

Taking aim at value

Avoid overconfidence and look again at risk

Companies are looking at risk as a way to create value. But how closely aligned is risk management—led by the CRO—with the priorities of the board and Csuite? In an era of change, uncertainty, and disruption, are leaders placing too much confidence in their organization's risk management prowess? We asked more than 300 Csuite and board members around the world to share their views.

Senior stakeholders express confidence in their risk management programs



A closer look shows a handful of disconnects when it comes to risk management

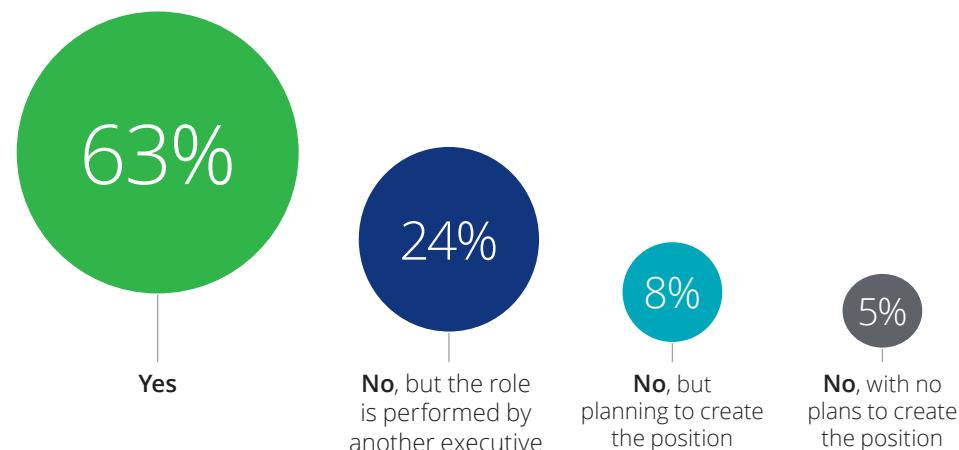
Practice conflicts with philosophy



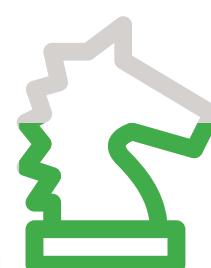
Insufficient attention is paid to the role of the CRO

Only 63% say they have a CRO, a figure that should be closer to 100%

Does your organization have a full-time CRO, or the equivalent?



24% say the CRO role is performed by another executive, and in 88% of such cases, this is the CFO—an already full-time position



The CRO needs to spend more time as a Strategist

58% say CROs need to devote significantly more time to strategy, a number far higher than how CROs currently spend their time

*How do CROs spend their time today? Where should CROs spend more time in the future?**

	Today	In the future
Strategist	27%	58%
Catalyst	21%	11%
Steward	26%	22%
Operator	27%	8%
No change	—	2%

*Figures do not add to 100% due to rounding.

A greater focus on strategy will enable CROs to address the key concerns of senior stakeholders

Senior stakeholders expect their CROs to:

- 72% Leverage risk management to provide a basis to inform executive decision-making
- 69% Evaluate, and where appropriate, implement new risk management methodologies
- 65% Provide input on business strategy development with respect to risk and periodically reassess the plan

Greater strategic focus is essential for future success

Innovation and disruption pose a significant threat and opportunity to companies today.



58% say their production, services, and business models are prone to risks from innovation or disruption

While the majority of organizations give solid marks to their risk management programs, it's clear many fall short across a range of key objectives. To ensure future success, companies must actively harness risk to drive returns, and have a full-time CRO who can be a strategist.

Is your company doing all it can to optimize its mix of risk and reward?

Learn more at www.deloitte.com/takingaimatvalue