

Dealing With The Unknown: Are Boards Ready?

“Very rarely does a good board and good management team sit down and say, ‘What you are doing is the best and everything else is wrong.’ You have to bring some healthy skepticism to your own process, to your own progress and challenge yourself. The board and the management have to really test themselves.”

SURYA MOHAPATRA

Independent Director, Xylem Inc. and Leidos Inc.;
Former Chairman and CEO, Quest Diagnostics

The legal and regulatory issues associated with tech-driven innovation are accelerating so fast that 55% of executives believe that boards and management will need to devote more attention and resources to them. Additionally, 53% believe that understanding the legal and regulatory issues associated with advanced technologies will be key to maintaining a competitive advantage in the future.

However, most respondents to our survey acknowledge that they have a long way to go. Currently, less than half believe they have strong in-house capabilities to deal with the legal and regulatory issues of tech-driven growth. Additionally, when looking at specific technologies, only 52% believe their boards have a high level of expertise in automation, 49% in big data and 45% in connected devices (Figure 10).

All of which suggests that management teams and boards need new skill sets and possibly a more creative way of thinking about risk strategy. Leaving this to the next generation may be too late.



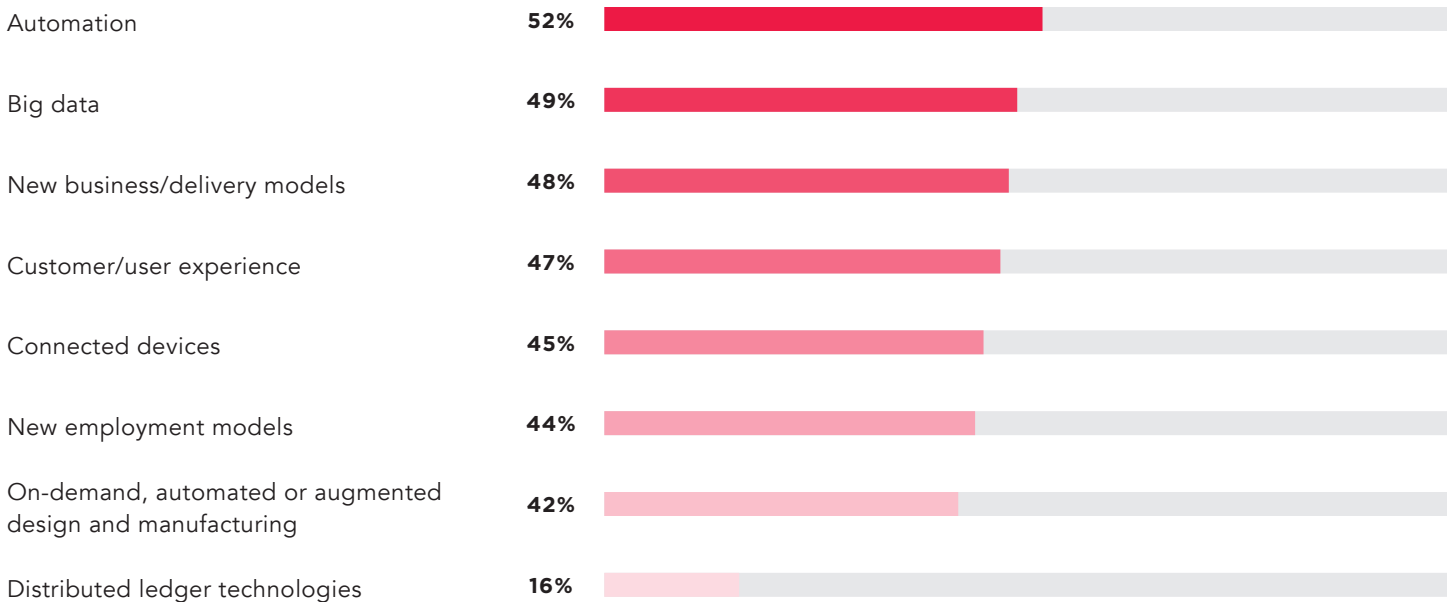
believe understanding the legal and regulatory issues of advanced technologies will be key to maintaining a competitive advantage

FIGURE 10

Preparing To Deal With The Unknown

In your opinion, what is the level of expertise across your board of directors regarding the following issues?

(% high or very high)



How do you assess your current in-house capabilities in terms of the legal and regulatory issues relating to tech-driven growth?

(% good or substantial capabilities)

