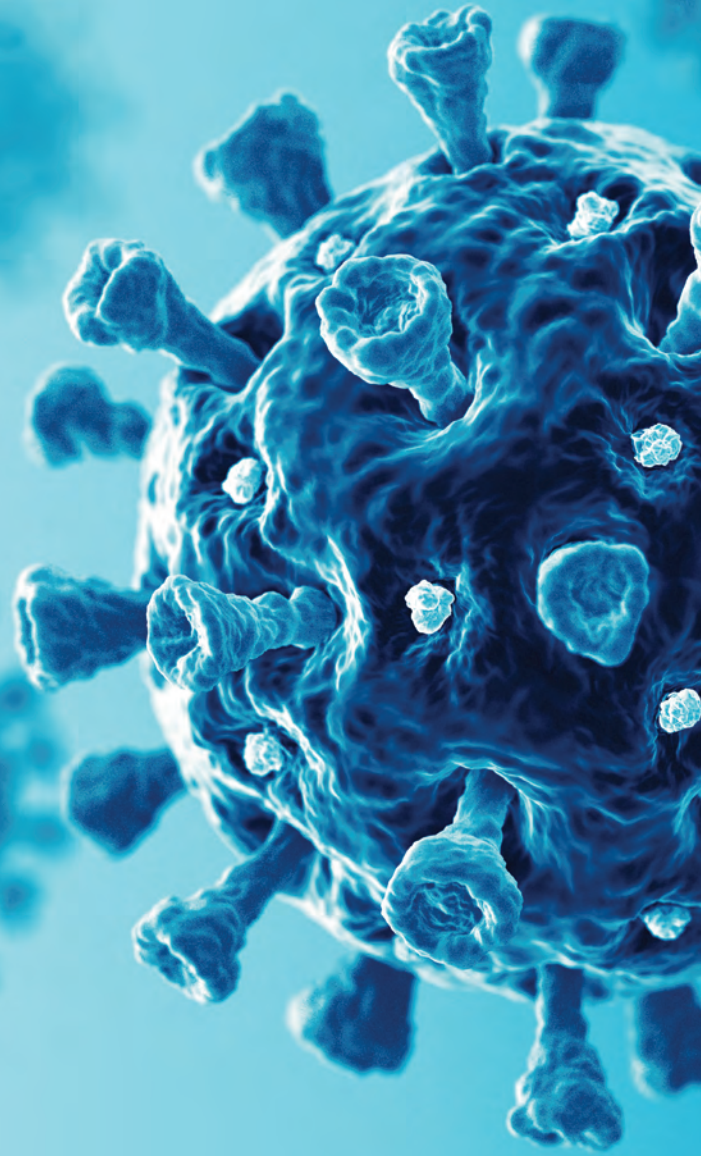




FOR PROFESSIONALS, BY PROFESSIONALS

Knowledgeable.  
Experienced.  
Professional.

