Emotional wellbeing

- Don't forget about staff who remain largely remote workers!
- Keep a regular drumbeat of communications going, without returning to rely on face to face meetings
- Take regular pulse checks to ensure all employees feel their mental health is strong, and identify and address common issues/trends
- Encourage line managers to consider the various working patterns and styles of the people they manage



# Effective working

Give all meetings the optionality of remote joining i.e. Teams/Zoom/WebEx etc.

Performance: measure outcomes and output rather than input

Consider overall workforce shape, capabilities and sourcing options available

Restrict meetings to core hours i.e. 10am-4pm, to allow for different working patterns and shifted commutes

Review work processes to cater for new working schedules, including handover protocols

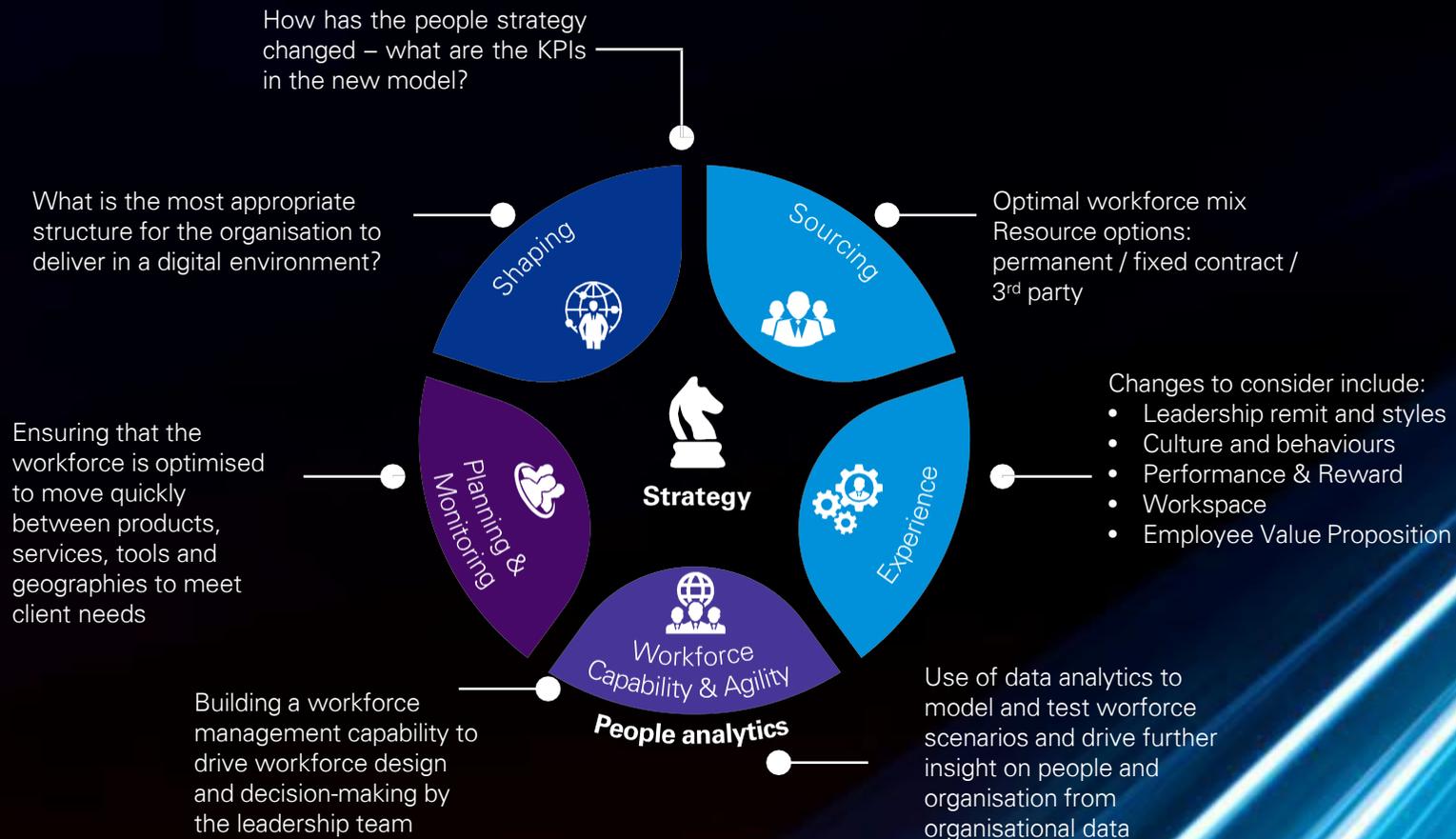
Make working from home a real alternative, with ambitious targets

Don't assume that being in the office will increase workers' productivity. Use real-time analytics to identify teams where this is not the case



# Workforce management

Organisations also need to consider the longer term strategic approach to managing the workforce, to ensure they capitalise on investment and improvements made over the last 3 months in flexible working options.



