

New Reality – the difference between 2019 and 2023 due to COVID

Cyril Jankoff
February 2023

I am now at the end of my professional career. At the time of writing, I have 49 years' work experience, having started in 1974 with Peat Marwick Mitchell and Co, a predecessor of accounting firm KPMG. I originally was going to be a scientist, so at school I studied mathematics, physics, chemistry and biology. I received an offer to study for a Bachelor of Science at Melbourne University. When I attended the University to enrol I realised that I did not want to study science. I asked for one-year deferment, which was granted. I took a job in a circus, sleeping in my car and enduring a week with crazy people. This was a shock to the teenager system, and as the days passed, I began to get worried as I saw myself potentially becoming like these people.

I then realised that going to university was not so bad after all and I thought to myself that I could go back to study science, but thought that I should take advantage and study something else to broaden my horizons. I chose – accounting - because I thought that everyone needs to know about business, tax and the like and after one year, I could always go back to study science. However, I became quite involved in the accounting business course and saw a good career, and never went back to the science course.

Working towards being a business educator

After working in accounting I took on studies in taxation, and then wanting a big change in a compatible area, I went back to Melbourne University, and studied law, and on graduation worked as a solicitor. I then saw my future in commerce and completed an MBA to improve my management education. Later I completed a Doctorate to round off my broad commercial and legal education. I wrote it in two parts. The first part was about the key challenges facing privately owned businesses, their owners, managers and advisers - and the second part was how to educate each of the three parties to run the business better. It was a very arduous project, and ended up being like a double doctorate in truth.

When I was doing my taxation studies the Head of Department asked if I wanted to teach in the evening. I asked why. He responded that the full-time lecturers did not want to teach in the evening because they wanted to be home with their families. This was 1986 and is one of the best things that ever happened to me because since then there has been an unbroken chain of me teaching - now for 37 years. I am very happy now. Indeed, I no longer see myself as an accountant, lawyer, or management consultant but I see myself as - a business educator - who also performs some part time professional advisory work on the side to keep current and interested in matters beyond education.

In my discussion about the New Reality, I have chosen to use the background described to compare 2019 (pre COVID) with *now* (February 2023). I will look at some new reality in my major areas at work.

Training of executives (non-award)

My professional non-award training of executives has changed considerably due to the COVID-19 Pandemic. Prior to COVID it was entirely face-to-face and during COVID it was entirely online - and now it is mostly a mixture of face-to-face and online (called blended).

The situation before COVID

Typically I needed to travel to the venue to deliver the classes. For example, for client X before COVID I gave regular training sessions to their executives. They were usually scheduled from 10 am to noon in the Melbourne CBD. This necessitated starting at 7 am - to shower, shave, dress, leave home before 8 am, then when in the client's office I had to set up, then wait for the participants to arrive. Then after they left, I could go home, arriving around 1:30 pm. The total time expended from when I got out of bed, dressed, left home, delivered the program and returned home was about - 6 ½ hours.

The current situation

Now, with online training with the same client and performing the same work I log on at 9:55 am and log off at 12:05 pm. I do not need to shower, shave or fully dress (in truth), and all I need is a neat work shirt (and comb my hair)! I save about 4 to 4 ½ hours, and could use this saving to do more paid work, spend time with my family, or go to the gym.

The importance of engagement in the online environment

A problem with online training, which still exists, is the ability of the participant to switch off the camera and not get involved in the training. Most participants are at home (Working from Home), or elsewhere (Working from Anywhere). To overcome this problem of "non-attendance" I ask for the participant to switch the video on, but often there is an excuse that the camera is not functioning. I then regularly ask these participants questions to make sure they are part of the online communication.

Last week I taught for client X, and still do so online, and I greatly prefer the online method of delivery as it is easier for me. I also like that online allows a far wider audience to partake in education, as often those outside the local area are unable to attend due to obstacles such as travel, accommodation, and work-time lost.

