

The Board Imperative: How can data and tech turn risk into confidence? (PART 2)



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Effective use of data and technology to manage and report on enterprise risks is a top priority that differentiates leading businesses.

(CONTINUED FROM PREVIOUS EDITION)

Artificial intelligence can also assist businesses in modeling and understanding connections between risks, for example, by using it to automate basic risk research; identify important risk statements in unstructured documentation; and undertake casual analysis to identify risk interdependencies. These insights are then presented in easy to comprehend formats via dashboards to senior management and boards. Importantly, an improved understanding of the intricacies of risk helps to develop more effective mitigation measures.

“There are some powerful tools emerging that can be used for risk management. But are they really being used for risk management at the moment? It's up to the board to find out.”

Craig Jackson

Board Director and Audit Committee Chair, Paloma Rheem Global

Finally, software platforms can also be utilized for risk-management tasks such as data collection and continuous monitoring. By housing key risk and compliance data from multiple parts of the business in a single source, the data can be made easily accessible for everyone, including boards.

Tech is a priority, but hurdles remain

Encouragingly, 69% of businesses plan to increase their level of investment in data and technology for risk management in the next 12 months. And, when presented with a series of initiatives that enhance enterprise resilience, boards identify the use of data and technology as their top priority.

As they ramp up investment in technology, businesses will have to address a number of challenges, which are dependent on their level of maturity. For those at the beginning of the journey, our research shows the main obstacle is a lack of the necessary skills to utilize data, technology and analytics effectively. Risk management teams must include data scientists and specialists to determine which technology is needed, implement it effectively and ensure it is used to its maximum potential. Depending on the ability to hire within, organizations may want to outsource this process to businesses with existing expertise in the area.

Global Board Risk Survey

69%

of businesses plan to increase their investment in data and technology for risk management.

But recruiting for the right skills is just half the battle. Businesses will also need to upskill non-technical roles to help these workers take advantage of emerging tools and data. They will also need to think carefully about how humans and technologies, such as artificial intelligence, can work together effectively.

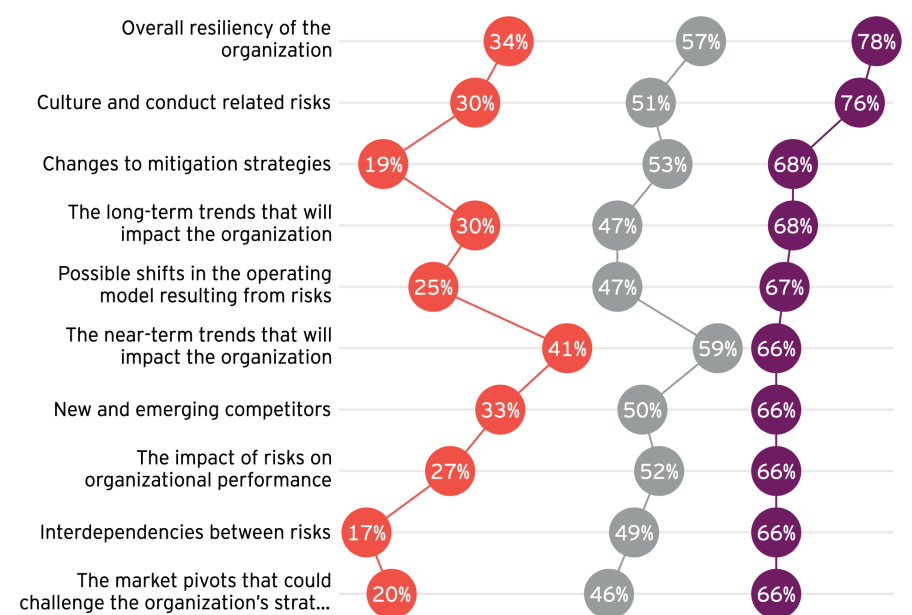
For more mature companies, who today already effectively leverage data and technology, one of the top challenges our research found is integrating multiple datasets from disparate sources, so that risk analytics and reporting form a cohesive and comprehensive picture. ■

