

COVID-19 Response Survey of Connecticut Decision Makers

Spring 2020

Conducted by:



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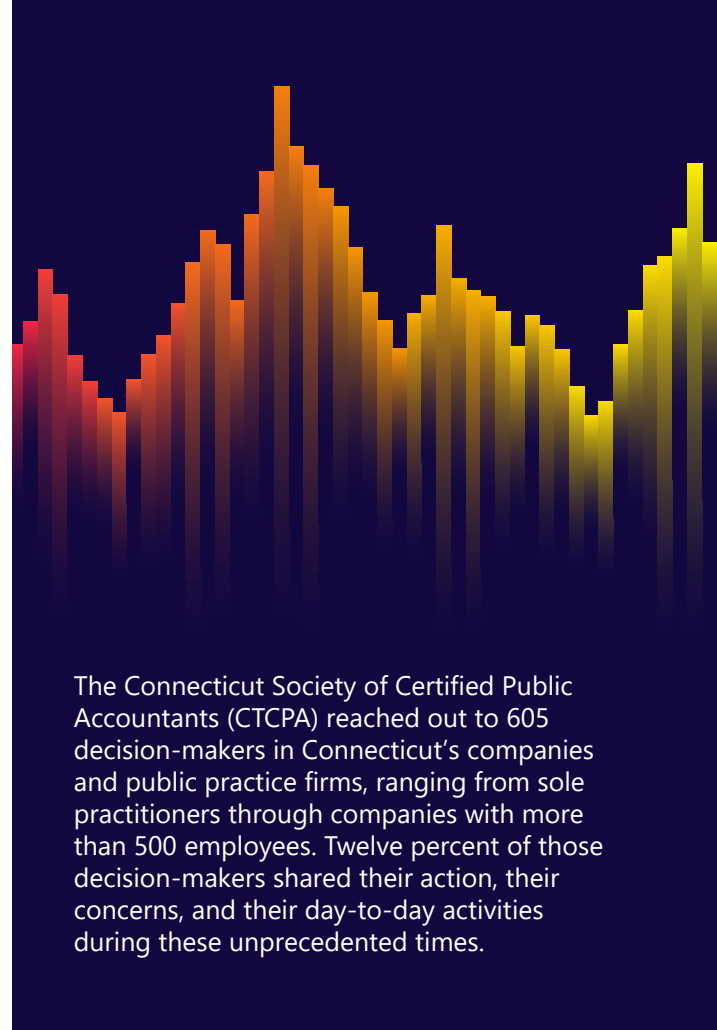
Connecticut Society of Certified Public Accountants

Introduction

In early 2020, Americans watched from safely across the world as a disease known as the coronavirus devastated Wuhan, China. It was the end of February when the first U.S. citizen died of the disease and by mid-March, President Donald Trump declared a national emergency.

Connecticut's financial professionals went to work as usual on Monday, March 9; by the end of that week, businesses began to shut down.

Never before has the Connecticut workplace been changed so drastically so quickly, and decision-makers have had to change the trajectory of their businesses almost instantly, in the face of ever-changing information.



The Connecticut Society of Certified Public Accountants (CTCPA) reached out to 605 decision-makers in Connecticut's companies and public practice firms, ranging from sole practitioners through companies with more than 500 employees. Twelve percent of those decision-makers shared their action, their concerns, and their day-to-day activities during these unprecedented times.

