

PwC's COVID-19 CFO Pulse

Insights from Caribbean finance
leaders on the crisis and response

15 June 2020

www.pwc.com/cfopulse



Top findings

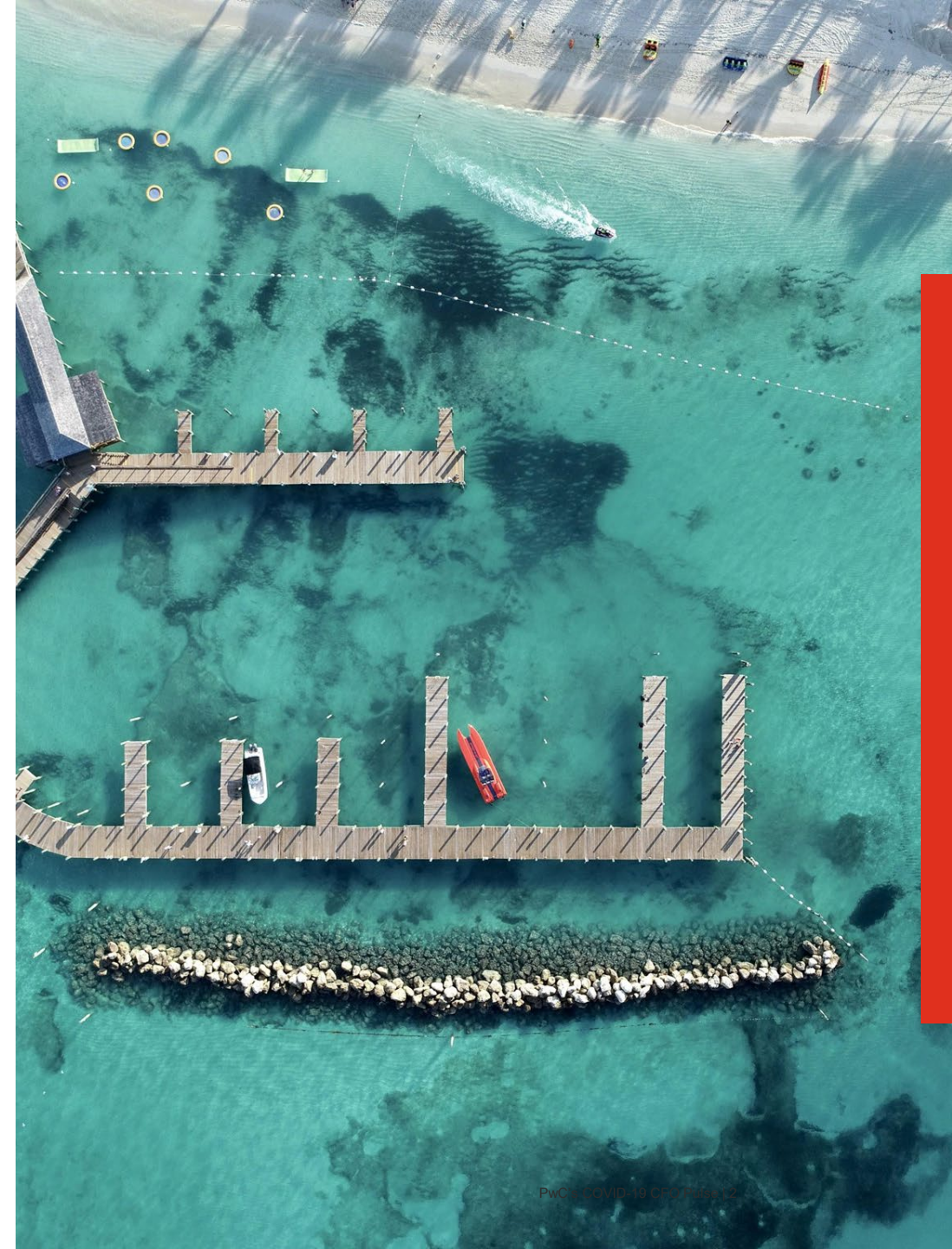
Concern for new wave of COVID-19 infection: As they implement return-to-workplace strategies, CFOs are most concerned about a new wave of COVID-19 infection (64%), and the effects of a global economic downturn (61%)

Big impact on bottom line: Most CFOs anticipate a significant effect on their bottom line: 39% expect a decrease in revenue and/or profits of 10% up to 25% as a result of the crisis, and 20% expect a decline of 25%-50%.

Focus on product innovation: To rebuild revenue streams, 70% of Caribbean CFOs are planning changes to their product or service offerings — a higher number than their US/Global counterparts.

