CFOs are optimistic they can keep their customers and employees safe

As Covid-19 restrictions continue to slowly lift in some countries while others remain in lockdown, finance leaders are confident about their companies' ability to reopen safely.

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PwC's survey of 867 chief financial officers (CFOs)s in 24 countries and territories also found that about half (49%) of CFOs are considering making remote work a permanent option where feasible, and 48% are looking at accelerating automation and other ways of working.

“As a number of economies slowly start to reopen, it is becoming increasingly clear that businesses have a key role to play in managing the way forward. While governments are issuing broad guidance, it is companies that will need to determine when to bring their people back to work sites, how to keep them safe, and how to ensure this safety can be sustained throughout the crisis and recovery. The good news is that finance leaders are confident about their companies’ ability to design and implement effective return-to-work strategies.”

Key findings of the survey include:

- **Workplace safety:** Confidence about workplace safety runs particularly high in Denmark (90%) and Germany (85%), both of which have reopened or are soon planning to reopen their schools, restaurants, and shops. Among the tactical measures planned to protect staff, 76% of all CFOs surveyed are considering masks and testing, and 65% say they’ll reconfigure worksites to promote physical distancing.
- **Remote working:** CFOs in Denmark (72%), Germany (67%) and Mexico (69%) are most likely to consider making remote working a permanent option, compared to 49% of all the CFOs surveyed.
- **Employee protections:** Many CFOs (43%) expect higher demand for protections such as paid sick leave, discrimitation safeguards and other policies land benefits. CFOs in Portugal (54%), the US (52%) and Malaysia (52%) are most likely to expect demand for more employee protections.
- Staffing: More than one-third (37%) of CFOs expect changes in staffing such as temporary leave or furloughs due to low or slow demand. In Denmark, CFOs are more likely than average to anticipate changes in staffing (51%). In the Middle East, which has also been heavily impacted by oil price volatility, CFOs are more likely to expect changes in staffing (43%) and layoffs (40%).
- **Supply chains:** When it comes to changing supply chains, 51% of CFOs cite developing alternate sourcing options

as the most pressing area, led by Africa (64%) and Turkey (63%). In Germany (55%) and the US (52%), CFOs are most likely to prioritise understanding the financial and operational health of their suppliers, and CFOs in the Caribbean (61%), Middle East (57%) and Africa (56%) more likely than average to plan changing contractual terms.

- **Revenues:** More than half (51%) of CFOs expect a decrease in revenues of up to 25% as a result of the current crisis. CFOs in Denmark and Germany are the most optimistic regarding revenue, with 31% and 27% respectively expecting a decrease of less than 10%.
- **Cost containment:** As companies settle into stabilisation, cost containment is a favoured strategy among CFOs, with 81% saying they will consider it in response to the crisis. 60% of finance leaders say they will defer or cancel planned investments, with facilities and general capex (83%), operations (53%) and workforce (49%) topping the list. Only 16% of CFOs are considering deferring or cancelling investments in digital transformation.
- **Recovery:** Although 42% of CFOs believe their company could return to "business as usual" within three months if Covid-19 were to end today, there is a growing sentiment in many territories that recovery may take much longer. Overall, 8% of CFOs would expect it to take more than one year. In Malaysia, 23% of CFOs say returning to business as usual could take more than a year. Twenty-six percent of Mexico CFOs and 33% of Africa CFOs believe it will take six to 12 months.
- **Long-term benefits:** Many CFOs cite work flexibility (72%), better resiliency and agility (65%), and technology investments (52%) as crisis-driven developments that will improve their companies in the long run.