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Tough decisions

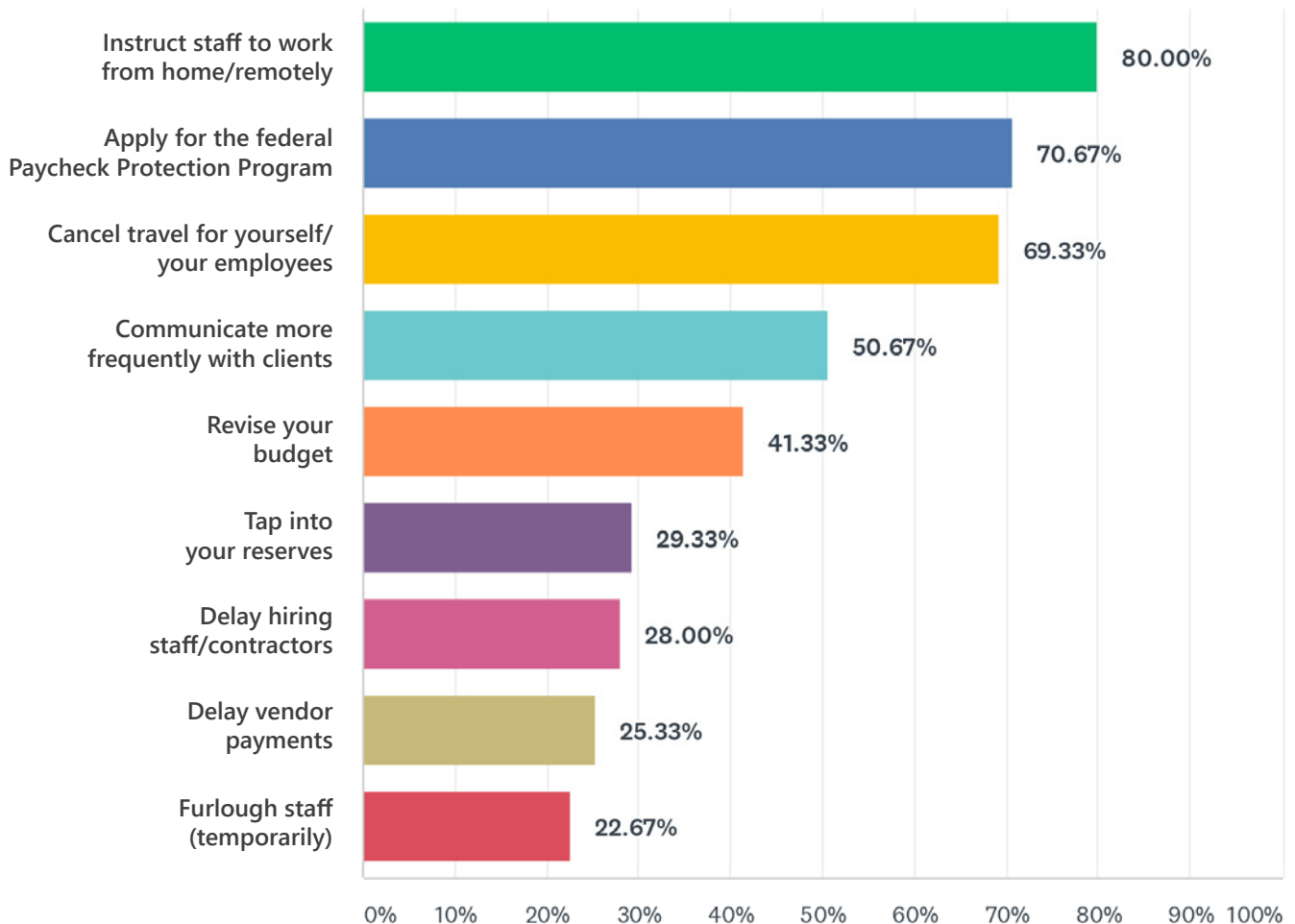
With limited, inconsistent information, Connecticut’s business owners and leaders were asked to make tremendously difficult decisions nearly instantly in order to sustain and protect their companies.

Respondents were asked to select the decisions they’ve made for their company – as of early April – in light of the pandemic. Eighty percent of respondents instructed their staff to work remotely/from home; approximately 70 percent also made the decision to apply for the federal government’s Paycheck Protection Program and to cancel travel for all employees. More than half of respondents found themselves communicating more frequently with clients and customers, and 41 percent were forced to revise their budgets.

All of the large companies (those with more than 500 employees, for the purpose of this survey) were also likely to delay hiring staff/contractors, a choice also made by 52 percent of private industry respondents. Small companies (those with 50 or fewer employees, for the purpose of this survey) were more likely forced to tap into reserves (31 percent).

In Connecticut and nationwide, unemployment has been in the headlines. In the first month of the pandemic, more than 10 percent of Connecticut’s population lost their jobs and filed for unemployment, greatly taxing the system. As of early April, only eight percent of respondents had permanently laid off workers, although 23 percent had furloughed employees temporarily.

What decisions have you made for your company – at this point – in light of the pandemic? Please choose all that apply.



