

Direction of travel

Why we'll need to get used to a new post-pandemic world when the time comes, by Jon Moulton, Chairman of The International Stock Exchange Group.

This year has been extraordinary in many ways. For me personally, there has been a pretty dramatic return from the wilds of Botswana (after lockdown started), the strange world of isolation in lockdown, the loss of physical contact with friends and family, and turbulent markets. I live in Guernsey where we had some fatalities but have got through it and eliminated the virus. Now we have no restrictions on behaviour or business, apart from tough border controls.

As such, I'm seeing the future somewhat earlier than those on the UK's mainland - though you will be aware of the general trends.

Lots of people have stopped going to an office. Even here, there are many who have adopted a work-from-home approach - out of necessity at first but now from preference. Businesses have found this perfectly workable and accept that it is the future of the 'workplace'. Physical offices are now often only half full.

Get the job done

A good work-life balance has become the norm for those who can handle their family life better while still getting the job done. No doubt there will be others who take the absence of close supervision as an excuse for indolence, but I haven't seen this to any extent. The volume of output from the Financial Conduct Authority and Financial Reporting Council does appear to have reduced, but this might be coincidental.

In the UK's bigger cities, avoiding commuting reinforces the case for working from home. Who wants a £5k London-Brighton season ticket and four hours' travel a day?

Guernsey is pretty small - no trip exceeds 25 minutes and most people live within 10 minutes of the capital. Before the virus, 99% of meetings were physical. Monday to Friday, 50 or so people a day came to the island or travelled to the UK for business meetings. For obvious reasons, this shuttling across the Channel has almost totally stopped and video meetings have taken over.

Remarkably, this has continued to affect locals meeting locals too. People begrudge even the modest travelling time. Because quite a few are working from home, local meetings are also now frequently by video. Online shopping has become more usual, and habits acquired during the lockdown have carried on since it ended. Our high streets are denuded. Empty shops and office space might in time help resolve this island's housing shortage.

But what does this mean for the corporate finance and accounting world? There will be direct opportunities in helping sort out the consequences of these changes - rescues and mergers.

It has not hit the financial world anything like as much as expected. I chair finnCap, an AIM broker, and to our genuine surprise we discovered we could run trading desks from a bedroom. We have been doing IPOs without a single physical meeting. And we've been very busy.

I also chair The International Stock Exchange where again the loss of an office was barely felt - volumes of listings have been at record levels. In both cases, strong action to preserve liquidity turned out not to be needed.

Pressing flesh

Things have irreversibly changed. I'm wondering when those of a criminal nature will start to abuse this new world. Failing to visit businesses and to meet people in the flesh carries more risk of misrepresentation. Rotting inventories and clapped-out facilities will be easily missed for the lack of a facility visit.

Relationships will not be the same if you have not met in person. We will miss the important information in things like the smell of booze, or the lapel badge supporting an insane politician [common in the USA]. The absence of physical meetings also means that negotiation can easily turn nasty - a flaming email requires less courage than making a point in a traditional meeting. New challenges are obvious - getting a largely remote workforce to work as a team is hard. Even harder will be making and integrating new hires. We need to get used to it.



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