

# *Business leaders take control and look at risk differently*

There are more sources of risk and complexity than ever before – ranging from new technologies, cyber threats and regulatory requirements through to the brand and reputational impacts from getting it wrong.

Impacts are far reaching and often propagate quickly. Gone are the days of treating risk management or regulatory complexity as a technical discipline.

Enterprises are recognising they need greater clarity about the complexity, interconnection and breadth of risks they are facing, as well as getting better at anticipation and response.

Executive teams should make holistic management of risk an essential component of strategic planning and implementation.

Leaders who consider both risk and regulatory issues holistically across their business strategy will be more

proactive and prepared to make the dynamic changes needed across the organization and throughout their business continuum. Companies whose leaders take this approach are prepared to make change work to their advantage. But risk management is just part of the broader capability of resilience, a capability needed by every company today.

To be resilient, an organisation needs to be able to quickly recover from adverse events, ideally becoming even stronger. It also needs to be able to identify and realise opportunity amidst disruption.



## 71%

of resilience builder CEOs (compared to 51% overall) expect disruption from greater regulation and 68%

# Are you a resilience builder?

Business leaders who suggest that their organisations are equipped to act on emerging opportunities – even in the most daunting circumstances are what we call ‘resilience builders’. They are leaders who are more optimistic than their peers in a rapidly changing business environment.

Resilience builders are more likely to:

- Anticipate competition from outside their industry
- Enter a new industry themselves
- Show greater concern about a range of threats to growth prospects
- Pay attention to societal issues, such as unemployment and welfare
- Collaborate with non-traditional partners
- Join the dots between their risk and control functions
- Use technology and their data better for more rapid insight.

Resilience builders are very aware of how industry trends can either threaten growth or create opportunities. In our last annual CEO survey<sup>1</sup>, 74% of *resilience builder* CEOs (compared to 61% overall) expect increased competition from new sources, 71% of them (compared to 51%) expect disruption from greater regulation and 68% (compared to 54% overall) worry about new market entrants.

# 74%

of resilience builder CEOs (compared to 61% overall) expect increased competition from new sources

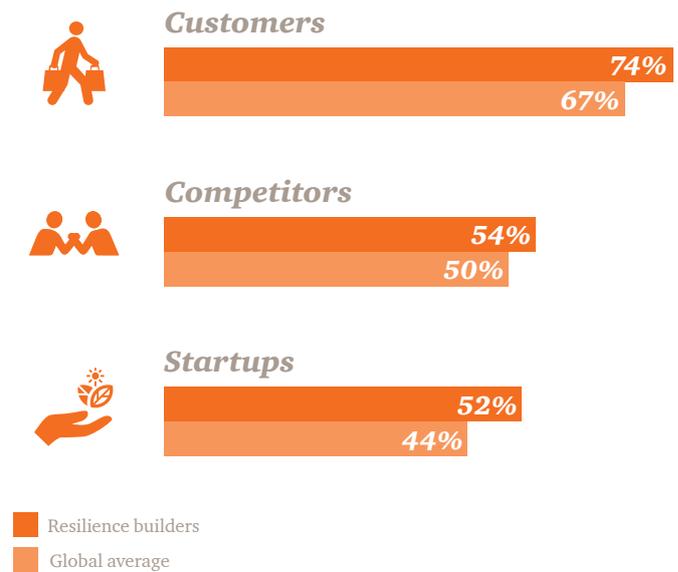
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# Collaborate with new, non-traditional partners

Are you currently engaged with or considering engaging with, any of following types of partners through joint ventures, strategic alliances or informal collaborations?



Source: PwC 18th Annual Global CEO Survey

To survive and evolve today, these CEOs are doing more than simply to innovate incrementally or tweak their balance sheets. They are preparing the whole of their organisation to take advantage of big shifts. This means creating new markets, configuring game-changing operating models and confronting greater uncertainty. Indeed, key to understanding enterprise resilience is that it includes both the capability to recover from crisis and to capitalise on change.

Their heightened risk awareness and attitudes to risk reflect their appetite to grow. They are venturing outside of their core sectors and preparing to face-off with non-traditional competitors at their doorstep. Blurred industry boundaries are leading to more diverse collaborations: Resilience builders are more likely to consider partnering with start-ups.

Growth has always meant taking risks. For resilience builders the greatest risk is not properly managing risk, as a core enabler of growth.

To read more about how you can take control of your future by looking at risk differently visit [takecontrol.pwc.com.au](http://takecontrol.pwc.com.au).