

EUROPEAN EDITION

complysci

SURVIVING THE CRISIS AND PLANNING FOR RECOVERY

A Guide for Owner Managed Business and SMEs



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INTRODUCTION

Throughout COVID-19, SMEs have been subject to much media attention, especially with record-breaking government grants, support schemes, and co-funded loans headlining on a daily basis.

While many organisations have been focused on the welfare of their employees, adapting their operations, and maintaining critical

oversight, some are beginning to encounter gaps in their business continuity playbooks, especially as they start to plan for the 'new normal.'

In this whitepaper, we've highlighted 10 ways smaller operations can prompt gap analysis discussions amongst teams and encourage leadership to develop plans to help emerge from the crisis.

1. TECHNOLOGY

Few outside of corporate life would ever have used Zoom in their daily lives, and even fewer would have thought of watching live fitness routines, entered virtual pub quizzes, or cook-ins via video conference.

Whether you use Zoom, FaceTime, Skype, or Messenger, video calls are now an integral part of your daily routine. If you're still struggling with a compliant BYOD policy for home workers, it's likely that your technology infrastructure is running at full tilt, gaps are beginning to emerge, and data privacy issues are troubling your [GDPR oversight teams](#).

Everything done at the office must be replicable remotely on any device and in any environment. For smaller companies, achieving this ideal can be relatively simple by adopting 'off-the-shelf' solutions from Google, Apple, and Microsoft.

For compliance activities, we're aware that many operations still use shared spreadsheets and diary reminders to undertake crucial tasks. Both of these offer limited resilience capabilities and often suffer from key person dependency issues or reliance on physical server/office locations. A bespoke RegTech solution can help firms overcome this and leave manual processes behind once and for all.

A remote workforce will likely be the 'new normal.' Now is the time to consider whether your technology infrastructure, bandwidth, and software will be able to support your business operation in this new world of work.

2. COMMUNICATION IS CRUCIAL IN A CRISIS

Some players have been less than transparent in their team communications, often leading to decreased employee engagement and a listlessness in those struggling to work from home or cope when furloughed.

In times of uncertainty, transparent communications are crucial. Your customers and clients want to hear from you. They need to know that you're in business, fully operational, and are looking after their interests, even in times of disruption.

Your employees will also want to know what part they play in helping your business recover and a regular update will pay dividends to those staff who are feeling concerned at this time.

Communicating the resilience, preparedness, and operational risks within your organisation is made more straightforward by having reporting and analysis ready at hand. A RegTech solution provides team access and management reporting on any device in any location and can provide communications teams with invaluable insight when crafting marcomms or internal messaging.

3. CONSIDER WHAT A RETURN TO WORK LOOKS LIKE FOR YOUR FIRM

With high asset, rent, and maintenance costs, the modern office is an expensive overhead for many operations. For smaller businesses, rent and rates are often one of the highest monthly costs, and for owner-managed operations, a spare bedroom, summer house, or garden room is your operational HQ. Whatever the size of your office, if it's occupied by more than just yourself, you'll need to consider quickly what operational protocols need to be put in place during the recovery phase.

All companies also need to consider when public transport will be able to support employee or client journeys and contemplate whether either will want to travel to locations away from the comfort and safety of their own homes.

For many, there will be an element of risk in any form of travel, therefore every type of operation will need to comply with WHO and local Health and Safety measures to protect their workforce.

There may also be a need to update workplace and remote workstation risk assessments,

covered by individual and management attestation.

RegTech software can oversee much more than trading and regulatory compliance reporting. Employee attestation and gap analysis can be incorporated into your company's application of this software, providing access to crucial data and reporting in real time.

4. PLANNING FOR THE UNEXPECTED

We've discussed [business continuity](#) at length, and companies of all sizes should now be updating their existing playbooks 'on-the-fly' and considering other risks that may emerge over the next few months.

Many of us are aware of cyber threats and end-user fraud, which are seeing exponential increases since the start of crisis. However, more subtle threats are emerging for smaller companies. Some current risks revolve around employee safety and welfare, and absence levels caused by isolation measures and illness are increasing, which can impact the day-to-day operation.