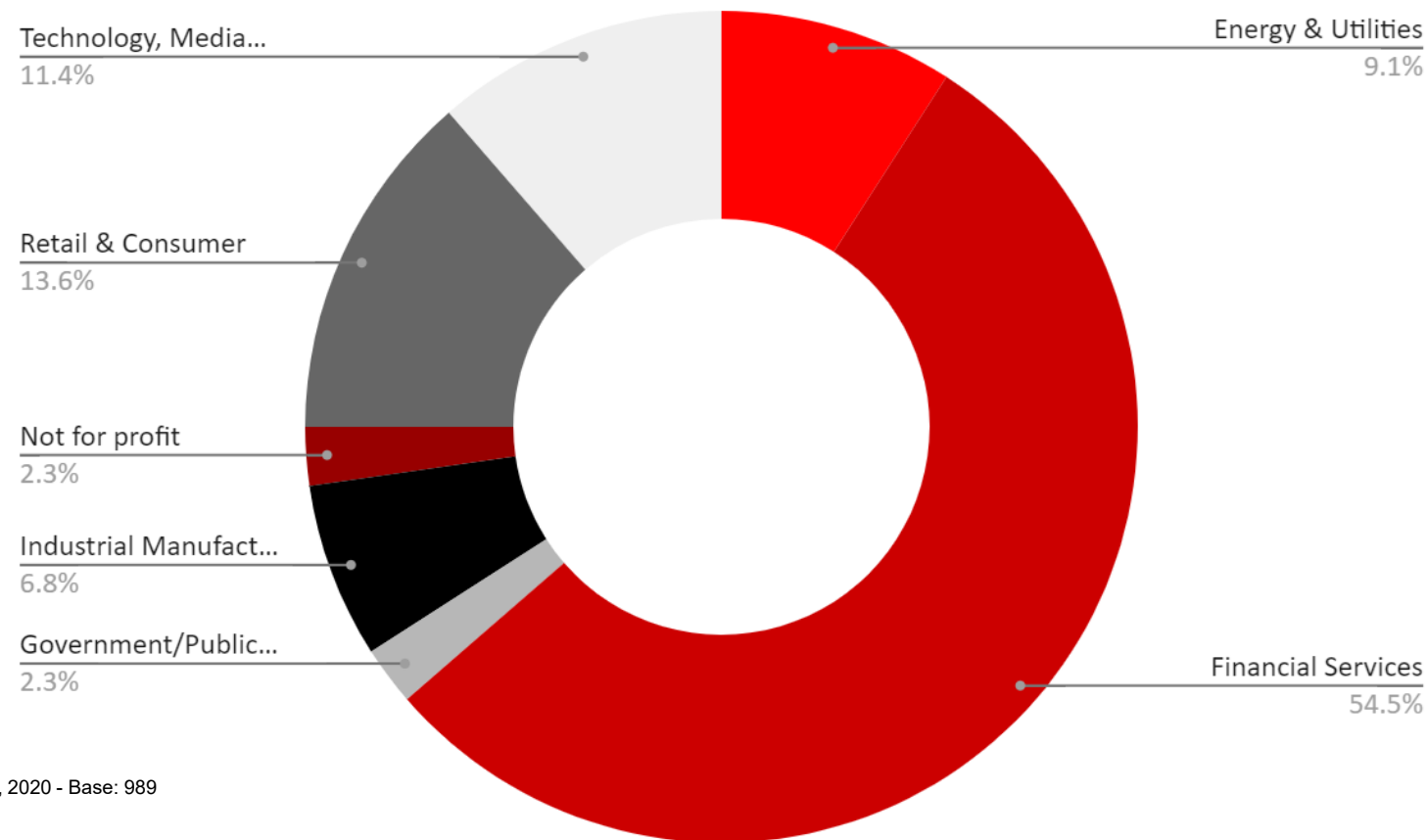
Remote work here to stay: Companies are embracing new ways of working, with half of Caribbean CFOs reporting that they plan to make remote work a permanent option for roles that allow, and as many saying they plan to improve the remote working experience.

Digital and R&D investments are holding strong: CFOs are more likely to cut general capex investments (77%) than other investment types. In fact, none in the Caribbean are planning cuts to digital, research & development or cybersecurity.



Who participated?

Respondents in the **8-11 June** survey to gauge the business and economic impacts of COVID-19 included 44 CFOs and finance leaders from leading organisations across the Caribbean in The Bahamas, Barbados, Bermuda, Jamaica, St Lucia and Trinidad & Tobago. The survey included public & private companies in the following sectors:



