EXPLORING STRATEGIC RISK

While early astronomers first focused on what they could see, their modern counterparts develop insights on the universe well beyond what is visible with telescopes. A similar transition is unfolding in the area of strategic risk management, where executives are actively seeking new ways to understand and respond to the entire universe of risks—those that are familiar, and others that may have been off the radar.

Business executives around the world say their understanding of the universe of strategic risk is changing. Here’s how.

Does your organization have an explicit focus on managing strategic risks?

- **NO 19%**
- **YES 81%**

PROGRAMMING STRENGTH

- How well do you think your risk management program supports your ability to develop and execute your business strategy?
- **13%** Very well
- **40%** Not as well

EXECUTIVE OWNERSHIP

- Who primarily determines your company’s approach to managing strategic risk? (54% selected other)
- **25%** CEO
- **20%** Board of Directors
- **17%** CFO
- **10%** OTHER

CHANGING APPROACHES

- Has your approach to managing strategic risk changed in the last three years?
- **94%** Yes

EMERGING THREATS

- Which of the following technology-enabled processes do you believe may threaten your business model?

SOCIAL MEDIA: 20% DATA MINING AND ANALYTICS: 24% MOBILE APPLICATIONS: 23%

What risks do you think you have the most impact on your business strategy?

- **2010**
  - 41% Brand
  - 28% Economic trends
  - 27% Reputation

- **TODAY**
  - 40% Reputation
  - 32% Business model
  - 27% Economic trends

- **2016**
  - 39% Economic trends
  - 37% Business model
  - 12% Reputation

CHANGING APPROACHES

- WHAT CHANGE LOOKS LIKE
  - Increased frequency and budget for monitoring/managing risks
  - Started to monitor and manage this area continuously
  - Increased the number of executives who are aligned to this area

WHAT CHANGE LOOKS LIKE

- Has your approach changed?

- **50%** Increased
- **40%** Decreased
- **4%** Staid
- **6%** Other

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