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Financial Services Survey Results

January 2021

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Survey overview

Financial services survey

In 2020, Australian society and the financial services industry at large were deeply disrupted by the global pandemic. The sector played a leading role in helping individuals and businesses deal with the impacts of COVID-19.

As 2020 drew to a close and we pushed into 2021, we surveyed our financial services clients to better understand the longer term impacts of the pandemic, lockdowns and economic disruption. With organisations facing multiple pressures in the form of fast tracked digital agendas, changing workplace and macroeconomic concerns, as well as the fallout from the Royal Commission and existing regulatory pressures, the results illustrate the sector’s priorities and point to the long term changes facing the industry and Australian society.

The survey was completed by approximately 50 individuals, made up of senior legal counsel, general counsels, directors and executives. The results are considered in four areas:

- Workplace culture and environment
- The economy, regulation, consumer and community expectations
- Outsourcing, offshoring and supply chains
- The importance of technology and digitisation.

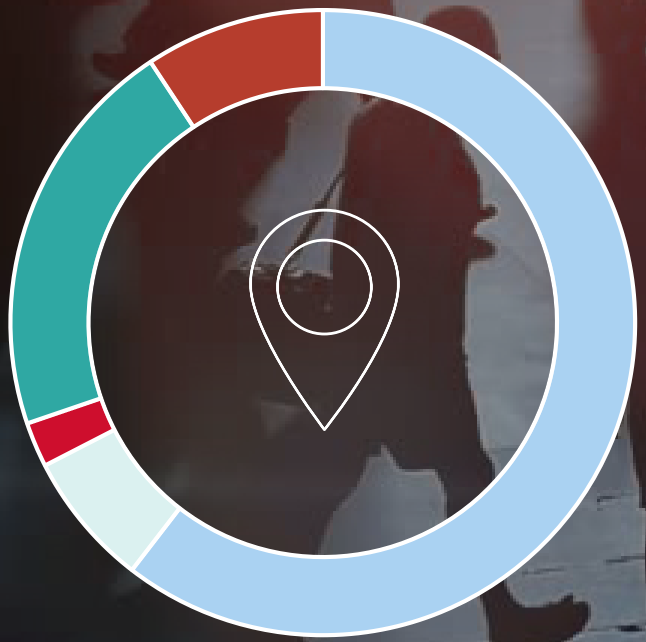
Survey demographics

National representation of respondents, with majority from NSW and Victoria.

Respondents include senior legal counsels, general counsels, directors and executives.

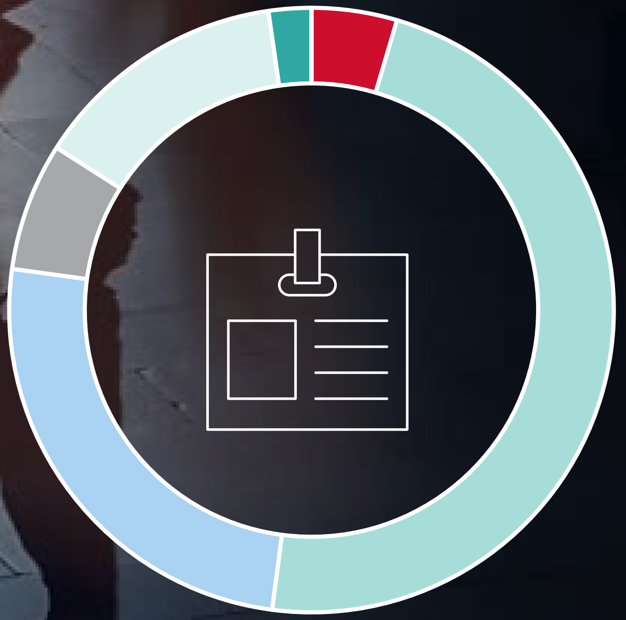
Majority of respondents coming out of corporate and institutional banking, funds management and super, insurance, investment banking and retail banking.

Where is your office located?



- 60.47% New South Wales
- 6.98% Queensland
- 2.33% South Australia
- 0% Tasmania
- 20.93% Victoria
- 9.30% Western Australia
- 0% Other

Which of the titles below best describes your role?



- 4.55% Senior Executive
- 47.33% Senior Legal Counsel
- 25% General Counsel
- 6.82% Manager
- 13.64% Senior Manager
- 0% Executive
- 2.27% Director
- 0% Consultant

