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Something old, something new

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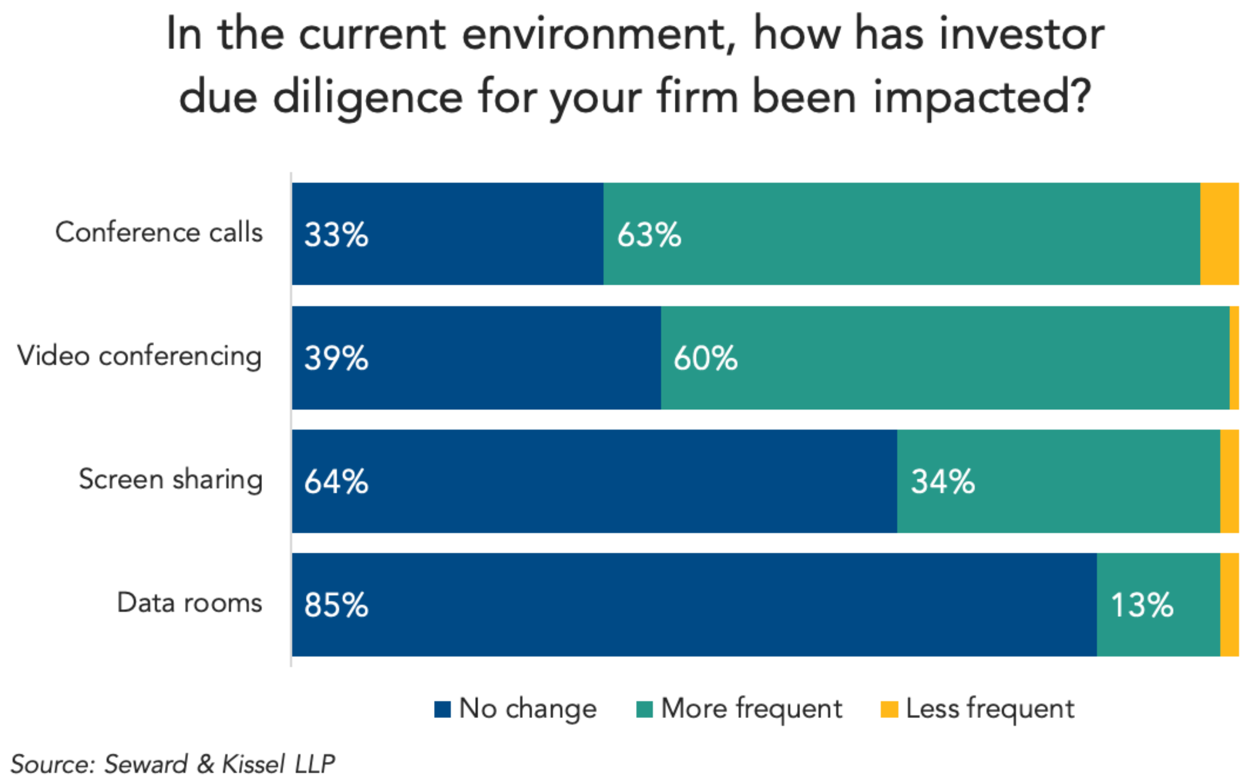

A survey finds alternative asset firms embracing remote ways of working, but still seeing a future for office life.

The "new normal" is increasingly of a remote nature, whether you like it or not. In a recent cover story in *Private Debt Investor*, we examined the new generation of dislocation funds and questioned whether their short fundraising timeframes – which demand investors make quick decisions – really sat well with the difficulty of conducting deep due diligence in a world where face-to-face meetings are difficult or even impossible. It used to be that personal element – seeing the whites of the eyes – that was described as the key determinant for many investors.

But it may be futile trying to hold back the tide, with the world is changing in ways that are perhaps irreversible as a result of the changes wrought by the global pandemic. A recent survey from law firm Seward & Kissel of US-based alternative asset firms found that, when it came to investor due diligence, 63 percent were making greater use of conference calls, 60 percent video conferencing and 34 percent screen sharing (see chart above).

The survey underlines that the remote working phenomenon has become more widely accepted, with 40 percent of respondents saying their firm is likely to consider hiring remote operations, accounting or IT personnel; and 34 percent saying their firm was likely to consider hiring remote investment professionals. The expectation of remote hiring was more common for firms based in New York, where the pandemic bit particularly hard, than elsewhere in the US.

In some ways, however, it may come as a surprise how much of the “old normal” is seeking to re-establish itself. They may be more open to remote hiring but – counterintuitively perhaps – New York firms are also the most optimistic in terms of getting staff back into their offices. Some 90 percent of New York-based respondents said they anticipated that at least 50 percent of employees would be back in the office by the end of this year (compared with 75 percent of respondents based elsewhere).

Moreover, some things never change: only 10 percent of firms said they had offered concessions to investors on fees, liquidity or reporting terms during the pandemic.