

Yorkshire

Finance Leaders

INTELLIGENT PERSPECTIVES FROM BREWSTER PARTNERS
RECRUITMENT GROUP | ISSUE 16 • JULY 2020

**Adapting to a new way
of working during the
Covid-19 pandemic**

Sheffield Forgemasters

On the road to recovery

Lloyds Bank Commercial Banking

What makes you unique?

Lisa Newbold

Finance Director, Polypipe Building Products

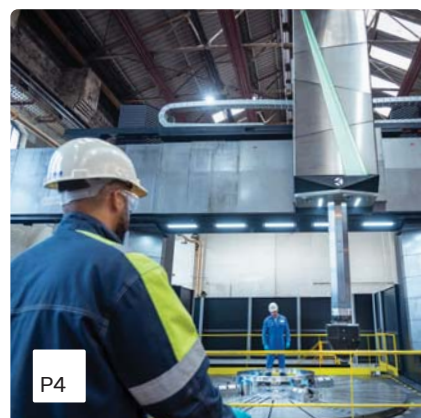
In this issue...



**Brewster
Partners**

Unique™
People

In this issue...



P4

Adapting to a new way of working during the Covid-19 pandemic

Stephen Hammell, Chief Financial Officer, Sheffield Forgemasters.



P8

On the road to recovery

Glenn Bemment, Regional Director for the North at Lloyds Bank Commercial Banking tell us how Yorkshire is paving its way back.



P12

What makes you unique?

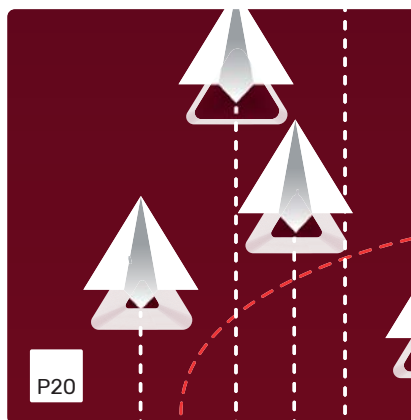
Lisa Newbold, Finance Director, Polypipe Building Products.



P16

The role of Finance during a global pandemic

by Gavin Hodgson-Silke, Global Director, FP&A and Commercial Finance, Farnell.



P20

Adapting to change

How the recruitment industry is adjusting to the recent challenges.



P22

The impact of COVID-19 on D&O and Financial Lines Insurances

by Elaine Owen FCII MBA, Senior Vice President, Risk Solutions.

What's
happening?

Welcome to the latest edition of Brewster Partners' Yorkshire Finance Leaders magazine. Whilst the last four months have presented unprecedented challenges for businesses, in our role as advisors to the business community across our region, we have gained some unique insights into how some businesses and individuals have been able to adapt in the current climate.

In this edition, we have sought to highlight and celebrate some of the extraordinary success stories that have been taking place in the region during the last four months.

are planning to make changes in their finance department outside of making redundancies as a result of Covid-19, which will likely lead to restructuring and external hires.

In the months of June and July, we found the number of vacancies engaged on by our business to be almost at the same monthly numbers we can expect in the pre-Covid era.

In a quarter that has given rise to some challenging statistics that reflect the position of the UK economy and employment market (such as a 2.2% rise in the number of people out of work, and a 16.7% drop in number of hours worked since lockdown), we have seen signs that the Accountancy & Finance market in Yorkshire provides more encouraging reading.

In the months of June and July, we found the number of vacancies engaged on by our business to be almost at the same monthly numbers we can expect in the pre-Covid era (around 95% typical monthly vacancy numbers compared with 53% during April and May). Whilst we only provide snapshot of the market, this has given us some confidence that businesses in the region are keen to push forwards, and that finance departments are seen as the driving force behind businesses navigating their way through the challenges presented to them.

What is also encouraging to hear is that around 65% of businesses we have spoken with have indicated that despite little changing during lockdown, they

In the next few months we will also see continued lifting of lockdown measures in the UK, such as indoor leisure and sports facilities reopening, updates to safe working practices expected on 1st August, and schools, nurseries and colleges fully opening from September, which will all contribute to improvements on business output and performance.

The next key milestones for us will be the impact of the job retention scheme ending, and longer term, how the world of work will change as more businesses have had to adapt their working practices, such as remote working and social distancing in the workplace.

A huge thank you to all of our contributors – Lisa Newbold at Polypipe, Stephen Hammell at Sheffield Forgemasters, Gavin Hodgson-Silke at Farnell, Elaine Owen at Lockton, Glen Bemment at Lloyds, and our very own Leighton Thomas.

I hope you enjoy the read and as always feel free to reach out if you would like to be involved in our next edition.



Richard Chamberlain,
Director – Head of
Accountancy & Finance
Brewster Partners
Recruitment Group
E: rchamberlain@brewsterpartners.co.uk



Adapting to a new way of working during the Covid-19 pandemic

Featuring Stephen Hammell, Chief Financial Officer, Sheffield Forgemasters



Sheffield based steel casting and forging specialist, Sheffield Forgemasters, can trace its history back more than 200 years. During that time the company has overcome many hard times and obstacles, ranging from collapsing markets to business transformation, but nothing in recent years has compared to the impact of the Covid-19 pandemic.

With a large number of external stakeholders, Sheffield Forgemasters bears numerous hallmarks to plc organisations. It operates a different type of governance, but undergoes a similar level of scrutiny and its operational routines are quite similar.

The company underwent substantial board changes in July 2018 with David Bond taking on the role of CEO and the appointment of Stephen Hammell as the new CFO alongside other executive and non-executive board directors, with a view to completely revising the business to cope with harsh economic conditions.

From this starting point in 2018, the management team at Sheffield Forgemasters started completely overhauling the business strategy, halving the company's then £40 million debt as a priority move.

Stephen Hammell, Chief Financial Officer at Sheffield Forgemasters said: "After we'd been able to renegotiate our revenue line, we needed to put something in for our stakeholders, in terms of driving a more efficient business over the medium-term.

"So we developed a transformation plan, focusing on improving operational efficiency and competitiveness.

subsequently arranged funding to boost investment in plant reliability and continue to developing more agile ways of working."



When the Covid-19 pandemic hit earlier this year, the management team were accustomed to implementing the levels of radical change that are required when dealing with such a rapidly evolving situation.

