

# THREATS AND RESPONSES

Disruptive change is accelerating across today's business world—and many executives are just trying to keep up.

## DIGITAL DECISIONS

**4 OF THE TOP 10**  
incumbents in every industry will be replaced by digital disruption by 2020, according to business leaders around the world. But only a small number of companies are being proactive about these threats.

**45%** of companies do not view digital disruption as worthy of board-level attention.

**43%** either have not acknowledged the risk of digital disruption or have not addressed it sufficiently.

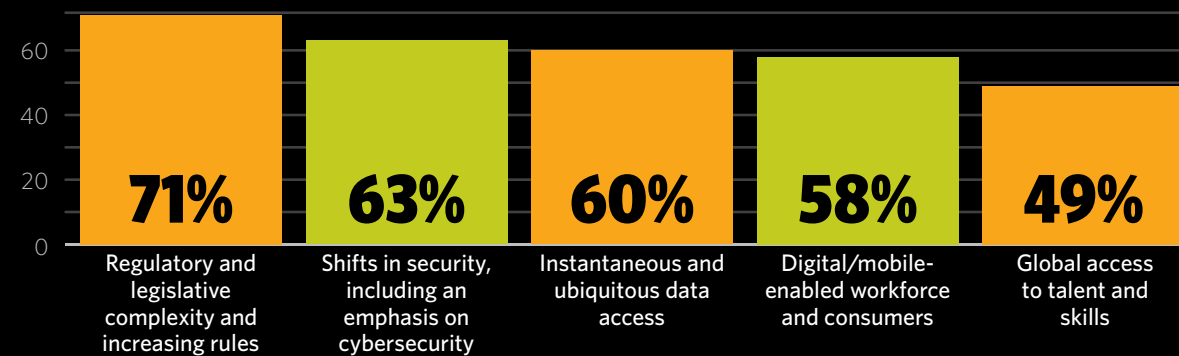
**NEARLY 1/3** are taking a "wait and see" approach, hoping to emulate successful competitors.

**ONLY 25%** describe their approach to digital disruption as proactive—meaning they are "willing to disrupt themselves in order to compete."

## RESPONDING TO CHANGE

More than three-quarters of executives see disruption as constant and likely increasing.

The biggest sources of potential disruption they see, in order of impact:



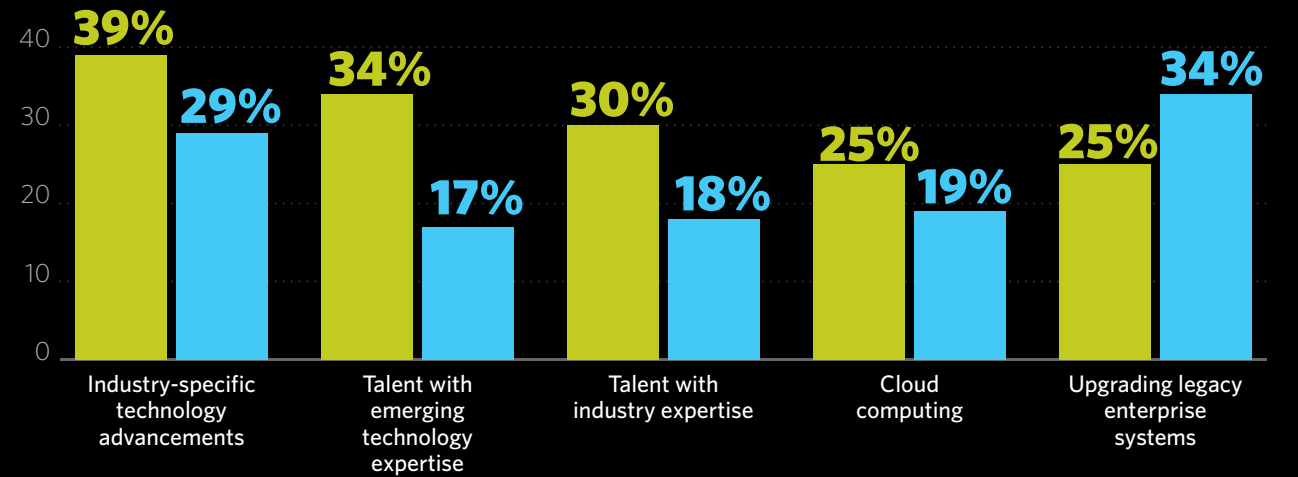
How do executives plan to respond and adapt?\*



