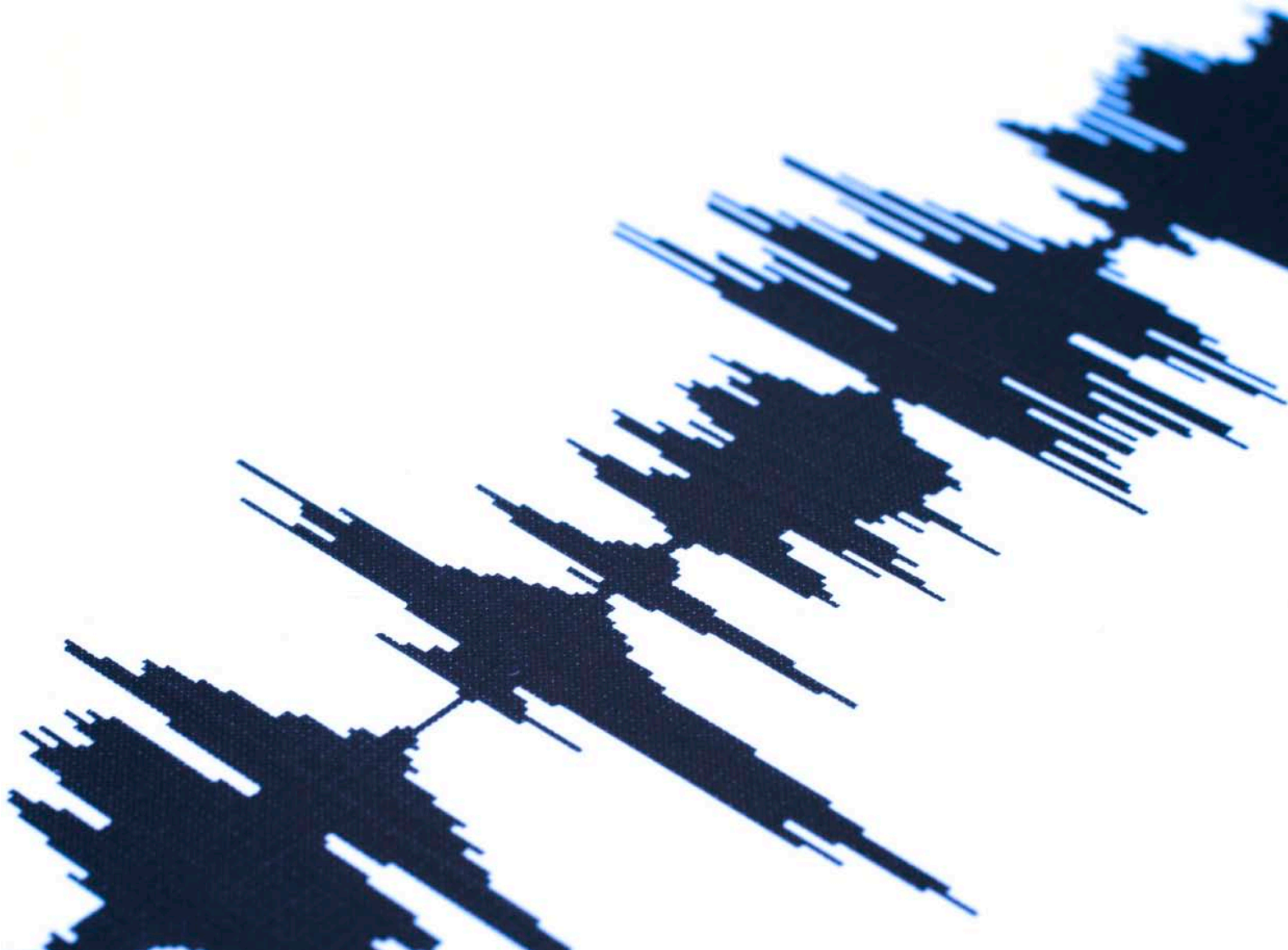


Aftershock

Adjusting to the new
world of risk management



Executive summary

Just when you think the world is returning to normal after an earthquake, it hits: aftershock. As the earth's crust resettles from the effects of the primary earthquake, aftershocks can continue to rattle the area minutes, days, and even months later.

It's a feeling that may be familiar to risk leaders in many different industries these days. Following the latest global economic crisis, organizations of all types are still operating in a volatile, highly changeable risk environment.

In a spring 2012 survey of 192 U.S. executives from companies in the consumer and industrial products, life sciences, health care, and technology/media/telecommunications industries, Deloitte and Forbes Insights found that many are still working hard to make sense of this environment. In fact, a stunning 91% plan to reorganize and reprioritize their approaches to risk management in some form in the coming three years.

Stronger aftershocks?

If risk leaders are still planning significant changes to their approaches, perhaps that's because they sense that in some instances, the aftershock of an earthquake could be even stronger than the original event. Indeed, survey respondents do not expect the volatility of recent years to subside any time soon. Many are concerned that it will increase: In fact, two-thirds of respondents identified financial risk as having the potential to be even more volatile over the next three years. More than half indicated they believe that risks ranging from regulatory to technology to geopolitical/political concerns would increase in volatility over the next three years. Only 15% believed risks would be less volatile over the same amount of time.

Right tools for the job

So how are companies prepared to handle continued volatility? Respondents indicated that the move to an Enterprise Risk Management (ERM) approach will likely continue. For many, ERM is already an integral competency for C-Suite executives, providing them a centralized process for connecting the dots on risk across their organizations — and pushing the responsibilities of day-to-day risk ownership out to business leaders.

