Corporate Governance 4.0
The forward-looking board of directors
Foreword

In recent years, the role of a director has become increasingly complex and demanding. Volatility, uncertainty, complexity and ambiguity (“VUCA”) characterise today’s environment, creating new challenges and demands for corporate managers and directors. However, the underlying role of the board remains unchanged: it must remain focused on its long-term vision for the company.

Deloitte and the Swiss Board Institute have joined forces to provide guiding principles for forward-looking boards for the years to come and to share the views of Swiss directors interviewed for this publication.

This publication consists of three main sections: a white paper by Prof. Gilbert Probst, Prof. Patricia Klarner and Mag. Dr. h.c. Monika Kircher on the forward-looking board of directors; a spotlight on the roles of the chairman, board and CEO in times of crisis by Prof. Gilbert Probst and Prof. Achim Schmitt; and a final chapter by Deloitte on the audit of the future and its relevance to a forward-looking board.

We would like to express our gratitude to the directors who have shared their thoughts and insights. A full list of the directors interviewed is available on page 36.

We are confident that this joint publication provides a valuable guide to Swiss directors and insightful points of views from their peers.

Reto Savoia
Deloitte

Prof. Gilbert Probst
Swiss Board Institute

All rights to exploit this study and related results belong to the two companies Deloitte SA and the Swiss Board Institute.
# Table of Contents

The forward-looking board of directors – by Prof. Patricia Klarner, Prof. Gilbert Probst, Mag. Dr. h.c. Monika Kircher  
05

Chairman, board and CEO in times of crisis - by Prof. Gilbert Probst and Prof. Achim Schmitt  
19

The auditor of the future: a strategic partner for a forward-looking board - by Lisa Watson, Sophie Morin, Fabien Bryois and Alexandre Buga (Deloitte Switzerland)  
25

Contacts  
35

Footnotes and bibliography  
39

---

**About the whitepaper**

This white paper was written in collaboration with Deloitte SA.

Please note that we use “chairman” or “chairmen” in this report indeffrently for men and women.
Today, in a “VUCA” world characterised by rapid changes in primary markets, ever-increasing strategic uncertainty, ever-growing geopolitical risks and the emergence of new competitors in a digital world, members of boards of directors are faced with new challenges. One of these key challenges consists of maintaining the long-term direction of the company despite constantly growing market pressure. The pursuit of sustainable success requires the board of directors to understand how to reconcile long-term strategic planning with immediate operational implementation – two sometimes contradictory agendas.

Scientific and practical experience shows how important it is for boards of directors to address future challenges at an early stage. Below we present our reflections on the research and practice regarding the role of the board of directors in anticipating the development of a company and in designing its organisation for the future.

“I am convinced of the importance for the board to focus on the long-term view of the company. By the long term I mean the next 30 to 50 years. This applies to all businesses not only the ones that are long-term by nature.”

Beat Hess, Chairman

“It is the essential privilege of the Board of directors to encourage thinking, planning and decision-making beyond the annual result. Where do we want to be in ten years’ time? What are the changes in culture, in qualification of people, in organisational setup, in products that enable innovation and an increased customer demand? What are the things we have to do now to enable these future transformation needs?”

Christoph Franz, Chairman
1. Anticipating the development of a company – the role of the board of directors

The board of directors plays a central role in anticipating the strategic development of a company and can thus create a solid basis for its future. A clear definition of the role of the board of directors is a key element in this regard.

Beyond its supervisory function, does the board also play an advisory role and is it willing or able to provide an impetus regarding the future of the company? As these are important strategic issues, there is a very strong commitment on the part of many boards not only in terms of their supervisory function but also in terms of their advisory and leadership functions.

Recent studies have shown that members of the board contribute their expertise to long-term strategic topics such as innovation by, for example, instilling a culture of innovation at the top of the company. At the same time, the entire board of directors – made up of members with different operational and sector skills – must be aware that mastering strategic objectives and projects relies on the competencies of all of its members, but that certain members, depending on their specific expertise, can also advise and stimulate the executive committee. The board of directors is there to assist senior management, not just to approve a strategy, oversee it and monitor its implementation. It must actively help develop the strategy and define the objectives and the means necessary to achieve them. It is the senior management that proposes the strategy, as its members understand the market, the customers, the products and the processes. The board of directors can only ask questions, challenge the responses, offer experience from other industries and fields and thus contribute to considerations, development and modifications. Thus, certain members of the board can contribute their expertise to future strategic projects through discussions with the executive committee. Others can provide significant impetus to strategic growth opportunities by offering information and knowledge obtained through their professional network. Their skills, professionalism and willingness to support executives are essential, and disputes between the senior management and board regarding the vision for the company are to be avoided. Board members can bring essential information about disruptive events to strategic discussions, especially members with experience in more remote sectors characterised by rapid dynamics, high potential for disruption and complex future challenges. As such, board members who have already experienced corporate change processes are particularly valuable.

Another key component of a forward-looking board is to clearly define the skills that are required on the board in the short, medium and long term. In addition to the skills necessary to perform the tasks of the board (strategy, finance, etc.), it is also necessary to assess which personal skills are required for candidates to the board to be able to work together. In order for the skills of the board to be used effectively for its strategic supervision and advisory function, there must be a healthy team culture that allows an open exchange of experiences and opinions, and in which minority opinions are also discussed. The leadership of the chairman is key in prioritising discussions.

“The board, more than ever, has always had a strategic role. What is new in our days is that new topics, such as climate change, digital transformation and changes in customer behaviour must be included into the long-term vision of the company.”

Ingrid Deltenre, Board member
Furthermore, consideration should be given as to how key skills can be organised and best used on the board of directors. The primary objective should be to make the best possible use of the expertise of all its members. To do this, structures must be put in place that not only allow an exchange of knowledge within the board of directors itself, but also between the board of directors and the executive committee, as well as between the board and the company (executives below the executive committee and employees working on strategic and long-term projects). In addition to standing committees dealing with strategic issues, ad hoc or temporary committees may therefore also be set up that consist of board members and possibly external experts who study specific themes. The audit committee is typically a standing committee and is governed by law and the company’s articles of association. It is generally responsible for:

- Drawing up the general guidelines for internal auditing and the financial reporting of the board of directors;
- Monitoring and evaluating financial reporting and the integrity of financial statements;
- Proposing to the board of directors the approval of the annual and half-yearly financial statements;
- Monitoring and evaluating the effectiveness of internal controls, including risk control, the compliance function and internal audit;
- Reviewing the audit plan, the audit frequency and the audit results of the internal audit function and statutory auditors;
- Monitoring and evaluating the effectiveness and quality of the independence of the statutory auditors as well as their cooperation with the internal audit function;
- Reporting on the adequacy of risk provisioning.

“The board has to move its focus to the long-term strategic direction of the company and that in an increasingly complex and ambiguous context. This means assuring an explicit definition and good understanding of the what (=strategy), the how (=all stakeholders) and the why (=purpose) of the company.”