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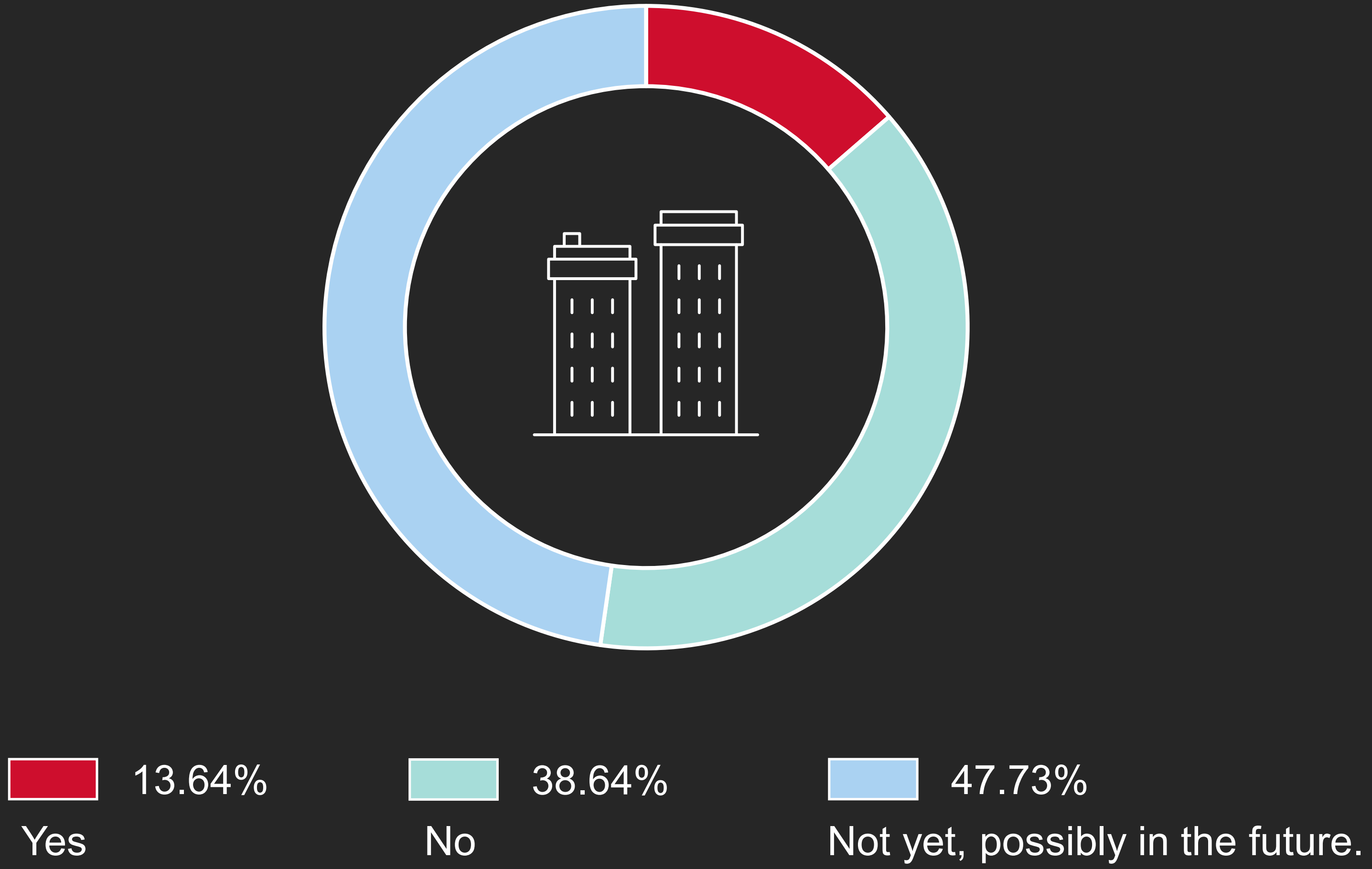
Workplace culture and environment

Workplace culture and environment

Only

14% of respondents had downsized their office space during the pandemic – but nearly half of respondents **(48%)** said they might in the future.

Has your company downsized office space during the pandemic?



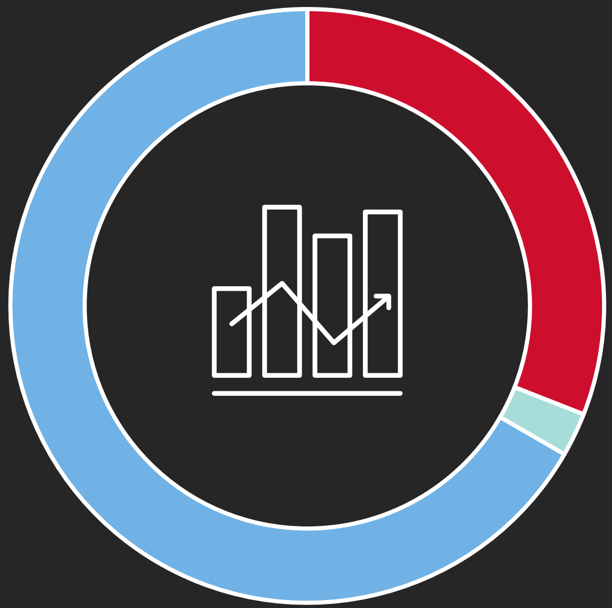
Workplace culture and environment

Despite the tumultuous environment, two thirds of respondents said that their initiatives to enhance culture and to meet community and customer expectations had accelerated, and 31% said they had continued.