Technology risks are also considerable, in terms of accessibility, vulnerability, and IT stability. Some companies have faced difficulty in sourcing hardware from overseas, and IT contractors are running to capacity in many areas.

Gaps, incidents, breaches, and risks emerge at record speeds during a crisis, and all organisations should take time to consider whether RegTech software or other automated solutions can provide a valuable safety net for their operation now and in the future.

5. CONSIDER SOCIETAL CHANGES

Companies should be considering how societal changes will begin to affect future customer choices. Many enlightened organisations were already highlighting their ESG agenda before the crisis, with a large majority now realising that these key pillars will play a huge part in their offering in the future, especially as the population realises that the crisis has provided a temporary reset on worldwide economic growth and environmental damage.

Of course, developing an ESG agenda is far from just a paper exercise. It's something that must be embedded into all aspects of your firm and with such a broad agenda that it will take a focus from leadership and employees alike across the organisation.

Reinventing your organisation to meet the expectations of your people and your customers will be crucial to future success. We believe that doing the same as before the crisis

simply will not work. Resilience expectations have been raised and deploying emotionally intelligent strategies should be at the heart of your operation for the foreseeable future.

RegTech solutions can help your organisation deliver better insights into your ESG agenda and help you promote tangible benefits to future employees, clients, and customers. Players with RegTech solutions are also more likely to retain and attract valuable talent supporting a culture of compliance embedded throughout the operation.

6. REMEMBERING THE REGULATOR

Let's face it, the regulators are facing the same challenges. While many UK and European companies are managing their operations and reporting under BAU, some operations without RegTech solutions are being asked to retain audit trails and full records of all transactions, interventions, and breaches for reporting at a later date.

One measure of recovery success will be how quickly organisations clear their reporting backlog and emerge from the business continuity phase.

It is apparent that each regulator will be creating reviews and devising supervision to fully understand the risk and compliance environment once we enter a 'new normal' mode of operation. Those players with an in-built

resilience, or who prepared for all eventualities, will likely have positive outcomes that provide lucrative PR opportunities in recovery.

Those companies that will need to redouble investment simply to catch up will be less likely to capitalise on market re-awakening and the opportunities that may exist. They are also likely to receive greater interest from a regulator who will be looking for examples of poor practice and to levy fines and censure.

Now is the time to consider how RegTech solutions can support your business in recovery and beyond. Our team is working hard in remote locations to develop bespoke solutions for companies of all sizes and types across financial services.

7. REMEMBERING THE MOSCOW PRINCIPLE

Have you read about MoSCoW on our blog? Now is the time to prioritise your tasks in a strict order. We think that the MoSCoW principal works for many financial services companies and should be an essential part of your recovery plan. Here's a reminder of the MoSCoW prioritisation model:

- » Must Have – Something that's illegal, unsafe or lacks resilience without doing it
- » Should Have – Something that's important, but not critical or for which an interim workaround could be found
- » Could Have – Something which could be postponed, but may lead to some short-term pain, risk, or exposure

- » Won't Have this Time – Deliverables which fall outside of the other rules which can be postponed or cancelled

To find out more about MoSCoW and the ICE Model created by ComplySci, please [visit our blog](#).

8. YOUR PEOPLE

With most organisations taking advantage of grant, furlough, or government loan schemes, many companies will now be considering how they're going to support a new way of operating in the near and longer term.

In many organisations, non-essential costs are being reduced, expenses minimised, and some future projects postponed in the light of this crisis, all of which are affecting those who we have recruited or nurtured for many months or years. Now is the time to consider how your structure will reflect:

- » The immediate operational needs of the business

- » How much resources will be required to catch up on tasks not achieved during the crisis, and how long this catch-up phase will take
- » Resources required to deliver the operation of the future, including any M&A activity, customer base expansion, or client retention activities
- » Investments in technology, infrastructure, relocation, or retraining