Paul Bulcke, Chairman
While the audit committee has a clear focus on past and present business and operations, a “strategy” or “risks and strategy” committee has the directive to look forward, not backwards in time. It examines, as part of a forward-looking approach, a company’s future risk environment and advises the board of directors on any major decisions of a strategic nature. It ensures that the entire board is involved in deliberations on the choices and directions proposed by senior management. As proposed by “The Directors and Chief Risk Officers Group" its main responsibilities are:

1. Analysing the sources, raising awareness and getting the board taking into account of future risks. The spectrum of risks needs be as large as possible and imagine scenarios never seen before.
2. Taking into consideration and maintaining awareness of future risks.
3. Making sure that the board as a whole gets involved in the reflections regarding drivers of success, choices and hindering forces in the orientation proposed by the executive committee.
4. Building an awareness of any threats to the drivers of success to achieve the long-term objectives as well as any opportunities for their enhancement.
5. Supporting the corporate risk culture and risk management throughout the organisation.
6. Monitoring the organisation’s tolerance for loss relative to its objectives and accountabilities.
7. Ensuring that the organisation’s infrastructure, culture, policies, and procedures foster resilience.
8. Ensuring that the organisation has the necessary infrastructure, expertise, and capabilities to identify emerging changes in the risk landscape and to provide early warning of corporate performance that materially deviates from expectations.

Similarly, a nomination and remuneration committee must have a forward-looking view in its selection criteria to evaluate the members of senior management and remuneration models. The excellence of a board of directors is in the proper balance between innovation and efficiency, strategies and analyses of long-term growth potential and the monitoring of short-term profitability and risks.

“The board plays a key “pathfinder” role in a world that is changing. It should have a long-term vision of the future, even in highly regulated industries, where it’s the board’s duty to invest a lot of time into control and past events, regulatory and compliance matters.”

Patrick Firmenich, Chairman
Marie-Noëlle Zen-Ruffinen, President and Board member
A forward-looking board of directors must also evaluate its work on a regular basis. In this respect, it is important to define clear skills profiles and to continually assess the board members with regard to existing and required skills. Appropriate succession planning for the board can ensure that a culture of cooperation is maintained after the departure of old and the arrival of new members, that the members’ portfolio of skills is adequate to meet current and future challenges concerning governance, and that candidates have sufficient time to contribute to the debate on the strategy to be followed. Board members also need to ask the right questions when discussing long-term strategic issues. They can critically challenge the ideas of the executive committee and contribute their own expertise. However, it is important to avoid the existence of two managerial centres. A person cannot properly evaluate something that he or she has created him/herself. The board’s self-assessment thus has only a relative value and, provocatively, one might even suggest that the board be assessed by the senior management.

In practice, the assessment of the board of directors can take the form of a procedure internal or external to the company. An external evaluation by professional consulting organisations is generally more time-consuming and costly. The results can provide real added value or be limited to standard summaries. Internal and (in principle) anonymous evaluations, on the other hand, can be effective for the future development of a board if they pinpoint a sensitive issue and if there is an open culture of feedback and exchange. In order for the results of this evaluation to have a positive impact, the interpretation of the results, and especially their monitoring and the implementation of the measures decided upon, are decisive.

Figure 1: The role of the board of directors in anticipating the development of a company

<table>
<thead>
<tr>
<th>Role of the board</th>
<th>What role does the board play?</th>
</tr>
</thead>
<tbody>
<tr>
<td>High-level monitoring and supervision</td>
<td></td>
</tr>
<tr>
<td>Choice of CEO</td>
<td></td>
</tr>
<tr>
<td>Advisory role</td>
<td></td>
</tr>
<tr>
<td>Provide impetus for future areas of focus</td>
<td></td>
</tr>
<tr>
<td>Setting of general strategic, budgetary and political risk frameworks</td>
<td></td>
</tr>
<tr>
<td>Independent exchange and support to the CEO</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Skills of the board members</th>
<th>What skills are needed?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identification of future challenges</td>
<td></td>
</tr>
<tr>
<td>Planning of successors to the board</td>
<td></td>
</tr>
<tr>
<td>Necessary hard and soft skills</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Organisation of the board</th>
<th>How should these skills be grouped together?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ad hoc committees</td>
<td></td>
</tr>
<tr>
<td>Standing committees for strategic issues and risks</td>
<td></td>
</tr>
<tr>
<td>Audit committee</td>
<td></td>
</tr>
<tr>
<td>Remuneration and nomination committee</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Evaluation of the board</th>
<th>How should the work of the board be evaluated?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-assessment</td>
<td></td>
</tr>
<tr>
<td>Necessary transparency</td>
<td></td>
</tr>
<tr>
<td>Evaluation by third parties</td>
<td></td>
</tr>
</tbody>
</table>
2. Forward-looking organisational design: what can the board of directors do?

Scientific and practical experience shows that forward-looking boards of directors examine issues relating to the succession of members of the executive committee and the (re-)organisation of the company in a structured and continuous manner.

When planning for the succession of members of the executive committee, it is important to define the skills profiles of candidates for succession, create and continuously assess an internal management pipeline and retain the best talent in the company. Such a process ensures that a sufficient number of potential successors are available at all times, that successors follow a structured integration process and that the executive committee in place is continuously evaluated. In times of uncertainty or change, the board of directors should and can introduce reflections on the development of roles and functions on the executive committee and discuss these with the CEO. Typical examples are whether the company needs a chief digital officer for digital transformation activities, what operational roles can and should complement the existing roles of the executive committee in the future (e.g. chief strategy officer, chief information officer), and how such new roles can be integrated into the executive committee. Besides the usual supervision of management at board or committee meetings, which should enable an appropriate understanding of the performance and teamwork of the executive committee, the board must also address the most important resource for the future: the employees. Not only the number of employees, retention rates and information on employee age breakdown, but also central HR processes such as recruitment, talent pooling, diversity management, remuneration policy and agile-working instruments should be on the board’s agenda. When it comes to complex issues such as the qualifications of future employees or new work environments, board members can often provide important information from other sectors.

Furthermore, boards of directors should place more importance on the design of the company. This includes a recurring assessment of the existing organisational structure and an analysis to determine whether new types of organisation (such as agile structures) are useful and can be implemented. The board should also be able to judge when it is time to rethink existing organisational structures. To this end, it should ask the executive committee the right questions in order to assess whether the company is prepared for the future and/or whether employees have sufficient capacity to change in the event that major changes become necessary. In addition, in order to develop a forward-looking organisational design, it is essential for the board of directors to have the skills necessary for the planning of successions, organisational design and its evaluation, and the capacity to promote such plans and make use of them through an appropriate team culture.

“'A board of directors should be well-balanced, master the broader challenges and the technical subjects. It is important to periodically review the combined competences and required profiles in order to identify any necessary adjustments.’’

Jacques de Watteville, Chairman
3. The “three Cs” of a forward-looking board of directors

The board of directors can contribute to the long-term success of the company if three elements, which we call the “three Cs”, are reconciled with each other: its competencies, its cooperation and its forward-looking conduct (see Figure 2).