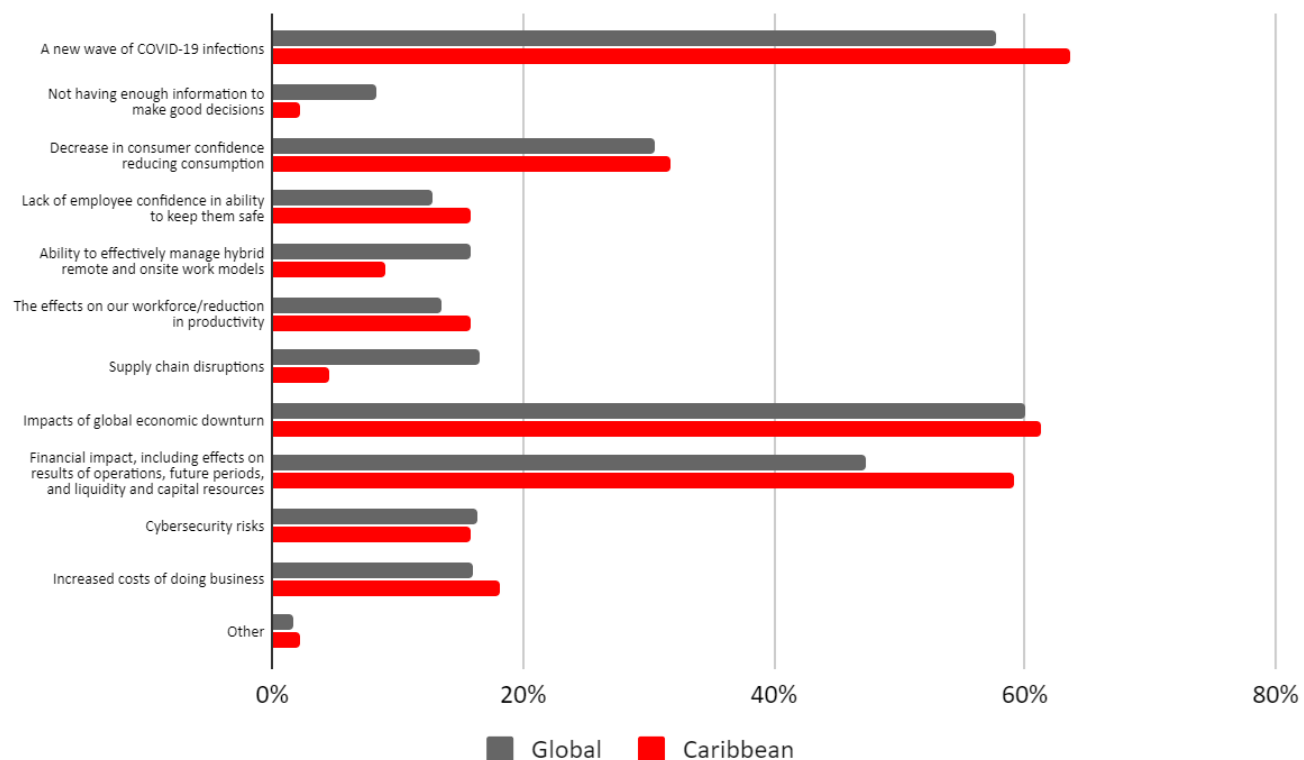
Source: PwC, COVID-19 CFO Pulse, 1 June, 2020 - Base: 989

New wave of COVID-19 infection is top concern among CFOs

It's now been a few weeks since many countries have embarked on phased reopenings, slowly permitting more commerce and other activities. As these decisions unfold, CFOs are navigating return-to-workplace plans, determining when and how — and to what extent — to bring employees back.

Among our respondents, the top concern as they implement these plans is a new wave of COVID-19 infection (64%). An almost equally high number are worried about the impact of a global economic downturn (61%).

What are your top-three concerns with respect to returning to the workplace and operating in a changed business environment? (Select three.)