# Employee engagement

## Communications

- Provide regular updates on status and projections, where helpful
- Regularly remind colleagues of relevant policies, and immediately communicate material policy changes
- Use pulse surveys as a way to establish two-way communication, and ensure leadership comms demonstrate that the results are being acted on
- Create and maintain a set of up-to-date FAQs in an accessible location, and ensure helplines continue to run

## Environment

- Ensure team leads keep bolstering a virtual team community independent of location – particularly given limits on physical gatherings
- Allow for flexibility of working hours, location, commute etc.
- Re-examine employee recognition initiatives, ensuring they are backed by meaningful rewards



## Culture & behaviours

- Reinforce organisational values to combat misconduct at a time of negative psychological safety
- Ensure performance development doesn't fall by the wayside: encourage line managers and appraisees to continue holding open, honest career conversations
- Encourage innovation within teams as a way to drive innovation, even as individuals become more risk-averse

## Leadership

- Leaders must be both operations managers and change advocates
- Provide your people leaders with the information they need to reassure and support their colleagues
- Be personal: cascade leadership discussions as appropriate, and relate your own experiences
- Remind your workforce of the things which remain constant, as a way to offset the turmoil that so much change can cause

# Technology



- **Review all key organizational policies and communicate as needed**
- **Monitor behaviour and conduct against policy and take action as required**
- **Monitor and react to changing government policy**

Employee value proposition: reward, annual leave, working hours, etc.

Behaviour and conduct for joint physical and virtual working

Recruitment policies in light of new workforce management impact

Distancing policies if required

Physical conduct in office spaces

Travel and mobility

Security policies: both physical and digital

# Facilities & workplace

The speed and success of moving to remote working is leading to a fundamental rethink of the need for physical office space.

## Longer-term implications

- If your organisation has proven that remote working is a viable and sustainable option, consider long-term implications on workforce of the future requirements and support provided to staff working remotely
- Consider how travel, meetings and analogue trainings could be replaced by collaboration tools going forward
- Consider how this crisis could become an opportunity to reduce your property footprint and re-envision what it means to come to work

## Immediate considerations

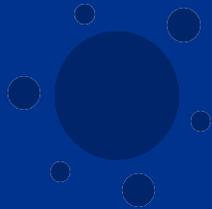


# The workplace of the future

The global impact of COVID-19, and the remote working it necessitates, is set to change the workplace as we know it for good. Many firms who have moved to an 'extreme' remote working model will never look back.

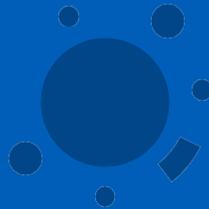
## Workplace models

### Traditional



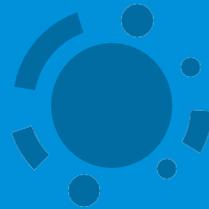
- Main Head Office (HO), satellite or regional offices, contact or operational centres
- Almost 100% desk-based
- Flexibility for some HO people to work from home, usually Fridays

### Pop-up



- Estate allows for temporary or pop-up offices, e.g. WeWork, for key projects, overflow, etc.
- Other features as per traditional set-up

### Mixed



- Desk ratios reduced for Head Office and some other locations to encourage more offsite / home working
- Limited defined population

### Professional



- Much lower HO desk ratios
- Expectation that employees will spend significant time working elsewhere
- Broader population affected (but not contact centre)

### Extreme

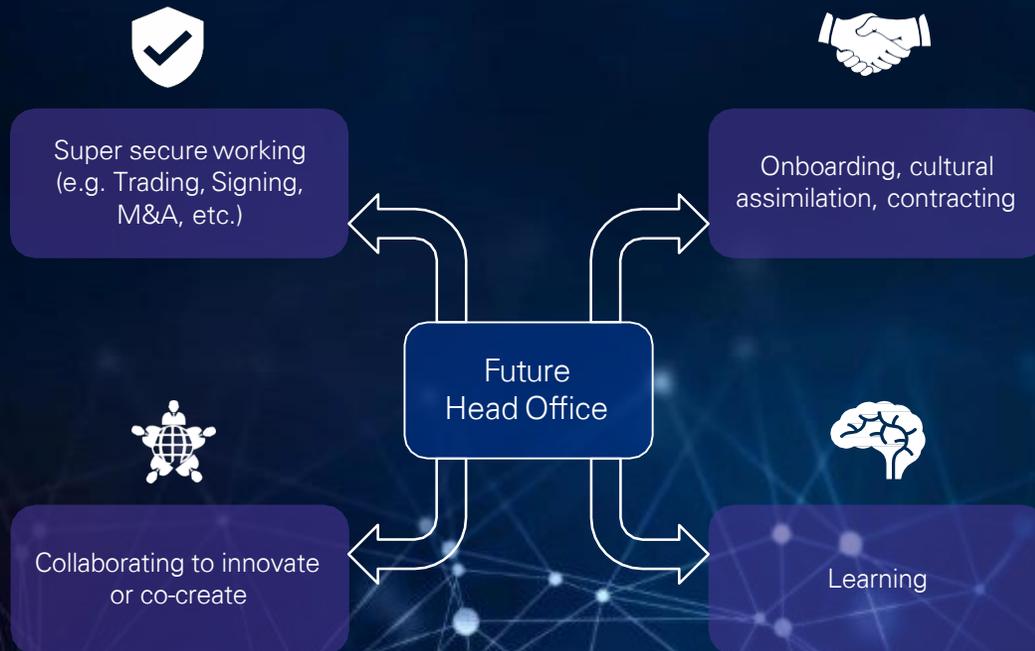


- Hyper virtualization
- HO is not for day-to-day working. It has a different purpose and is much smaller, and can therefore be more creative and high-tech
- Most people work remotely

100% working onsite

100% remote

# What is the role of the office in the 'extreme virtual' model?



**In an extreme virtualised office setup, there is still a need for a central space.**

**This should be designed for four core purposes:**

- Maintaining your culture
- Collaborating to innovate
- Learning together
- Executing key work securely

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