**Competencies**
As discussed above, at committee level, the diversity of skills of the board members should be structured so that they can be used for various strategic issues. Similarly, it is important that the board of directors is aware of the areas and themes for which a “critical mass” of certain skills (as defined by a number of board members) is required. Regular assessment of the sizes of committees is also part of this. In addition, boards of directors should be the subject of a regular (self-)assessment to determine what skills and experience have been successfully utilised and what skills and changes in the board are required in the medium and long term. The choice of board members and the profile mix is key. A simple analysis of the skills and levels of expertise helps guarantee effective advice and a balanced choice of members to ensure better supervision and proactivity in a VUCA world.

Figure 2: Example of a profile mix of board members
Cooperation

Forward-looking boards are characterised by an open exchange of opinions and experiences among its members. Members can bring important elements to the strategic debate through their skills, but also through their networks both inside and outside the company. Only through open discussions and mutual trust can the different skills be integrated into the decision-making process in the best possible manner. The chairman of the board plays an important role in creating such a culture of open discussion on the board, as does the CEO on the executive committee. The chairman must ensure confidentiality as an absolute rule, oversee a free but disciplined exchange of views and encourage the absence of speakers with the sole purpose of standing out to ensure effective cooperation geared towards achieving concrete goals. This involves the ability to reach a consensus (even a different voting behaviour, when necessary), while respecting the different positions and opinions. In particular, diversified teams make it possible to introduce new perspectives rather than remaining frozen in superficial unanimity. Likewise, the board of directors as a collective body should have a coherent understanding of its role (supervisory, advisory, leadership) and its members should have sufficient time to make informed and well-considered decisions.

“Half of the population is female and there is no doubt that this should also be reflected at the board. In my view, diversity of opinions is very important and can be achieved by diversity in competencies and experience and this should be prioritised over nationality and geographical diversity.”

André Hoffmann,
Vice Chairman

“The board has to be capable of asking all the right questions, from all relevant angles of the complex context the company is confronted with. Therefore - and especially for a company operating internationally - you need cognitive diversity, i.e. diversity of expertise, experience, gender, culture, age, origins, characters, backgrounds, etc.”

Paul Bulcke,
Chairman

“The board must be able to rely on a strong management, and the key element is the quality of the information that is provided. Real-time analyses are also important to react quickly and take decisions, particularly in times of crisis.”

Pierre Bongard,
Chairman
Forward-looking Conduct
To act in a forward-looking manner, boards of directors must set an example of a culture of innovation that promotes an open exchange of experience. In addition to the legal tasks of the board of directors, this implies the development of a positive “culture of error” that will enable the executive committee to share its risk tolerance and openly approach errors of judgement, which will result in learning and necessary changes in the interest of the company. Managers of listed companies are increasingly stressing the importance of long-term shareholders in order to counter the increased pressure from financial markets, which in turn demand short-term results. It is particularly important that boards do not just manage the company for the short term, but also seek to balance shareholders’ short- and long-term interests with the company’s strategic business activities. The board of directors must represent an entirety, a unit. But that does not mean that everyone is always aligned. Although a somewhat provocative concept, when faced with board members who are always aligned, it is necessary to think about changing board members. The board of directors is a monitoring entity that includes working with senior management. It is necessary to strike a balance between supervision and feedback in order to help develop the strategy, encourage continuous improvement, explore future opportunities and utilise the potential for innovation. In this context – and depending on the development phase of the company – entrepreneurial, environmental, legal or financial skills and expertise can be invaluable, along with sector knowledge or external support, and, at times, the operational experience of board members.

“A good board of directors is one that doesn’t focus on immediacies, but takes a long-term view. Many management teams concentrate more on managing immediate concerns than on long-term opportunities.”
Shelby du Pasquier, Chairman

“One of the most important qualities in a director is the ability to maintain the requisite distance and perspective.”
Shelby du Pasquier, Chairman

Figure 3: The “three Cs” of a forward-looking board of directors
The roles of chairman and CEO and their collaboration are essential

For a forward-looking board of directors, the relationship between the CEO and the chairman is both crucial and challenging, as they assume very different but collaborative roles.

Their roles are complementary and must be clearly separated. It is the CEO who leads and the chairman who in turn supervises the management, as self-evaluation is not possible. Any relationship requires a certain degree of investment. Set apart from daily policy and ongoing operations, the chairman must maintain an objective and long-term vision at the board level in order to ensure prudent management decisions are made.

The potential benefits described above in the three Cs are based on the chairman having all the qualities necessary to fulfill their role as well as on the willingness of the chairman and the CEO to invest in and ensure the smooth functioning of their relationship.

The chairman-CEO relationship is unique and delicate: it is a relationship of interdependence and of equals at the top of the pyramid. One more time: The CEO leads the business and the chairman leads the board, as the saying goes. The chairman assumes supervisory responsibility for the CEO and exercises considerable influence over the financial resources with which the CEO must operate, as well as on the personal remuneration of the CEO. By contrast, the CEO sets the priorities of the organisation and oversees the human resources. He can have a huge impact both on the chairman’s workload as well as on their external credibility and reputation. Both have reached their position through proven experience and being seen as a leader. Every CEO and chairman brings a wealth of experience, beliefs, cultural understanding and values to the discussion. Mutual respect, not only because of their similarities, but also because of their differences, is the most important step in building the relationship.

An excellent relationship is fostered by good chemistry as well as immediate mutual trust and respect. Even if the chemistry is strong – and even more so when it is not – both must recognise that learning how to best utilise the strength of the other, for both their own and the company’s benefit, requires a deliberate effort.

Effective chairmen understand the role that they must play and are equipped to do so, in order to transform the board of directors into a highly effective team at the service of the company and its stakeholders. They communicate with the board of directors on matters of importance and ensure that the members are well informed between meetings. They specify their expectations of the members and hold them accountable for their performance. It is imperative that the CEO and the chairman are clear about the role that each must play. If their respective roles are unclear, the entire relationship may be jeopardised. The role of the chairman is to lead the board of directors. The role of the CEO is to lead the company. Consequently, the CEO and the chairman must not only trust each other but also their respective management teams. It is often beneficial to establish a formal dialogue process regarding the responsibilities and limits of each role, the expectations of each concerning the other, their mutual commitment as well as the operating principles that will govern their relationship.

“A “unique perspective” at the board level must be avoided at all costs. This is why diversity and a healthy group dynamic at the board is so important.”

Patrick Firmenich, Chairman
“The ideal relationship between the chairman and the CEO is trust-based with a clear definition of responsibilities. Working hand-in-hand while keeping a healthy distance is key.”

Patrick Firmenich, Chairman

“The Chairman should ideally have had a CEO or similar level experience before starting his or her role to ensure a collaboration of equals between both parties.”