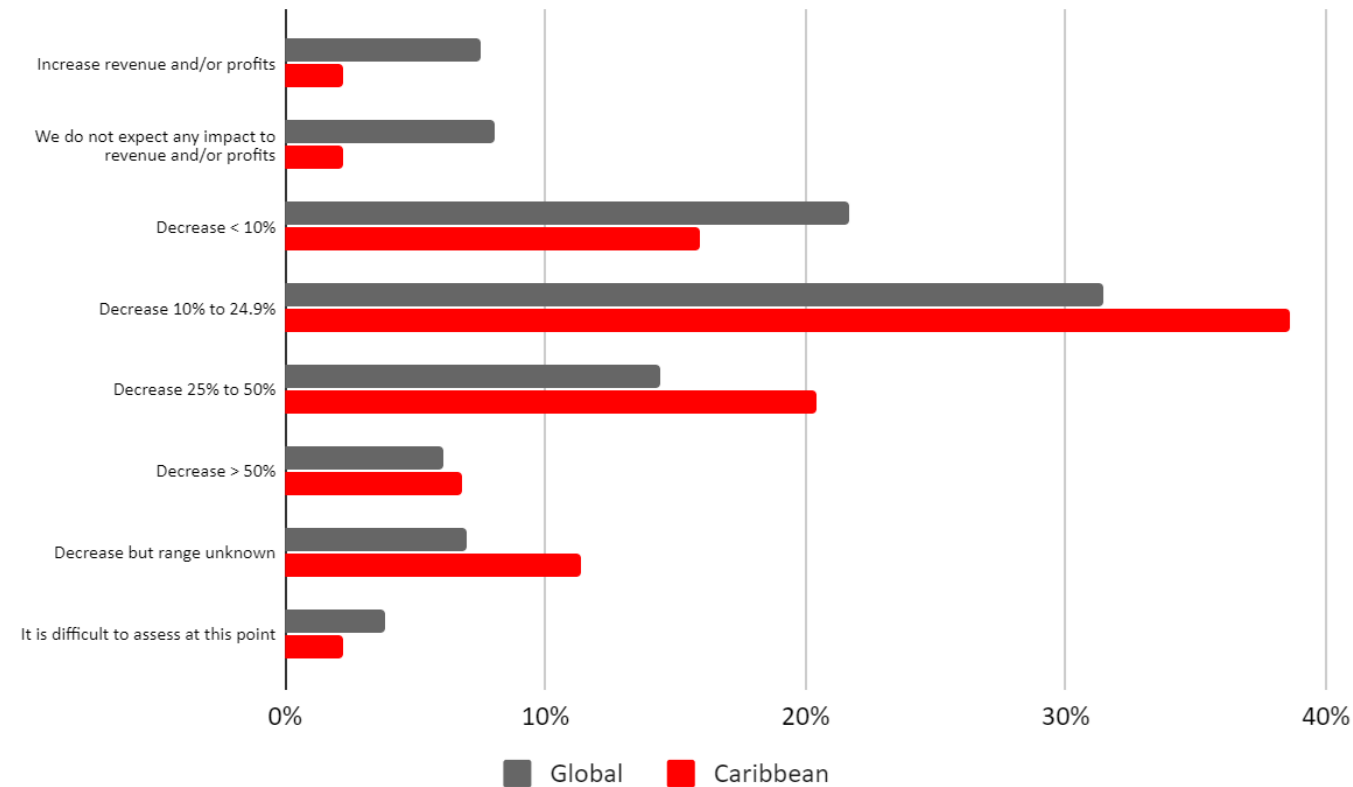


Most CFOs anticipate a decrease in revenue this year

CFOs’ expectations of revenue decreases align with their concerns about the global downturn and financial impact, and with key economic indicators.

Against this backdrop, 39% of CFOs expect a decrease in revenue and/or profits of 10% up to 25%. Only 2% of CFOs say the impact of the crisis is still difficult to assess

What impact do you expect on your company’s revenue and/or profits this year as a result of COVID-19?

