



**Center for Board Effectiveness**

**On the Board's Agenda | US**

The 2025 board agenda

Perhaps one practice older than predicting the future is talking about it. One of the oldest quotations about the future is attributed to Greek philosopher Heraclitus, who lived in the fifth or sixth century B.C. and is reported to have said, "The only thing constant is change." Some years later, Shakespeare said, "The past is prologue." However, as we consider what boards of directors will likely be dealing with in 2025, a quotation from a more modern philosopher, Jon Bon Jovi, seems particularly apt: "Map out your future—but do it in pencil."<sup>1</sup>

In 2025, boards should consider being alert to the many challenges and opportunities that the year may bring—and agile enough to enable their companies to address those challenges and make the most of those opportunities. This edition of *On the Board's Agenda* summarizes some of those challenges and opportunities and how they may affect companies and their boards, to include:





## Geopolitical considerations

For several years, geopolitical matters have been on, if not at the top, of the issues list for boards. However, as we enter 2025, global geopolitical challenges continue to intensify, resulting in greater focus from boards.<sup>2</sup>

Moreover, political and economic uncertainty within several countries and regions has made it difficult to predict, evaluate, and plan corporate strategies and tactics and to address risks and opportunities. Elections and changes in administration could affect trade, tax strategies, and workforce planning. As the changes occur, both alliances and adversarial relationships across the globe could also be affected. Even given this flux, a recent post-election Fortune/Deloitte CEO survey showed that US CEOs are feeling optimistic post-election, with 84% expressing optimism about their company's performance in the next year. This survey also shows a 7% increase in optimism for the global economy.

Companies may seek to consider directors with geopolitical or similar experience in planning for board succession. Available data suggests that these fields are not represented on many boards. For example, the 2024 Spencer Stuart Board Index does not include domestic or international geopolitical experience among the four top industry backgrounds of new directors. Similarly, only 42% of new directors have spent time working abroad, and just 18% are from countries outside the United States.<sup>3</sup> Boards may continue to consider either adding these skills to the board or engaging outside advisors.

Regardless of how boards seek to address geopolitical and similar challenges, risks, and opportunities, it is likely that they will spend time overseeing their companies' actions and reactions to an ever-changing world.



## Regulation

The regulatory landscape for companies can be vast and intricate with critical portions of their businesses subject to a range of regulatory requirements. A company's culture or mission may also be tied to these portions of their businesses, such as those that have embraced the goal of combatting climate change. With a new presidential administration there will be leadership changes at many of the federal agencies that regulate companies' businesses. This, in turn, will likely result in changes in regulators' policies and priorities, including revisiting actions of the prior administration, such as regulations relating to climate change and financial services.

As potential changes in the regulatory environment unfold, corporate boards have a critical role to play in monitoring and overseeing management's response to these changes. Boards should encourage management to develop strategies for managing opportunities and risks related to regulatory changes to ensure management is comprehensive and nimble in its response. Boards should challenge management's progress against that strategy by receiving regular updates as the regulatory environment evolves. By proactively engaging with management to drive adequate responses to regulatory change, boards can fulfill their important oversight role.



## A refresh for enterprise risk management

Although enterprise risk management, or ERM, has been a focus for boards for a long time, there are signs that boards and—in particular—audit committees are seeking to elevate its ranking and importance on agendas.<sup>6</sup> Given the ongoing rise in the number and complexity of risks that companies must address—and that boards and audit committees need to oversee—it is advisable to determine whether existing ERM programs need to be reexamined and updated. Even the best ERM programs may become perfunctory over time.



## Technological opportunities and risks: Cybersecurity and GenAI

The opportunities and risks posed by technology have been at or near the top of boards' areas of focus for several years.<sup>4</sup> The increased focus on cybersecurity risk has been borne out by the many cyberattacks and data breaches, generating government regulation and scrutiny, valuation loss litigation, and reputational damage to companies of all sizes and across all industries. For this reason, directors have grown to understand the seriousness of cyber risks and to engage in active oversight of their companies' cybersecurity programs. That said, there is also a positive side to implementing a strong cybersecurity program beyond mitigating risk. Cyber can be an enabler to businesses and demonstrate return on investment by increasing operational resiliency, strengthening trust with customers and ecosystem partners, improving the organization's brand and reputation, protecting valuation, and accelerating revenue growth.

