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 C-suite? 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 C-suite and board members around the world to share their views.

Senior stakeholders express confidence in their risk management programs

- **82%** Say their companies are taking the right amount of risks
- **82%** Say risk management activities are optimizing outcomes across the enterprise
- **73%** Say risk management programs support their ability to develop and execute business strategy
- **61%** Say their approach to risk management is either highly sophisticated or sophisticated
- **60%** Say their companies effectively balance risk and reward
- **82%** Say risk management activities are optimizing outcomes across the enterprise

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

Practice conflicts with philosophy

- **87%** Believe risk management should drive value creation...
- ...Actively harness risk to drive returns

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?*

<table>
<thead>
<tr>
<th>Today</th>
<th>In the future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategist</td>
<td>27%</td>
</tr>
<tr>
<td>Catalyst</td>
<td>21%</td>
</tr>
<tr>
<td>Steward</td>
<td>26%</td>
</tr>
<tr>
<td>Operator</td>
<td>27%</td>
</tr>
<tr>
<td>No change</td>
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*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

- **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](http://www.deloitte.com/takingaimatvalue)

Based on a survey of more than 300 senior stakeholders conducted by Forbes Insights in November/December 2016. © 2017. For information, contact Deloitte Touche Tohmatsu Limited.