Monika Ribar, Chairwoman

“The board of directors should have a broad strategic vision, act as a spur to drive forward transformation programs, to advise and encourage management with regard to new developments. The board of directors is not there as a substitute for the management, but to act as a sounding board for their propositions, then to support the long-term vision of the company which has been decided.”

Jacques de Watteville, Chairman

“The board has a fundamental role to play in shaping the culture of the company. Culture being one of the most complex things to change, the tone has to come from the top, with the board and management speaking one voice.”

Marie-Noëlle Zen-Ruffinen, President and Board member
Recognising complementary competencies in the board of directors

The composition of boards of directors should follow a logic of competencies according to which each member has one or even several skills. Often people tend to focus on what is proven and what is familiar to them. Boards of directors are no exception in this regard.

There is a tendency to talk about existing markets, the next annual review, the next general meeting of shareholders and financial, personal or legal issues, at the risk of neglecting the essential strategic challenges of tomorrow. Board members must not lose sight of major trends and more than ever should try to proactively discuss and include them in fundamental strategic considerations. The chairman and the members of the board must ask relevant and in-depth questions about the logic underlying strategic decisions, and on the performance dynamics of the company and possible future scenarios. For many companies, this amounts to a veritable quantum leap.

As an example, the fourth industrial revolution, which has been the subject of discussion at the World Economic Forum for many years, demonstrates the challenges and the radical impact that new, so-called disruptive technologies will have on the economy, on the future entrepreneurial climate and on our lives in general. Risks and opportunities exist in all areas; they must be identified and taken into consideration by the board. The company must question and re-evaluate strategic considerations and changes in the domains of work and personal life, and economic, environmental and social interactions.

Robotics, artificial intelligence, virtual reality, autonomous systems, the Internet of Things, blockchain, nanotechnology, big data, biotechnology, new energies and other developments are driving innovations that cause changes at every organisation, including the most unexpected. Board members must incorporate these trends into their strategic scenarios and avoid getting bogged down in traditional ways of thinking that have worked for years. It is not a matter of change at any cost, but rather of becoming aware of the current interconnections, speeds, possibilities and influences that transcend national, social and industrial boundaries.

Still too often, boards of directors are regarded as a simple oversight body whose role is to supervise and monitor the senior management and verify information. Through this lens, the function of the board of directors is to examine the strategy, risks and opportunities to understand what is happening, what is being done, what is planned and what senior management is responsible for. This is entirely correct, since the management of the company is handled by the CEO and the senior management. But the board can and should do more and play a proactive role. In short, we advocate a partnership between the board of directors and the senior management in the leadership of the company without the board becoming an operational body. Above all, the roles of the chairman and the CEO should be clear and free of conflict.

Depending on its maturity, the board of directors exerts a partnership influence on the ideas, approaches and strategic directions; it can become a real “confidant” for management. This can occur particularly in the perception and evaluation of trends, but also in the early conceptual process, the examination and generation of opportunities and in the support of potential new business models.

“In the context of digital transformation, information technology (IT) skills are of importance. Nevertheless, based on my personal experience, I believe that the major changes all companies have to make are much more closely linked to their corporate culture than to information technology. Having board members with experience in digital transformation and innovation are beneficial for its success, more than IT skills.”

Ingrid Deltenre, Board member
Corporate Governance 4.0

The forward-looking board of directors
Pandemics, financial crashes, cyberattacks or technological breakdowns, natural crises, socio-political turmoil and wars remind us all that most companies and individuals are mentally unprepared to deal with situations of decline and turbulence.

But the fact is – global downturns have happened in the past and they will happen again in the future. The question for us today, however, is to ask ourselves whether we can better equip individuals, teams, and organisations for the future.

While each crisis and its consequences are unique, there are essential leadership lessons that can be drawn from looking at past crisis behaviour. Based on our research with chairmen conducted during the height of the 2020 pandemic outbreak, we take a moment to reflect on (1) the critical challenges, (2) the distinct roles, and (3) the key success factors that help the chairman, the board, and the CEO to become better prepared for tomorrow.

“The role of the board of directors does not significantly change in times of crisis. It is a very good test: it confirms whether the shareholders respect the role of the board and whether everyone knows their place and assignments. A board of directors is usually constituted and used to navigate in clear weather, and is tested in times of crisis. At the end of the day, trust is key.”

Pierre Bongard, Chairman
Main challenges during a crisis

“In a situation of crisis, it is crucial to have a strong CEO and top management in place with real leadership qualities, and to make sure the dialogue between the board and management is intense, open, honest, fact-based and action-oriented.”

Monique Bourquin, Board member

“It is critical not to lose sight of the long-term strategy even in a crisis situation.”

Beat Hess, Chairman

“We don’t know what the post-COVID-19 situation will be like or what our clients will need. This is why the board needs to work on different scenarios and think openly today.”

Monika Ribar, Chairwoman

**Challenge #1:**
**The experience gap**

There is no success formula as to how to handle a crisis. Each crisis has its own demands and challenges. Such situations make it hard for leaders to rely on prior experiences, routines, or benchmark behaviour of peers. A crisis breeds uncertainty and creates emotionally draining conditions for leaders. At the same time, leaders need to make fast decisions. Intuition and personal behavioural traits to deal with ambiguity and uncertainty influence how decisions happen to be taken during a crisis. A key challenge is thus to formulate sound managerial responses to a crisis that are not led by emotions but based on critical judgement, reflection, structures, and processes. This is often easier said than done as stakeholder interests’ conflict and demands multiply during a crisis. How leaders can channel these often very emotional demands, is a task that no business school or management training can really prepare you for. These skills are acquired via a solid preparation of task force management, a well-equipped crisis room, regular simulations and leadership training. Unfortunately, firms tend to underinvest in these competencies.

**Challenge #2:**
**Short-term versus long-term objectives**

Retrenchment and recovery are two sets of strategic activities available for handling crisis situations. Whereas retrenchment focuses on short-term survival via cost-cutting, partial-employment and downsizing, recovery fosters long-term growth and the firm’s sustainable market positioning. Most of us agree that reducing costs and increasing efficiency avoids a continuous erosion of organisational resources, stabilises the company, and decreases the risk of firm failure. However, the risk of such a strategy is that it jeopardises the long-term strategic foundation of a company. Crisis shifts the attention to handling today’s problems often without being mindful of the long-term strategic goals. How to handle and manage these short-term versus long-term objectives becomes a critical challenge during a corporate crisis.