The team made a conscious effort to stay ahead of the curve and worked diligently to anticipate developments as far as was possible.

Sheffield Forgemasters' immediate action was to safeguard and protect its employees, including the establishment of strict hygiene and social distancing measures, zoning all areas of the plant and facilitating home working for all vulnerable staff and office based teams.

The key manufacturing areas of the site have remained operational throughout the pandemic, continuing to deliver on customer commitments, supported by

the key worker status granted to all parts of the site which are serving national security contracts. The company's operational employees have embraced key worker status, on the proviso that social distancing and Covid-specific health and safety measures are strictly adhered to.

Management teams have balanced the absolute necessity of protecting the health of employees with the preservation of the business, by maintaining safe operations across as much of the site as possible.

Some areas of the business have seen sales impacted by the pandemic, such as the supply of smaller, work rolls forgings for steel and materials processing mills. Once Covid-19 spread, orders from steel mills declined globally as the major producers struggled with a collapse in demand for steel. The oil and gas

When the Covid-19 pandemic hit earlier this year the management team were quite accustomed to implementing the levels of radical change that are required when dealing with such a rapidly evolving situation.

sector, another key area for Sheffield Forgemasters, has also been hit hard with oil prices falling to historic lows.

Part of the Sheffield Forgemasters' long-term view includes efforts to further increase investment in the company's plant and equipment, which will increase its efficiency and allow the business to hone its competitive edge, vital in combating economic changes.

Adapting to a new way of working during the Covid-19 pandemic *continued*



Stephen Hammell said: "Large parts of this site are quite old with a huge legacy of asset inheritance from different companies, which have been absorbed into the business over its 200 plus year history.

"We are addressing this challenge at pace, with some large investments in new plant equipment and it will require more investment, so we're looking at how we

However, the rapid deployment of social distancing, hygiene and strict health and safety measures across the company's 64 acre site has now meant that key contractors are able to visit and carry out these upgrades.

These upgrades and investments to the site are vital to Sheffield Forgemasters' ability to react with agility and pace to the challenges posed by the pandemic.

Despite a variety of challenging conditions posed by the global economy and Covid-19, Sheffield Forgemasters' management made the decision to contribute to the fight against the pandemic in whatever way they could.

can proactively shape the business to continue its long history in this city."

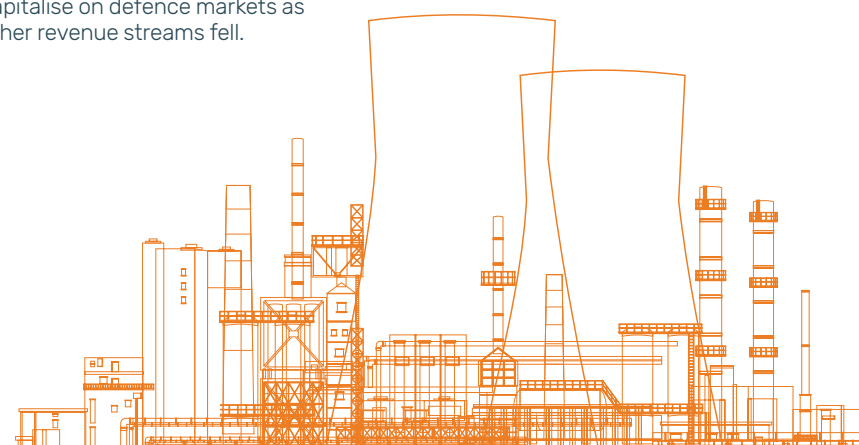
Planned investment is still continuing in key areas of the site despite the difficulties posed by Covid-19, which initially presented enormous challenges due to the restriction of any visitors to the plant.

The company's enormous breadth of capabilities and skills means that downturns in certain markets can be overcome by focussing on others, a skill it demonstrated during the last recession through its move to capitalise on defence markets as other revenue streams fell.

Despite a variety of challenging conditions posed by the global economy and Covid-19, Sheffield Forgemasters' management made the decision to contribute to the fight against the pandemic in whatever way they could.



As a result the company's Research, Design and Technology (RD&T) department is now producing 3D printed components for protective visors used by NHS staff, an option which came about in response to a request from 3D print solutions provider, Solid Print3D.



The initiative coincided with Dan Jarvis, the mayor of the Sheffield city region, issuing a call to arms for South Yorkshire businesses to join the national effort and help make life-saving medical equipment during the pandemic.

RD&T uses its 3D printing output to produce models and prototypes for ultra-large, complex steel components, but with the ability to 3D print the visor components, the business is more than happy to play its part in assisting the fight against the pandemic.

David Bond, CEO at Sheffield Forgemasters, said: "We don't have large scale facilities for 3D printing, but it is important for us to do what we can at this difficult time for our NHS workers and each visor that is constructed could potentially save a person's life.

"We normally use our 3D print output to establish what we can achieve in large-scale engineering terms and so it is very much utilised on a bespoke basis rather than for production runs, but we are up for the challenge and really want to help out."

Sheffield Forgemasters would like to encourage any other companies that have a 3D printing capability to respond to the request. The request, best designs and guidance, can be found on the Solid Print3D website: www.solidprint3d.co.uk/corona-virus-groups-that-are-3d-printing-facemasks/

David added: "We welcomed the call to arms by the Sheffield City Region Mayor for South Yorkshire businesses to join the NHS supply drive and hope that more companies will come forward to offer whatever help they can."



Casting and Forging solutions for the World's most complex engineering challenges.

Sheffield Forgemasters specialises in the design and manufacture of high integrity forgings and castings offering a 'one-stop shop' for steel production, from a single site in the UK.

The company also offers design, project management, steel melting, forging, casting, machining, testing and delivery. In addition, a number of specialist services are available onsite and through an extensive supplier network.

Some of the largest bespoke engineered steel products in the world are produced at the Brightside Lane facility, with capacity for castings of up to 350 tonnes and forgings of up to 200 tonnes finished weight.

Sheffield Forgemasters is based at Brightside Lane in Sheffield, where it proudly sits as one of the largest private sector employers in the city.