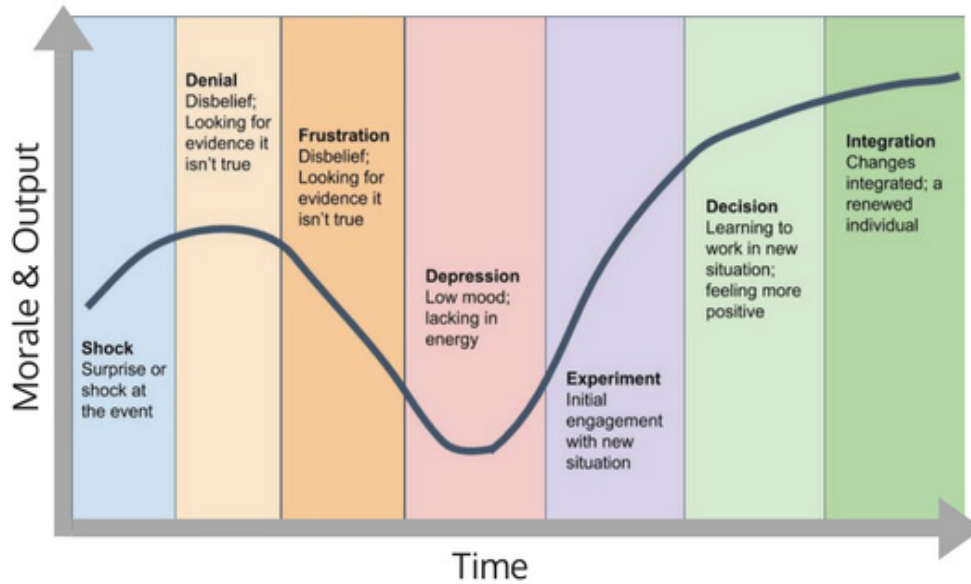
RegTech can help support the organisation of the future by getting the most out of your talent while streamlining processes.

9. HOW DO WE KNOW WHEN A 'NEW NORMAL' IS REACHED?

In short, we don't know. We believe that confidence will return in stages and is likely to be far from linear. A recovery from a financial crisis has been played out many times over the years, whereby recovery from a pandemic is largely a new playbook, affected by science, emotion, and governmental intervention.

The change curve plots the human responses to traumatic change. The COVID-19 environment in which we all exist is currently so uncertain that many of us will be shuttling back and forth and cycling through all of these responses continually for many months.

KUBLER-ROSS MODEL



Fiscally, we believe that 2020 will be a tricky year for almost every organisation, with any level of confidence not returning until Q3 or Q4. Our belief is that Q1 and Q2 of 2021 will provide the best indication of recovery, with mobility and social contact likely to result in greater consumer and corporate confidence on the back of a potential vaccine or other therapeutic treatments.

Of course, 2021 will also likely see a realisation that state support measures will need to be repaid, and that levies on larger institutions and financial services may be part of a recovery

plan for major economies. Next year's Budget announcements, combined with the inevitable inquiries into the governmental handling of the crisis, will likely lead to considerable market instability, potentially taking away any positivity from recovery.

What we do know is that many friends and families will be looking forward to celebrating and re-envisioning what the 'new normal' looks like. The opportunity for companies to create a 'new normal' exists, we just need to figure out what we want the future state to be.

10. HOW CAN COMPLYSCI HELP YOU?

ComplySci can help with a wide array of operational tasks to release resources and focus on added value tasks and activities.

All players are likely to see increased interest from the regulator during the recovery phase and will be under pressure to demonstrate how operations fared during the crisis.

We've provided our team with the latest technology to ensure that they can continue to deliver excellent standards of support and customer service to existing and new customers of all sizes and in every location.

If you would like to talk to us, contact us today. We can provide a virtual demonstration of our software and schedule a Zoom call to outline our services.



ComplySci is a leading provider of technology solutions that help compliance organisations identify, monitor, manage and report on conflicts of interest arising from employee activities, including personal trading, gifts and entertainment, political contributions, outside business affiliations, and other code of ethics violations. Founded in 2003 by early pioneers in the development of automated compliance management solutions, ComplySci is now trusted by over 1,100 customers, including some of the world's largest financial institutions. Compliance Officers rely on ComplySci's scalable and sophisticated platform to stay ahead of risk.

Learn more with a [ComplySci Demo](#)