Interestingly, despite advances in risk-related technologies and ongoing concerns about volatile risks, automation tools used for continuously monitoring risk do not enjoy widespread use. Fewer than 25% of respondents indicated that most risks are continuously monitored in their companies. Even in the areas that are considered to be most volatile, namely financial and strategic risk, relatively few companies use technology to continuously monitor risks. Instead, more than two-thirds say they only periodically monitor risk across the organization. Looking ahead, however, this trend may change. More than half of respondents said their companies plan to invest in continuous risk monitoring.

Social media presents new challenges

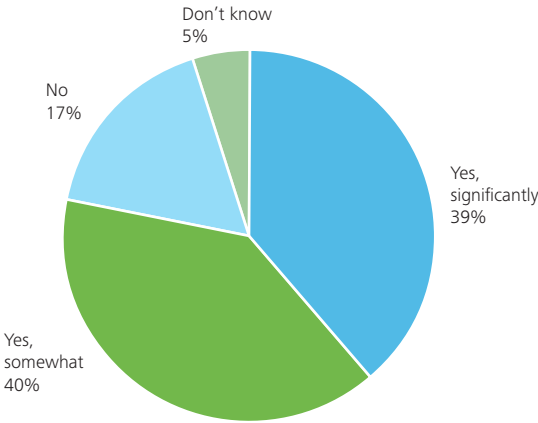
A relatively new risk — social media — has quickly joined the ranks of traditional risks, such as the global economic environment, regulatory changes, and government spending. Social media is considered the fourth-largest source of risk for survey respondents, partly due to its ability to act as an accelerant to other risks. This so-called “wildfire” effect may present challenges to companies without sufficient continuous risk monitoring capabilities.

These are only a few of the top-level findings from our survey. On the following pages, please explore more detailed, in-depth findings from U.S. executives on some of the most pressing issues they face today.

Volatility is driving ERM transformation

More than three-quarters (79%) of respondents stated that their approach to managing and responding to risk changed due to market volatility over the past three years (Figure 1). “When the financial world collapsed, it resulted in less tolerance for volatility, and less tolerance for surprises. ERM is an effective way to help address those concerns and bring consistency to the risk management process,” explains Rick Kulevich, senior director, Ethics and Compliance at CDW, a leading provider of technology products and services for business, government, and education. Kulevich was asked to take on responsibility for ERM and take it to the next level at CDW two years ago.

Figure 1. Has your organization’s approach to managing and responding to risk changed due to market volatility over the last three years?



Note: Numbers may not add up to 100% due to rounding.

A vast majority of respondents (91%) said that their companies plan to reorganize and reprioritize their approaches to risk management in some form in the coming three years, with a majority (55%) saying that these changes will occur over the next 12 months. “More and more companies are planning to pay attention to risk management. Economic volatility has much to do with it,” adds William (Bill) Keevan, CPA, senior advisor at Chess Consulting LLC and DeVry audit committee chair.

When asked how they plan to reorganize and/or reprioritize their risk management approach in the coming three years, the biggest group of respondents (52%) said they intended to elevate the profile of risk management throughout their organizations; the next most popular responses were reorganizing risk management processes (39%), providing additional training for staff (37%), incorporating new technology (31%), and integrating into strategic planning (28%) (Figure 2). CDW elevated the profile of risk management by creating a framework that includes a Business Risk Analysis Team (BRAT), a cross-functional team of senior leaders who provide feedback and test priority risk hypotheses. The goal is to create an environment where risks can be identified as they start bubbling up. For example, a procurement manager might identify an issue with vendors, which then is linked with other issues and is reported up the chain as a risk area that needs to be discussed reports CDW’s Kulevich.

Figure 2. How do you plan to reorganize and/or reprioritize your risk management approach in the coming three years? (Top five)



Note: Respondents could select more than one answer.

ERM embedded into the entire organization

More than three-quarters of respondents surveyed (77%) said that their companies employed a centralized model with regard to risk management; 20% of respondents said that their companies used a decentralized model (Figure 3). According to the survey, the centralized model should continue to prevail: When asked what changes they believed their companies would make to their risk management process in the next three years, more respondents (36%) pointed to increasing centralization than to increasing decentralization (19%).

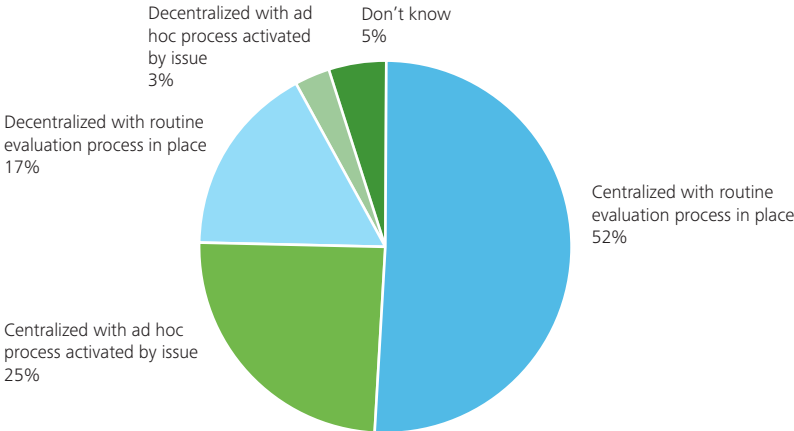
A centralized process increases the likelihood that key risk issues bubble up to top leadership, while day-to-day risk management is handled out in the field. At DeVry, risk management is under the purview of an ERM steering committee comprised of the “Senior Leadership Team” (SLT). The ERM steering committee meets quarterly. The “Business Process and Risk Management” (BPRM) committee, which is at the frontline of identifying risks and opportunities, is made up of VPs and director-level personnel. The BPRM meets monthly. “We purposely created a process that is managed by risk champions on a day-to-day basis in the field, coordinated at home office,” according to DeVry board member, Keevan. In this way, “risk management is a continuous process that is woven into our operations,” says Daniel Hamburger, president and CEO of DeVry.