Global markets served



DEFENCE & MARINE



CIVIL NUCLEAR



OFFSHORE



STEEL PROCESSING



RENEWABLES



POWER GENERATION



HIGH PRESSURE REACTORS



STEEL PLANT



INGOT & BAR

ON THE ROAD TO RECOVERY

2020 was once a year of promise, now Yorkshire's paving its way back

Glenn Bemment, Regional Director for the North at Lloyds Bank Commercial Banking, examines the road back to Yorkshire's pre-pandemic high – and how the region mustn't lose sight of its ambition for sustainability and productivity, when plotting its post-COVID comeback.

Only a few months ago, Yorkshire business confidence was high. Firms were primed for growth – many bolstered by the recent broad base of investment in the region from major players like Channel 4 and Siemens. Many Yorkshire businesses had an eager eye on the Prime Minister's agenda of 'levelling up' the UK regions, and its promise of economic growth across the north.

But come spring, COVID-19 had dealt firms an unprecedented blow. Our data showed that Yorkshire firms' confidence sank 55 points between February and May, from 24% to -31%. Some saw their order books vanish overnight, with our data showing us one in 20 firms expect it to take a year for supply chains to resemble normality following disruption.

Now that most firms have restarted their engines after the initial hit of lockdown, leaders are looking at how Yorkshire can rebuild – relaying the fertile ground for growth that the region was beginning to enjoy pre-coronavirus.

However, while rebuilding no one should ignore key regional challenges that existed before the pandemic. Addressing productivity and sustainability were two big themes on the 2020 to-do lists of the county's business leaders. As we scale back up, the region can't afford to lose sight of its ambitions in these areas – with the financial sector playing an important role in helping firms to achieve them.

> Green shoots of recovery

There are promising signs in Yorkshire's initial recovery. Data from our monthly Business Barometer report showed that Yorkshire had the highest share of operational businesses of all regions in the UK during May, with the figures indicating that firms closed as a result of lockdown were beginning to reopen. Less than one in 10 (8%) weren't operating at all, against a UK average of one in five (17%).

A quintessentially British example of a firm getting back on its feet in the region is Doncaster's, Warners Fish Merchants. The business supplies one in 10 of the UK's fish and chip shops, more of which are reopening on a daily basis as lockdown measures ease with demand quickly returning to normal levels.



We supported the business with a £1.5 million loan through the Coronavirus Business Interruption Loan Scheme (CBILS), helping the fish merchant to overcome the cash flow challenge of paying suppliers and bringing back staff to respond to the spike in demand – following a period of depleted revenues.

Indeed, schemes like CBILS and the Bounce Back Loan Scheme (BBLs) for smaller businesses have handed firms a level of certainty in the immediate term, setting them up for recovery. Bradford-based Jinnah Group, which runs eight restaurants across Yorkshire, secured a six-figure BBLs loan from Lloyds Bank, enabling the company to meet fixed payments, navigate disruption and to plan for its future post-lockdown.

> Rebuilding the right way

The latest data from the Office for National Statistics (ONS) revealed that output per hour in Yorkshire & the Humber has fallen by 2.5%, sitting 16.5% behind the national average, making it the second least productive region in the UK.

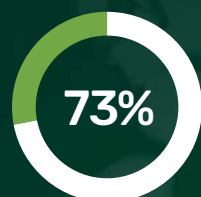
As such, ramping activity back up must be done so with boosting productivity in mind – which could catalyse the region's longer-term growth. But the truth is many companies are in the dark on the best way for them to measure productivity, let alone to make improvements to it.

We're involved with a government-backed project with Leeds Beckett University on this very issue. The taskforce we're part of, alongside academics and other

financial consultants, aims to give businesses the understanding and tools needed to measure their own productivity and to develop an effective improvement plan. The taskforce is working alongside 20 Yorkshire manufacturers as live case studies.

The project also aims to create more aligned, enhanced ways for businesses' day-to-day advisers, such as banking relationship manager or accountants, to help identify and narrow productivity gaps. We hope to share some of these findings next year. Clearly, Yorkshire's financial leaders will have a big part to play in helping firms to fix the productivity puzzle along the road to recovery.

On the road to recovery continued



Over 73% of businesses stated that they are or will be affected by the impact of the coronavirus



> Sustainable development

Creating a sustainable future was another pressing issue alongside boosting productivity before the pandemic. After the turbulent months we've had it's perhaps easy to forget that the Australian bush fires, a tragedy many attributed to the effects of climate change, were just months ago.

At the end of last year, our Business Barometer found that two thirds (65%) of Yorkshire SMEs wanted to improve their environmental sustainability, with long-term cost savings cited as the most common reason to go green. Now more than ever, businesses will be looking for cost saving opportunities to help relieve some of the pressures they'll face on the road to recovery.

There's a duty on our sector to lay out all the available funding options to firms to help them with these ambitions. Government grants and asset finance solutions are helping businesses to spread the cost of an investment over its lifetime.

Meanwhile, schemes like our Clean Growth Finance Initiative (CGFI), which offers discounted lending for green purposes, are also helping to boost the accessibility of sustainable investments.

Broadband provider KCOM is a great example of a firm that's recently benefited from the CGFI. It secured a £30 million funding package to extend its full fibre network to tens of thousands more homes and businesses across East Yorkshire and North Lincolnshire. While this has huge benefits for local productivity, fibre networks are also more sustainable, using much less electricity compared to legacy copper lines.



> The road ahead

It's a long way back to rebuilding the solid sentiment we saw from the region's businesses at the beginning of the year.

Only the safe and gradual easing of lockdown, opening sectors back up and helping to iron out supply chain disruption, will allow a complete recovery.

Rest assured, the resilience of the Yorkshire economy and its strong links with Northern and international economic hubs will be a major factor in the region's sustained come-back. But Yorkshire must rebuild in the right, future-proof way.

We're by the side of the region's firms as part of our Helping Britain Prosper promise, giving firms the finance they need to get back on track.

Indeed, we look forward to recognising the individuals and firms that are going above and beyond to help Yorkshire prosper, as the awards spotlight and celebrate those key to helping relay that fertile ground the region recently enjoyed.

How Lloyds Bank is financing businesses through the crisis

- Businesses can borrow from Lloyds Bank using the normal process and we remain committed to helping our customers with their lending needs.
- Lloyds Bank has committed a £2bn fund to support businesses impacted by COVID-19. This provides for additional fee-free lending to SMEs (up to £25m turnover) and capital repayment holidays.
- Businesses that are experiencing lost or deferred income as a result of coronavirus may be eligible for the government's Bounce Back Loan Scheme (BBLs), Coronavirus Business Interruption Loan Scheme (CBILs), Coronavirus Large Business Interruption Loan Scheme (CLBILs) or the Bounce Back Loan Scheme.
- For SMEs with a turnover above £3m, we have set up a fast track process to get fast credit approval.