In fact, over half of respondents said that COVID-19 had a positive impact on their organisation's ability to maintain or introduce new initiatives to enhance workplace culture. However, 23% said it had a negative effect.

In the last 18 months, have your initiatives to enhance your culture and to meet community and customer expectations continued, accelerated or slowed down?

- Continued 30.95%
- Slowed Down 2.38%
- Accelerated 66.67%



What impact have COVID-19 related changes had on your organisation's ability to maintain or introduce new initiatives to enhance workplace culture?

Negative impact | No impact | Positive impact | Very positive impact

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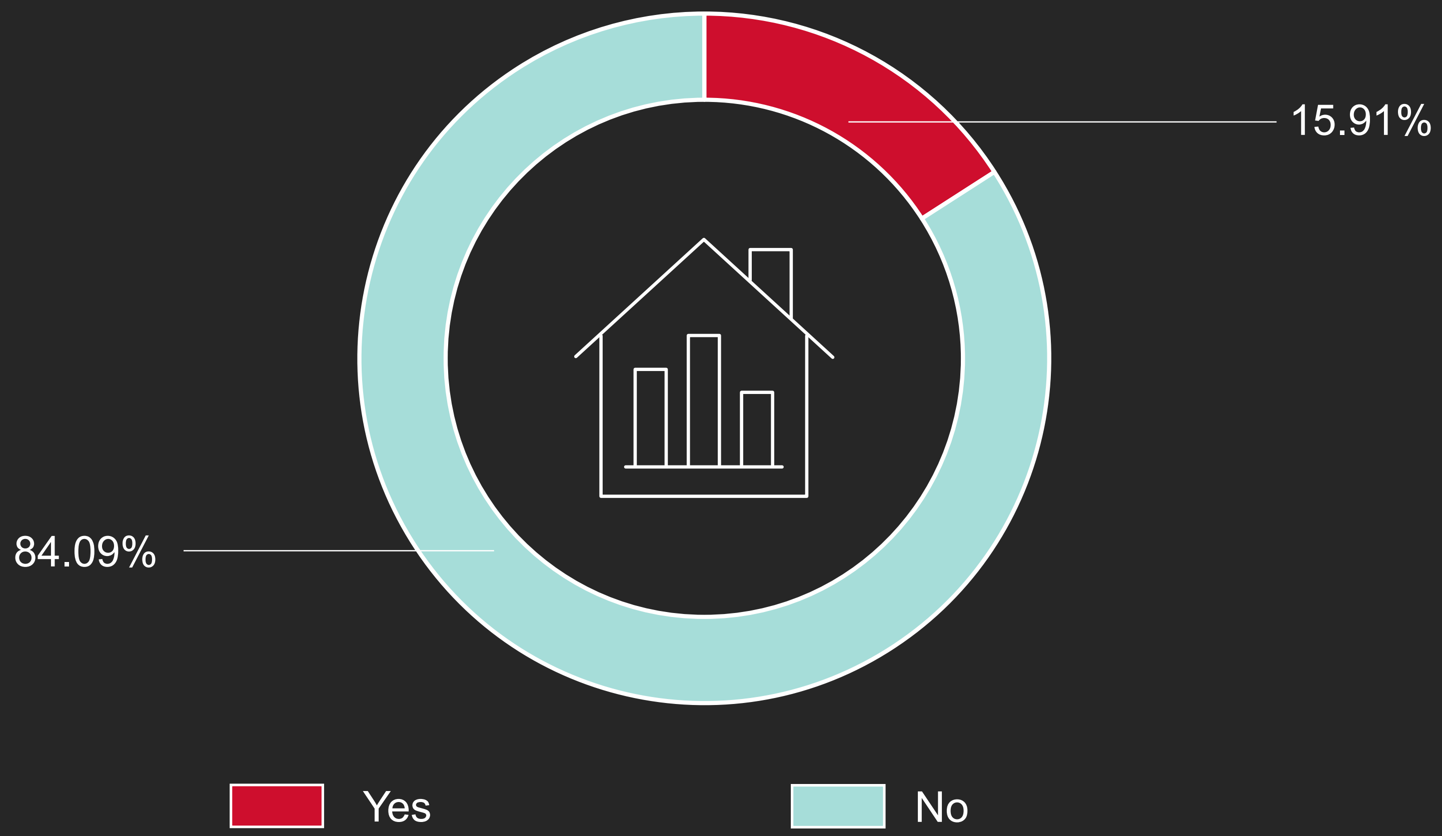
Workplace culture and environment

84%

said that working remotely had not impacted their interactions with customers and suppliers, and standards of conduct.

If most of your workforce is working remotely, has that impacted your interactions with customers and suppliers, and standards of conduct?