GenAI has attracted intense attention in the media, government, and business. While GenAI is in its youth (if not its infancy) in its impact, the opportunities it presents range from making companies more efficient in operations to opening exponentially inventive possibilities.

GenAI has immense possibilities with leaders and consumers not only existing in a world of more AI, but ubiquitous AI. It may provide even the foundations for business and personal growth, seamlessly updating the algorithms for a smarter, faster, and more intuitive world. GenAI may someday enable humans to take on more strategic or creative work, or free up operational capacity because the AI is handling routine tasks. Deloitte's recent [Tech Trends 2025](#) report dives into six macro forces of information technology, all infused with AI implications. At the same time, GenAI also poses risks to companies and, possibly, society. Media reports have described numerous instances of GenAI "gone wrong," in which GenAI produced misleading or outright incorrect information.<sup>5</sup>

Workforce concerns have also been the subject of much discussion surrounding GenAI. Will it displace employees whose jobs can be performed by technological equipment?

The same holds true for ethical questions surrounding GenAI. What tasks should be handled by human beings versus robots? How can GenAI be controlled so that it doesn't ignore or circumvent human oversight?

In other words, both the opportunities and risks associated with the use of GenAI seem to be endless, and companies—and their boards—may have to contend with both for a long time to come.

## ***Possible questions on GenAI use in the boardroom***

As the use of GenAI becomes more commonplace over time, boards may want to consider how it might have an impact on their roles. Questions to consider include:

- Could GenAI be used to formulate questions that directors might ask to assist them in carrying out their fiduciary obligations?
- Could it better enable directors to review information to see how different scenarios could play out?
- Could GenAI help to determine that the assumptions used by management to develop and implement strategies or to forecast results are faulty and/or replace those assumptions?
- Could GenAI find errors in financial reports or internal control weaknesses to strengthen audit committees' oversight of these areas?
- For mergers and acquisitions activity, could GenAI determine ahead of time that an acquisition is unlikely to be successful?

## **Other items on the 2025 agenda**

The matters discussed above represent just a small sampling of the issues that boards and committees may need to address in 2025. The year will bring many evolving matters that boards need to consider on an ongoing basis. For example, board succession planning requires a constant focus on, and evaluation of, the skill sets that are needed on the board, the effectiveness of the current directors, and whether board leadership is functioning at optimal levels. While these and other tasks are perennially on boards' agendas, they require considerable thought and discussion among directors and management.

Oversight of strategy and its implementation are also perennially at or near the top of the board's agenda and, like board succession planning and many other board responsibilities, require ongoing consideration. Modern boards revisit strategy frequently—in some cases, at every meeting and in between meetings—to determine whether the strategy is working, whether it needs to be tweaked, or whether more fundamental changes are called for.



# Conclusion: Are boards up to the challenges?

Boards have long demonstrated that they are agile, resilient, and able to address new challenges. While those characteristics may be tested in 2025, there is every reason to think that boards are and will be up to those challenges. Over the past five years, board members have shown they can pivot and refocus on the seemingly endless number of developments that require prompt responses, while also continuing their role as the steward of the enterprise's strategy and value. There have been several regulatory, economic, and talent-focused challenges during the first half of the decade, and with the myriad of opportunities and risks ahead, boards will need to continue to adapt while keeping a focus on effective oversight.

## Endnotes

1. Jon Bon Jovi, "[Jon Bon Jovi to grads: Lead by example](#)," TIME, May 21, 2015..
2. Curtis Milhaupt, "[Corporate governance in an era of geoeconomics](#)," Harvard Law School Forum on Corporate Governance, August 6, 2024; Martin Lipton, "[Thoughts for boards: Key issues in corporate governance for 2024](#)," Harvard Law School Forum on Corporate Governance, January 3, 2024.
3. Spencer Stuart, [2024 U.S. Spencer Stuart Board Index](#), 2024.
4. Lara Abrash, Arno Probst, and Karen Edelman, "[Governance of AI: A critical imperative for today's boards](#)," Deloitte Insights, October 7, 2024.
5. Beena Ammanath et al., "[Proactive risk management in Generative AI](#)," Deloitte, 2023.
6. Krista Parsons and Vanessa Teitelbaum, [Audit committee practices report: Common threads across audit committees](#), Deloitte and the Center for Audit Quality, 2024.

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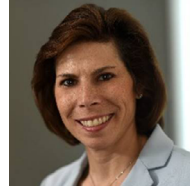


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