Glenn Bemment
Regional Director,
Head of Mid Corporate – North
Commercial Banking

Glenn's corporate banking team works with clients based across the north of England. The team provides the full range of banking services, including financing, payments, treasury and liquidity, and risk management. Glenn joined Lloyds Banking Group in 2012 after a 15 year career with HSBC. His previous role at the Bank was as Regional Director for Lloyds in the North West.

Glenn is a member of the Lloyds Ambassador Group for the north of England. He is also a Vice Chair of Governors, and he is an FA qualified coach.

For more information:
T: 0161 829 2811
E: glenn.bemment@lloydsbanking.com



About Lloyds Bank Commercial Banking

- Lloyds Bank provides comprehensive expert financial services for small businesses, mid-sized businesses and multinational corporations.
- Maintaining a network of relationship teams across the UK, as well as internationally, Lloyds Bank delivers the mix of local understanding and global expertise necessary to provide long-term support to its clients.
- Lloyds Bank offers a broad range of finance beyond term lending and this spans import and export trade finance, structured and asset finance, securitisation facilities and capital market funding. Its product specialists provide bespoke financial services and solutions, including tailored cash management, international trade, treasury and risk management services.

WHAT MAKES YOU **UNIQUE?**

Lisa Newbold, Finance Director, Polypipe Building Products

Lisa Newbold was appointed as Finance Director for Polypipe Building Products in November 2019, having previously spent just short of a year working within Polypipe's Group Finance function.

So far, Lisa's career has mainly been spent working within companies linked to the construction industry, and prior to her career at Polypipe, she spent a number of years working for a national housebuilder.

She studied law at university, and started her career at Deloitte where she qualified as a Chartered Accountant and Chartered Tax Adviser.

In her spare time, Lisa likes travelling to interesting countries (pandemic permitting!), eating good food, and exercise. She is also a mentor for a young person in her local community.

Continues overleaf →

Since our founding back in 1980, there's been a passion within us to support the industry at every stage of its growth, develop its future and to face the challenges together.

That's why we invest heavily in innovation and manufacturing techniques. It enables us to establish more inventive solutions, better manufacturing facilities and more sustainable products and systems – before you ever knew you needed them. That's Polypipe Building Products.

www.polypipe.com/40years



What makes you unique? continued

1. What are the key things you have learned about being a Finance Director at Polypipe Building Products since taking the role last year?

When I started my role, I certainly didn't expect to be part of a team of people navigating our business through a global pandemic!

A rapid change in circumstances puts into perspective what is important for a business – and we have been able to identify some strengths and weaknesses within our business model as a result.

My ethos has always been that to succeed, you must bring people along with you – whether those people are your peers, your team, your wider workforce, or your customer base.

In these times, two things have been key for me: pragmatism, and the ability to offer support to others. I have relished time outside of my comfort zone recently to grow into my role at Polypipe and as a business leader in general.

2. How has your background assisted you in your role?

My background is somewhat unusual because I chose to study law and work in a tax specialism before moving into mainstream finance at a group level.

In my current role as Finance Director of an operating unit, I believe this gives me the opportunity to look at situations from different perspectives before making decisions.



3. What is it you like about working at Polypipe Building Products?

I would describe our culture as humble (a typically Yorkshire attribute), and in practice that means that I have a large support network of colleagues available to me. Our workforce is hugely dedicated and long serving, and those employees should be credited with the success of the business to date. Our reporting structure is pretty flat, giving everyone the opportunity to contribute towards successes.

4. How has Polypipe Building Products been impacted by Covid-19 and how has the business adapted since we entered lockdown?

As a provider of essential products, we were able to continue to trade through the pandemic, albeit at significantly reduced levels initially.

We spent the early weeks of lockdown manufacturing products for use in the construction of our hospitals and donating surplus PPE to hospitals and schools. We also undertook a project to manufacture our safety visors in house. We are now cautiously scaling back up, albeit within a new operating framework, taking account of the relevant government guidance on social distancing.

I was hugely impressed with how my business responded quickly to the pandemic, particularly in terms of safeguarding the health and safety and financial stability of our workforce through lockdown. That quick response was only possible with the support and dedication of our employees.

For my team specifically, we have had to adapt to new ways of working, which has presented opportunities to review and improve processes.

5. What does the future look like for your industry sector?

Polypipe Building products manufactures plastic piping products for the residential construction industry. The market indicators within the sector for the long term are positive, due to the continued need for more housing.

Construction is a traditional industry sector, but going forward I'd hope to see a small break from tradition. This is already happening in terms of the method of building houses (e.g. modular build).

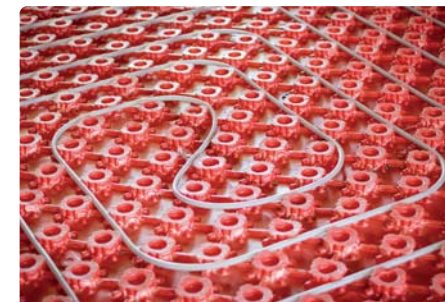
As a female business leader, I'd also like to see a break from tradition towards more female entrants into the industry.

6. What advice would you give to anyone looking to take on their first Finance Director role?

Do it. Working as an FD, you will form part of a team, with each team member offering a different skill set.

This means that your job will be varied, and you will be valued, as you contribute your own strengths to the success of a business.

There will undoubtedly be times when you feel outside of your comfort zone. Don't let this overwhelm you, and do not attempt to go it alone. Instead, make use of the expertise and knowledge of others around you.



About Polypipe Building Products

Polypipe is one of Europe's largest manufacturers of piping systems and water and climate management systems, delivering engineered solutions to enable a sustainable built environment.

Polypipe Building Products is a Business Unit in the Polypipe Group, and it manufactures a comprehensive range of products for residential construction projects, from start to finish.

Polypipe Building Products is pleased to celebrate its 40th anniversary in 2020. Constant innovation over the last 40 years has enabled the business to develop solutions to address the demands of modern residential construction environments.