\*Due to rounding, numbers do not add up to 100.

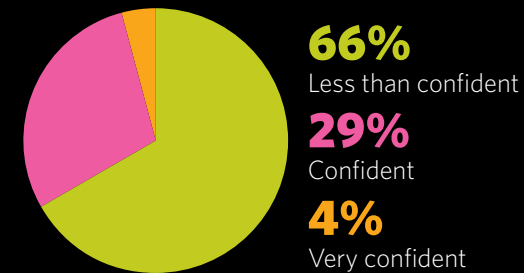
The world's fastest-growing organizations are investing in the right talent and technologies:

● Fastest-Growing Firms ● Slowest-Growing Firms



## THE VIEW FROM THE BOARDROOM

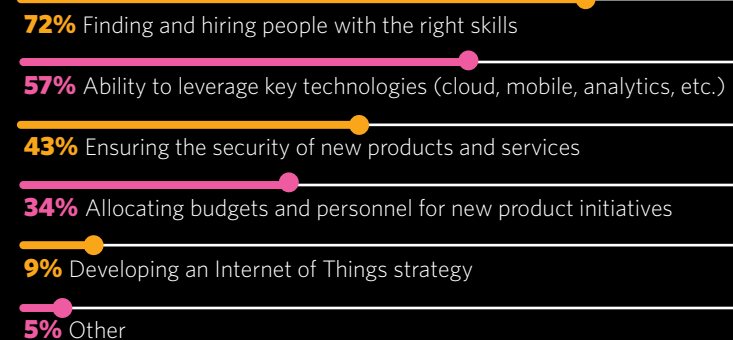
Most directors lack confidence in their company's ability to prevent cyberattacks.



**More than 80%** of directors of public companies surveyed say cybersecurity is discussed at almost every board meeting.

But **one in ten** say it is only discussed after an internal or industry incident.

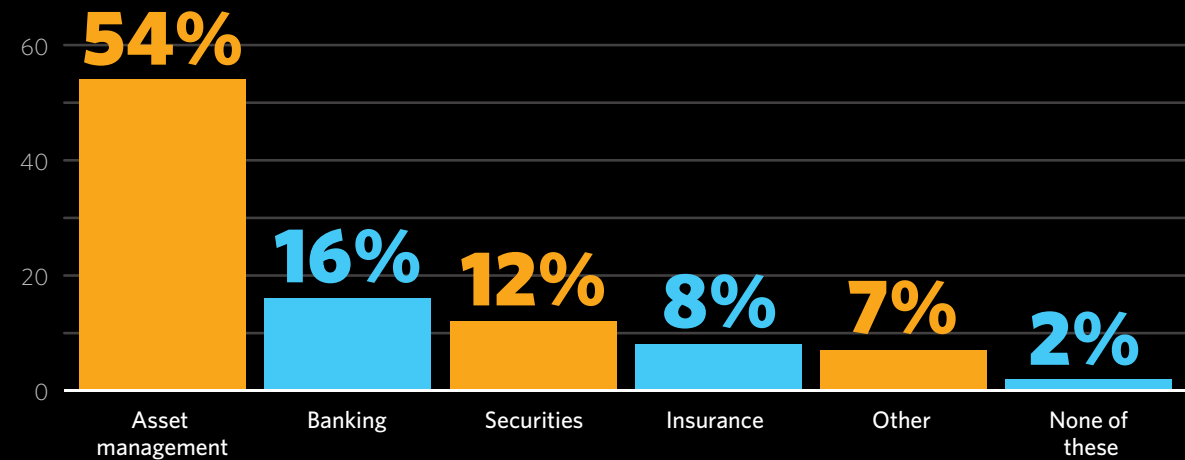
The major barriers directors see that prevent keeping up with security innovations:



### FINTECH'S FUTURE

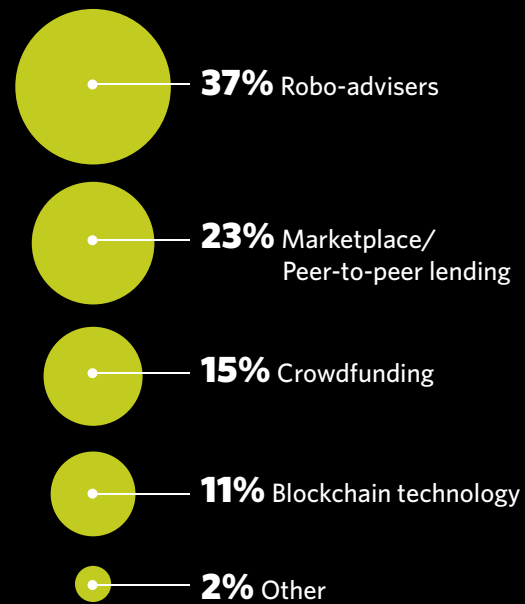
The financial services industry is ripe for disruption, according to a global survey of CFA Institute members.

Which sector do you think will be most affected by automated financial advice tools?\*

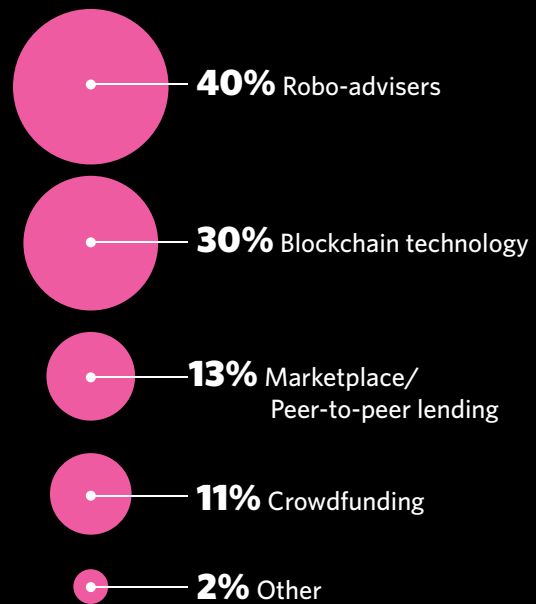


Which technology do you see as having the greatest impact on the financial services industry...

#### 1 YEAR FROM NOW?



#### 5 YEARS FROM NOW?



\*Due to rounding, numbers do not add up to 100.