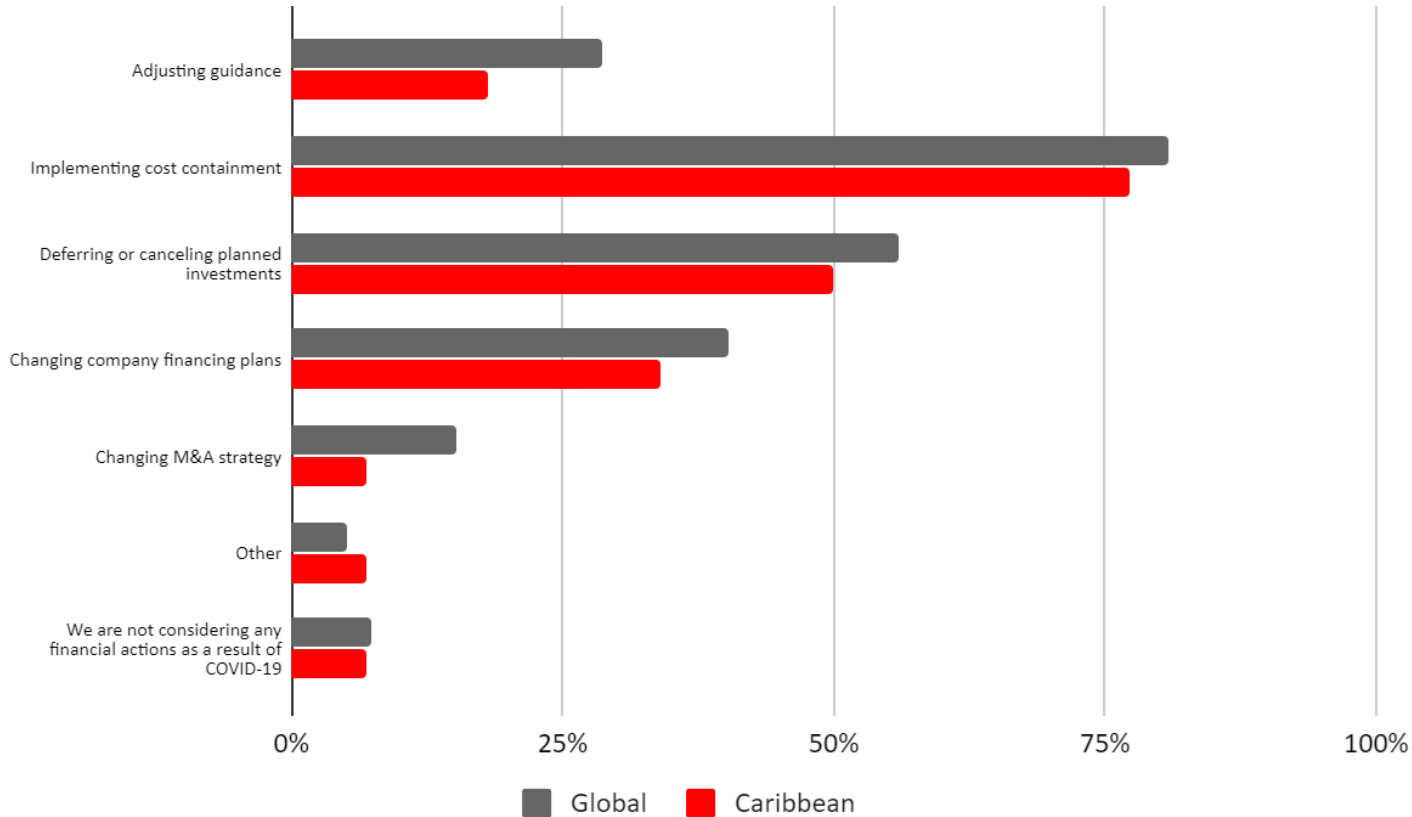


Source: PwC, COVID-19 CFO Pulse, 1 June, 2020 - Base: 989

CFOs favour a strategy of cost containment

Cost containment remains the top financial action CFOs are considering as a result of the novel coronavirus (77% compared to 81% of CFOs globally), but half (50%) of Caribbean respondents are considering deferring or cancelling planned investments.

Which of the following financial actions is your company considering as a result of COVID-19?



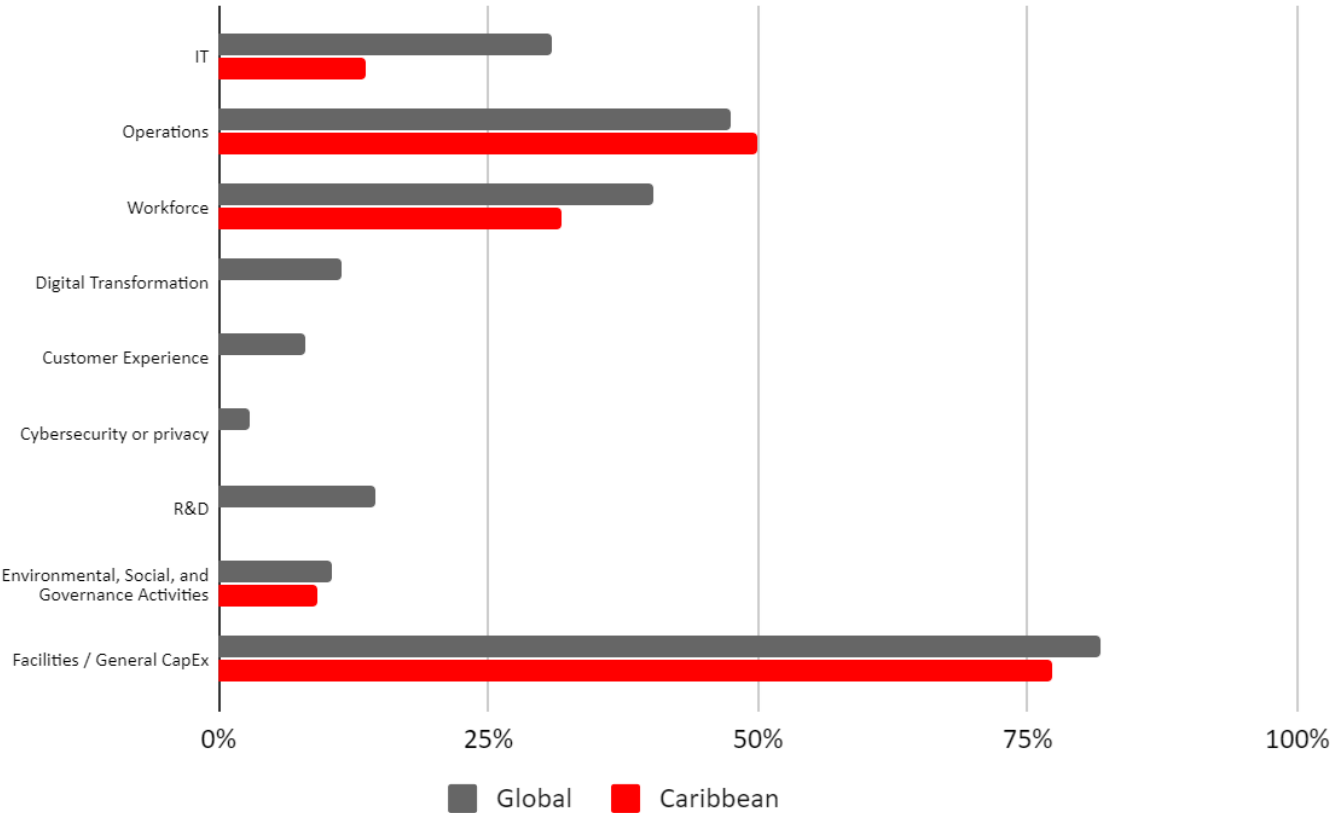
Source: PwC, COVID-19 CFO Pulse, 1 June, 2020 - Base: 989

CFOs are more likely to cut general capex investments - none plan to cut digital, R&D or cybersecurity

The most common area for potential cuts remains (as it has been in all of our CFO Pulse surveys) facilities/general capex (82% globally compared to 77% in the Caribbean). This is good news, given respondents' belief in digital transformation and the importance of developing new products and services.