THE ROLE OF FINANCE DURING A GLOBAL PANDEMIC

By Gavin Hodgson-Silke, Global Director, FP&A and Commercial Finance, Farnell

The coronavirus (COVID-19) pandemic has had a huge impact on the way businesses operate and how they interact with customers. Finance teams have been at the heart of the response to maintain business operations – be that the implementation of business continuity plans or the continued focus on cash flow.

As a function, Finance has a unique perspective within organisations that empowers it to provide critical leadership to overcome cross functional challenges in a dynamically changing environment. As we begin to ease out of lockdown in the UK, there are many lessons learned that will enable us to become more robust, and more human businesses in the future.

A key challenge in the electronics industry has been in the way that distributors manage their supply and demand criteria to ensure vital products are delivered as quickly as possible to the people who need them most. Farnell is a business that ships products that can fall across the wide breadth of non-essential to essential – from components required in automotive production or smart devices, to medical supplies.

As a global distributor with a strong commitment to its supply chain and customers, Farnell has sought to maintain service levels wherever possible, and has increased support to those seeking to equip and protect those on the front line of the fight against COVID-19.

Customers working in the health sector and manufacturers who have refocused their operations to increase production of medical products have been able to access a new urgent critical medical order process to expedite the dispatch and delivery of components which was developed at pace by a cross functional Business Continuity Plan team chaired by Finance.

This increased the speed at which shipments for a range of medical equipment, from ventilators to testing kits to front line essentials such as power supplies, get where they need to be.



The role of Finance during a global pandemic continued

Responding to increased demand for medical related components

Demand for components for medical devices surged when the reality of the pandemic hit home. Circuit board components to fans and power supplies for ventilators and respirators went into sharp demand as manufacturers across the UK were asked to sign up to a ventilator challenge to design and manufacture what was needed in the UK.

Taking into consideration the number of ventilators required globally, demand for these essential components outstripped the supply that any one distributor has in stock, irrespective of the strength of the stock position before the crisis.



Farnell worked closely with suppliers to access additional stock to fulfil orders to support multiple projects around the globe as customers moved to produce medical equipment at scale, either for completely new designs or to ramp up existing production.

In addition to essential components for equipment that could turn the tide of this crisis, Farnell also supported customers with products for healthcare

and essential businesses, from power cords and power solutions for hospitals, to PPE for paramedics and essential work-from-home kits for businesses in the financial services sector.

It was clear from the outset that Farnell had an essential role in supporting those organisations who were on the front line of the fight against COVID.



In Farnell's global warehouses, employees continued to come into work to support customer orders, and focus was instead on ensuring the correct PPE was in place, new processes and Perspex screens fitted to secure their safety. It is with the support of the dedicated teams in the warehouses that Farnell has continued to support orders for electronic components through lockdowns across the globe and employee safety has been a key priority with the introduction of new ways of working to accommodate essential social distancing.

Lessons were learnt with each deployment, but there was little reprieve and actions began again for another country, and another country, each with different local laws, different restrictions and different technical capabilities at the start.

Finance supported the business as they implemented their business continuity plans, evaluating spend for additional equipment and licences, and supporting decisions on resource allocation – all real time – all at pace, enabling all office based roles to move to a work from home model over a period of just days.

In the UK this foresight and speed of implementation meant we moved everyone out of the Leeds office a week before the government put the country into lockdown.

Moving to a work from home model across 37 countries

In what continue to be challenging times, with a new definition of business as usual, Farnell has sought to support its customers as it has always done.

Finance has played a key role in the initial work to get employees to a work from home model, enabling them to provide the same support to customers that they did from Farnell's many global offices. Within Farnell, actions taken in the UK to move employees to work from home, came as no surprise.

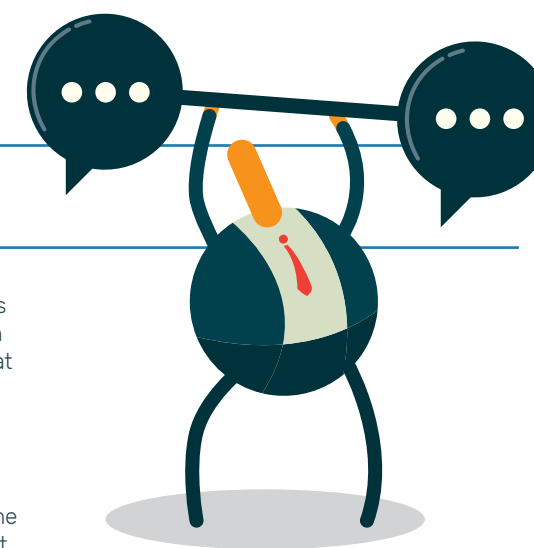
The finance team had already been involved in similar activities in its global offices as the impact of the pandemic rolled across the globe. Starting in China straight after the Chinese New Year break, actions were swiftly required for India, Singapore and other offices in the Asia pacific region.

Lessons for a stronger finance team

This pandemic has created challenges but also provided opportunities. It is in challenging situations such as this that Finance are able to step up and take a leading role, which has resulted in an increased profile within the business.

Working practises in lockdown have meant that as a team based around the globe, there is more opportunity to get together virtually. Communication has proven essential, and each day starts with a 'stand up' meeting with COVID and business continuity as the first item. As a global team we feel closer, and have used technology to get together more frequently, and get to know one another better. From a business perspective, this has meant that we have also been able to share learning from across the regions, and been able to go to a level deeper on, for instance, operational KPI's than we might have done in the past.

The experience is one that we don't necessarily want to turn our backs on completely. The amount of time we spend together as a team is hugely positive and we want to continue to benefit by continuing that focus on time together. Despite being located separately, the teams increased personal interactions



and the insights into each other's lives and homes that has come with it has led to my team becoming closer as team players. Learnings from the pandemic will also no doubt be applied as playbook for future challenges that the business might face. This pandemic has pushed business stress testing to the limit, and we have learnt much about the ways that markets and our business is able to respond.

One further takeaway, perhaps unsurprisingly, is the impact on travel. The pandemic has proven that international travel is not as essential as once previously thought – something that will not only have an impact on costs, but also support aspirations to reduce the business's environmental footprint and enable us all to spend more precious time with our families and friends.

