

A crisis of confidence

Board members around the globe have confidence in their organizations' ability to deal with crisis situations. But a closer look suggests that many have farther to go on the journey to being truly crisis-ready. In fact, the **data demonstrated a clear vulnerability gap between self-reported vulnerabilities and crisis management plans**. More than 300 board members share views from around the globe.

Most board members believe their companies are ready—especially in larger companies¹

62% of overall companies
82% companies with over US\$10B in revenue

are confident in their organization's crisis management strategies and capabilities

When asked if organizations define a specific set of actions—a distinct “playbook”—for crisis scenarios, respondents answered...

33%

49%

18%

Uncertain

No

Yes

Key steps to prepare for crisis: Most go ignored at half of companies or more²

50% Evaluated key crisis scenarios

46% Engaged multifunctional teams

50% Evaluated strengths/ weaknesses/ opportunities/ threats (SWOT)

43% Evaluated worst-case scenarios

49% Identified relevant stakeholders

41% Engaged stakeholders in analysis of specific scenarios



Board members see threats but their companies aren't ready to handle them³

Potential crises	Yes, have crisis plan %	Yes, vulnerable %	Gap %
Terrorism / manmade disasters	18	63	45
Rumors (though false)	26	68	42
Chemical, biological, radiological, nuclear	13	55	42
Corporate reputation	39	73	34
Product tampering	26	60	34
Organizational malfeasance	35	64	29
Regulatory actions	40	66	26
Natural disasters	40	66	26
Cyber-crime	48	70	22
Supply chain issues	47	66	19
Workplace violence	37	54	17
Liquidity	54	58	4

There are a number of steps board members can take to accelerate their progress on the journey from crisis awareness to crisis readiness.



Here are a few steps organizations can take right now:



Build crisis capabilities into the membership and structure of the board.

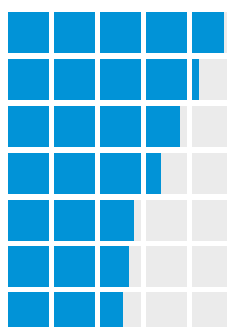


Build crisis awareness into everyone's job description.



Embrace the board's role as the guardian of reputation.

Areas of the business most affected by past crises⁴



48% Company reputation / Employee morale
41% Sales
39% Productivity
33% Leadership reputation
28% Share price / Regulatory or legal action
27% Customer loyalty
26% Supply chain / Talent (attract/retain)

¹ Respondents who answered “4” or “5” on a five-point scale where 1= not at all prepared and 5= fully prepared

² Respondents who answered “4” or “5” on a five-point scale where 1= not at all and 5= extensively

³ Respondents were asked to check all that applied for the risks which their company maintains a formal crisis plan. The recognized vulnerabilities are from respondents who answered “3,” “4,” or “5” on a five-point scale where 1= not at all vulnerable and 5= extremely vulnerable

⁴ Respondents selected all that applied

Learn more



www.deloitte.com/acrisisofconfidence