Source: PwC, COVID-19 CFO Pulse, 1 June, 2020 - Base: 989

You mentioned your company is considering deferring or canceling planned investments as a result of COVID-19. Which of the following investment types are being considered in that regard?



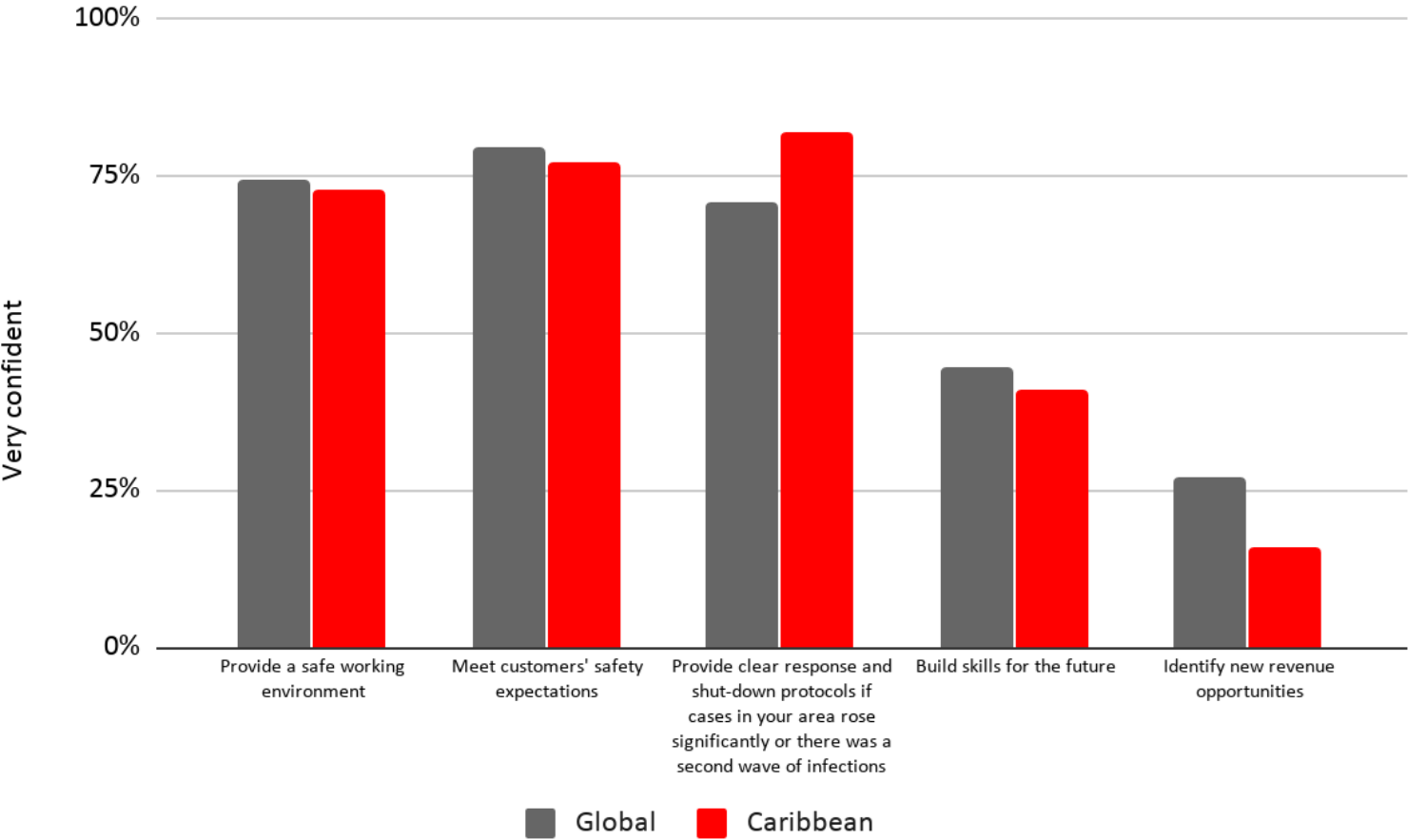
CFOs are confident in their ability to keep customers and employees safe

CFOs report feeling very confident about their organisation's ability to provide a safe environment for customers (77%) and employees (73%). And, although a new wave of infection is a top concern, they also report feeling very confident that they would be able to respond effectively (82%).