Managing business as usual in an unusual world

On the commercial side of finance, the effect on economies across the globe necessitated actions to identify the complex impact of COVID-19 on demand.

As Farnell has a global footprint, in the same way as lockdowns in different countries resulting in different in-country actions, industry and manufacturing responded differently, requiring dynamic reforecasting of demand for a world that we hadn't see in our careers, and even our lifetimes. As the pandemic rippled across the globe we learnt from each spike and supported the business to put the required actions in place.

But for much of finance, whilst working in an ever changing world, the most essential activities did not change: ensuring the business fulfils its commitments, pays suppliers on time and works with customers to support their needs and cash flow challenges. And it wasn't as if 2020 had been forecast to be a quiet 'business as usual' period. Teams continue to work on Brexit preparations, managing the impact of the US-China trade war, a transformation programme and support the implementation of a significant investment in a new warehouse in Leeds.

Final thoughts, and thank you

The ability to continue to operate, and support Farnell's customers has been assured by the efforts of many individuals – those coming onto site each day to work in our distribution centres, our sales and product teams at home, and Finance colleagues who have supported the business every step of the way, working together as one.

Our teams have overcome the constraints of different ways of working, whilst fulfilling thousands of, primarily online, orders every day and keeping customers around the world supplied with vital components. We thank them all.



ADAPTING TO CHANGE

HOW THE RECRUITMENT INDUSTRY IS ADJUSTING TO THE RECENT CHALLENGES

by Leighton Thomas, Recruitment Consultant, Brewster Partners

As we've adapted to working over the past weeks and months we've had to stay agile and reactionary, but now it feels right to start looking at the future and what it's going to look like.

Covid-19 has certainly had an impact on the recruitment industry, so I thought I'd explore the extent to which it has and explore some of the changes we expect to see. Phrases such as 'unprecedented times' and the

'new norm' have been quite suddenly integrated into our regular vocabulary and it highlights the impact and magnitude of the challenging times we are navigating through.

The Recruitment Market

It will be no surprise to anyone that the recruitment sector has been impacted by COVID-19. The demand for both permanent and temporary workers in England fell during March for the first time since the global financial crisis of 2008. (Report on Jobs, REC)

From the 7th March to the 1st April 2020, there was a 15% reduction in the volume of job posting activity. Reduced demand for staff has weighed on pay growth. Salaries awarded to newly placed permanent workers during March rose at the weakest pace since July 2016, while temporary wage inflation eased to its slowest for just over seven years. (JobsOutlook, REC).

Many organisations, ourselves included, have an invested interest in understanding what the long and short term economic impact will be as a result of the pandemic. It is reassuring to see that the Bank of England recently predicted the rate in which the UK economy will recover from the recessionary period it finds itself. Despite the rapid decline in GDP we will have a fairly steep uplift and recovery in the years ahead.

It has become clear in recent weeks that the recruitment market is starting to pick up pace again as organisations work to trade their way out of the pandemic.

Flexible working

With many of us working from home over the past few months I think it's fair to say it has been a marmite response - some of us love it and others hate it.

What we do know is that a lot of companies adapted well, or if they didn't have the capacity to work from home, they have now put in procedures for this to work in the future as part of more extensive business continuity planning. This has definitely made a lot of companies evaluate if remote working is the future for them, we can even expect to see many organisations working towards becoming carbon neutral by reducing their office spaces and minimising employee travel. This increase in remote and flexible working is here to stay and this will bring new ideas and new roles to the market.

New teams structures - New ideas and more forward thinking

Often, we can get caught up in the pace of our busy working schedules which results in little time to pause for reflection. What the lockdown has done, is give a lot of people the chance to press the reset button, strategies and reevaluate.

This will undoubtedly bring about change as organisation leaders start: reconsidering long term strategies, considering restructure or identifying potential skills gaps. With the future very hard to predict, I believe in the short term we will see an increase of short term contracts and temporary assignments as businesses will be very conscientious of spending.

It's crucial now, more than ever to get recruitment done right and increase staff retention rates. A poor hire at mid-manager level with a salary of £42,000 can cost a business more than £132,000*. At Brewster Partners, we have already seen the effects of these developments in the industry and we are ready to support wherever we can.

We have been working with companies to support them as they plan organisational restructures, new positions and unfortunately redundancies. With the change in the market we have built incredible relationships with new and existing candidates which has seen more competition for roles and a higher standard of candidates for each position.

A poor hire at mid-manager level with a salary of £42,000 can cost a business more than £132,000*

*www.rec.uk.com/our-view/news/press-releases/hiring-mistakes-are-costing-uk-businesses-billions-each-year-rec

How will Recruitment Change?

As the country entered into lockdown we undeniably had some obstacles to navigate and adapt to ensure both candidates and clients had the best recruitment experience they could be offered. I myself, am a big believer in meeting my clients and candidates face to face but when that wasn't an option technology made things possible.

I'm sure there are many of us who only a few months ago hadn't heard of 'Zoom' or 'Webex' but video software such as these have played a pivotal role in keeping us connected. At Brewster Partners we are no strangers to video calls as they have always been an essential tool that we have used to having a more meaningful and personal conversation chat rather than a telephone call.

We have been able to connect candidates with what has become their future employer through Zoom interviews which has kept the recruitment process alive and give candidates the opportunity to start new roles remotely.

We have been able to connect candidates with what has become their future employer through Zoom interviews which



has kept the recruitment process alive and give candidates the opportunity to start new roles remotely.

The use of video technology in recruitment, and indeed across all industries has had a profound cost and time-saving impact. Whilst we would always prefer to have personal face to face meetings with individuals, rather than have to juggle diary commitments to allow for travel time, technology allows us to meet from a convenient location without fears of being late, having to reschedule and decline meeting.

New roles and hiring processes which need a quick turnaround will really benefit going forwards. The recruitment process as a whole can be achieved within a shorter timescale whilst still having detailed conversations and understanding your candidates and clients. Throughout lockdown technology and adaptations enabled us to find our clients their dream candidates and help guide candidates through the next stages of their career journeys.

Our commitment to you

Overall, it's been a challenging time for many of us, although we can't for a moment suggest that it will be plain sailing going forwards (life never is), it's encouraging to see how everyone has adapted to overcome difficult circumstances and is starting to look forward and plan for the immediate and long term future.