Some level of centralization is critical for facilitation — making sure risk discussions are on the table, not just brushed to the side or whispered in hallways, according to CDW’s Kulevich. “Creating a risk framework is key, however it is essential that ownership and accountability remains with business executives,” he says.

Companies, such as IBM, also see risk management as a mix of centralized and decentralized processes. With this approach, the corporate team responsible for the overall risk program works with business leaders on identifying and managing risk. “From a pragmatic perspective, risk ownership and leadership must be with business leaders who are accountable for taking risk to pursue commercial gain” says Luis Custodio, IBM’s chief risk officer and VP of Pensions Management. “You can’t have a silo mentality. A more holistic view is required to manage risk effectively across the enterprise.”

A leading life sciences firm also uses a combination of centralized and decentralized processes to facilitate risk management throughout the organization. One person at the corporate level manages the program with contacts at each division and function, which are responsible for day-to-day risk management. “We identify our key risks through both a top-down and bottom-up process. It is a living process,” says the head of ERM at the life sciences company. “We wanted ERM to be strategic — we are not looking to override, oversee or micromanage risk that each business area is responsible for.”

Figure 3. How would you describe your risk organization and risk management process?

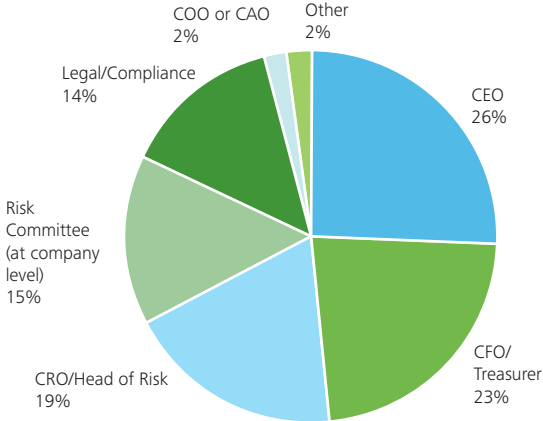


Note: Numbers may not add up to 100% due to rounding.

Risk management is now a C-Suite issue

The biggest group of respondents (26%) said that the primary responsibility for overall risk management belongs to the CEO and the second-largest group (23%) pointed to the chief financial officer (CFO)/treasurer as the executive responsible for risk management. Chief risk officer (CRO)/head of risk came in third (19%) (Figure 4).

Figure 4. Who has primary responsibility for your organization’s overall risk management/approach?



Note: Numbers may not add up to 100% due to rounding.

Interviews indicate that many companies are just starting the process of reorganizing their approach to risk management at the top levels and that risk management is part of the overall evolution of the company. IBM began to reorganize and reprioritize its risk management program six years ago. Now, the company centralizes key risk discussions and pushes risk priorities from the top down; individual business managers are then responsible for managing, monitoring, and measuring specific risks. IBM is now focusing on improving its risk management practices via increased automation and analytics. Meanwhile, CDW began a more formal ERM program managed from the top two years ago. CDW centralized risk discussions and now sets priorities from the C-Suite; these initiatives are then filtered throughout the organization so that all employees are on the same page. “Most CDW risk management has always been embedded in the organization; over the past 18 months, we’ve centralized and connected the dots,” says Ann Ziegler, CFO and senior vice president at CDW. A leading life sciences firm put in place an ERM process in 2009. “It was something the audit committee of the board decided based on external pressures and the whole economic situation. They saw the need for a more formal risk management process,” says the head of ERM at the life sciences firm. The company made an explicit decision to have ERM managed within corporate strategy, which reports to the CEO. “We believe it is best practice to link risk to strategy. We also partner very strongly with the CFO.”



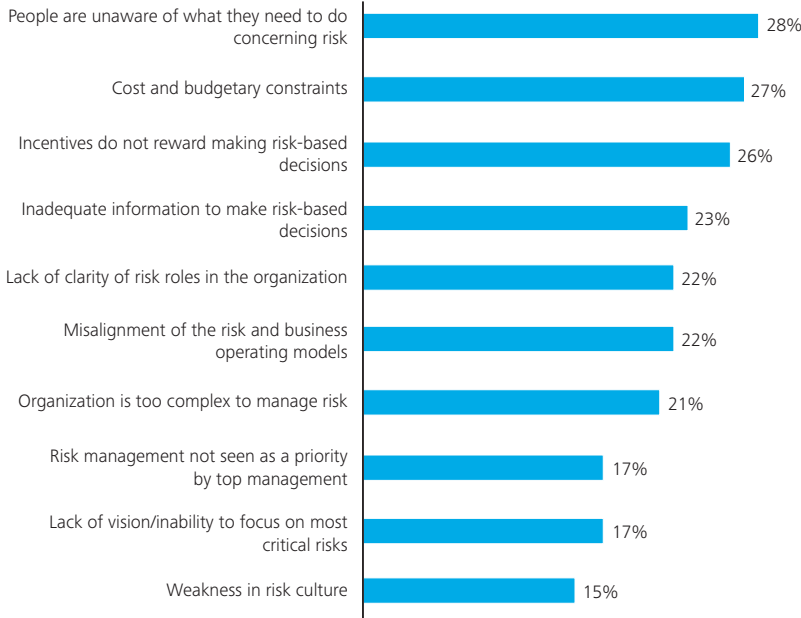
Risk management for value creation, not just value protection

The effectiveness of ERM is predicated on each individual's ownership of risk, which is, in turn, dependent on company-wide awareness. The survey shows that awareness is a more significant challenge to effective risk management than available skills, technology, or corporate culture. The largest group of respondents (28%) stated that the main challenge was that "people are unaware of what they need to do concerning risk" (Figure 5).

