



Evaluating Post-Pandemic Risks

More Companies See Pandemic as Representative of Broader Risks

% saying statement closer to their view about future decision-making

...exposed new risks and vulnerabilities that require a **significant change** in how businesses like mine think about the future

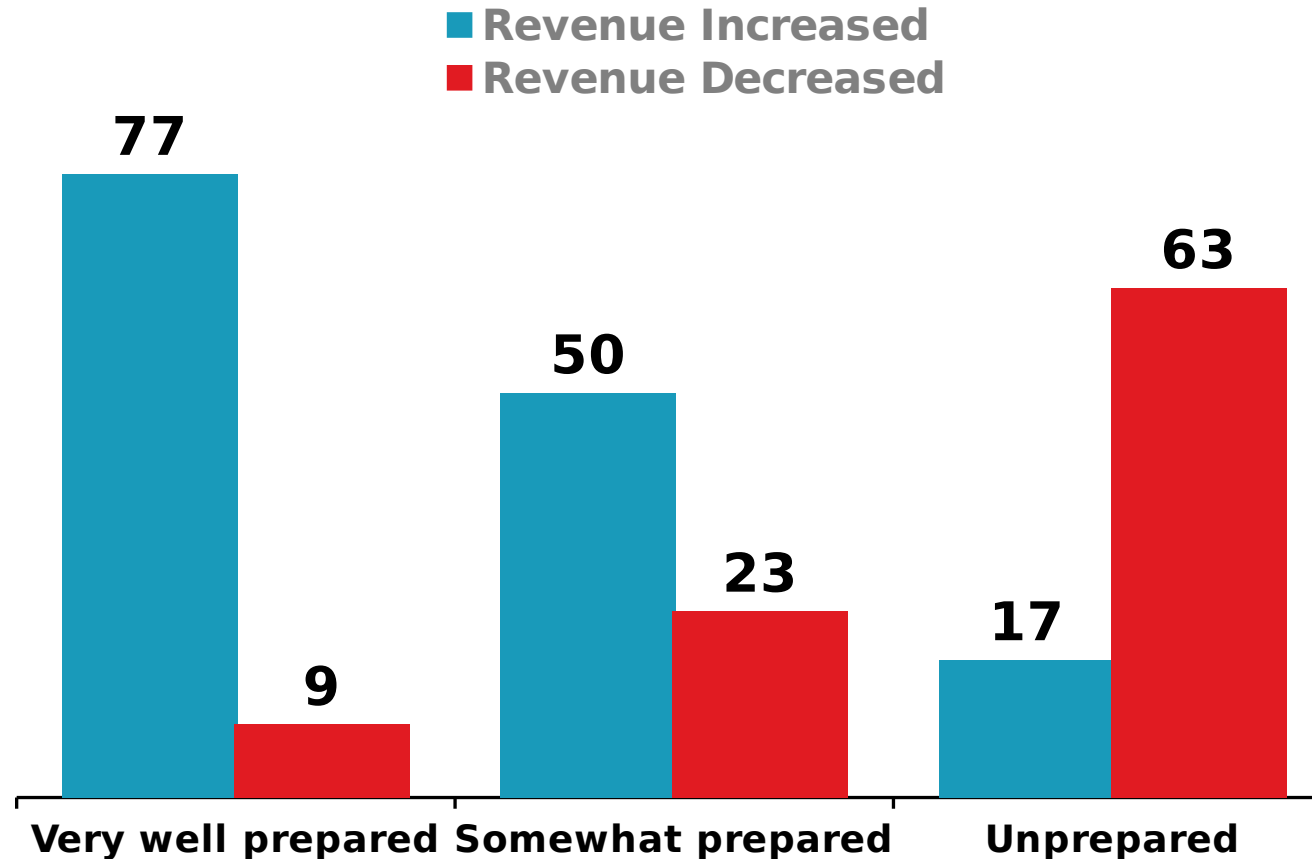
...one-time event and **shouldn't change** how businesses like mine make decisions or prepare for the future



Which of the following comes closer to your view?

Companies that Prepared Profited

Preparation for coronavirus pandemic by 2020 revenue change



Please estimate your business revenue in the first half of 2020 compared to the first half of 2019

In general, how prepared was your company to deal with the coronavirus pandemic?