Transitioning to a remote work environment

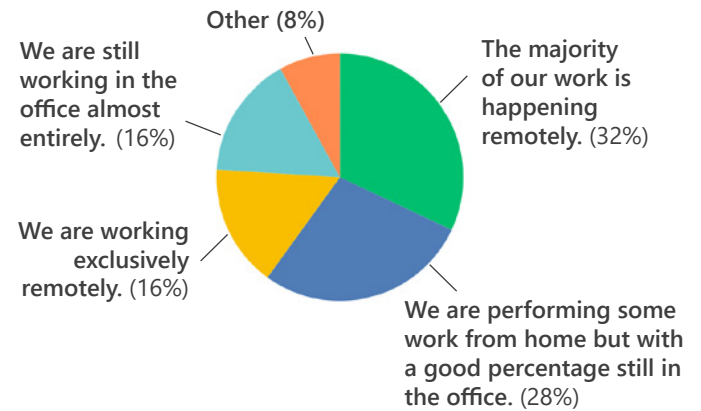
While 80 percent of respondents instructed their staff to work remotely or from home, at the time of the survey, only 16 percent of respondents reported that their company operations were occurring entirely remotely. An additional 32 percent reported that the majority of the work was happening remotely.

Small companies were most likely to remain in the office – 20 percent of small companies reported working in the office almost entirely, an increase over the 16 percent of total respondents. Large companies were more likely ready to make the switch to remote work initially, as 63 percent of the large companies reported that the majority or all of their operations were happening remotely. None of the respondents from large companies are working in the office at all.

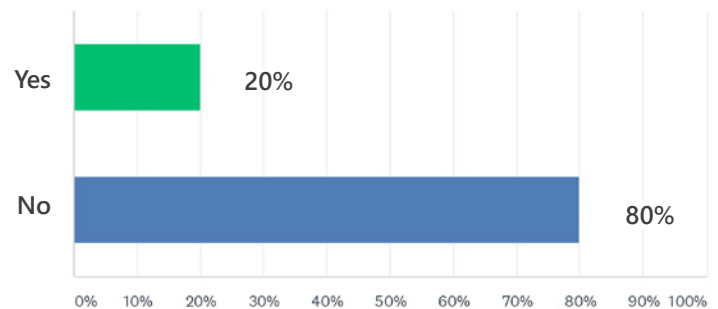
While a relatively high percentage of respondents, 44 percent, is doing at least some work in their offices, only 20 percent of respondents reported they are looking to expand their remote work capabilities at this time. This number was slightly lower at small companies and in private industry (17 percent for each), but 38 percent of large companies did report that they are looking to expand their remote work capabilities.

More than half of respondents indicated a need for remote work guidance and/or best practices; as this pivot to remote work happened nearly overnight, it's not a surprise that many companies may be experiencing growing pains, worrying about security, and struggling to find ways to effectively manage a staff spread out throughout the state (many with new family challenges, including distance learning for children) and work efficiently.

How much of your company operations are occurring remotely at present?



Are you looking to expand remote work capabilities?



Needed resources

One open-ended question asked respondents what type of resource they need the most right now. Interestingly, while only 20 percent of the decision-makers said they were looking to expand their remote work capabilities, 28 percent of the open-ended answers related to remote work resources, including:

“Remote work technology – more laptops.”

“Time to manage client and staff demands, as the work environment is not as efficient when working remotely.”

“Remote work technology and an understanding of how to manage a remote workforce effectively.”

Advice on working from home safely and securely

You and your staff left the office and are not behind your business firewall anymore ...

1 Use remote access systems that are **SECURE** only. If you set it up, secure it!

- Change that password for your log-me-in software to a lengthy passphrase.
- Make sure the software is up-to-date.
- Make sure the system can be configured with two-factor authentication. This means you can only access the system after providing two of the following: something you know (like a password), something you have (like a cell phone or token), or something you are (like a fingerprint or facial recognition).

2 Make sure the computer you use at home is secure.

If you're sharing a home computer, it should have a separate login for you than your family uses and be completely up-to-date with security patches.

3 Change the password on your home internet router or gateway (that device from Cox or Comcast).

Often these are left as the default from the "cable guy" who dropped it off. And make it a long passphrase.

4 Change your wifi password to a passphrase, too!

This is different from your router password.

5 Spend a little extra time and money on cybersecurity training.

Your cyber risk went up when everyone went home and logged in.

6 Embrace Office 365 the right way – many have made this the cornerstone of their remote work strategy.

Just make sure it's configured for security before moving all your files to it.