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The economy, regulation, consumer and community expectations

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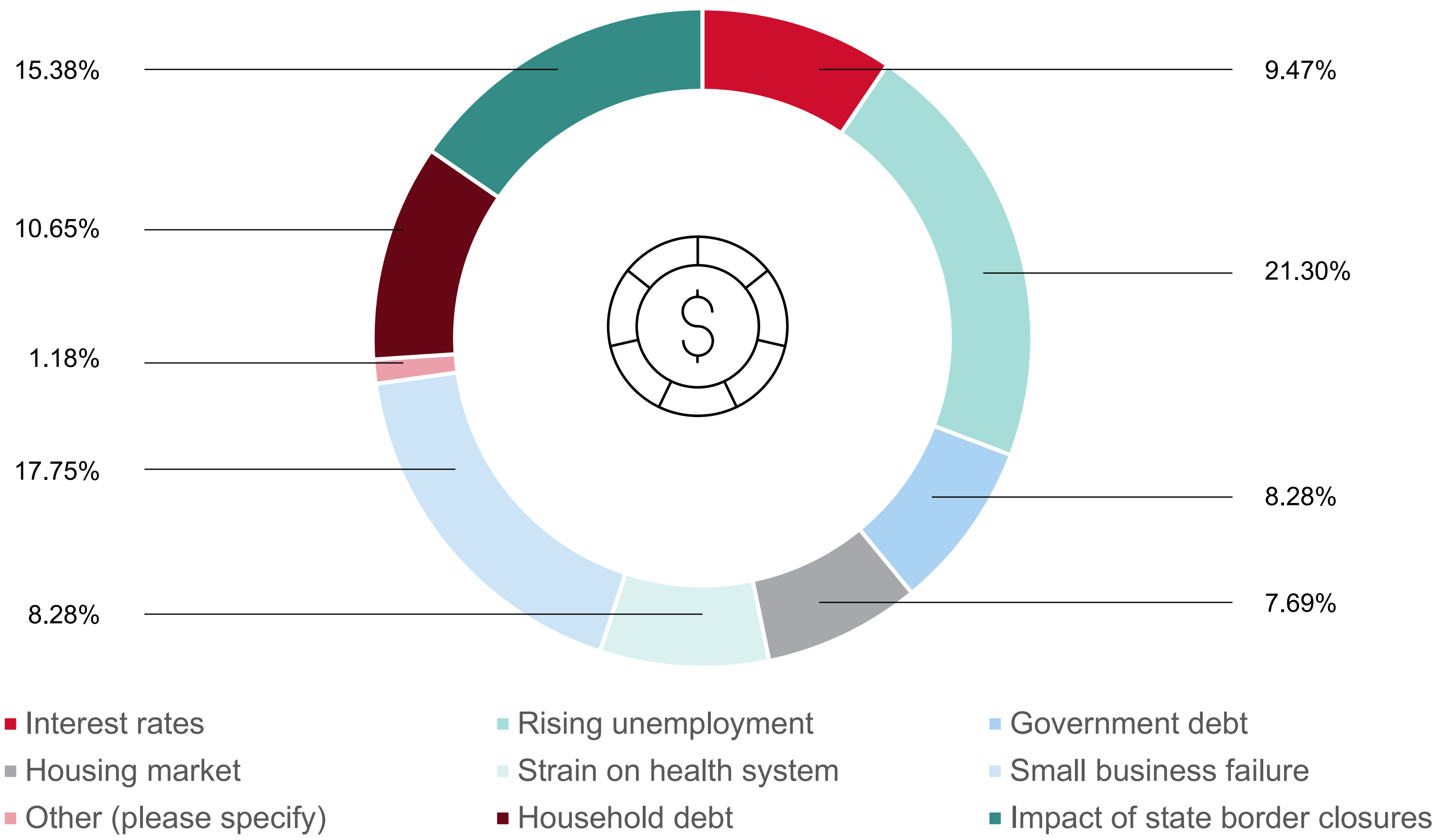
The economy, regulation, consumer and community expectations

Out of a range of macroeconomic issues that were identified, respondents identified rising unemployment and small business failure as their biggest concerns. The impact of state border closures and household debt also ranked highly.

67% of respondents said that initiatives to enhance organisational culture and to meet community and customer expectations have accelerated.