Those Very Prepared Had Been Focused on a Range of Different Threats

Execs that spent a great deal of time evaluating issues Pre-COVID

■ Businesses that say they were very prepared
■ Businesses that say they were unprepared

Please indicate how much time and resources your business spent evaluating these issues and considering their impact on decision-making?

The Well Prepared Are Applying Forward Their Approach to Threats

Factors that will have a great deal of an impact on business over next 5 years

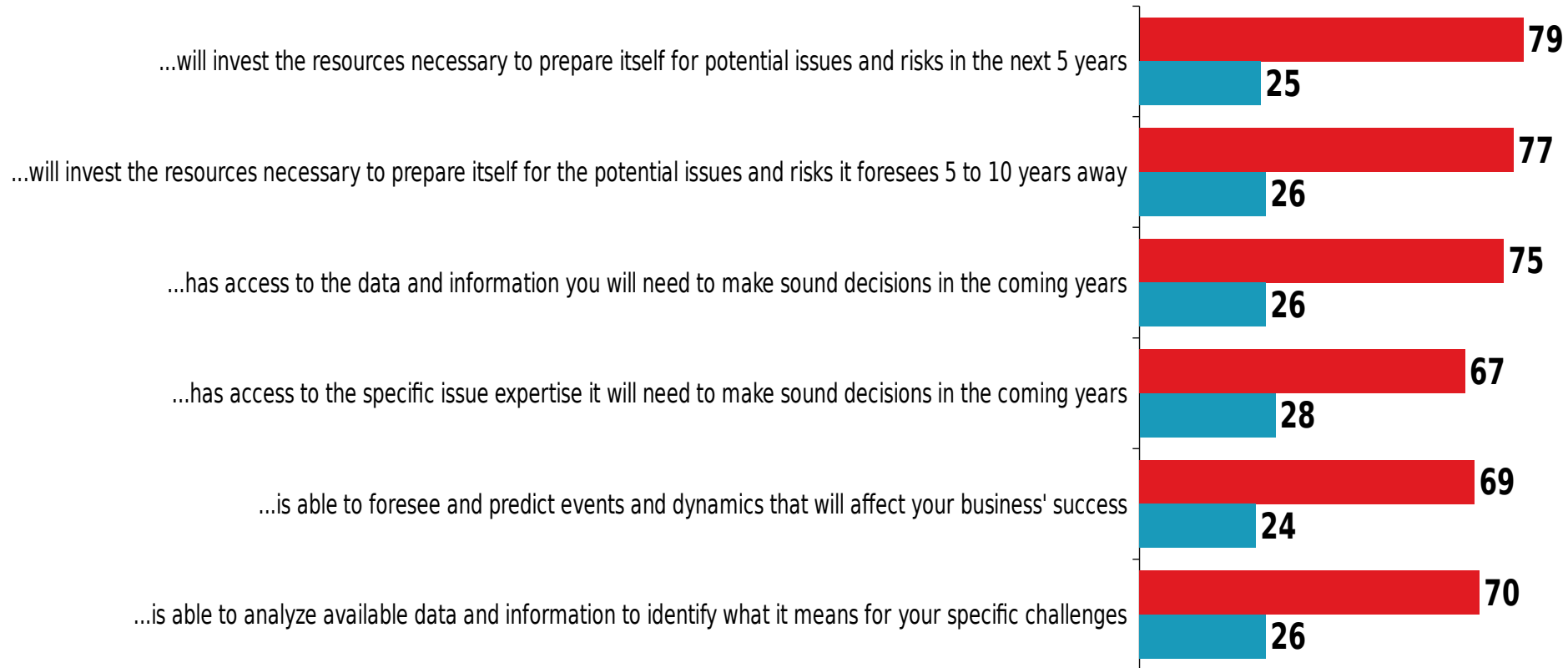
■ Businesses that say they were very prepared
■ Businesses that say they were unprepared

Please indicate how big an impact you expect each to have on your business over the next five years?

Preparation Underpins Confidence in the Future

Executives very confident their company...