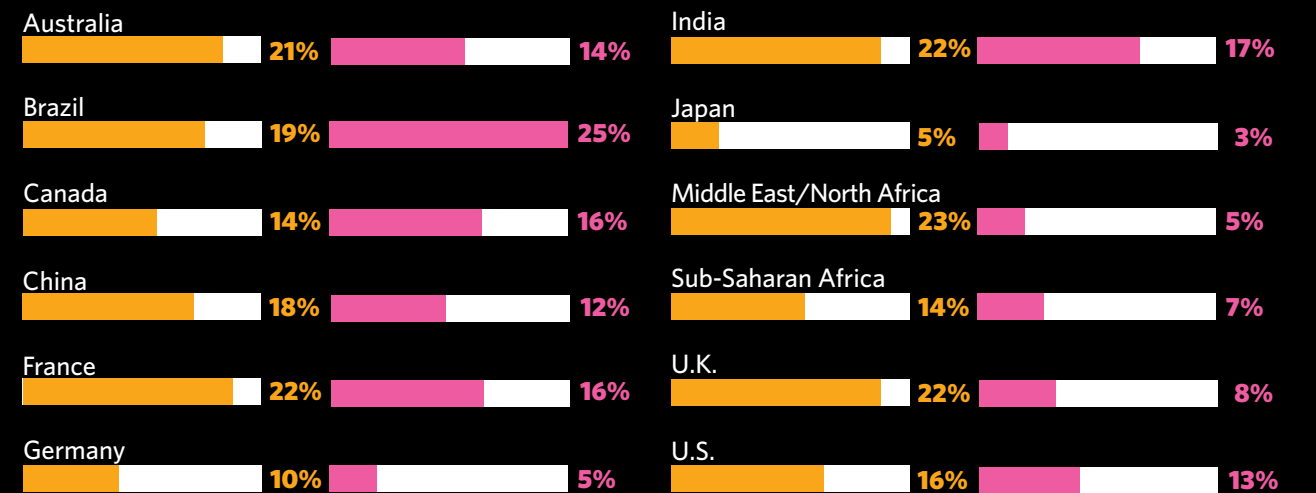
### MAKE NO LITTLE PLANS

A majority of entrepreneurs see themselves as changing business as usual.



The portion of entrepreneurs viewing themselves in these ways varies by location:

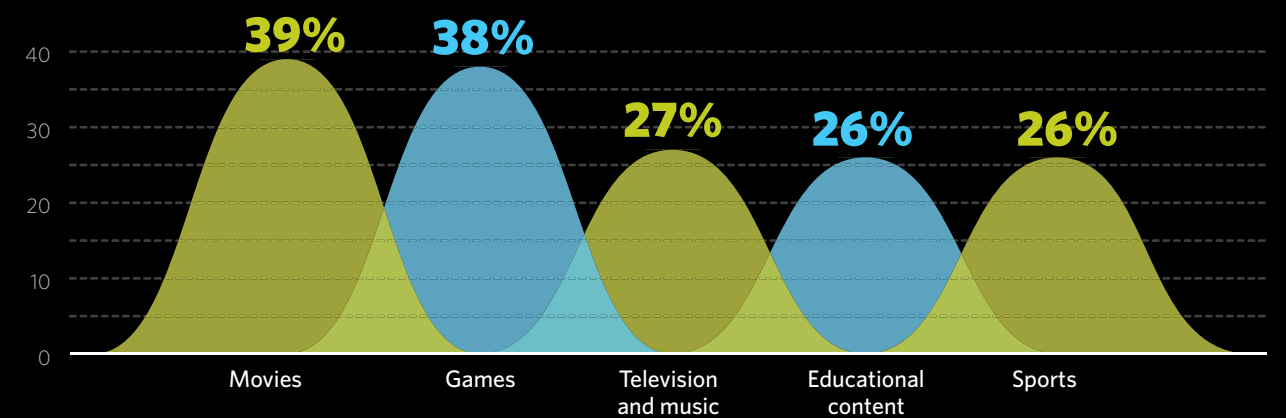
Global total: Percent in most disruptive category 17% Percent in most innovative category 13%



### A NEW KIND OF REALITY

Virtual reality will likely disrupt much more than just the video game sector.

How do consumers want to use virtual reality?



Sources: Global Center for Digital Business Transformation, *Digital Vortex: How Digital Disruption Is Redefining Industries*, 2015; KPMG, *Succeed in Constant Change*, 2015; KPMG, *Harnessing Disruption for Growth*, 2015; NYSE Governance Services, *Cybersecurity in the Boardroom*, 2015; CFA Institute, *Fintech Survey Report*, April 2016; EY Global Job Creation Survey 2016; Futuresource Consulting, *Virtual Reality—Niche or Mass Market?*, 2016; BusinessWire.com.