It is thus essential that this awareness is spread equally throughout the whole organization and that all employees feel accountable. "There is always a concern that if you set up a large ERM team, they somehow own risk. It can't work that way. People that manage the day-to-day business need to own risk," says CDW's Ziegler.

An important approach, which can lead to increased awareness and ownership of risk, is to make sure that risk management adopts the right philosophy. "There should be an understanding that risk is not negative. It's not just about risk mitigation, it's also about value creation," says CDW's Kulevich.

Figure 5. What do you believe are the biggest challenges you face to effectively manage risk? (Top ten)



Note: Respondents could select more than one answer.

Forecast: Continued volatility

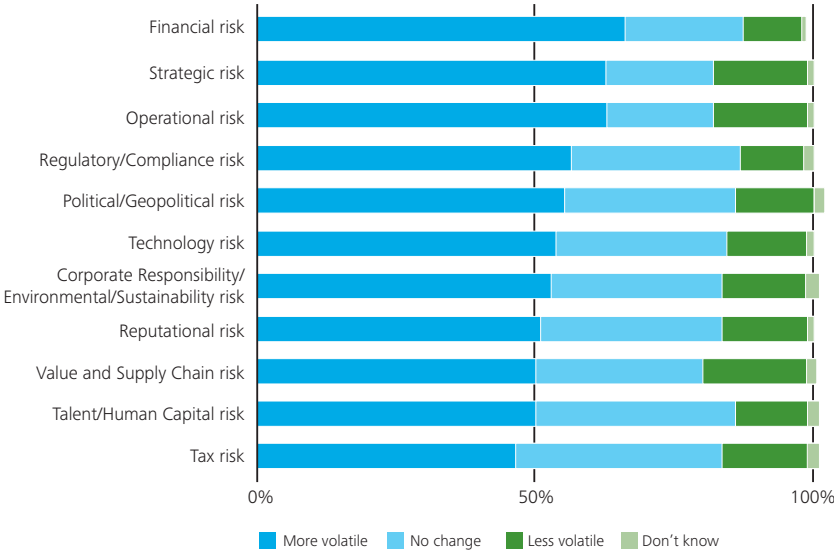
Respondents indicated all areas of risk are expected to become more volatile over the next three years. Only a small percentage of respondents (15% or less) believed risk would be less volatile over the next three years. In such a volatile global environment, it is crucial to aggressively assess and identify upcoming risks and choose the focus of the ERM program.

The top areas of concern regarding increased volatility over the next three years are financial risk, with 66% of respondents believing the area will be more volatile, followed by strategic risk (63%), and operational risk (58%) (Figure 6).

The sources of risk deemed most important over the next three years by the largest number of respondents are the global economic environment (41%), government spending and budget (32%), and regulatory changes (30%) (Figure 7).

These three areas are particularly important for an organization like DeVry, which is growing internationally and has been the subject of increasing government regulation. During the Arab Spring, DeVry's classrooms in Tahrir Square in Cairo were destroyed and the safety of students and teachers was a concern. The situation underscored the significance of standardized processes for ensuring safety and continuance of classes DeVry has in place. CEO Daniel Hamburger says the geopolitical environment will be an increasingly important risk area.

Figure 6. How volatile do you think each of the following risk areas will be over the next three years?



Note: Numbers may not add up to 100% due to rounding.

At DeVry, ERM considers a running list of 30 risks, but four focus risks emerged as the main priorities this year after the evaluation of their impact on the organization's strategic plan. They are: infrastructure and information technology, succession planning, economic outlook, and growth. DeVry's ERM steering and BPRM committees also track emerging risks, which management believes the company may need to elevate as the impact, vulnerability or speed of onset increases. These emerging focus risks are governance, compliance and reputational risk, according to board member Keevan.

At CDW, the primary focus is on a small number of high-priority risks and opportunities, which are identified based on their importance for the company's strategic goals. There is a regular discussion as to whether these are the right priorities, according to Kulevich.

Pfizer identifies and tracks risks through its ERM framework. The focus is on identifying and prioritizing the most significant risks, as well as the key leaders who are accountable for the controls, and the mitigation plans established to address those risks. There is a comprehensive annual review of these risks so that priorities may be continuously evaluated, and an ad hoc review process so that new risks may be incorporated into the ERM framework, according to Jeffery Williams, vice president and assistant general counsel at Pfizer Inc.

“The last thing to do in this environment is to get complacent about your ERM program. It has to be one of continuous improvement.”

– Jeffrey Williams, Vice President, Pfizer Inc.



Social media now a mainline risk issue

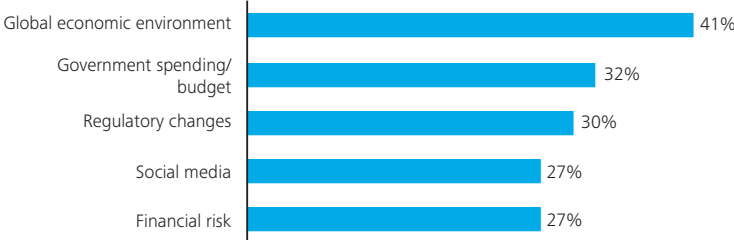
Social media was the fourth largest source of risk over the next three years as identified by respondents, which is on par with financial risk (Figure 7). Interviewees indicated that this risk is rising and fits into an overall concern over cyber attacks as well as exposure to unwarranted public attention. Social media may also exacerbate other risk areas, such as financial risk associated with financial disclosures in violation of Securities and Exchange Commission rules. “Everybody is walking around with a smartphone, and things can be captured and digitized instantaneously. Once digitized, social media can spread information like wildfire,” says Kulevich.