**Challenge #3:**
**Psychological and emotional pressures**

Crisis puts the spotlight on the leadership team. The organisation’s overall success and failure in handling the crisis is attributed – by internal and external stakeholders – to the key decision-makers: the CEO, the executive team, the chairman, and the board. Conflicting views on a particular crisis response among these leaders can quickly pivot to focusing on preserving one’s image and reputation in the face of the media and key stakeholders. Besides the economic pressure, the risk is that each individual’s attempt to perform well instead becomes a psychological burden that focuses too much on personal rather than collective benefits.
The distinct leadership roles during a crisis

The role of the CEO
A CEO’s crisis management approach isn’t business as usual. It implies leading the company under substantial emotional challenges, such as anxiety, fear, uncertainty, stress, sadness, or concern. At the same time, it is a moment during which actions matter the most. Often pushed into the role as Chief Crisis Officer, the CEO needs to ensure the firm’s survival and at the same time deal with the physical, mental, and social well-being of stakeholders. The CEO needs to act on various fronts, become disciplined in the overall crisis response, remain open-minded by listening and learning, and safeguard the key elements that drive the firm’s overall functioning. In this way, the CEO keeps the operational functioning alive and finds operational solutions to emerging problems during the crisis.

“The role of the board
Generally, the board’s function is to monitor operations and focus on the firm’s long-term strategic objective. During a crisis, however, controlling the operations too explicitly may backfire as it creates response delays and bottlenecks for the CEO. This needs to become evident for all board members. Crisis is not a time for “knowing better” but rather a time for providing “guidance and orientation”. In this sense, the board needs to be regularly informed about the operational crisis response and provide timely feedback on possible long-term consequences and implications. The board thus does not intervene but guarantees and safeguards the firm’s long-term interests. It also ensures the firm continues to function during a crisis by guaranteeing board members’ availability (time is of the essence), ensuring decision-making processes, guaranteeing the business continuity plan and overseeing the financial implications and liquidity, and impact assessments. It also includes preparing for changes of key personnel, such as the CEO and chairman. The board needs to consider what if the CEO, the chairman or a head of crisis taskforce fail due to illness, accident, or death? Do we have successors, experienced and trained people to replace leaders? In this sense, a board’s focus shifts during a crisis towards helping the CEO to make strategic decisions that help the firm to survive in the long term.

“It is important to have a board that is grounded in reality and in touch with the priorities of the company, while respecting the line between operational management and top-level management. And this is true in both easy and challenging times. The ability to rely on a management team that is strong, well prepared and responsive is crucial in enabling the board to fulfil its role.”

Pierre-Alain Grichting, Chairman

Monika Ribar, Chairwoman

Paul Bulcke, Chairman

The role of the chairman
The chairman is the connecting element between the CEO and the board. Chairmen always keep information and communication channels functioning. They are a reference point and psychological anchor when selecting, evaluating and implementing short-term and long-term crisis responses. Committed to the organisation, chairmen continue their mission to challenge decisions, defend the organisation’s long-term interests, and are ready to take the lead when needed. It is a balancing act of controlling own opinions, emotions, and behaviour under external pressure. The chairman also needs to orchestrate the input and expertise from the board to help the firm to make better decisions and build understanding of the CEO’s challenges and responsibilities. This dual function during the crisis transforms the chairman into a gatekeeper between connecting operational demands with long-term strategic goals. Creating mindfulness and purpose allows chairmen to harness the CEO and board members’ creativity and competencies when responding to the crisis.

“The chairman has to stay close to the CEO, as CEOs run the crisis management. Chairs need to stay informed and challenge CEOs if needed. The key role for the chairman is to keep awareness high for what the purpose of the company is and stay long-term oriented.”
Key success factors in times of crisis

The relationship between the chairman and the CEO
The interactions between the chairman and the CEO to establish decision rules, guidelines, expectations, agendas and communication strategies are an essential and often underestimated success factor for leading organisations through a crisis. CEOs manage the crisis, chairs stay strategic. In this sense, the chairman needs to be available for the CEO, stay in close contact, ask questions, inform the board regularly and, when necessary, listen to questions and reflections of board members (mainly the experts on the board), and play the role of a sounding board for the CEO. Based on the trust created over time, the chairman may also help to discuss scenarios or create a worst-case scenario with his CEO (without triggering rumours and creating unnecessary anxieties). This helps the entire leadership team remain agile and responsive during this complex and difficult time.

The overall purpose of the firm
Crisis are ambiguous and can create organisational dysfunctions. As the crisis implications and consequences typically unfold over time, leadership teams often risk becoming uncoordinated across the various activities they implement. One good way to approach this problem is to align all crisis activities with the organisation’s overall identity and mission. Keeping the firm’s main purpose front of mind functions as an overarching “crisis vision” that guides leadership teams throughout their crisis response. It helps to avoid confusion, aligns the guiding coalition towards one aspirational goal, motivates employees, and ensures various stakeholders’ support during the crisis. By aligning crisis communications with the organisation’s purpose, the chairman and/or CEO actively contribute to channel the organisation’s energy and passion towards the most fundamental goal: to preserve the organisation’s long-term purpose.

Communication and trust
The crisis’ psychologically challenging conditions are counterproductive when the leadership team needs to instil confidence and trust. Successful leadership teams tackle crisis conditions by actively expressing sympathy, empathy, and understanding towards each other. By creating a psychological support structure, leaders gained confidence and positive reinforcement in their own roles and decision-making. Such a team orientation creates a trusting environment, enabling timely exchanges, feedback and alignment on strategic actions during the crisis. It also enables creation of a united leadership front that allows the CEO, the chairman, and the board to become aligned to fight the crisis together, rather than as individuals.

“It is the responsibility of the CEO to manage and lead during the crisis. The Chairman can support the CEO as a sparring partner but must not interfere with the management.”

Beat Hess,
Chairman

“It is important for us to strengthen our purpose during the crisis. We are a healthcare company and our mission is the patient. As a consequence, there are high expectations for us during the crisis. The company and all the employees want to show empathy for the patient – this is guiding us during this crisis situation and beyond.”

André Hoffmann,
Vice Chairman
The way forward: After the crisis is before the crisis

Once the crisis is over, there is a managerial tendency to regain operational strengths, market control, and push the firm into a growth mode. Firms as well as individuals want to overcome and forget the physical and emotional stress that they experienced during the crisis. However, this is where the chairman and the board should demonstrate their forward-looking function by insisting on reflecting on the past crisis response. A crisis uncovers the weak spots in the firm’s operational functioning. The board thus needs to leverage the post-crisis situation as an opportunity to evaluate and improve the firm’s capabilities in the areas of risk assessment, crisis planning, task forces, IT support, crisis room design and improvement, security and communication channels. It is a good time to review the tasks and responsibilities of the risk or strategy and risk committee: are procedures for analysing future potential risks regularly and carefully planned? Do they analyse the sources, raise awareness and get the board to take into account future potential risks? Similar to an “After Action Review” practised by the US military, mistakes, weaknesses, and surprises need to be discussed in a transparent and constructive manner with the objective not to blame but to learn and evolve as a leadership team. The bottom line is that crises are not prepared for during but before they happen. Learning from experience is an excellent approach to create guidelines and decision-processes that help to increase the overall decision qualities - despite the volatility, uncertainty, complexity, and ambiguity during a crisis.

“If a crisis is perceived as a wake-up call and a reminder to stay humble in today’s VUCA-environment, board and management can embrace learnings as an opportunity to improve the agility and resilience of the company for a better future.”