7 Secure your email.

Whatever email program you use, if it's not protected by two-factor authentication, logging, and monitoring, you are 10 times more likely to suffer a compromise. Make sure to add a backup solution and Microsoft's Advanced Threat Protection.

8 Use a secure portal system **ONLY** for sending confidential information.

Never use email for that! Police email use and archive old emails off the cloud. Offer a secure company solution so staff do not resort to a personal Dropbox and the like.

9 Enjoy the video conference – for both business and non-business meetings.

Be sure to keep your crew connected through this. Go out of your way to plan and conduct productive meetings. Not sure how? Google it! You will be surprised at the creative ideas out there.

10 Embrace change! Make daily headway into remote and paperless processes.

Expand your use of the notes and customer relationship management (CRM) ability of your practice or company management system so it benefits everyone. Use the electronic workpapers in your tax and audit software. Your goal is to reduce the need to reference a paper file or separate spreadsheet.



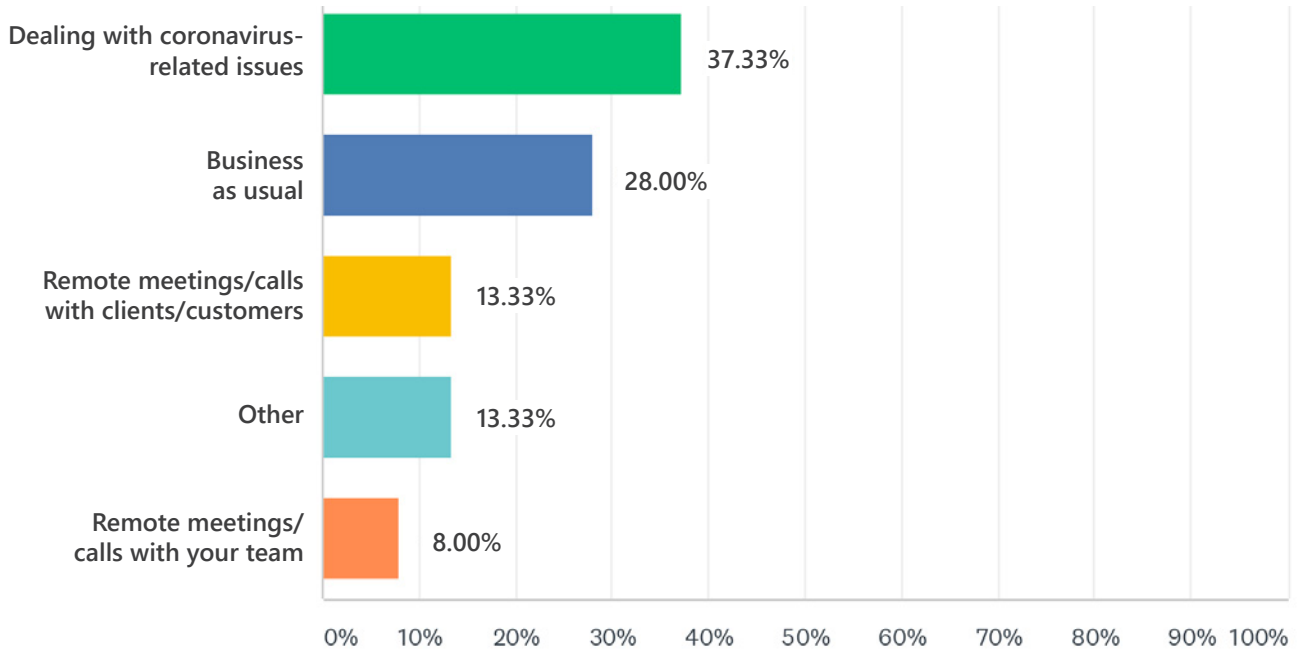
Have questions? The team at Whittlesey Technology is always happy to help. Contact Mark Torello at 860-524-4433 or mtorello@wadvising.com.

Businesses today

Connecticut's companies have been upended by the pandemic, and it has certainly changed the average workday. Thirty-seven percent of respondents reported that they spend the majority of their average day now dealing with coronavirus-related issues, while 28 percent report it's "business as usual."