Social media risk may magnify the threats from a diverse array of risks, including reputation, strategic, operations, and compliance. Confidentiality may be breached, corporate secrets spread or malicious rumors started that can put a company in a tailspin. “It is important to understand what is out there about your own company, about your co-workers,” says CDW’s Ziegler. “Over the next three to five years, the impact of managing data and the impact of technological trends will be key.”

“There is an increasing incidence in the world of individuals or states that are maliciously trying to compromise information — social media is a lower order of that,” says the head of ERM at a major life sciences firm. “Do employees know what they should or shouldn’t be doing in accessing company information? Or what information is out there that can impact our reputation? We look at all of this pretty broadly.”



Figure 7. Which of the following risk sources will be the most important over the next three years? (Top five)



Note: Respondents could select more than one answer.

Continuous risk monitoring rare today, but on the rise

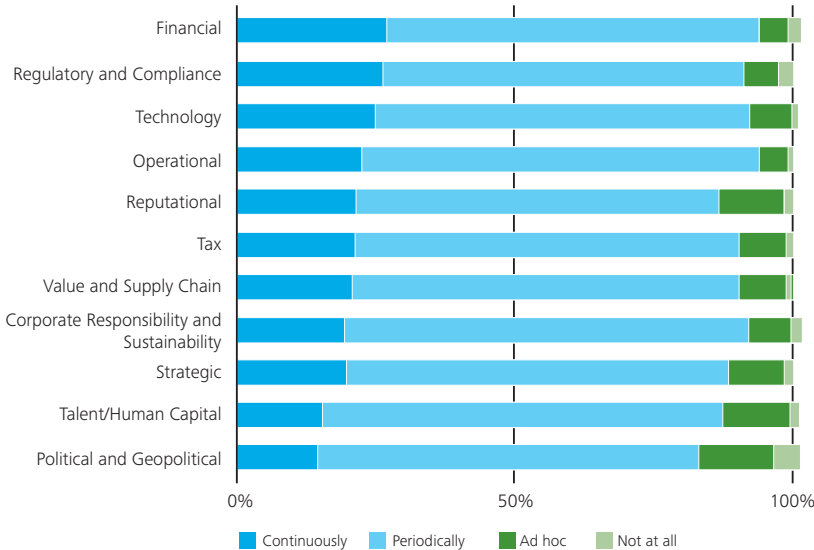
While executives recognize the importance of continuous monitoring, in the survey fewer than a quarter of respondents said that most risks are continuously monitored in their companies. Most monitoring is done periodically, on a monthly, quarterly, biannual, or annual basis (Figure 8).

As Figure 8 shows, even though financial risk is at the top of the list, with the highest percentage of respondents who answered that their companies monitor it continuously, only 27% of respondents' companies do so. At the lower end, interestingly, are political and geopolitical risk (14%), and talent and human capital risk (15%). Despite the wildfire effect of social media on negative news, only a fifth of respondents said that their companies continuously monitor reputational risk. And while reported supply chain disruptions are on the rise, partly due to an increase in geopolitical volatility, only 21% of respondents assess value and supply chain risk continuously.

One measure of the gap between the volatility of risks and the frequency of risk monitoring is how many survey respondents said that their companies either monitor certain risks on an ad hoc basis or don't monitor them at all. Indeed, two of the more volatile risks cited above have the highest percentage of ad hoc risk assessment processes: 12% of respondents monitor reputational risk on an ad hoc basis and 13% monitor political/geopolitical risk on an ad hoc basis. Furthermore, 5% of respondents said that in their companies political/geopolitical risk is not monitored at all.

"Monitoring risk can sometimes be a backward-looking process. It shouldn't be. We look at it as a predictive process," says Keevan. "At DeVry, the risk management process is a continuous, ongoing process. Our focus risks can change if something happens. We use key risk indicators (KRI) to help us identify potential changes in our risk profile. We consider these KRIs to be especially important."

Figure 8. How often does your company assess the following risks?



Note: Numbers may not add up to 100% due to rounding.

At IBM, the Risk Management function leads an annual risk map evaluation and update, but the risk map is evolving continuously. "Our risk map is a living document," says IBM's Custodio.

Recognizing rising volatility, organizations are striving to close some of the gaps between the volatility of risks and their monitoring. One way to do so is to increase investment in continuous monitoring. More than half of respondents surveyed said that their companies plan to invest in continuous monitoring of risks. The largest group of respondents (56%) said that they planned to conduct continuous monitoring of strategic risk, followed by operational and technology risks.

"Part of the reason budgets may continue to increase is that ERM is a tool not only for the preservation of revenue — there is growing recognition of its potential as a strategic tool for increasing revenue," says Pfizer's Williams.

Current risk management systems and processes are not highly automated

Currently, dashboard reporting for senior stakeholders, data analysis, and self-assessment are most often a mix of manual and automated processes. That said, almost a third (28%) of respondents reported that their companies were in the process of automating their risk reporting (Figure 9).

IBM’s Custodio sees analytics as the area of greatest promise for the management of specific risks. He believes that because of the volatility of external risks, especially those faced by global businesses, companies need to take the next transformational step by introducing analytics that can leverage the vast amounts of data across the enterprise to provide better business insights and improve risk management.

