

Executive Perspectives on Top Risks for 2018

Board members and C-suite executives see a slightly less risky environment for business in 2018 compared to the prior year, according to an annual survey from North Carolina State University's ERM Initiative and Protiviti. However, critical concerns abound. Among the many contributing factors:











- Technological advancements
- Disruptive and digital innovations threatening core business models
- Recurring natural disasters with catastrophic impact
- Soaring equity markets
- Turnover of leadership in key political positions
- Cyber breaches on a massive scale
- Terrorism
- Elections in Europe
- Threats of nuclear engagement

The overall global business context is slightly less risky in 2018 than the prior year.

Organizations have a greater focus on the risks associated with the rapid speed of disruptive innovations and dramatic changes that new technologies may have.

Digital- and culture-related areas are more prevalent risk issues for boards and executives.

TOP 10 RISKS FOR 2018

RISK ISSUE	2018*	2017* (rank)	YOY Trend	RISK ISSUE	2018*	2017* (rank)	YOY Trend
 Rapid speed of disruptive innovations and new technologies	6.10	5.88 (4)	↑	 Succession challenges and ability to attract and retain top talent	5.88	5.76 (6)	↑
 Resistance to change operations	6.00	5.63 (9)	↑	 Privacy/identity management and information security	5.83	5.87 (5)	↓
 Cyber threats	5.96	5.91 (3)	↑	 Economic conditions	5.72	6.61 (1)	↓
 Regulatory changes and regulatory scrutiny	5.93	6.51 (2)	↓	 Analytics and big data	5.71	5.50 (13)	↑
 Organization's culture may not encourage timely identification and escalation of risk issues	5.91	5.66 (8)	↑	 Existing operations meeting performance expectations, competing against "born digital" firms	5.67	5.42 (15)	↑

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

About the Survey: This annual survey of board members and C-suite executives was conducted online in the fall of 2017. Each respondent was asked to rate 30 individual risk issues using a 10-point scale, where a score of 1 reflects "No Impact at All" and a score of 10 reflects "Extensive Impact" to their organization over the next year.

The full survey report, Executive Perspectives on Top Risks for 2018, may be accessed at erm.ncsu.edu or protiviti.com/toprisks. It includes detailed breakdowns of the results by respondent role, organization size, industry and other categories.

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