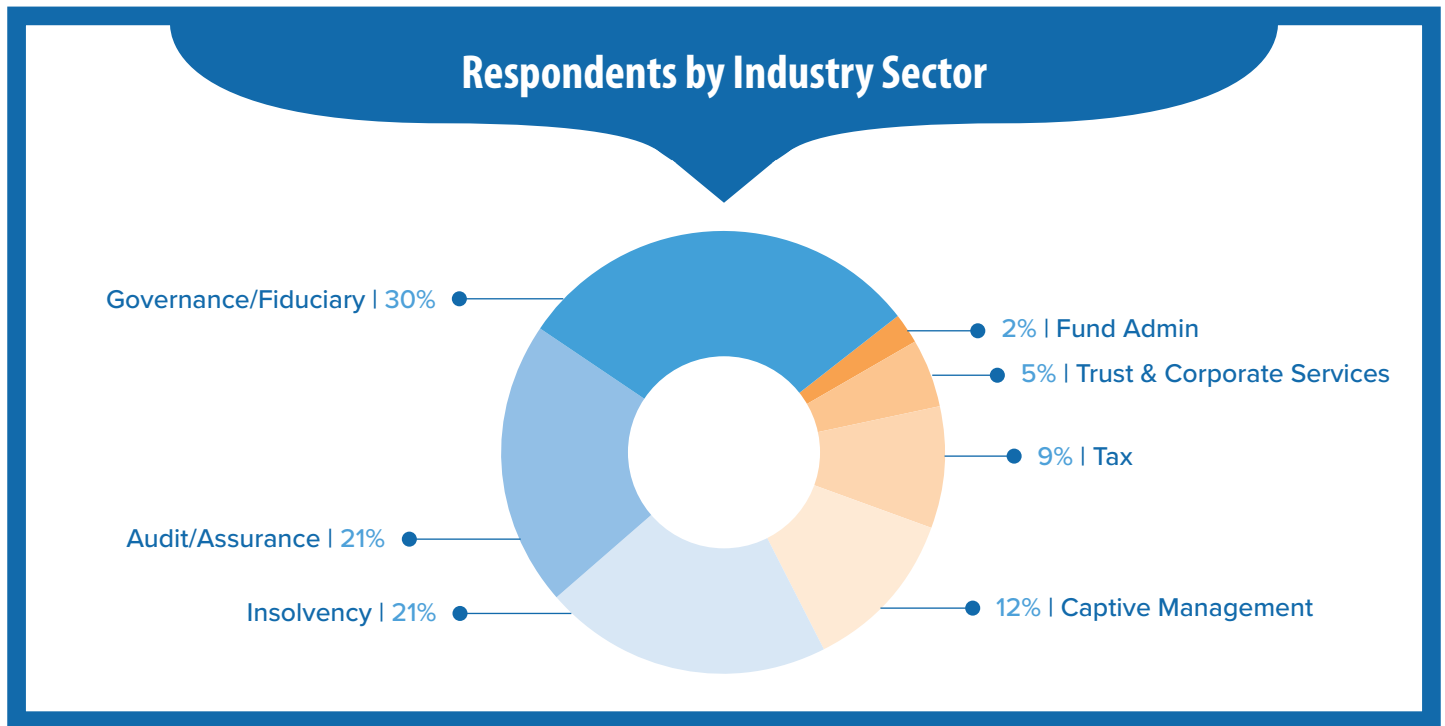


# COVID-19's Impact on Cayman's Financial Services Market

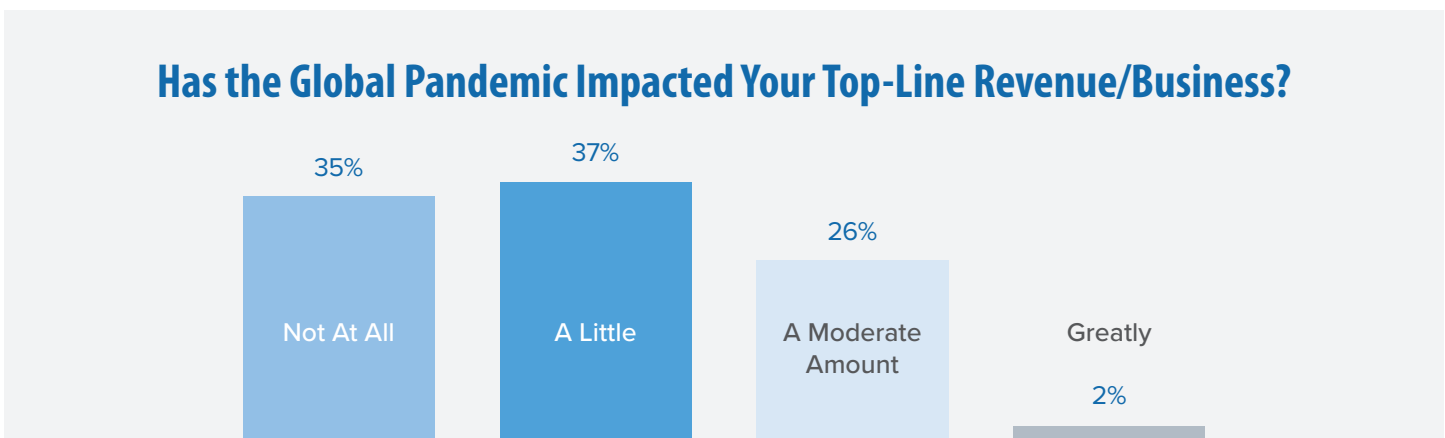
## Introduction

Over the past two weeks, we surveyed Cayman's business leaders – executives and industry leaders for their opinions and observations on COVID-19's impact on our local financial services market. Below are our findings.

Of the 43 respondents, the industry breakdown is as follows:



Our first over-arching question was, 'Has the global pandemic impacted your top-line revenue?' Results showed that the majority of respondents indicated that their business was being affected only a little or not at all, with only one indicating that it had been greatly impacted.