What macroeconomic issues are of concern to you?
(Please select all that apply)



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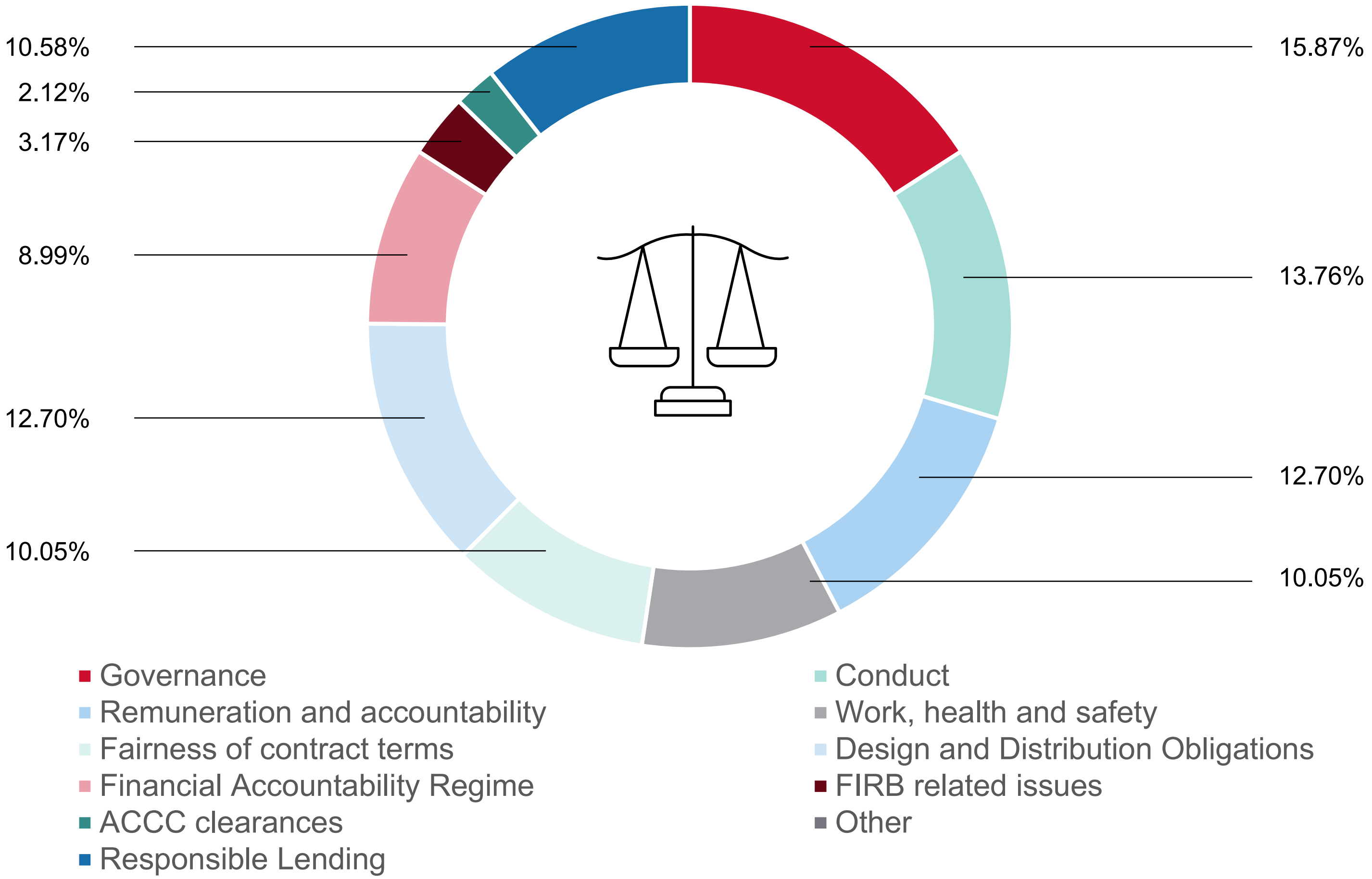
The economy, regulation, consumer and community expectations

Governance and conduct were the highest ranking regulatory issues affecting organisations, but most ranked evenly – including remuneration and accountability, responsible lending and DDO.

Which of these regulatory issues have affected your organisation?
(Please select all that apply)



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The economy, regulation, consumer and community expectations

95% of respondents believe their organisations are taking sufficient and appropriate steps to manage regulatory change.

In the comments, respondents noted the challenge of keeping up with the pace, volume and range of changes, as well as having the resources to meet new regulatory obligations.

Over half of respondents said that COVID-19 has impacted on their organisation's ability to deal with regulatory issues.

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Outsourcing, offshoring and supply chains