“I think we are just scratching the surface. We consider analytics the next big frontier for risk management. Just look at the headlines. It’s a more complex and interconnected world. That is the reason we firmly believe that automation and analytics will help risk managers make smarter decisions and gain a competitive advantage. If you can leverage analytics to identify risk and take actions ahead of your competitors, you are essentially turning a hazard into an opportunity. It may start with a need to mitigate a particular risk. But, as the program evolves, discussions on risk management lead to the identification of opportunities that actually turn into business improvements. In my view, that is the ultimate benefit of a robust risk management program,” says IBM’s Custodio.

Of course, automation is not meant to replace face-to-face meetings and oversight through dialogue. Interviews reveal that risk executives adopt a two-pronged approach to automation: Transactional-based risk indicators can be automated, but effective risk management must include dialogue that cannot be automated.

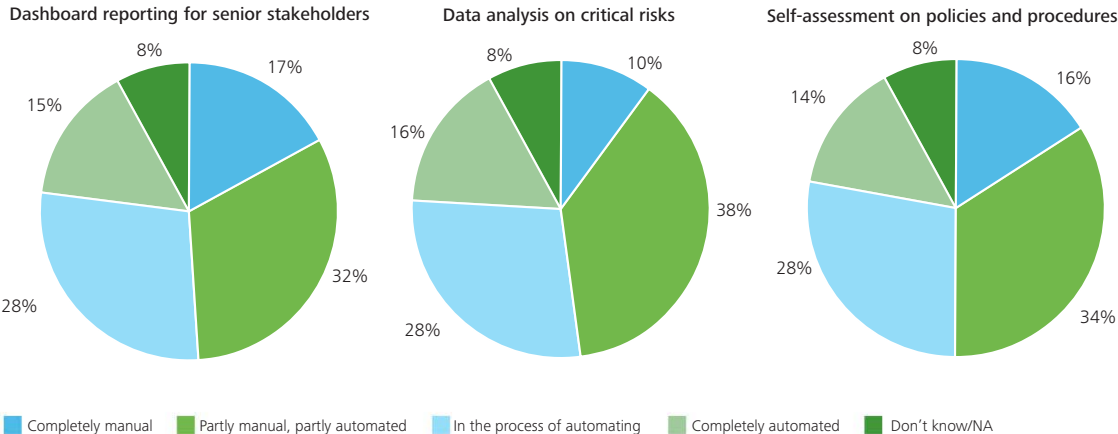
DeVry does not consider its ERM process to be fully automated and distinguishes its SLT quarterly and BPRM monthly risk meetings from its automated risk management processes at the individual university or department level. “The reason is our ERM process is embedded into our day-to-day individual university or department level strategic management processes,” explains Keevan.

“Though we rely on survey tools that automate part of the risk discussion, in my opinion conversations are more meaningful and productive. A lot can get lost in translation,” adds CDW’s Kulevich.

“I think we are just scratching the surface. We consider analytics the next big frontier for risk management. If you can leverage analytics to identify risk and take actions ahead of your competitors, you are essentially turning a hazard into an opportunity.”

– Luis Custodio, Chief Risk Officer, IBM

Figure 9. To what extent has your organization automated the following risk reporting processes?

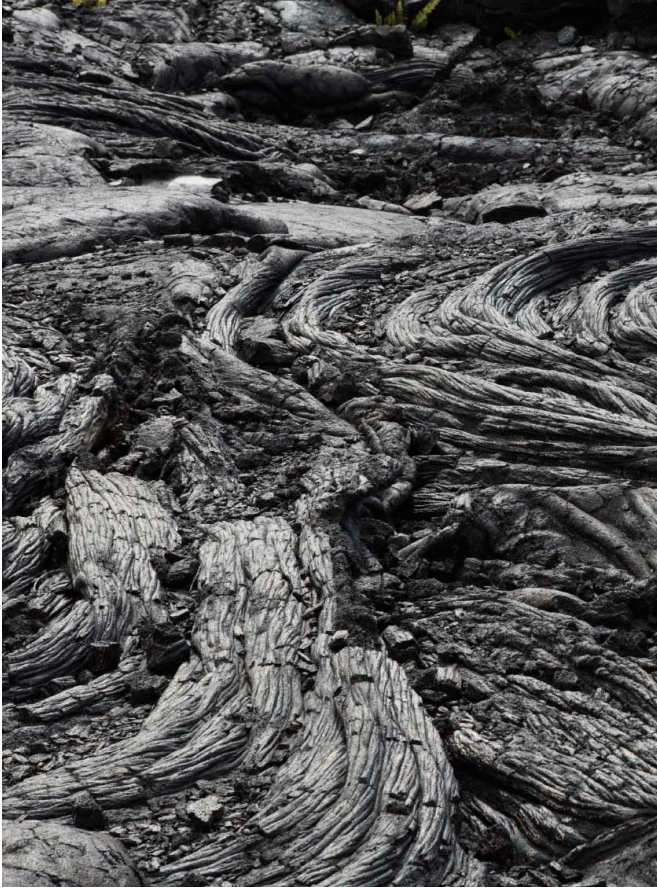


Strategic and technology risk management to see highest budget increases

Strategic risk and technology risk were identified by respondents as the two areas where budgets will increase the most; 8% of respondents said strategic risk budgets would rise more than 50% and 9% of respondents said the same for technology risk. Overall, the largest percentage of respondents, around 50%, said they expect minimal change to the risk management budgets for all risk categories. Fewer than 15% of respondents across all risk areas said risk budgets would decrease over the next three years.