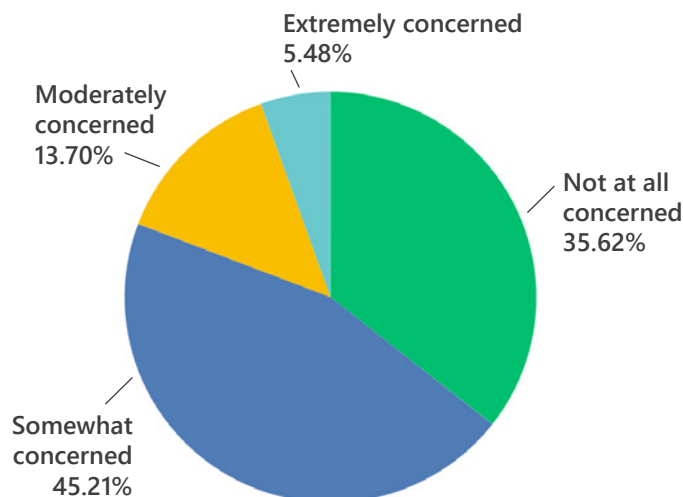
Small companies seem to be feeling the pinch more than the large companies; 42 percent of small companies spend the majority of their average day dealing with coronavirus-related issues, while 50 percent of large companies report they're back to business as usual.

How do you spend the majority of your average day now?



When asked how concerned they were about the long-term health and sustainability of their companies, 36 percent of all respondents answered that they are not concerned at all. Forty-six percent admitted they are somewhat concerned.

How concerned are you about the long-term health/sustainability of your company?



Concern for clients

While decision-makers are relatively optimistic about their own businesses, there is a significant amount of concern for their clients – and, particularly, small businesses.

A number of respondents worry that they will not be paid for work already completed, which could then trickle down to more difficult decisions regarding staffing, etc.; even more worry that their small business clients will go out of business.

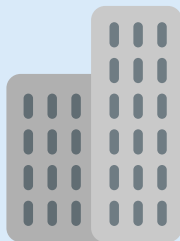
In fact, when asked what their number one concern is, nearly 20 percent of respondents mentioned their clients and the impact on the economy as a whole:

“What the future holds given we have done so much damage to the economy and loaded so many businesses with a ton of debt.”

“The impact it will have on our small business clients.”

“We are concerned that some of our small business clients are not going to be able to reopen once the state finally lets them get back to work.”

“Clients getting open and working again. Bankruptcies of many businesses and nonprofits.”



When asked how concerned they were about the long-term health and sustainability of their companies, 36 percent of all respondents gave answers that indicated that they are not concerned at all. Forty-six percent gave responses indicating they are somewhat concerned.

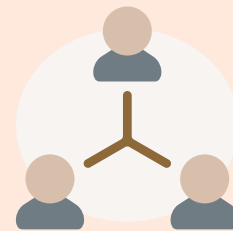
Concern for team member and family health

Twenty-two percent of the open-ended respondents related to the pandemic itself, and concerns over the health of family and staff, vaccine and testing availability, etc.:

“The time it will take to develop/test a vaccine. The virus will not go away; it will mutate and come again.”

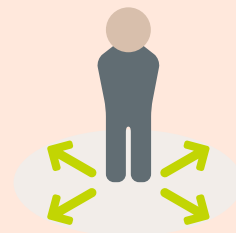
“Lack of vaccine and testing for antibodies for workers to resume to offices.”

“Testing. As so many people are asymptomatic, I believe that requires more robust multi-level testing.”



The biggest concern respondents mentioned, however, is the question playing across everyone's mind: How long will this last?