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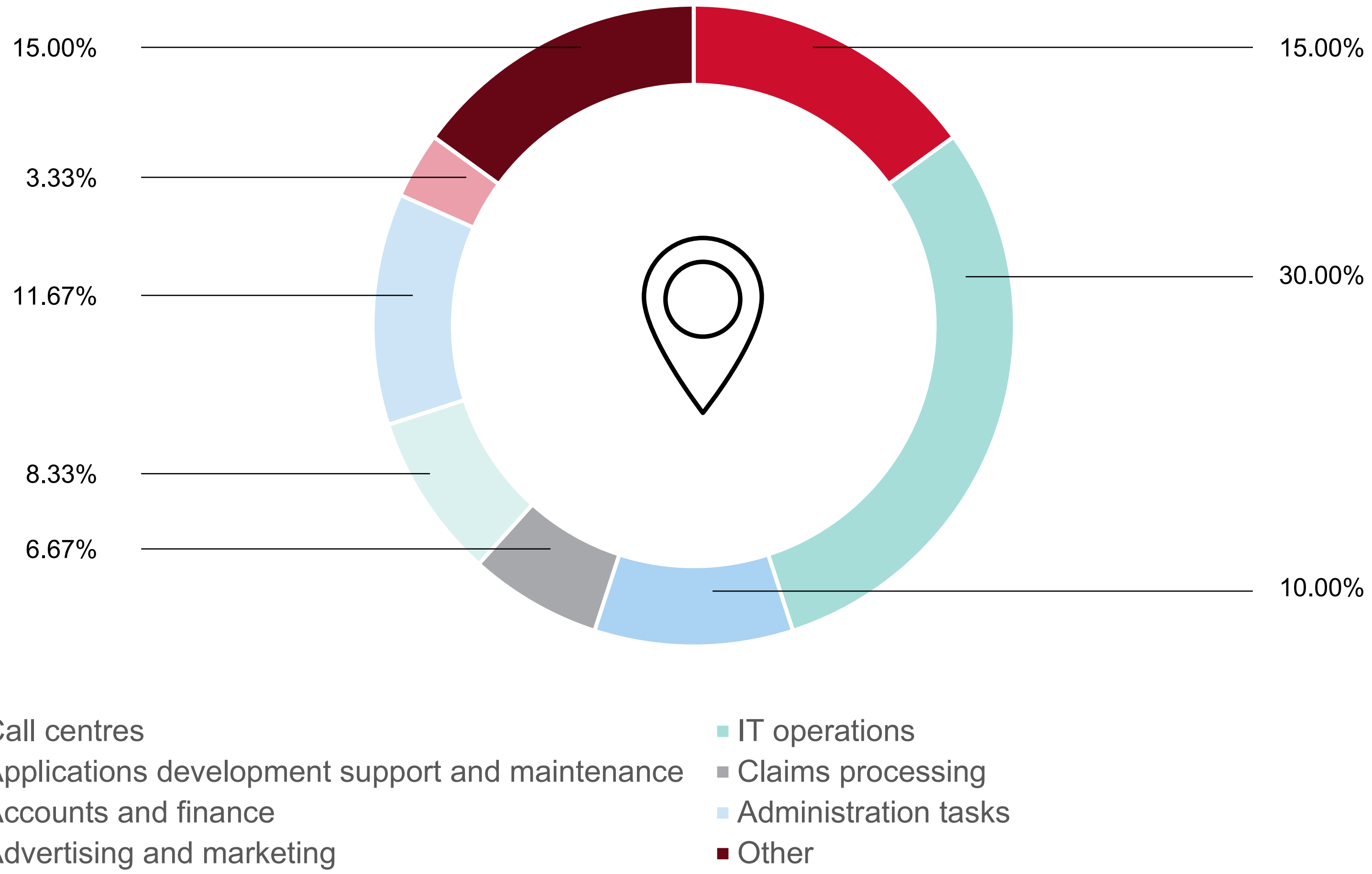
Outsourcing, offshoring and supply chains

Nearly a third of respondents outsource their IT operations. Call centres, as well as applications development support and maintenance, was also outsourced – some offshore.

What components of your business are currently outsourced?
(Please select all that apply)



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The economy, regulation, consumer and community expectations

For those that offshore, only 21% are considering bringing operations back onshore. Indeed, all respondents feel very or somewhat equipped to deal with COVID-19's impacts on their supply chain.

60% of respondents said their organisations are well equipped to deal with COVID-19’s impacts on supply chain.

