



Why COVID-19 demands rethinking the risk mindset?



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Building a better
working world

Leaders that embrace data and analytics can gain deeper insights into emerging risks

Around the world, governments are lifting lockdowns as COVID-19 curves flatten. But this crisis is far from over and experts warn we are in for a volatile, prolonged recovery period. As businesses bring workforces back and restart operations, they will need to adopt a new, agile and data-driven approach to risk if they are to survive the next phase of this pandemic.

Will new threats outpace your risk management?

Leaders that do not adopt a data-driven, analytics-enabled approach to risk will struggle to get ahead of a fast-moving landscape and build resilience for an uncertain future.

<20%

of board members are extremely confident in risk reporting from management.

Source: EY Global Board Risk Survey, April 2020



Why EY

EY teams give you the confidence to recover faster and the freedom to plan for the future.

You can't predict a crisis but you can build the resilience to mitigate its impact. We'll help you build a data-driven approach to risk so you can respond faster and recover stronger.

Navigating a saw-toothed economic recovery

As the world's economy recovers, we envision a slow-paced, uneven recovery trajectory with varying rates of growth for sectors and geographies, and periods of acceleration offset by setbacks. This saw-shaped return to growth demands organizations be more flexible, resilient and adapt fast. As they adapt operations and build resilience, businesses will need an enhanced approach to risk that encompasses agility and harnesses data.



Key actions to recover stronger

Adapt operations

1. Reinstate and update risk governance and internal controls to ensure they are still fit for purpose.
2. Supplement the risk function with trusted data and analytics to inform fact-based decisions and long-term planning.
3. Embed integrity and trust-by-design into the risk mindset and culture of the organization.

21%

of boards were “very satisfied” with their effectiveness in overseeing changes to the risk landscape (pre-COVID-19).

Source: EY Global Board Risk Survey, April 2020

Increase resiliency

1. Stress test scenarios as part of contingency planning and prepare for potential new waves of COVID-19.
2. Realign risk management frameworks to ensure they have the agility and flexibility to cope with a changing landscape.
3. Don't neglect other megatrends and associated risks. Other threats to business, such as climate change, will return to prominence and may affect risk strategies.

42%

of CFOs have no contingency plans for a second wave of COVID-19.

Source: Gartner, 28 April 2020



Respond faster. Recover stronger. Reframe your future.

In a global crisis that impacts every part of the business, EY has the global network and whole-of-business approach to lead you through each stage of COVID-19 and beyond. We'll help you build a more resilient, data-driven risk mindset to navigate this ongoing crisis and prepare for future uncertainty.

Key actions

- ▶ Reinstate risk governance and internal controls with a focus on managing existing risks to rebuild trust.
- ▶ Supplement the risk function with next-generation capabilities built on trusted data and analytics.
- ▶ Undertake contingency planning for various potential scenarios and its associated impact on customers, employees, third parties and other critical functions.
- ▶ Realign risk management frameworks with the new normal even as the drivers of the current crisis recede.
- ▶ Keep an eye on other megatrends, such as climate change, and their associated risks.

Contact the EY Risk team to learn how we can help increase your company's resilience and reframe its future.

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About EY

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