Christoph Franz, Chairman
The forward-looking board of directors
The auditor of the future: a strategic partner for a forward-looking board

By Lisa Watson, Sophie Morin, Fabien Bryois and Alexandre Buga

Companies and the business environment in which they and their auditors operate are changing in ways that could not have been imagined even a decade ago. The world is far more complex and the pace of change phenomenal. How do board members and auditors keep up with the companies they govern or audit as they hurtle into an increasingly technology-driven, innovation-oriented, globalised and disruptive future?

What is clear is that auditors must keep up with this fast momentum, and even be one step ahead, in order to anticipate emerging risks and continue to provide much needed assurance to stakeholders. This is increasingly important for investors, but there are real opportunities for auditors, both internal and external. They can act as a partner to the board of directors, working with them to fulfil their stewardship and governance roles and take a forward-looking approach to the challenges and opportunities of the future.
Why does audit need to change?

As companies and organisations become more sophisticated, be it from digital advancement, globalisation or complex business models, the way audits are performed cannot remain the same. They must adapt to the challenging environment or risk failing.

Over the length of our professional careers we have already seen huge progress in the way audit is performed, but what is around the corner is going to be different. New technology at the companies we audit requires new approaches and new tools.

Artificial intelligence, robotics and data analytics are no longer distant concepts but a daily reality – and our auditors are already using them. This obviously impacts on the type of people we recruit. Having an understanding of accounting rules is still important but it has to be complemented by a deep understanding of processes, internal controls and especially IT and analytics skills. These skills are not only important for the companies we audit but also for the audit and assurance business. This is key to the audit of the future.

“ESG is critical for a prospective board as it will significantly impact the future success of a company. ESG has to be embedded in the long-term values of the company.”

Beat Hess, Chairman

Deloitte’s Audit of the Future Survey results

Audits play a fundamental role in the capital markets, contributing to investors’ ability to make informed and confident decisions. However, our latest survey of more than 250 financial statement preparers, audit committee members, and financial statement users reveals a growing consensus that the traditional audit must evolve in response to rising expectations for quality, information access, and timeliness.

FUNDAMENTAL AND ESSENTIAL

More than two-thirds of all respondents agree that the audit profession is fundamental to maintaining confidence in capital markets.

74% Financial statement users
66% Audit committees
70% Financial statement preparers

VALUED AND TRUSTED

Investors view audited information sources as much more important than unaudited sources such as social and traditional media.

EXPANDING THE VIEW

All respondent groups agree that auditors should provide assurance on information beyond traditional financial statements.

67% Financial statement users
66% Audit committees
66% Financial statement preparers

NEEDING TO ADAPT

Percentage of respondents who see an opportunity for the audit profession to be more proactive in addressing evolving demands.

59% Audit committees
46% Financial statement users

HARNESSING INNOVATION

Most respondents believe auditors should use advanced technologies more extensively.

70% Financial statement users
76% Audit committees
84% Financial statement preparers
In light of recent corporate failures, often resulting from frauds, the audit profession has come under much scrutiny. This is not new, but the level of criticism and questioning as to why the audit did not reveal these material issues has called into question the effectiveness and quality of the process. The root cause of the issue is not “how” the audit is being performed, but rather “what is being done” as part of the audit, its scope, and this leads to an “expectations gap”. Audit firms, companies and also audit supervisory bodies collectively recognise that audits cannot be done in the same way as before and that there is a need for continued innovation in order to ensure that audit remains relevant, high quality and effective. The audit of the future must be remodelled if it is to provide the level of assurance required by stakeholders, and address the “expectations gap”. In his detailed report to the UK Secretary of State, Sir Donald Brydon, the former chairman of the London Stock Exchange, sets out his personal views on the quality and effectiveness of the audit. Following more than 150 meetings with regulators, audit firms, investors and companies, he offers more than 60 recommendations on how to remodel and refocus the audit. While this essay focuses on the audit profession in the United Kingdom, these findings are clearly relevant to the international audit profession, especially those where international standards on auditing (ISA) are applied. The recommendations cover a broad range of areas but include a package of measures aimed at enhancing fraud detection and prevention for both directors and auditors, the introduction of the notion “professional suspicion,” in addition to “professional scepticism”, greater transparency as well as a focus on the going concern statement and financial resilience.

The financial audit is no longer focused only on the annual financial statements and on the examination of past results, but must also focus on providing assurance to stakeholders on a company’s future viability and forward-looking business assumptions – and this can be challenging. In the post-COVID-19 world, auditors are also faced with new requirements and extensive guidance from regulators. There is increased focus on companies’ forecasts, management’s assessment of the going concern assumption and business continuity plans. The importance of company disclosures in relation to COVID-19 impacts, particularly disclosure of forward-looking information, has been highlighted by regulators. Applying a high degree of professional judgement is of critical importance. For example, audit firms are developing macroeconomic forecast analysis tools to strengthen the audit of such forecasts and to provide more robust assurance on the going concern assessment. The Swiss regulatory audit has also included a forward-looking lens, for example on compliance and regulatory developments.

Internal and external audit has the unique advantage of being positioned to see the detail across all processes, while still maintaining an understanding of the overall organisation. With this holistic view and detailed knowledge, auditors can be of strategic importance to the forward-looking board, for example on the assessment of the risks and opportunities. Auditors are also called upon to provide assurance in new areas. For example, auditors are bringing new forms of impactful and relevant assurance on both financial and non-financial measures (e.g. remuneration, equal pay and sustainability, and environmental, social and governance (ESG) key performance indicators).

Faced with new complexities, practices and technologies, internal audit in large organisations is also compelled to adopt a new vision of its role and remit and to maintain its relevance in providing impactful assurance to organisations. Moving away from the traditional risk and control-based role, this assurance is now supplemented by an advisory role; internal auditors are being frequently called upon for ad-hoc focused investigations on behalf of the board. Although internal audit’s service emphasis and delivery models must be updated, its central purpose remains much the same: to assure and advise. However, in our view, the most successful internal audit functions will also anticipate, and, through proactive assurance, help organisations keep pace with and get ahead of emerging risks. 

Assure, Advise, Anticipate are the new three “As” of a forward-looking auditor.

“Sustainability criteria need to be embedded in the decision-making process and overall asset allocation.”

André Hoffmann, Vice Chairman
How can audit become more forward-focused?

**Auditor interaction with the board and its subcommittees**

From our experience, it is important for the auditor, in particular the lead or group auditor, to develop and maintain a regular dialogue with the audit committee chairman and other committee members. As well as discussing key audit matters, audit plans and conclusions, the auditor can share insight and perspectives on the group’s risk management and operational as well as group-wide financial issues. The auditor should also anticipate the topics and areas that will become of importance to the future, be it a new law, accounting or regulatory requirement or a technology change that will require board attention. Lead auditors often become a true sounding board for the audit committee chairman.

In parallel with the new broader role of the auditor, lead auditors will also start to interact more frequently with other committees and also the wider board. For example, the vision and perspectives of the auditor on the risk profile of the organisation is of great interest to the risk committee. Auditors may also have relevant inputs for a strategic committee.