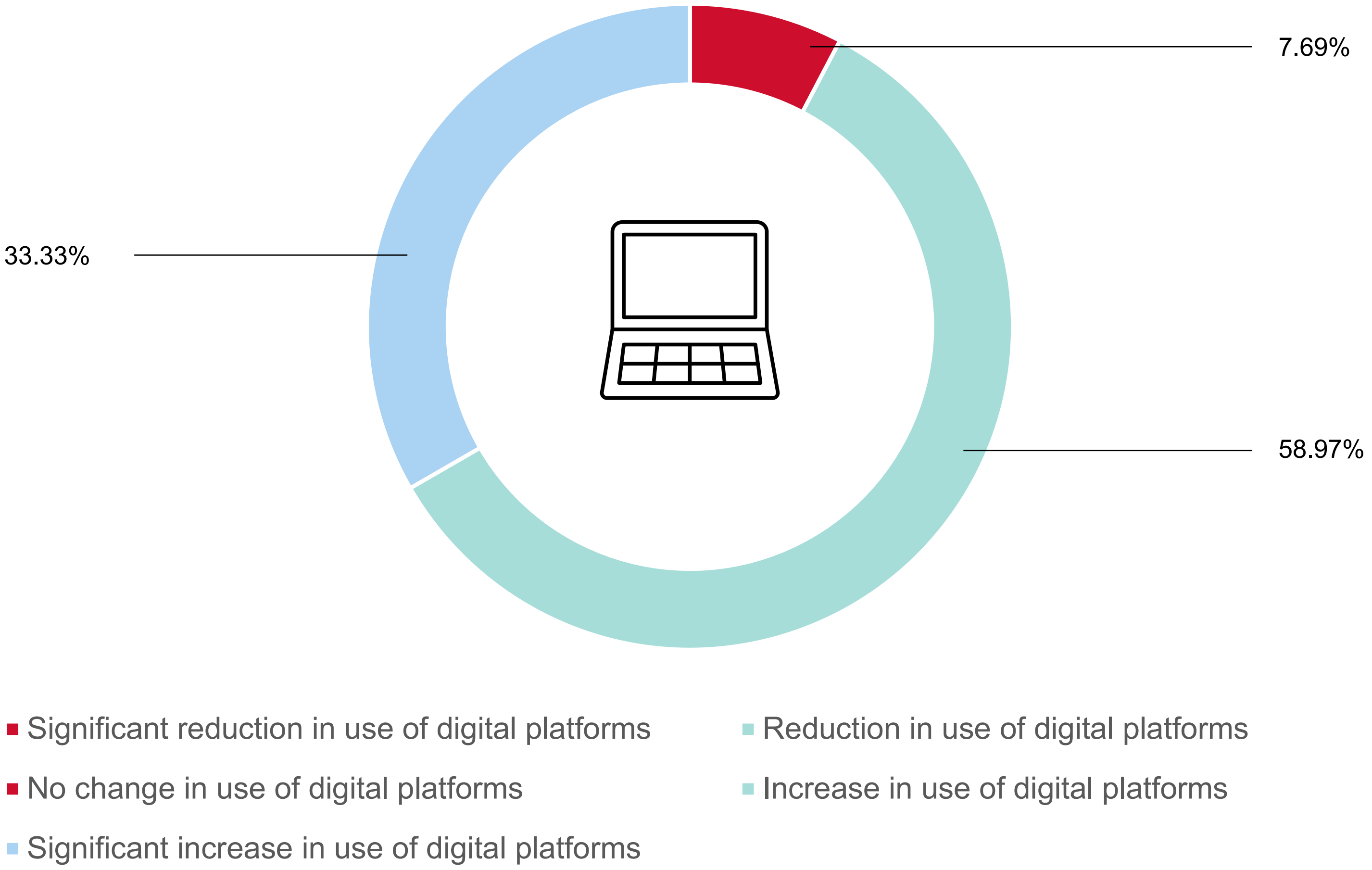
4

The importance of technology and digitisation

The importance of technology and digitisation

Since March 2020, 92% of respondents found that their customers had increased their interaction with their existing digital platforms – a third of respondents said significantly so.

Since March 2020, how much change have you seen in your customers' interaction with your organisation's existing digital platforms?



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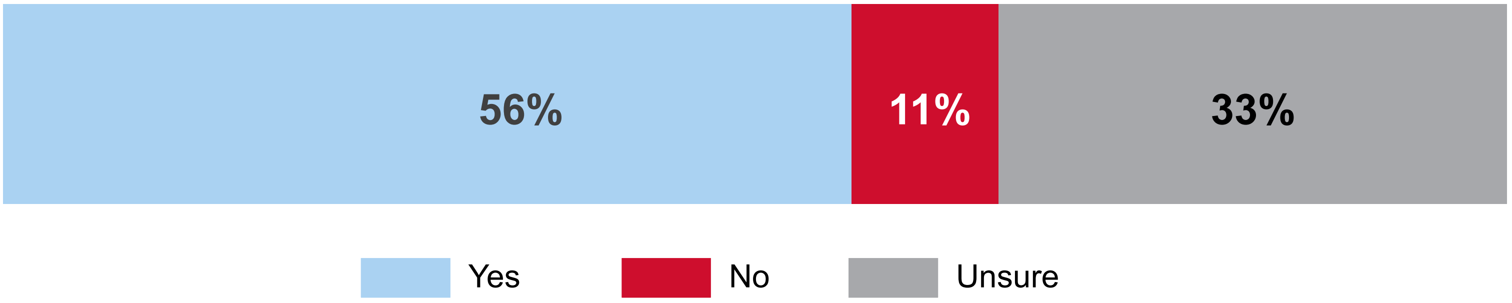
The importance of technology and digitisation

Since March 2020, 92% of respondents found that their customers had increased their interaction with their existing digital platforms – a third of respondents said significantly so. 68% of respondents had upgraded their digital platforms for customers, and 56% are planning major investments in new technology over the next 2-3 years.

