

Risk Areas for Corporate Boards - Betsy Atkins

By Directors & Boards



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Betsy Atkins, board member for Wynn Las Vegas and Volvo Car Group, explores prominent risks for corporate boards.

Which major risk areas are public company boards preparing for at this time?

Cybersecurity is a major risk area right now for public company boards. Perhaps it's time to look at increasing the budget for cyber and adding external services to augment internal company monitoring capabilities. Also think about rotating regular boutique cyber penetration testing to mitigate risk. Another major challenge is attracting, engaging and retaining talent in a hybrid work



What do you consider to be the best

practices for identifying company risks before it is too late to prepare and the board is in crisis mode?

One of the best ways to think about company risk preparation is to have a meeting dedicated to reviewing what management identifies as their top ten risks. For example, if you were a restaurant company, your risks might include tainted food supply/food poisoning, loss of consumer credit card information, a mass shooter onsite, etc. Go through the top ten risks and ask management what their plan is for each. One of the best exercises is to ask the CEO and company spokesperson to go through social media and video practice sessions, actually

recording and practicing responses to risks. Identify your social media resources, along with traditional crises management consultants.

Are there potential risk areas you see coming down the line that boards should be keeping an eye on?

A less obvious but really impactful risk (especially longer-term) is the threat of new, more innovative startup interlopers. Nobody wants to wake up and find out they're Blockbuster or Borders. Purposefully request an outside-in look at new competitive entrants and what different business models or go-to-market channels are emerging. For example, although it may not be obvious now, how are you thinking about web 3.0 or the metaverse and how this could possibly affect your business directly or in some adjacent way? What if the CEO is unexpectedly ill or has a personal crisis, or there are negative events surrounding your CEO and the CEO needs to be rapidly replaced? Who is the successor? How ready is your successor?