When it comes to more forward-looking measures, confidence starts to wane. Fewer CFOs say they are very confident about building skills for the future (41%) and identifying new revenue opportunities (just 16% compared to 27% of their global counterparts).

Source: PwC, COVID-19 CFO Pulse, 1 June, 2020 - Base: 989

In returning to the workplace, how confident are you in your company's ability to do the following?

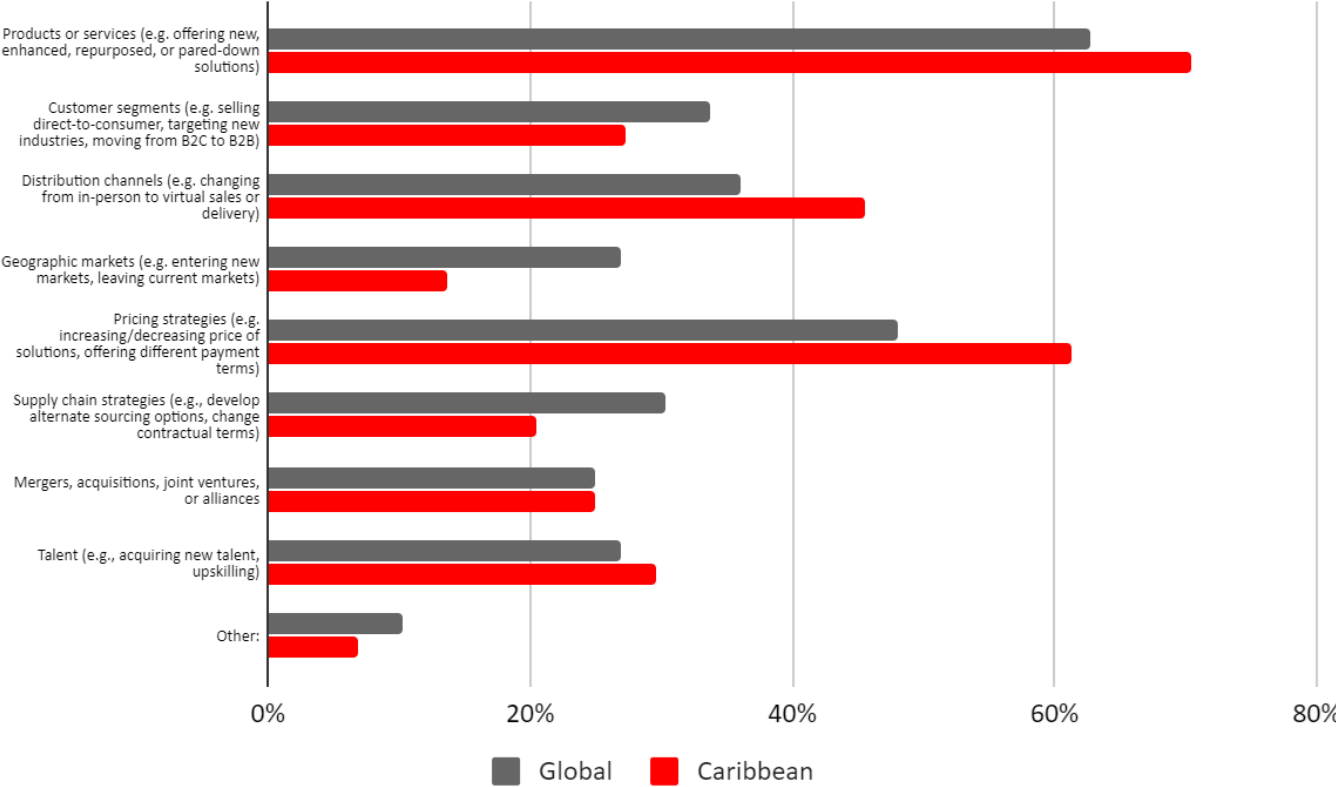


Changing product and service offerings will be key to rebuilding revenue

As they consider the future, companies are eager to rebuild or enhance revenue streams — which, as noted, is an area where confidence is flagging. Most Caribbean CFOs (70% compared to 63% globally) cite offering new or enhanced products or services as most important to this pursuit — underscoring the fact that innovation will be a driving factor during the recovery period.

There will be a growing need for new ways of working to enhance the creativity required to sustain this innovation — for example, new tools, new behaviours and reinforcing incentives and rewards.

Changes in which of the following will be most important to rebuilding or enhancing your revenue streams?



