



EY Center for Board Matters

Top priorities for boards

April 2018



Building a better
working world

Priorities for boards

In 2017:

1	Overseeing competitive strategy in a world of disruption and convergence
2	Seizing opportunity while enhancing risk management
3	Navigating the dynamic geopolitical and regulatory environment
4	Optimizing long-term capital allocation strategies
5	Embracing the talent agenda and the workforce of the future
6	Strengthening board composition through strategic alignment

Updates for 2018:

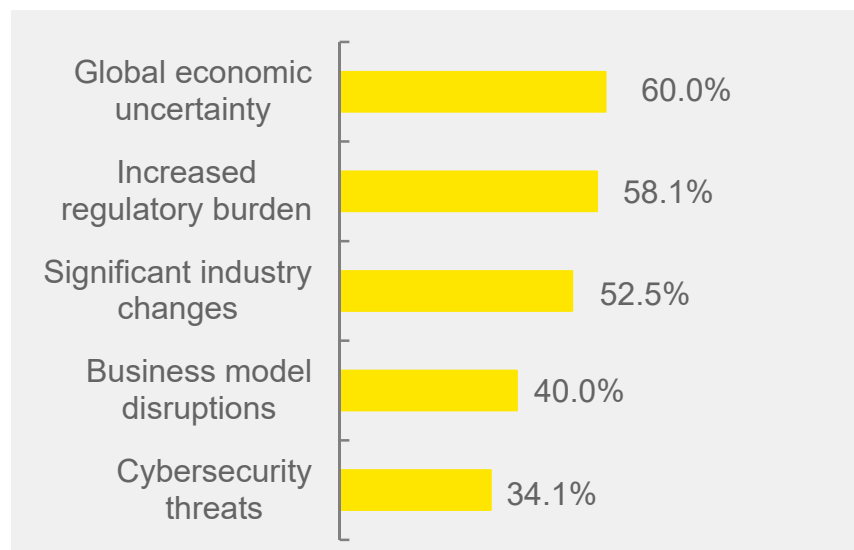
1	Understanding technology's impact on strategy, business models and cybersecurity
2	Anticipating and planning for geopolitical and regulatory changes
3	Aligning risk management with strategy and operating performance
4	Balancing short- and long-term capital allocation pressures from shareholders
5	Overseeing culture and talent in a time of innovation and transformation
6	Engaging with stakeholders on long-term governance and environmental and social issues
7	Accelerating board effectiveness through composition, structure and assessments

Directors' outlook on key business trends

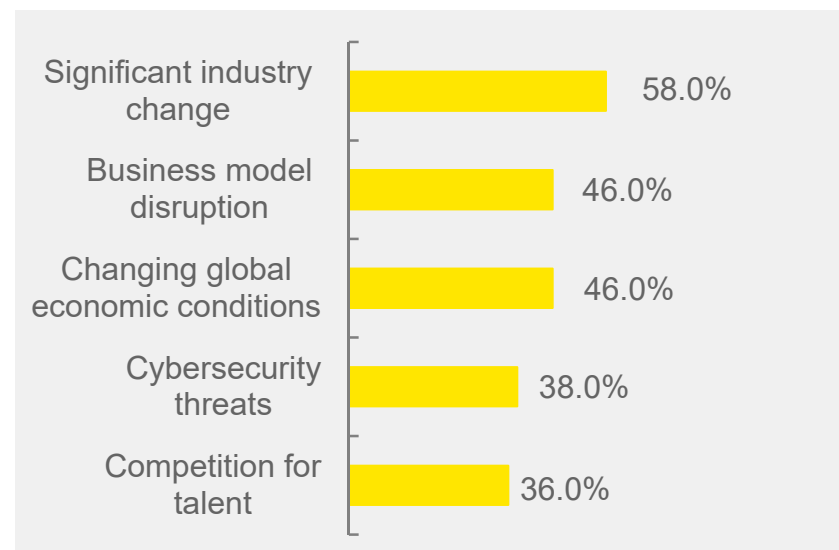
What five trends do you foresee having the greatest effect on your company over the next 12 months?

Respondents could select up to five trends. Bars represent the percentage of respondents selecting a trend. Only the five most widely shared trends are shown.

2016–2017



2017–2018



Source: NACD Public Company Governance Surveys.

Oversight of cyber risk

NACD, in conjunction with AIG and the Internet Security Alliance, has identified five steps boards should consider as they seek to enhance their oversight of cyber risks.

1. Directors need to understand and approach cybersecurity as an enterprise-wide risk management issue, not just an IT issue.
2. Directors should understand the legal implications of cyber risk as they relate to their company's specific circumstances.
3. Boards should have adequate access to cybersecurity expertise, and discussions about cyber-risk management should be given regular and adequate time on board meeting agendas.
4. Directors should set the expectation that management will establish an enterprise-wide, cyber-risk management framework with adequate staffing and budget.
5. Board-management discussions about cyber risk should include identification of which risks to avoid, which to accept, and which to mitigate or transfer through insurance, as well as specific plans associated with each approach.

Source: "Cyber-Risk Oversight," *Director's Handbook Series*, prepared by Larry Clinton (NACD, 2017).