My educational philosophy has not changed at all between pre-COVID and now. The first is that what you learn today must be able to be used on the job tomorrow, and the second is that the educational experience should be a positive one. I find that I can achieve both of these irrespective of the intrusion of COVID.

On a regular basis I facilitate participants from around Australia and last year gave a number of training sessions where the audience was in the same Zoom session. Participants were from South Africa, Middle East and from all over Asia. A slight inconvenience, however, was that I had to fit in with *their* time zones. It is not possible to deliver so widely face to face. The electronic method of delivery has been very positive for me as I have even delivered training when on tour, and on holiday.

Higher education lecturing (award)

My higher education lecturing of domestic UBSS Executive Delivery Mode MBA students has also changed due to the COVID Pandemic.

The situation before COVID

Prior to the COVID restrictions we had a blended model, which indeed worked well. UBSS mandated that for each subject the students needed to attend for two full face-to-face days over the weekend. Once a week for three weeks - before the first full face-to-face day - we had three 60-minute online preparatory classes. This worked well, with both students and staff being happy with it.

During the COVID lockdowns we followed the above model, but were forced to go 100% online. Now that COVID is receding we are back to the popular pre-COVID - blended model.

Today people are more accepting of the various methods of course delivery, even at short notice.

Legal Practice

The practice of law cannot stop even if there is World War or - a pandemic. It must continue, but to do so it needs to adapt. Indeed it has been adapting over a very long period of time.

The situation before COVID

Prior to COVID, artificial intelligence (AI) was becoming more and more sophisticated, and increasingly used in law and commerce. Indeed COVID has sped this up.

The current situation

The use of AI is ongoing and software vendors are now claiming that there is a new reality where their AI software can draft a contract with no need for the party responsible for drafting it to even review it before sending it to the recipient. I do not agree with this because although a computer could actually draft even better than a human, the risks of incorrect clauses and drafting nuances greatly outweigh any benefits. The risks are simply too high with contracts, especially commercial contracts, where even minor errors can be catastrophically expensive. For example, in 2017 the incorrect placement of a single comma in an American contract cost the drafter \$13 million. Although the clause did not read as follows, what is written conveys the ambiguity. 'I'd like to thank my parents, Mother Teresa and the Pope.' Are my parents Mother Teresa and the Pope?
<https://www.afr.com/life-and-luxury/arts-and-culture/the-comma-that-could-cost-millions-20170317-gv0qpx>.

Another area of change has been how contracts, and documents such as statutory declarations and wills, can be signed and witnessed when COVID has kept people apart. New laws were quickly developed to assist.

The law has indeed moved with the new COVID influenced times.

Accounting Practice

A manager needs to talk to their advisers on how best to run their organisation, and this includes a review of the preparation and interpretation of the financial statements. There are two key reasons why the financial statements are created. They are to manage the organisation and to comply with legislation, such as the income tax legislation. Both have been impacted by COVID.

The situation before COVID

Over time the preparation and transformation of the financial statements were getting more automated, but this frequently necessitated meeting with advisers which was time consuming. There was a movement to make it all more user-friendly and less expensive.

The current situation

COVID has accelerated the move so that a manager need not leave his/her office and meet face-to-face with advisors. Software - such as MYOB and Xero - are becoming so sophisticated that the financial statement information, including matters such as product pricing and various methods of managing expenses, can easily be transmitted and discussed remotely, whether by email, telephone or by Zoom/TEAMS.

The remote running of an accounting practice, like the running of a legal practice, has accelerated due to the COVID-19 pandemic.

Change is slow unless there is a catalyst - such as a World War and/or the recent COVID-19 pandemic. What we have seen is rapid adapting where the COVID pandemic proved agility was key to having business resilience - and compassion for everyone's position and personal experience created better outcomes in all spheres (emotionally, physically, mentally).

Cyril Jankoff is an Associate Professor and Fellow of the Centre for Scholarship and Research at UBSS and is the Executive Delivery Mode MBA Program Director. He lectures in law and accounting-type subjects. He also has practicing certificates as a solicitor and is a CPA, and on a regular basis provides local and overseas training for senior executives.