■ Businesses that say they were very well prepared



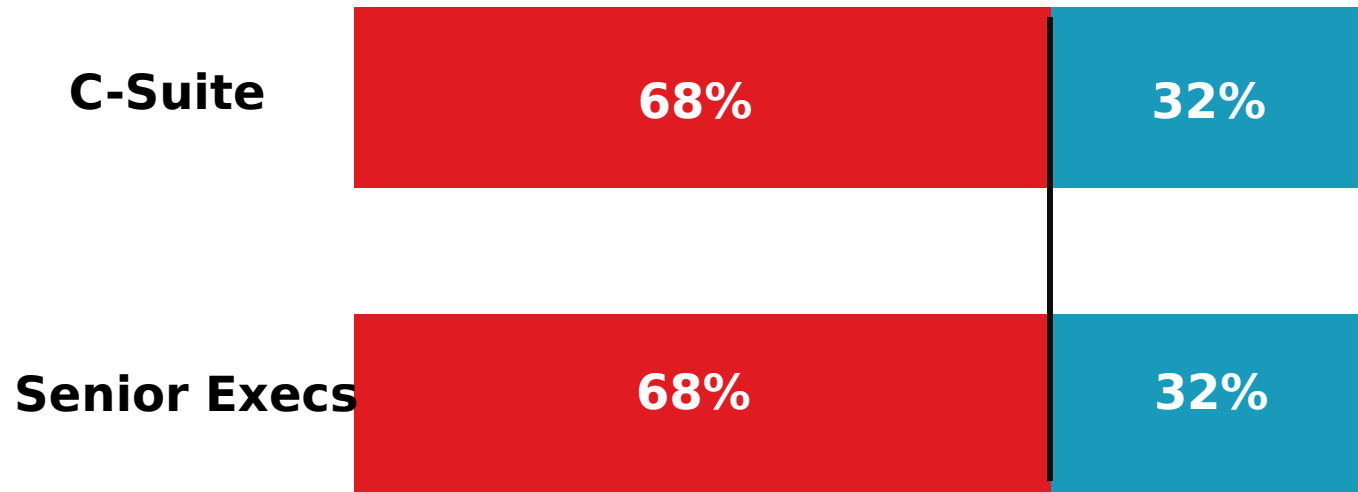
How confident are you that your company...

C-Suite and Sr. Execs Share the Belief that COVID Isn't a One-Time Event

% agreeing that the COVID-19 Pandemic...

*..exposed new risks and vulnerabilities that require a **significant change** in how businesses like mine think about the future*