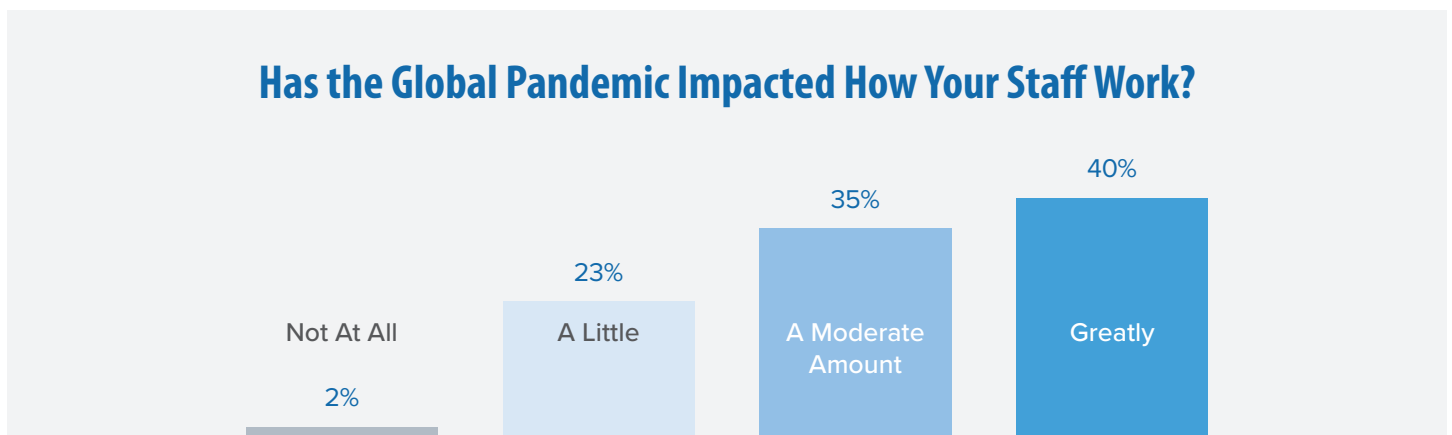
Reading more deeply into the commentary, some executives noted that they'd seen a slower onboarding of new business, reduction in deal closings, and expected market upheaval leading to a number of upcoming fund closings. However, the insolvency practitioners widely noted an expected uptick in business as the pandemic plays out and financiers' sort through the rubble. It was noteworthy as well that one captive respondent indicated that US healthcare is experiencing significant financial distress, which is likely to trickle down to the sector here given Cayman's dominance in that niche. One respondent in the insolvency space noted that their business had already been greatly positively impacted.

We can safely derive here that a small to moderate downturn, say 5% to 20%, for a majority of Cayman's financial services firms should be somewhat to largely offset by an increase in business created by insolvency matters arising.



## The Nature of Work and Productivity

Attempting to solve for not just the top-line economic changes to business, but also how we work, we next asked, 'Has the global pandemic impacted how your staff work?' Conversely, to the previous question, an over two-thirds majority indicated here that their staff's work was either greatly or moderately affected.



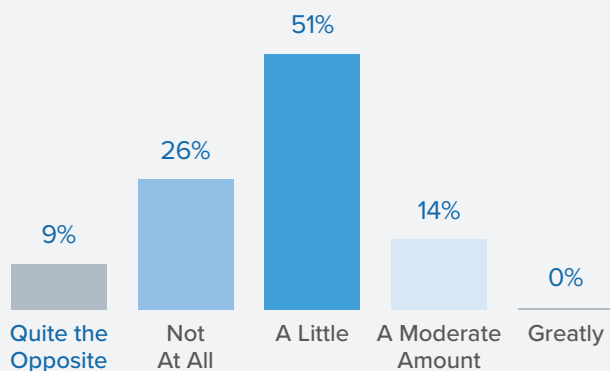
This question elicited a resounding response in the comments section that almost universally touched on some aspect of their staff working remotely. Of those responses, variations on a theme included:



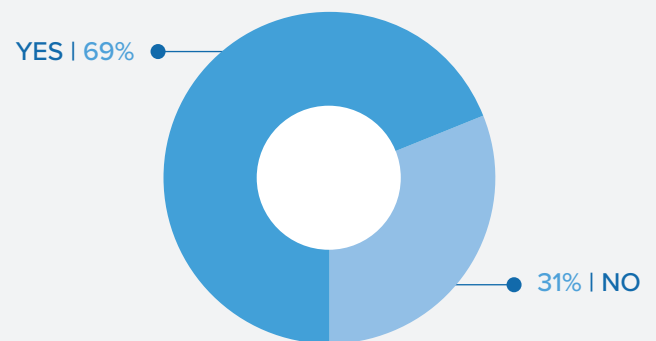
One respondent even indicated that their team was used to remote working, but the duration of the pandemic was having unexpected, albeit unspecified, consequences. The majority of the commentary seemed to focus more on the *challenges* being encountered rather than any *opportunities* presented, although none seemed to be indicated as overwhelming or untenable. A couple of survey-takers did message outside the scope of the online form that they were anticipating being able to downsize their office space requirements but had yet to gameplan a strategy or timeline.