The nature of these investments includes: re-platforming, admin and digital upgrades, enhancing processes and data utilisation, further automation of processes, replacements to core infrastructure to improve customer experience, transfers of data from legacy systems to new systems, increasing functionality and organisation wide reviews and consolidation.

Since March 2020, have you added in new and/or upgraded digital platforms for customers?

Is your organisation planning any major investments in new technology over the next 2-3 years?



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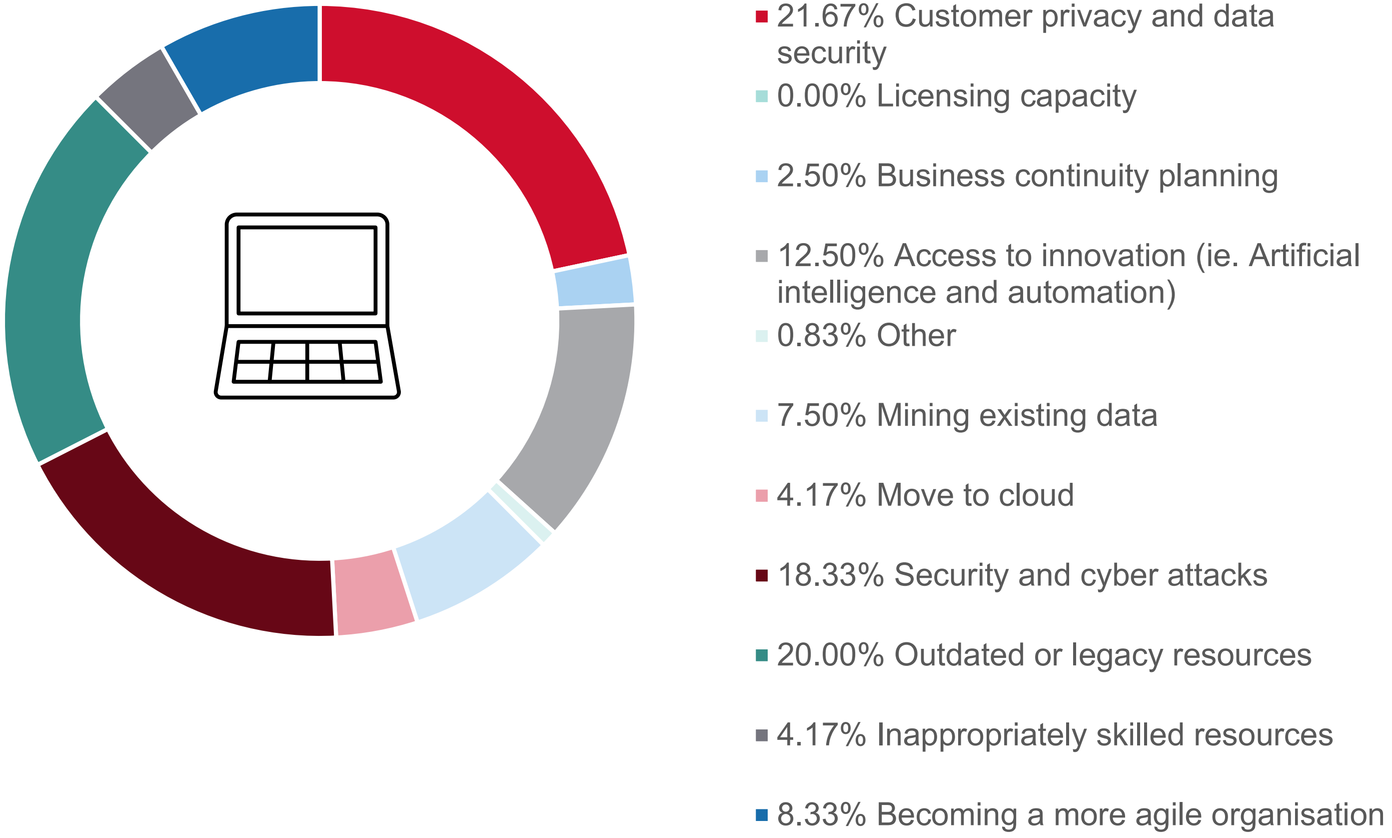
The importance of technology and digitisation

Respondents' greatest technology challenge was customer privacy and data security, followed by outdated or legacy resource and security/cyber attacks.

Other challenges include: becoming more agile and mining existing data.

From your perspective, what is your organisation's greatest technology challenge? (please select all that apply)



What comes next?

Our survey findings point to a time of uncertainty – but also opportunity.

Ongoing themes that respondents identified include:

- Remote working and how it has changed the industry
- The burden of regulatory compliance
- The important, ongoing role of technology.

In the meantime, organisations continue to evolve at rapid paces as many of the changes 2020 presented become permanent, and society's expectations of the sector change.

So in a unique period of time, what steps should organisations take to manage these ongoing challenges and risks - but still take advantage of the opportunities they are facing?

We can help. Contact us to discuss the findings in more detail and what your next steps should be.

For more information

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