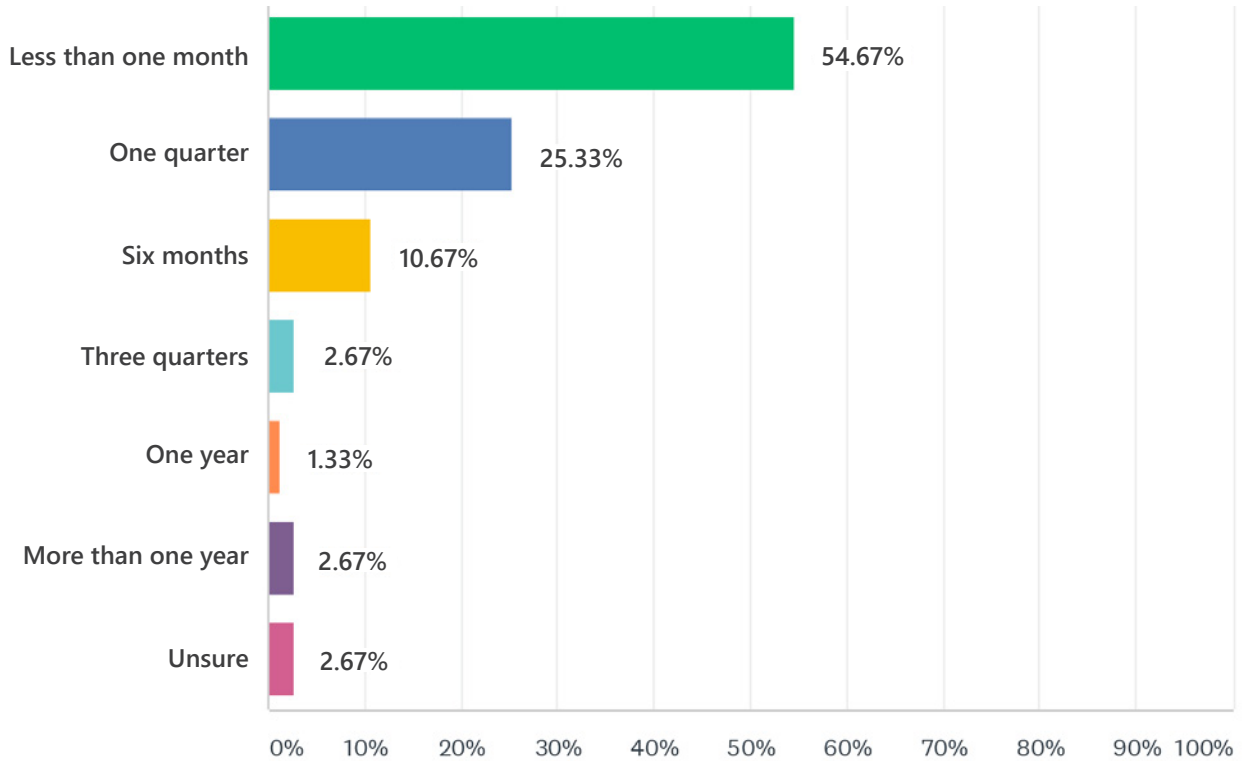
Thirty-two percent of respondents mentioned the uncertainty of the duration, as the longer this pandemic goes on, the greater the impact on all businesses and the economy.



Businesses tomorrow

Despite the uncertainty regarding duration, 80 percent of respondents are hopeful for a quick recovery and answered that if the coronavirus pandemic were to end tomorrow, their companies would get back to business as usual in less than one month (55 percent) or in one quarter (25 percent). Fifty percent of large companies reported it would take one quarter, while 54 percent of small companies reported it would take less than one month.

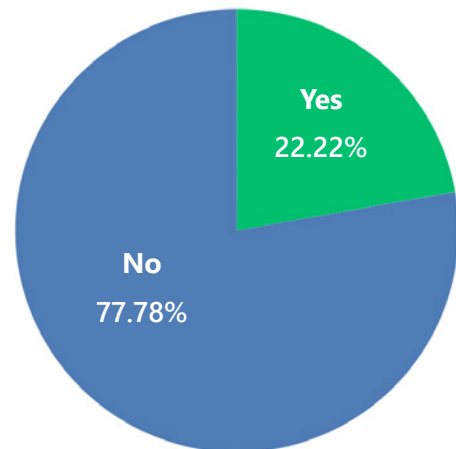
If the coronavirus pandemic were to end tomorrow, how long do you think it would take for your company to get back to business as usual?



Do you have a COVID-10 exit plan?

It appears that while larger companies expect a slightly longer recovery, they are perhaps more prepared than smaller companies. Fifty percent of large companies have a COVID-19 "exit plan" to get back to work, while only 17 percent of small companies have an exit plan.

Overall, however, a staggering 78 percent of respondents do not have an exit plan, which is concerning. While the uncertainty remains as to when Governor Ned Lamont will lift restrictions and when it will be safe to return to work, decision-makers should be talking about exit planning to make the transition back to work as smooth as possible.