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Leading companies are significantly more confident in their risk reporting to the board

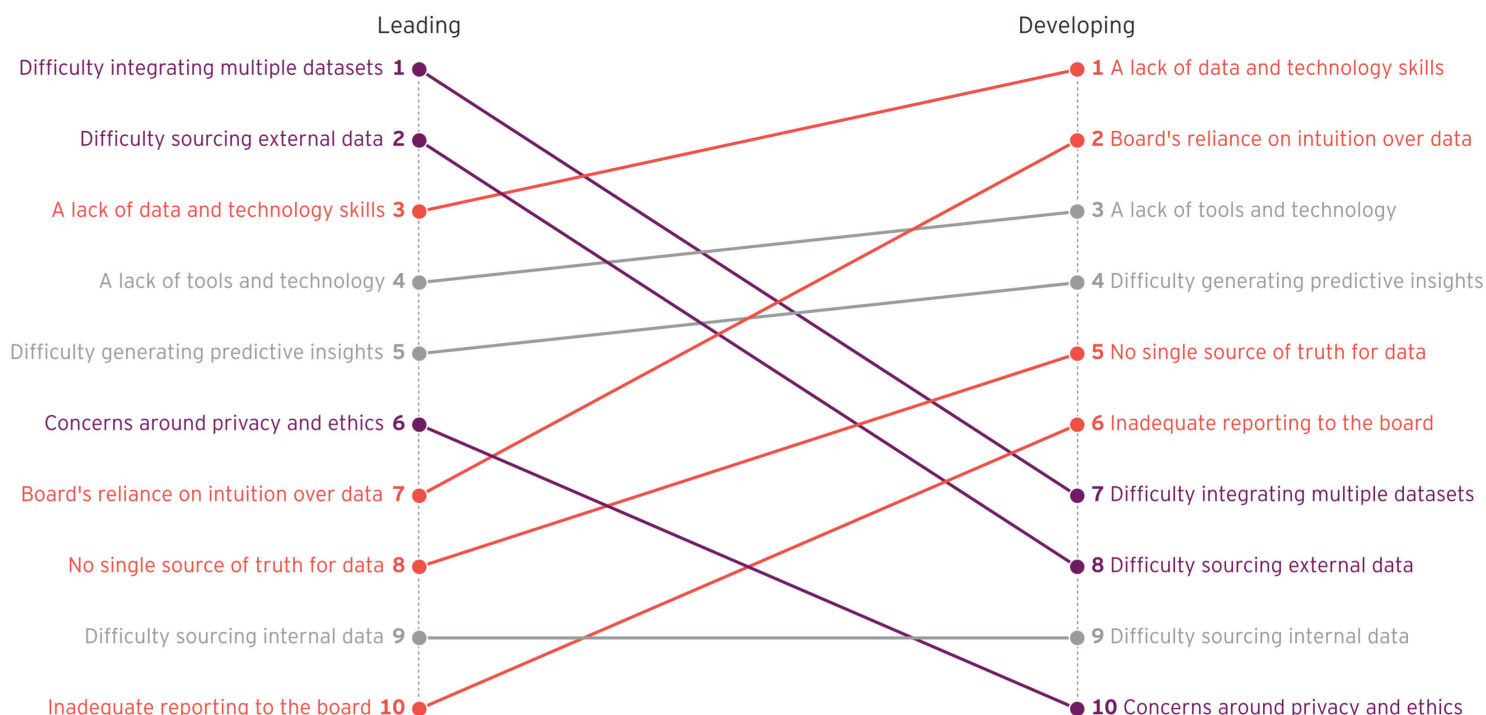
Percent of respondents that are confident

Company ● Developing ● Improving ● Leading



Concerns and obstacles to being data-driven differ by company maturity

Ranking of the greatest obstacles to more data-driven risk management



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