At Brewster Partners we're always committed to supporting our clients and candidates and we build strong, lasting relationships along the way.

The way we recruit may slightly change but our commitment to providing the best possible service will remain the same.

THE IMPACT OF COVID-19 ON D&O AND FINANCIAL LINES INSURANCES

by Elaine Owen FCII MBA, Senior Vice President, Risk Solutions, Lockton

The looming threat of recession has caused a further pricing surge in the Directors' and Officers' (D&O) Insurance market, as Insurers look to price in the risk of future litigation against the boards of financially stressed companies.



There is concern that such companies, especially if they have weak balance sheets, could be faced with claims over mismanagement and potential bankruptcy in the future, with trading conditions set to be challenging for years to come. A wide variation in the size or D&O Premium rate change is in evidence, with some risks considered by insurers to be 'safer' or more benign still able to attract rate rises in the low double digits on renewal.

The challenges brought about by Covid-19 have hit the D&O market while it was already undergoing a major pricing correction following years of soft trading conditions and heavy losses, combined with an increase in frequency and severity of claims notifications.

The impact of Covid-19 on the D&O insurance market has been a continually changing since Lockdown began and has been changing on an almost daily basis with an immediate impact being felt on D&O renewals and the underwriting process:

- Increased scrutiny on the financial health of a company, we expect to see more insolvency restrictions being applied.
- Classification of risk by industry sector with Hospitality, Travel, Leisure, Real Estate, and Retail being put through the most stringent underwriting process
- Question sets around Covid-19 preparedness both from a business continuity perspective and also how the company is looking after, and communicating with, its employees and other stakeholders

- A handful of insurers (currently) are attempting to apply a Covid-19 exclusion across the board meaning that market capacity is further squeezed.
- Longer sign off/approval process at insurers meaning longer lead times for renewal quotes
- A reluctance on the part of insurers to extend cover, even for short periods
- Many insurers closing their books to new business
- A reduction in underwriting appetite for ancillary coverage such as Employment Practices Liability, Crime, and Company Civil Liability

As the COVID-19 pandemic continues to affect individual lives and businesses in countless ways, Lockton remain committed and ready to support our people and our clients.

The impact of COVID-19 on D&O and Financial Lines Insurances continued



Class actions are becoming a reality – as of 23 March 2020, two Covid-19 related securities class actions have been filed in the US, against Inovio Pharmaceuticals and Norwegian Cruise Lines, alleging they misled investors on the situation and the outlook at those companies.

Most D&O insurers are now looking to underwrite each board's Covid-19 related exposures and address the risk by driving up rates, reducing limits and increasing the scrutiny of company financials. All Insurers and Reinsurers are carefully managing their aggregate exposure,

The challenges brought about by Covid-19 have hit the D&O market while it was already undergoing a major pricing correction following years of soft trading conditions and heavy losses, combined with an increase in frequency and severity of claims notifications.

There is increasing acceptance in the market that implementing wide ranging Covid-19 exclusions in contracts is not feasible as attribution of D&O Liability to specific Covid related management decisions is too problematic, depending on what allegations are brought against them. When the pandemic broke out it initially caused significant disruption in the insurance market, with confusion over whether exclusions were going to be introduced and brokers complaining of slow and inconsistent responses and a lack of clarity from Insurers.

with many reducing their appetite and others only seeking out new business opportunities on an opportunistic basis where the likely premium earned is significant.

We typically see more Crime and Employment Practice Liability claims in an economic downturn so we expect to see continuing pressure on capacity, premium and retentions on these lines of cover too.

The impact of the Covid-19 pandemic is already being seen:

- The new way of working that is now a reality for many companies means that controls and procedures may need to change. At renewal companies will need to bear this in mind when providing details of financial and audit controls for Crime renewals, for example and detailing where these are altered or affected by remote working practices.
- Employment Practices Liability insurers are either exiting the market or being extremely selective around certain industry sectors. They will be looking to understand how the workforce is affected by potential lay-offs. Be prepared to share with insurers all you are doing to protect and communicate with your employees.
- Pension Trustee Liability insurers are likely to want to know how exposed pension scheme investments are to the equity market.

“

Lockton is Uncommonly Independent. Our independence means we are uniquely positioned to put our clients first. Our uncommon thinking and entrepreneurial spirit mean we're laser focused and passionate about doing what's best for you.



Clients and prospects should be prepared for a longer and more in-depth renewal process this year and we would advise as follows:

- **Early engagement is key**
It will take longer to work through the D&O programme layer by layer, as insurers' underwriting process is more in-depth. Many insurers are reducing their capacity as well as reviewing premium rates.
- **Focus on core D&O risk issues**
In a market where coverage and capacity is being cut it is important to identify what we can keep, rather than what we can get. It is important to examine company and industry specific risks better and in more detail. By doing this it can be ensured the company's D&O wording and limit tower reflects these core risks and how they are prioritised.
- **Leverage cross class relationships**
We are seeing better renewal outcomes where we are able to leverage existing cross-class insurer relationships for the benefit of the 'more difficult' financial lines covers.
- **Review programme structure**
If cost is an important Companies should give consideration to reducing their overall D&O insurance limits, or how those limits are prioritised between protection for individual directors vs balance sheet protection. There is more competition for certain sections of cover, such as non-indemnifiable claims (so called A Side cover) meaning that capacity may be cheaper or easier to procure.
- Also, review options for higher D&O policy retentions as these may offer premium savings, although not always to the extent needed to make up for the increase in risk taken onto the balance sheet. In some challenging industry sectors these may be imposed by insurers rather than optional. It should be noted that no policy deductible applies to losses where the company does not indemnify the individual director(s).

The Lockton difference

As the world's largest privately held, independent insurance broker, Lockton's 7,500 professionals are free from shareholder demands. Our only focus is to provide our 52,000 clients – businesses like yours and individuals like you – with the best in risk management, insurance, employee benefits consulting, and retirement services.

Clients tell us they like our approach to service: we listen to their objectives, understand their needs, and come up with innovative ideas and solutions to solve their problems – no matter how complex.

It's why we also attract some of the best professionals to come and work with us – excited by a unique culture that values respect, an ethical, moral and caring approach, and empowers our employees to put you and your business first.