Interviews reveal that companies are working with existing resources, but indicate a willingness to allocate additional funds to risk management if necessary. At CDW “we are focused on creating a unifying framework in order to better leverage existing resources,” says Kulevich. Although DeVry is not anticipating increasing budgets for the centralized team, according to Elizabeth Truelove McDermott, Vice President, Audit, Ethics and Compliance Services, DeVry, individual business units may use more automation, and the CIO may drive spending on automated business monitoring.

CDW and DeVry are also seeking ways to improve their ERM knowledge without big budgetary outlays. The companies expressed interest in participating in more networking and peer discussion opportunities to discuss risk management leading practices.



Risk management approaches vary considerably by industry

There is no one-size-fits-all model in risk management. “What is really important is to deploy risk management practices and a program that aligns with the company’s management system and is imbedded in the fabric of the business,” says IBM’s Custodio.

The survey shows substantial differences in perceptions of risk, as well as in allocation of resources and organization of the ERM processes, among the industries included in the survey: life sciences and health care (life sciences); consumer and industrial products (C&IP); and technology, media, and telecom companies (TMT).

Although life sciences companies may not expect as much change to risk management processes as C&IP or TMT companies, they do expect to see higher levels of volatility over the next three years across most risk areas, especially regulatory and financial risk. In direct correlation, life sciences companies are more concerned with regulatory changes over the next three years versus the other two groups, which prioritize the global economic environment looking ahead (Figure 10).

“I agree the regulatory environment, the economic environment and technology/data risks are going to be concerns. We are seeing a lot of volatility there,” says the head of ERM at a leading life sciences firm.

This trend may be related to an organizational structure in which legal and compliance plays a greater role in life sciences companies due to the heavily regulated nature of the industry. Twenty-six percent of life sciences respondents report that legal and/or compliance head the risk function as compared with 6% in C&IP and 12% in TMT.

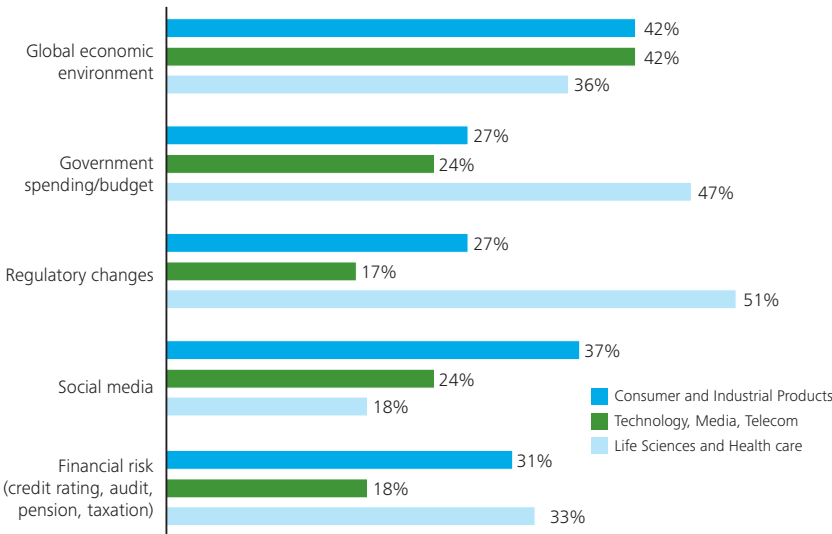
“Compliance and regulatory-related risks are a core focus of the ERM process,” says Pfizer’s Williams. When Pfizer launched ERM several years ago, the decision was made to have ERM led by the corporate audit group, which is part of the finance division reporting to the CFO.

Indeed, the most significant focus and preferred outcomes cited of the risk management organization by life sciences firms was reducing risk exposure or volatility and containing costs. In contrast, C&IP respondents and TMT firms said improved revenue growth was the primary concern.

In terms of tools and applications, life sciences companies use more proprietary risk management systems than other groups surveyed. C&IP respondents favor ERP platforms, while TMT firms tend to use Excel and manual processes.

“We are starting to look at whether having a system or systems would be helpful for us”, says another life sciences company’s head of ERM. “At the corporate level, we are preparing reports in PowerPoint, we don’t need a system. But in compliance or IT, where they are reviewing more risks, it may make sense.”

Figure 10. Which of the following sources of risk will be the most important over the next three years? (Top five)



Note: Respondents could select more than one answer.

A changing landscape

Whether conditions are volatile or not, risk is inherently unpredictable. But that doesn't mean you can't plan for it, even in a volatile environment like the one we face today — and which most say will continue for at least the next few years. In our view, companies are doing many of the right things to prepare. However, in many cases they appear not to be moving with the speed or urgency that the current environment demands.

Consider the issue of technology. On one hand, survey respondents indicate that they realize that social media presents fundamental new challenges to their approach to risk management. And yet the overwhelming majority do not have continuous risk monitoring capabilities in place, highlighting a fundamental disconnect between thought and action among risk managers across all industries. This disconnect extends to ERM, where companies have made significant headway in recent years to develop a centralized approach to risk management, yet many still have a ways to go to refine their approach. Technology has the potential to play a breakout role in such a centralized system, but many companies are still behind the curve when it comes to enabling more advanced ERM through technology.

In an environment where many companies are calling for risk management budgets to remain static, investing in technology may appear to be a losing proposition. However, many leaders we spoke with view technology as a natural tool for increasing efficiency and decreasing costs.

