

Key issues being discussed in the boardroom and C-suite

# Executive Perspectives on Top Risks 2021 and 2030










The range of uncertainties facing business leaders around the globe is overwhelming. Challenges triggered by the COVID-19 pandemic continue to unfold, combined with numerous other risk issues, such as growing social unrest and polarisation, and ever-present challenges associated with technology and digitisation innovations. Staying abreast of emerging risk issues and opportunities is becoming increasingly difficult.

- 1. Prepare for the next decade by embracing the megatrends, for the future may arrive sooner than you think.** Only digitally mature companies were future ready when COVID-19 hit.
- 2. The pandemic experience has changed the world.** Digital leaders have stood out in pivoting and quickly reacting to the pandemic's new normal.
- 3. The future of work looms large on the horizon.** Adoption of AI, automation and other digital advances are expected to displace as well as create millions of job functions.
- 4. Building organisational resilience and an innovative culture is an imperative.** Authenticity and a trust-based culture, top talent with a high digital IQ, effective utilisation of data analytics, and a strong customer focus are vital to navigating disruptive change.
- 5. No one expects data security and cybersecurity to diminish.** Cyber threats remain a moving target and data privacy concerns only promise to become more complex in the digital age.
- 6. Regulatory risk is elevated when viewed through the lens of a longer time horizon.** Portends a focus on environmental priorities, social change and tax increases, as well as an impetus for developing alternative products and services.

## TOP 10 RISKS FOR 2021\*

	2021	2020 (rank)
 1. Pandemic-related policies and regulation impact business performance	6.47	N/A (new)
 2. Economic conditions constrain growth opportunities	5.84	6.34 (2)
 3. Pandemic-related market conditions reduce customer demand	5.78	N/A (new)
 4. Adoption of digital technologies may require new skills or significant efforts to upskill/reskill existing employees	5.71	5.71 (10)
 5. Privacy/identity management and information security	5.64	6.06 (7)
 6. Cyber threats	5.59	6.09 (6)
 7. Impact of regulatory change and scrutiny on operational resilience, products, and services	5.59	6.38 (1)
 8. Succession challenges, ability to attract and retain top talent	5.58	6.27 (3)
 9. Resistance to change operations and business model	5.56	6.15 (5)
 10. Ability to compete with "born digital" and other competitors	5.43	6.23 (4)

## TOP 10 RISKS FOR 2030\*

	2030
 1. Adoption of digital technologies may require new skills or significant efforts to upskill/reskill existing employees	5.62
 2. Impact of regulatory change and scrutiny on operational resilience, products, and services	5.43
 3. Rapid speed of disruptive innovation may outpace our ability to compete	5.29
 4. Succession challenges, ability to attract and retain top talent	5.29
 5. Privacy/identity management and information security	5.25
 6. Substitute products or services may arise that affect our business model	5.18
 7. Sustaining customer loyalty and retention may be difficult as customer preferences and demographic shifts evolve	5.17
 8. Ability to compete with "born digital" and other competitors	5.10
 9. Inability to utilise data analytics and "big data" to achieve market intelligence and increase productivity and efficiency	5.08
 10. Cyber threats	5.04

\* Scores are based on a 10-point scale, with "10" representing that the risk issue will have an extensive impact on the organisation.

Results are based on a survey of more than 1,000 board members and C-suite executives worldwide. The full survey report, *Executive Perspectives on Top Risks*, may be accessed at [erm.ncsu.edu](http://erm.ncsu.edu) or [protiviti.com/toprisks](http://protiviti.com/toprisks). It includes detailed breakdowns of the results by respondent role, organisation size, industry, geography and other categories.

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