Building on this, we next asked, 'Has the global pandemic negatively impacted the productivity of your staff?' and 'Have you implemented solutions to boost or maintain the productivity of your staff?' In these questions is where we found the most diversity of response. As far as a negative impact on productivity was concerned, we saw over 50% indicating 'a little' with the remaining responses resembling a normal distribution of greater and lesser impact. Over two-thirds indicated they'd implemented solutions to assist with productivity.

### Has the Global Pandemic Negatively Impacted the Productivity of your Staff?



### Have You Implemented Solutions to Boost or Maintain the Productivity of your Staff?



In the 'moderate amount' category, a few respondents noted that specific tasks and processes took longer while working remotely and another that staff being dislocated and isolated seemed to be creating a material impact on morale and thus productivity. Others indicated that some team members simply didn't have ideal work from home conditions such as a desk and chair or that IT infrastructure being non-standard posed challenges. Perhaps most notably, one executive expressed concern over mental well-being and uncertainty, leading to reduced productivity.

There were many more casual responses here as well, such as "business as usual and all deadlines are being met" and "much less impact than was initially feared". Responses here seem to correlate to the relative impact to the industry sector of the respondent, but being many years removed from my last statistics course, I'll need to park any scientific findings here.

I think it's worth detailing some of the solutions offered up in the responses here, as they may be the most useful items coming out of this report. Among those suggestions being implemented are:



Complete transparency in daily utilization reporting and catch-ups, weekly WIP and metrics

Stress counseling support



Stripping unnecessary work requests

Maintaining frequent communications and daily check-ins



More relaxed use of chat functions, WhatsApp, reduced email traffic where possible

Flexible working hours



Investment in IT hardware, software (i.e. SharePoint versus VPN into slow servers), desks, screens

Home food delivery, online team workouts, Zoom happy hours



Phone lines redirecting to cell phones

Addition of electronic signatures





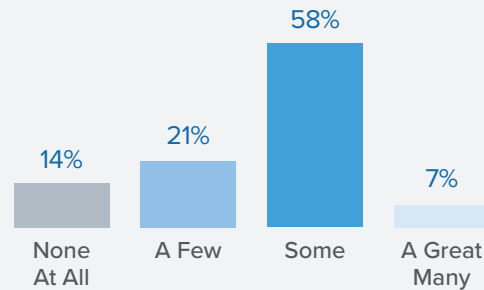
Of these solutions to positively impact productivity, the majority (58%) indicated that a portion were here to stay permanently. In comparison, a surprising number (14%) noted that 'none at all' would be with them for the long haul.

There was a strong consensus in the message here in those responding in the affirmative that flexible work

arrangements, an increase in virtual meetings, and a decreased demand for office footprint would become the norm. Most shared the thinking that their staff now are equipped with many lines of virtual communication and are more comfortable working with them in the past. Counterintuitively, one commenter noted the more video conferencing would replace lengthy emails in a throwback to a bygone era when folks picked up the phone rather than pounding out dictums and diatribes. Interestingly, the 'none at all' crowd elicited no commentary on their beliefs.

It seems a great many changes have impacted our shores and its business community. While many both globally and locally are suffering, our pseudo-scientific analysis seems to point towards more positivity in Cayman's financial services sector.

### How Many of the Changes That You Have Implemented For Your Staff Do You Anticipate Are Here to Stay?



**“flexible work arrangements, an increase in virtual meetings, and a decreased demand for office footprint [will] become the norm”**

Leaders point to their business only being marginally impacted, if at all, and a bit of good fortune that affords their staff to relatively effectively carry on with their work from remotely connected locations. I suppose this should surprise no one who works in financial services, but serve as a reminder to the community at large that the economy will be buoyed and, in some ways, emerge stronger and more efficient. While many will perceive challenges and roadblocks to overcome, it seems a good number of leaders already have their eyes on the opportunities ahead.



## **Will Koutney**

---

Direct: +1 (345) 623-1037

Email: [william.koutney@cml.ky](mailto:william.koutney@cml.ky)

LinkedIn: [www.linkedin.com/in/williamkoutney](http://www.linkedin.com/in/williamkoutney)

PO Box 30237, Grand Cayman KY1-1201, Cayman Islands  
[www.cml.ky](http://www.cml.ky)