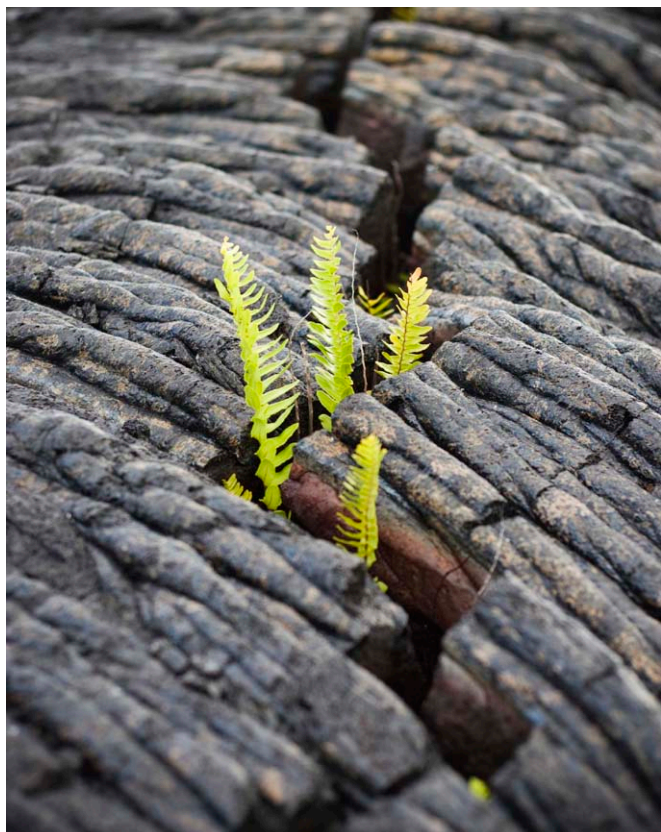
The survey shed light on many encouraging developments and signs of things to come. By and large, risk-focused executives appear to appreciate the seriousness of the moment — they have big plans in store and are aware that the attention of everyone from the board to the C-Suite is focused on risk. And yet just about each new week brings a fresh set of headlines indicating that some of the world's largest, most successful companies still have holes in their approaches to risk management. Taking swift action can help companies stay in the headlines for only the right reasons.



Methodology

This report is based on a survey of 192 U.S. executives from C&IP, life sciences, and TMT industries conducted by Forbes Insights in association with Deloitte. Roughly a quarter of respondents came from companies with revenues between \$1 billion and \$5 billion, a quarter from companies with revenues from \$5 billion to \$10 billion, a quarter from companies with revenues between \$10 billion and \$20 billion, and the rest from companies with revenues over \$20 billion.

The largest group of respondents (65) had titles of SVP/VP or director; the second-largest group (49) consisted of CEOs, presidents, and managing directors; followed by CFOs/treasurers and comptrollers (26). Their main functions were finance (93) and corporate management (81).



Special thanks

Forbes Insights and Deloitte would like to extend their gratitude to the following executives for sharing their views and expertise on ERM with us:

- Luis Custodio, chief risk officer and VP Pensions Management, IBM
- Daniel Hamburger, president and CEO, DeVry
- William (Bill) Keevan, senior advisor, Chess Consulting LLC, and audit committee chair, DeVry
- Rick Kulevich, senior director, Ethics and Compliance, CDW
- Elizabeth Truelove McDermott, VP, Audit, Ethics and Compliance, DeVry
- Jeffery Williams, VP and Assistant General Counsel, Pfizer Inc.
- Ann Ziegler, CFO and senior vice president, CDW

Contacts

Donna Epps

U.S Co-Leader
Governance and Risk Management
Deloitte Financial Advisory Services LLP
+1 214 840 7363
depps@deloitte.com

Scott Baret

Global Financial Services
Industries Leader
Enterprise Risk Services
Deloitte & Touche LLP
+1 212 436 5456
sbaret@deloitte.com

Rita Benassi

Partner and U.S. Tax Leader
Governance & Risk Management
Deloitte Tax LLP
+1 203 761 3740
rbenassi@deloitte.com

Mark Carey

Partner
Deloitte & Touche LLP
+1 571 882 5392
mcarey@deloitte.com

Michael Fuchs

Principal
Deloitte Consulting LLP
+1 973 602 5231
mfuchs@deloitte.com

Henry Ristuccia

U.S. Co-Leader, Governance and Risk Management
and Global Leader, Governance, Risk, and Compliance
Deloitte & Touche LLP
+1 212 436 4244
hristuccia@deloitte.com

Kevin McGovern

Managing Partner
Governance, Regulatory & Risk Strategies
Deloitte & Touche LLP
+1 617 437 2371
kmcgovern@deloitte.com

Sandy Pundmann

Partner
Deloitte & Touche LLP
+1 312 486 3790
spundmann@deloitte.com

Nicole Sandford

Partner
U.S. Center for Corporate Governance
Deloitte & Touche LLP
+1 203 708 4845
nsandford@deloitte.com

This document contains general information only and Deloitte is not, by means of this document, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This document is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. In addition, this document contains the results of a survey conducted in part by Deloitte. The information obtained during the survey was taken "as is" and was not validated or confirmed by Deloitte. Deloitte shall not be responsible for any loss sustained by any person who relies on this document.

About Forbes Insights

Forbes Insights is the strategic research practice of Forbes Media, publisher of Forbes magazine and Forbes.com. Taking advantage of a proprietary database of senior-level executives in the Forbes community, Forbes Insights' research covers a wide range of vital business issues, including: talent management; marketing; financial benchmarking; risk and regulation; small/midsize business; and more.

Bruce Rogers, Chief Insights Officer

Brenna Sniderman, Senior Director

Christiaan Rzy, Director

Kasia Moreno, Editorial Director

Tatiana Serafin, Author