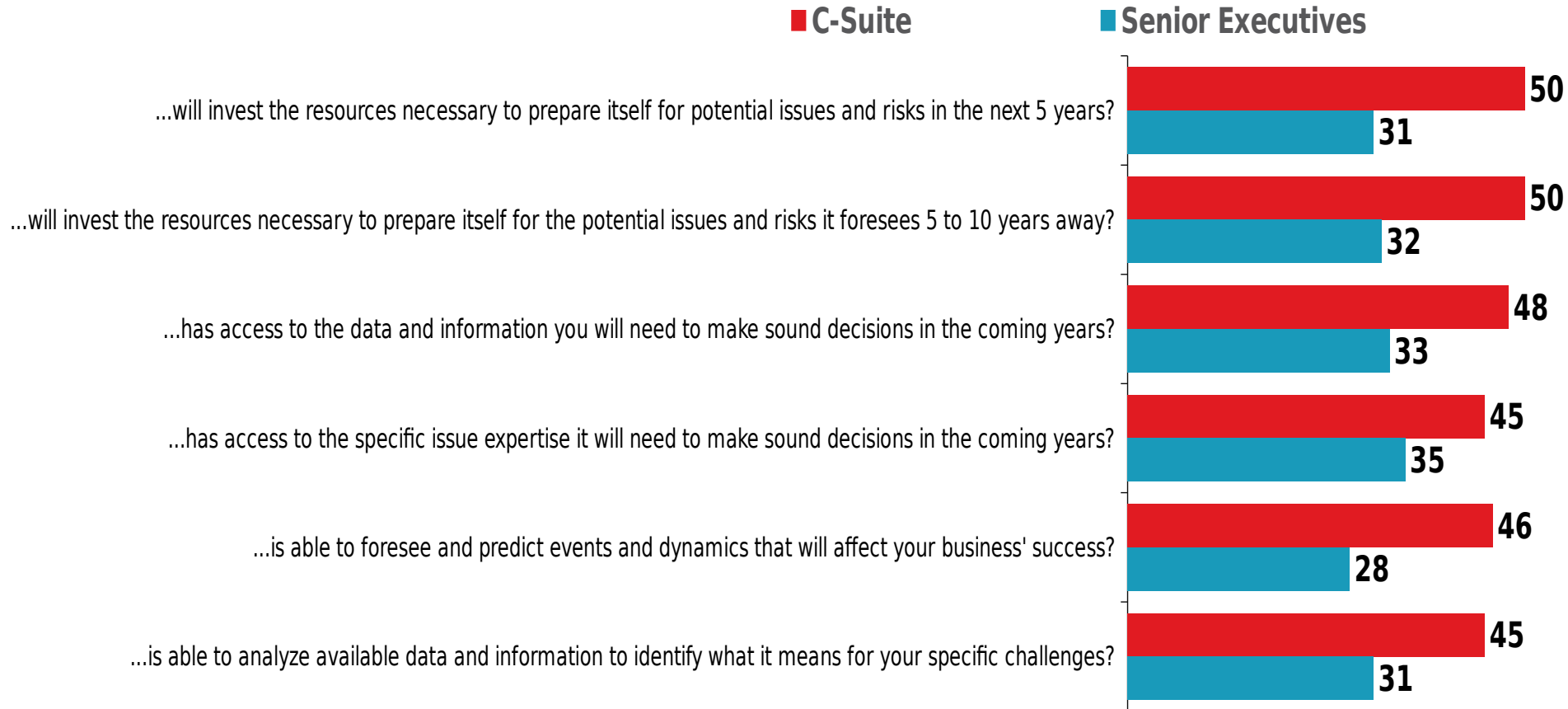
*...a one-time event that **shouldn't change** how businesses like mine prepare for the future*



Which of the following comes closer to your view?

But C-Suite Confidence in the Future isn't Shared by Sr. Executives

Executives very confident their company...



How confident are you that your company...

Key Survey Findings

- **As traumatic as the COVID-19 pandemic has been, business leaders in the US and EU say it has not been the only disruption they've had to manage, with about as many naming competitive threats—both from traditional and new sources—as having a significant impact on their business this year.**
- **The experience leading their businesses through the pandemic has awakened business leaders to a wider range of threats they will face and the need to address them.**
 - About two-thirds of business leaders both in the US and EU say that the pandemic has exposed new vulnerabilities that require significant changes in how they prepare.
 - Leaders say that preparedness will require widening the range of threats considered as well as expanding the number of executives responsible for anticipating them.
- **Only a minority of leaders in both US and EU say they were “very well prepared” for the pandemic.**
 - Those who say they were more prepared reported a broader awareness of and preparation for risks across the board, from health care costs to cyberthreats to workforce disruption.
 - The implication is that preparedness is less a matter of predicting which threat will hit, but an attentiveness to the process and discipline of preparing for threats in general.
- **There are significant gaps between C-Suite perspectives and those of senior executives.**
 - C-Suite leaders are less likely to say the pandemic has had a large impact on their business this year and express confidence in their ability to prepare for what's ahead.
 - Senior executives, who were more likely to be dealing with the day-to-day changes forced by the pandemic are both more focused on its impact and less confident in their companies' ability to

The 3 Things Strong Companies Did and are Doing to Prepare for the Future

1

PREPARE FOR ALL RISK

Companies that were most prepared for COVID were those already investing resources into evaluating threats ranging from governmental policy to IP protection. **Dealing with unexpected risks is easier when preparing for expected risks.**

2

WATCH THE COMPETITION

Among companies that gained revenue in 2020, the focus was not on COVID – it was on the actions of their competitors. Among industries that were most prepared for COVID, protecting intellectual property and investing in new technology holds as much importance as planning for the next financial crisis. **The threat of being left behind or outperformed should not be lost in a crisis.**

3

DON'T OVERREACT

The strongest companies are looking to the future with risks in mind, but they aren't just looking at the pandemic. Instead, these companies are placing the pandemic in the same tier of risk as threats to their brand or changes in their workforce. **Planning for the future requires balance, not reacting to the events of this year.**