The auditor has a broad vision of the organisation and its key management and is therefore well placed to bring other remuneration-related assurance to the remuneration committee and the board (e.g. equal pay, the remuneration report, ESG disclosures, etc.). It can also form a view on the composition of the board and of the senior management team, in terms of diversity, not only of gender, but in skills, experience and background. Board chairs should consider the tone of the organisation regarding diversity: to what extent has the board created an environment to foster greater diversity and inclusion on the board, at executive level and throughout the organisation as a whole? Does the board, executive team and workforce have the right skills and experience to face the complexities of the future, be it regulatory and legal matters, cyber-risk, or ESG?

**Interview with Esther-Mirjam de Boer, CEO of GetDiversity**

**1. How diverse are Swiss boards overall and in comparison to other countries?**

The boards of large corporations in Switzerland are already very internationally diverse. However, other aspects of diversity are less well represented compared to other countries. In particular, the share of people with an affinity for digitisation needs to grow rapidly now. One person is not enough to make a difference.

**2. What are the typical misconceptions or myths about diversity and inclusion when it comes to instilling a diverse culture from the top?**

There are many mixed messages and myths. A popular myth, for example, is that the business will become more successful as soon as more women are involved. But it is possible that nothing may change in the way things are done. Inclusion means rather that things need to be done differently in order to include everybody. Only in the longer run is inclusion about unleashing the potential of a wide variety of people. That’s when diversity becomes productive and the business starts to profit from it.

**3. What is needed for leadership teams to drive diversity and inclusion initiatives from the board? How can this be done sustainably/long term?**

Leaders need a strong commitment from the board. And the board needs to support an HR strategy that addresses behavioural evidence in recruitment and promotions. Behavioural science shows, for example, that prejudiced leaders have less effective teams, independent of the individual potential of the team’s members. Taking the bad apples out of the basket is a strong and sustainable intervention for long-term success. Unfortunately many companies still value confident leadership too highly and underestimate the damage done by a lack of interpersonal skills and personal integrity.

“The Audit Committee must also have forward-looking roles and responsibilities. Indeed, it is critical to ensure that the company will have the liquidity, the financing and the finance management capabilities required to deliver the long-term strategy. These come in addition to the more traditional remit of financial reporting and controls.”

**Beat Hess,**
**Chairman**
Auditors bring insights and benchmarking
It is important for forward-looking boards to understand how the company compares with its peers and keep an eye on industry practice, standards and future trends. There is a need for boards to stay abreast of changes – or challenges – on the horizon, to manage the risks but also to align and redefine its strategic response. Innovation is necessary to remain competitive. The auditor is well placed to share perspectives on the latest trends and developments he or she is seeing in the market and, within the bounds of auditor independence, share what peer companies are doing. This benchmarking is often seen as a real value-added area of the audit.

“The external auditor is an important partner for the audit committee. The external auditor needs to be engaged and to work closely with the audit committee and its chair.”

Marie-Noëlle Zen-Ruffinen, President and Board member

Auditors may also provide benchmarks and insights on internal controls as well as on the maturity of the controls and the finance function (e.g. speed of closing, quality of closing, maturity of the local finance teams). This is particularly important for group audits where the audit firm can provide additional insight into the local operations and quality of internal controls, and also anticipate local trends and changes ahead. For example, Deloitte recently conducted a benchmark on the governance and consolidated supervision of an international group and provided, in addition to its perception of the maturity of each local entity, insights on how to improve and better align the governance principles among all group entities.

“External auditors give useful insights on risks which could occur and which need attention, but I personally would like to see more added value in terms of best practice sharing or real opportunity-thinking ahead.”

Monique Bourquin, Board member

Auditors are becoming increasingly innovative in their reporting to boards and audit committees, providing clear insights on key audit matters with more transparency on the approach taken by the audit, areas that require specific attention and a clear conclusion. For example, the audit report for public interest entities provides more insight into the key audit matters, materiality, scoping decisions and risk assessment. This represents a conscious forward-looking shift towards increased transparency in the audit process. Auditors are required to give clear communication on the acceptability of audit judgement areas, but also anticipate areas of particular attention for the future, such as advanced discussion on new accounting standards and statutory or regulatory matters. Innovative tools allow the company’s data to be presented in a new way to boards and audit committees, and to provide more interactive and smart reporting.

“Key attributes for a director include their own personal qualities, investment of time and loyalty – all values that resonate well with business needs in the current environment.”

Pierre-Alain Grichting, Chairman

“There is a single skill that is crucial for all board members: vucability. It’s the ability to think divergently about multiple options and act in parallel experiments in an uncertain environment, while adjusting the compass of the company’s mission.”

Esther-Mirjam de Boer, CEO
Digitalisation: the forward-looking audit

Technological progress such as robotic process automation and cognitive intelligence are changing the way companies operate and do business, bringing new challenges for companies but also opportunities to get ahead of the game. Digital disruption is high on board’s agendas and directors may find themselves facing new risks and opportunities that did not even exist a decade ago. The rapid pace of change in digital business models, processes and controls means that directors should ensure that management have assessed the risks of running data on digitalised processes and systems and that this is safely under control.

“The world is incredibly complex and keeping abreast of latest information and developments is a tremendous challenge. The audit committee’s role is to step back and take a broader perspective. It’s not just about being more efficient at reviewing the past, but as well about getting smarter at understanding the present and anticipating the future.”

Daniel Crittin, Board member

As well as using new technology, auditors need to ensure they understand the organisation’s data flows, systems and controls and design their audit risk assessment appropriately but also advise management and the board as to whether the risks are being adequately addressed. Getting involved in the pre-implementation phase is important in order to provide live input.

Having audit team members with a good understanding of data technology is key. Audit firms need to assess which new skills and capabilities will be required. Again, a diversity of skills and capabilities is not only important for companies but also for audit firms. Internal and external auditors need to be equipped with technology and skills that permit them to form a view on the organisation’s IT risks and technology, and provide insight – in short, to act as a strategic partner and advisor to the forward-looking board.

“Auditors need to embrace technological advancement. As companies’ systems and processes evolve, so do audit tools. Many audit firms including Deloitte have made consequential investment in the development of data analytical tools as well as robotics and other online communication tools. We are using new tools for the audit confirmation process, inventory counts, credit reviews, anti-money laundering audit procedures as well as robotics to assist in repetitive audit tasks. For example, the use of the Deloitte Swiss Mortgage Tool enables a graphic overview of the credit portfolio and the selection of audit samples based on risk criteria and the combination of risk scenarios that are built specifically for each organisation. Results are then analysed interactively to identify outliers, which are then analysed as part of our risk-based audit. These tools ensure that the audit highlights and focuses on risk areas and provides increased assurance through the coverage of the entire population, instead of a random selection of credits.

“The external auditor’s perspective on the company risks is very interesting for the board to benefit from the auditor’s outside view on the company.”

