

Executive Perspectives on Top Risks for 2019

Board members and C-suite executives view a somewhat riskier environment for business in 2019 compared to the prior two years, according to an annual survey from North Carolina State University's ERM Initiative and Protiviti. The results suggest that organizations worldwide share a number of critical concerns.










- Shifting cultural norms and expectations of accountability
- Disruptive business models and "born digital" competitors amid resistance to change
- Innovations triggered by emerging technologies
- Shifting customer preferences and demographics
- Record lows in unemployment and tightening labor markets
- Cyber breaches on a massive scale
- Big data analytics

Organizations have much greater concerns that their existing operations and legacy IT infrastructure may not be able to meet performance expectations as well as competitors that are "born digital."

The overall global business context is somewhat riskier in 2019 relative to the two prior years.

Other critical issues for boards and executives include succession challenges, talent retention and the regulatory environment.

TOP 10 RISKS FOR 2019

RISK ISSUE	2019*	2018 (rank)*
 1. Existing operations meeting performance expectations, competing against "born digital" firms	6.35	5.67 (10)
 2. Succession challenges and ability to attract and retain top talent	6.34	5.88 (6)
 3. Regulatory changes and regulatory scrutiny	6.24	5.93 (4)
 4. Cyber threats	6.18	5.96 (3)
 5. Resistance to change operations	6.17	6.00 (2)
 6. Rapid speed of disruptive innovations and new technologies	6.13	6.10 (1)
 7. Privacy/identity management and information security	6.13	5.83 (7)
 8. Inability to utilize analytics and big data	6.07	5.71 (9)
 9. Organization's culture may not sufficiently encourage timely identification and escalation of risk issues	5.99	5.91 (5)
 10. Sustaining customer loyalty and retention	5.95	5.57 (12)

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

The full survey report, *Executive Perspectives on Top Risks for 2019*, may be accessed at erm.ncsu.edu or protiviti.com/toprisks. It includes detailed breakdowns of the results by respondent role, organization size, industry, geography and other categories.

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