Closing

"While these are tremendously trying times, we are so proud of the accounting profession and Connecticut's businesses for the hard work they are putting in on behalf of their clients," CTCPA Executive Director Bonnie Stewart said. "I've spoken with many members who've reached out to me with specific client questions and scenarios, which is a reassuring sign for our profession. The Certified Public Accountant remains a trusted business advisor, and in times like these, it's nice to see that Connecticut's financial professionals are at the top of their clients' lists to call in case of emergency."

"There is so much uncertainty in Connecticut and, really, the world right now, but I share the optimism of our members that we will get through this together," Stewart continued. "From making masks to spending long hours on the phone with clients, our CPAs stand ready to help Connecticut get back to work safely, and the Connecticut Society of CPAs will be here to help our members in any way we can."



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Bonnie Stewart
Executive Director,
Connecticut Society of CPAs

About the Connecticut Society of CPAs



The Connecticut Society of CPAs is Connecticut's leading professional CPA organization, with more than 6,000 members. Our mission is to enhance the success of our members and lead the profession through advocacy, community and education. Founded in 1908, the 6,000 member-strong CTCPA is governed by a seven-person volunteer Board of Directors and a 30-person volunteer Advisory Council.

Our members are trusted business advisors who help individuals, businesses, and other organizations plan and reach their goals.

Led by our Vision 2025 strategic plan, we seek to engage, empower, and advance our members, our profession, and our business community. Our mission includes promoting a culture of life-long learning, providing member engagement through online and in-person networking and collaborative events, helping our members leverage the latest technology, and cultivate relationships with policy makers, governmental officials, and fellow professionals.

Learn more at www.ctcpas.org.

About our sponsors



Businesses and nonprofit organizations have never been more dependent on technology. Email, payroll software, and electronic data records are just a few examples of how technology is interwoven into every workday. Technology ensures productivity, spurs growth and drives efficiencies – when it works. When it doesn't, the impact is felt immediately.

For over 20 years, we have provided businesses and nonprofit organizations with personalized services to optimize their technology in alignment with business goals. We offer full-service IT capabilities, including network security and information systems reviews, with specialization in the areas of nonprofit technology, systems support, and cybersecurity.

Our highly skilled team includes security experts, network specialists and business advisors who are committed to helping our clients navigate all things tech. We deliver the vital services businesses need now, with a critical eye toward the future.

Cybersecurity Services

Protecting your information from cybercrime is challenging because technology is constantly evolving and compliance is complex. We work with businesses and organizations to secure their infrastructure with industry best practices.

Nonprofit Services

With the pace of technology advancements, it can be hard to stay up-to-date. With over 20 years of industry experience, our professionals empower you to stay focused on your organization's mission by implementing and optimizing cost-effective technology.

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The daily demands of running a business are extensive. When your IT projects need additional support, or a complete outsourcing, we're here to ensure your business's success.



Have questions? The team at Whittlesey Technology is always happy to help.
Contact:

Mark Torello
860-524-4433
mtorello@wadvising.com

Learn more at www.wadvising.com.



Are you looking for ways for your company or your clients to save money in this COVID-19 environment?

If so, connect with Lisa Schwartz and IMS.

"CTCPA has used IMS as our processor for more than 7 years," said CTCPA Executive Director **Bonnie Stewart**. "We have shopped rates – they are always the best and the service is outstanding. CTCPA memberships and event registrations are all processed through IMS."

- Clients experience an average of a 15% reduction on fees, which can equate to thousands of dollars back to your bottom line.
- Benefits are recognized immediately, financially and operationally.
- Savings can be repurposed to erase other operating costs.
- Turnkey process to transition – 3-5 days, not a project.
- No-cost comprehensive benefits analysis; 48-hour turnaround time; no downside to free audit.
- Specializing in remote processing: card not present transactions, web-based, and virtual payments.
- B2B merchants receive special rates; all industries can benefit.
- Clients processing \$100K to \$100M in annual volume see largest benefits.
- IMS has more than 10,000 clients and processed more than \$5B of volume in 2019.
- Nationwide footprint with a domestic call center and my personal number.
- No long-term contracts or hidden fees; I earn your business each month.
- My goal is to provide ongoing education and cost containment.



To request a complimentary analysis for your company or a client, please send a recent processing statement to:

Lisa Schwartz
860-478-8846
lschwartz@integritymerchantsolutions.com

Learn more at www.integritymerchantsolutions.com.