Marie-Noëlle Zen-Ruffinen, President and Board member
**Financial performance**
Impact of technology investments on financial measures such as earnings per share, profitability, margins, and revenue.

**Business operations**
The role of technology in transformation, automation, and enhancement of current business operations.

**Talent**
Attracting, curating, and engaging talent from inside and outside the organisation to deliver tech-enabled business capabilities.

---

**Source:** Deloitte US CIO Program – The tech-savvy board report, Deloitte Insights, 2019
Blockchain and the future of auditing

A number of global organisations are interested in or actually pursuing initiatives in blockchain – the distributed-ledger technology underlying bitcoin and other cryptocurrencies. Use cases range widely, from tracking cargo in supply chains to intercompany settlements and development of payment gateways.

Champions of blockchain cite its security, irreversibility, and near real-time settlement capabilities. But a transaction recorded in a blockchain-enabled ledger can still be illegal or fraudulent, executed between related parties, linked to an “off-chain” side agreement, or incorrectly classified in the financial statements.

Notions that blockchain could eliminate the need for auditors are fanciful, but the technology can be expected to streamline financial reporting and audit processes by providing near real-time data access via read-only views of the blockchains. While the audit process could become more continuous, an auditor’s professional scepticism, independence, and judgement are still essential. Even automated processes require testing and evaluation of internal controls over financial reporting, and a transaction’s purpose and disclosure are always considerations in achieving high-quality financial reporting.

Boards should be aware of blockchain activities in their organisations and of the potential impact on and risks to operating and financial reporting systems. Boards and their audit committees should also understand how blockchain-enabled processes and ledgers will promote reporting efficiency and reduce risk, as well as their auditors’ approach to the organisation’s use of this technology.

Closing remarks

In brief, the auditor of the future should provide assurance to stakeholders and act as a partner and sounding board to the future-looking board. By providing assurance and advice on a wide range of relevant topics, an effective auditor will look ahead to anticipate the risks and opportunities on the horizon and strive to provide insights and vision, in the role of partner to the board of directors in the achievement of its strategic, long-term view.

The primary role of the board is to have a strategic vision. One of the most important qualities in a director is the ability to maintain the requisite distance and perspective.”

Shelby du Pasquier,
Chairman

“When renewing the board of directors, it is necessary to assess whether the selected profiles are fit in the area of digital transformation. At least some members of the board should have experience with this topic and processes.”

Ingrid Deltenre,
Board member

Source: Deloitte 2020 Director’s alert – Reimagining governance and oversight amid digital disruption - Global Center for Corporate Governance
Corporate Governance 4.0

The forward-looking board of directors
The forward-looking board of directors
Contacts

Deloitte Switzerland contacts

Reto Savoia
CEO
+41 58 279 6357
rsavoia@deloitte.ch
LinkedIn

Alexandre Buga
Partner
Audit & Assurance
Financial services A&A leader
+41 58 279 8049
abuga@deloitte.ch
LinkedIn

Fabien Bryois
Partner
Audit & Assurance
+41 58 279 8048
fbryois@deloitte.ch
LinkedIn

Lisa Watson
Director
Audit & Assurance
+41 58 279 8277
lwatson@deloitte.ch
LinkedIn

Sophie Morin
Senior Manager
Audit & Assurance
+41 58 279 8345
ssmorin@deloitte.ch
LinkedIn

Swiss Board Institute (SBI) contacts

Prof. Marie-Noëlle Zen-Ruffinen
President SBI
+41 22 704 37 00
marie-noelle.zen-ruffinen@swissboardinstitute.ch
LinkedIn

Prof. Gilbert Probst
Vice-President SBI
+41 22 751 12 20
gilbert.probst@swissboardinstitute.ch
LinkedIn
Corporate Governance 4.0 | The forward-looking board of directors

Author contacts

Prof. Gilbert Probst
Chairman
+41 22 751 12 20
gilbert.probst@unige.ch
LinkedIn

Prof. Patricia Klarner
Director
+43 1 31336 6060
pklarner@wu.ac.at
LinkedIn

Mag. Dr. h.c. Monika Kircher
Member of supervisory board
monika.kircher@a1.net

Prof. Achim Schmitt
Associate Dean
+41 21 785 13 53
Achim.Schmitt@ehl.ch
LinkedIn

Directors interviewed

André Hoffmann  Vice Chairman, Roche
Beat Hess  Chairman, LafargeHolcim
Christoph Franz  Chairman, Roche
Daniel Crittin  Board Member, UBS Switzerland
Esther-Mirjam de Boer  CEO, GetDiversity
Ingrid Deltenre  Board Member, Givaudan SA, Banque Cantonale Vaudoise, Sunrise Communications AG and Agence France Press; Supervisory Board Member, Deutsche Post/DHL
Jacques de Watteville  Chairman, Banque Cantonale Vaudoise
Marie-Noëlle Zen-Ruffinen  President, Swiss Board Institute; Board Member Bâloise Group, Banco Santander International SA
Monique Bourquin  Board Member, Emmi AG, Kambly Holding AG, Weleda AG, GfM; President, Promarca; Member of the Board of trustees, Swisscontact
Monika Ribar  Chairwoman, SBB
Patrick Firmenich  Chairman, Firmenich
Paul Bulcke  Chairman, Nestlé
Pierre-Alain Grichting  Chairman, Banque Cantonale du Valais
Pierre Bongard  Board Member and Chairman of the Audit and Risk Committee, Banque Cantonale de Neuchâtel; Chairman of the Supervisory Board of Mirabaud SCA
Shelby du Pasquier  Chairman, Pictet & Cie Group SCA; Board Member, Swiss National Bank (SNB) and SGS SA
Corporate Governance 4.0

| The forward-looking board of directors |
Footnotes and bibliography

1. Volatility, uncertainty complexity and ambiguity. A concept developed by the US Army War College to describe complex problems.
6. The Directors and Chief Risk Officers Group, Guiding principles for Board Risk Committees, November 2018.
9. Internal Audit 3.0 The Future of Internal Audit is now (Deloitte global publication).
This publication is intended to be general in nature and we recommend that you obtain professional advice before acting or refraining from acting based on any of the contents herein. Deloitte AG and any other participating entities accept neither responsibility nor liability for losses occasioned to any person acting or refraining from acting as a result of material in this publication.

Deloitte is a subsidiary of Deloitte NSE LLP, a member company of Deloitte Touche Tohmatsu Limited («DTTL»), a «UK private company limited by guarantee» (a company with limited liability according to British law). DTTL and its member companies are legally autonomous and independent companies. DTTL and Deloitte NSE LLP do not provide any services to customers. Please visit our website at www.deloitte.com/ch/about for a detailed description of the legal structure. Deloitte AG is authorised and supervised as an auditing company by the Federal Audit Oversight Authority (RAB) and the Swiss Financial Market Supervisory Authority (FINMA).

© 2020 Deloitte AG. All rights reserved

Designed by CoRe Creative Services. RITM445934