Source: PwC, COVID-19 CFO Pulse, 1 June, 2020 - Base: 989

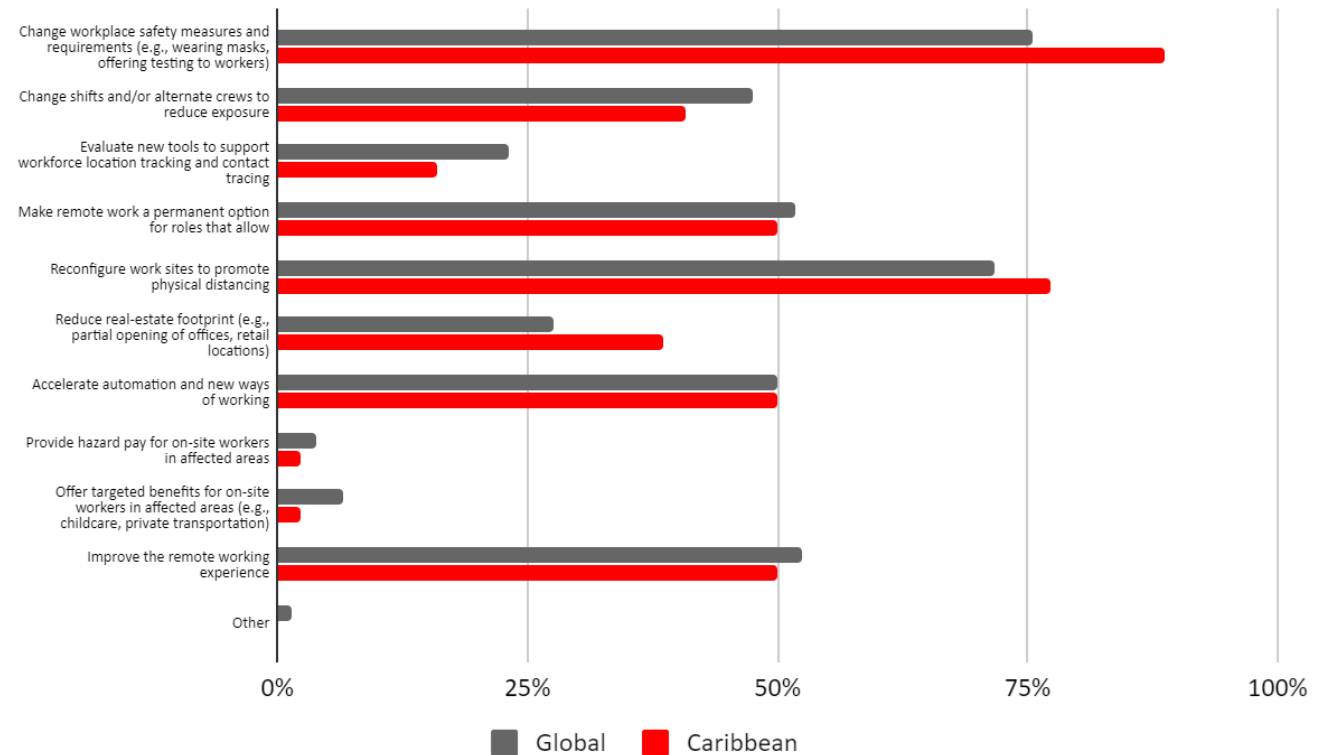
COVID-19 is accelerating new ways of working

While managing these financial challenges, the majority of CFOs in our survey have focussed on safety. They are planning new workplace safety measures (89%) and reconfiguring work sites to promote distancing (77%). Only 16% plan to evaluate new tools to support workforce location tracking and contact tracing, lower than CFOs in the US (29%) and other countries.

But, not everyone will be coming back to physical work sites. Half of Caribbean CFOs indicate they will take steps to improve the remote work experience (50%) and to make remote work a permanent option. Half also report they plan to accelerate automation and new ways of working. These findings correspond with the 77% of CFOs who say the increased flexibility developed during the crisis is a factor that will make their organisation stronger over the long term, and the 59% who cited the resiliency and agility they have built.

To sustain these gains, business leaders will need to consider the tools, behaviours and incentives that will enable employees to be productive, collaborative and creative — and invest in areas that will have the most impact. Equally important, because remote work brings an elevated risk of burnout, leaders need to focus on employee well-being.

Which of the following is your company planning to implement once you start to transition back to on-site work? Please select all that apply.



A look back at CFOs' evolving response

Since PwC first surveyed CFOs about their perceptions of and responses to COVID-19 in March 2020, we've watched as they focussed on safety, managed health, economic and societal crises and adapted their business models to rapidly shifting circumstances.

Ultimately, they accepted that they'll need to find a way to exist alongside, and thrive in spite of, the ongoing threat of COVID-19 in the months and possibly years to come. While bracing for a second wave of infection and working to enhance revenue streams, CFOs will continue to prioritise agility as they navigate this new world.

Resources:

- [Explore PwC in the Caribbean's contact tracing apps](#)
- [Reboot: Returning to the workplace guide & checklist](#)
- [Managing the impact of COVID-19 on cyber security & data privacy](#)



Connect with us:



Arthur Wightman

Territory Leader, Bermuda
Markets leader, Caribbean region
arthur.wightman@pwc.com



Leighton McKnight

Territory Leader, Jamaica
leighton.mcknight@pwc.com



Michael Bynoe

Territory Leader, East Caribbean
michael.bynoe@pwc.com



Prince Rahming

Territory Leader, Bahamas
prince.a.rahming@pwc.com