Elaine Owen FCII MBA
Senior Vice President
Risk Solutions

T: 07813 773475
E: elaine.owen@uk.lockton.com
global.lockton.com



UNCOMMONLY INDEPENDENT

We are in fluid and changing times

Companies should engage their brokers on COVID-19 D&O risk more deeply and scrutinize coverage terms going forward.

Previously challenging market conditions are likely to become even more challenging very quickly. Although coverage may also be more expensive, with the heightened risk this environment presents, it may be far more valuable today than it ever was.

Industry insights

The evolution of Auditing



The audit has been evolving steadily for many years and after these unprecedented past few months, audit software is set to reshape the finance industry.

Due to the Covid-19 crisis many firms have been forced to rethink the way they do business and automation is something that is now on the top of everyone's agenda. The main reasoning behind this is to allow auditors more time to analyse and collaborate with their clients.

McKinsey Global Institute estimated in 2018 that around 49% of work activities could be automated by the end of 2020.

Cloud remote auditing add-ons have made it possible for auditors to use a two-way real time communication flow and to securely send signed letters and documentation, receive client files and respond to requests, all while in the safety of a secure cloud.

This type of remote automation will radically alter the way many operate, meaning that professional evaluation and judgement will be more important than ever. Collaborating with clients in a risk free environment whilst exchanging vies and options will become key to a successful automated audit.

As the audit evolves firms must remember that technology coupled with a well trained workforce will be synonymous to success but there cannot be one without the other. To guarantee the audit of the future teams need to be armed with the right technology, but they must also seek knowledge in order to reap the benefits of the chosen software.

McKinsey & Company

How to create a more environmentally friendly payroll system

Society is becoming increasingly aware of environmental issues. Payroll administration has often been a culprit when it comes to paper heavy output, however many are looking to move to a greener, more sustainable format.

Employee payslips are often sent through the post, printed or handed directly to employees at their desks, and as we move towards a more sustainable format many are still seeing the need for paper payslips due to the fact emailed payslips can often go amiss. This is not only an issue environmentally, but also becomes a repetitive and time consuming task for members of the payroll team.

Numerous business are now moving to cloud payroll portals in order to give access to payslips for their teams. With this teams can have easy, paperless



access to all their payroll documents, including historical payslips and items such as their P45 and P60. This removes the need for payroll staff to get involved if an employee needs a record of a document and therefore saves time for both the Payroll team and employee.

Alongside this, many companies are now utilising portals for multiple actions. Annual leave calendars can be updated, with employees able to request leave remotely, HR documents and other business information can also be added, losing the need for printing such documents.

Building new teams from a different view point

Working remotely has allowed many firms to take a different approach to recruiting the best people for their teams.

New focuses around outsourcing and staffing have allowed companies to look further afield than usual and have led to many creating new teams with employees and suppliers they may not have reached out to in the past.

This has, however not been without issues. Although some firms have

made redundancies, those who are recruiting for staff have come up against new issues such as arranging interviews and meetings while abiding the restrictions for travel.

Where most firms would have interviewed in person prior to the outbreak, they are now recruiting solely on virtual interviews. Many teams have had to adapt to this new way of hiring, so it has been a difficult time for many.

Communication and building human connection is key to maintaining loyalty from clients

Communication has been vital during this pandemic, a survey undertaken by Practice web and brand consultancy Insight 101 has revealed that performing well under pressure has not gone unnoticed by clients.

In fact, many firms have performed so well during the crisis many clients who may have been thinking of moving on now have a new loyalty and are therefore much more likely to stay.

As we start to ease ourselves out of a state of permanent emergency, accountants need to learn from this most recent experience and equip their



practices to handle whatever comes next. Firms that have adapted well and have supported their client must now focus on retaining the best aspects of these new processes, and work on embedding them as a permanent part of their company culture.

It is no longer a necessity to travel for hours to meet face-to-face, therefore everybody should have more access to contacting clients. In Mid to late May only 7% of SMEs said they had been contacted by their accountants, with the use of new technologies, this is something that moving forward should increase. Clients respond well to connection regardless of if it is virtual and this can help create a loyalty between the client and firm.

insight 101

New focus on internal systems

With technology being at the forefront for most businesses during the Covid-19 pandemic many accountancy and finance firms have put their focus on improving internal systems.

Although firms have been talking about home working for some time, the new lockdown restrictions in March put a new emphasis on how firms can stay better connected.

Irish firm Keogh Ryan Tierney is a case in point; partner Peter Keogh commented: "Having good tech has allowed our team to migrate home seamlessly.

The feedback is really positive. Being flexible employers has always been a goal for the firm and now with the easing of restrictions we have staff returning to the office, but it will be their choice in the future as to how they want to work."



Lockdown intensified interest in practice management. Discussions of the subject surged in Any Answers and in accountant Facebook groups between firms that suddenly decided to act on decisions they'd been putting off for months.

What could the future hold?

If remote working is going to become part of the fabric of practice, practice owners, managers and staff need to develop collective trust until it can be proven, out of Covid-19 that the trust is there from firm leaders.



The increase in workload due to the crisis posed many new challenges, and new client queries. As different support schemes and Client scenarios evolve, firms also had to assess how best to support those who need them. Many have had to implement new processes and services in order to support each client's specific needs.

Moving forward from this many will need to create new service and billing structures in order for them to maintain the emergency-level of service. Even the interest and necessity in focusing on each client's personal needs will create major overheads which in time may become unsupportable in the long term.

In the wake of the financial crash a lot of practices dealt with cash flow by moving clients onto monthly direct debits as a way of reducing the exposure to bad debt, will this be the case again in light of the Covid-19 crisis.

In an uncertain world...

one thing is for certain

Brewster Partners Recruitment Group are committed to helping support our valued candidates and clients.

Our experienced team has the ability to provide our full range of services and solutions from home, so rest assured nothing will change.

We are able to provide a high quality, flexible workforce and have a strong network of temporary and interim candidates who are ready to cover key roles. Many of these are available to work immediately, including candidates who can provide a solution remotely, if that is appropriate to your business.

Video managed interview processes and interviews available via Zoom, Microsoft Teams, WhatsApp, Facetime, Blue Jeans, or Skype.



Please call one of our offices for details:

Sheffield:
T: 0114 399 0590

Leeds:
T: 0113 834 3170

Doncaster :
T: 01302 308 040

Castle Donington:
T: 01332 982 010



**Video managed
interview processes
and interviews
available**

