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GLOBAL HORIZONS

The View from the C-Suite: Geo-Political and Economic Challenges

July 09, 2020



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Topics and issues we will be discussing today

- How has the COVID-19 pandemic changed the global economic outlook?
- What impact will the pandemic have on corporate operations longer-term?
- What are the greatest sources of geopolitical risk for companies?
- Are firms sufficiently prepared to manage political risks?

Today's Panelists & Moderators



David Kelly
Chief Global Strategist
J.P. Morgan



Courtney Rickert McCaffrey
Global Geostrategic
Business Group Deputy
Insights Leader
EY



Juergen Tinggren
Chairman of the Board of
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Megha Kumar, Ph.D.
(Co-Moderator)
Deputy Director of Analysis
and Senior International
Political Risk Analyst
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Ilaria Maselli
(Co-Moderator)
Senior Economist
The Conference Board

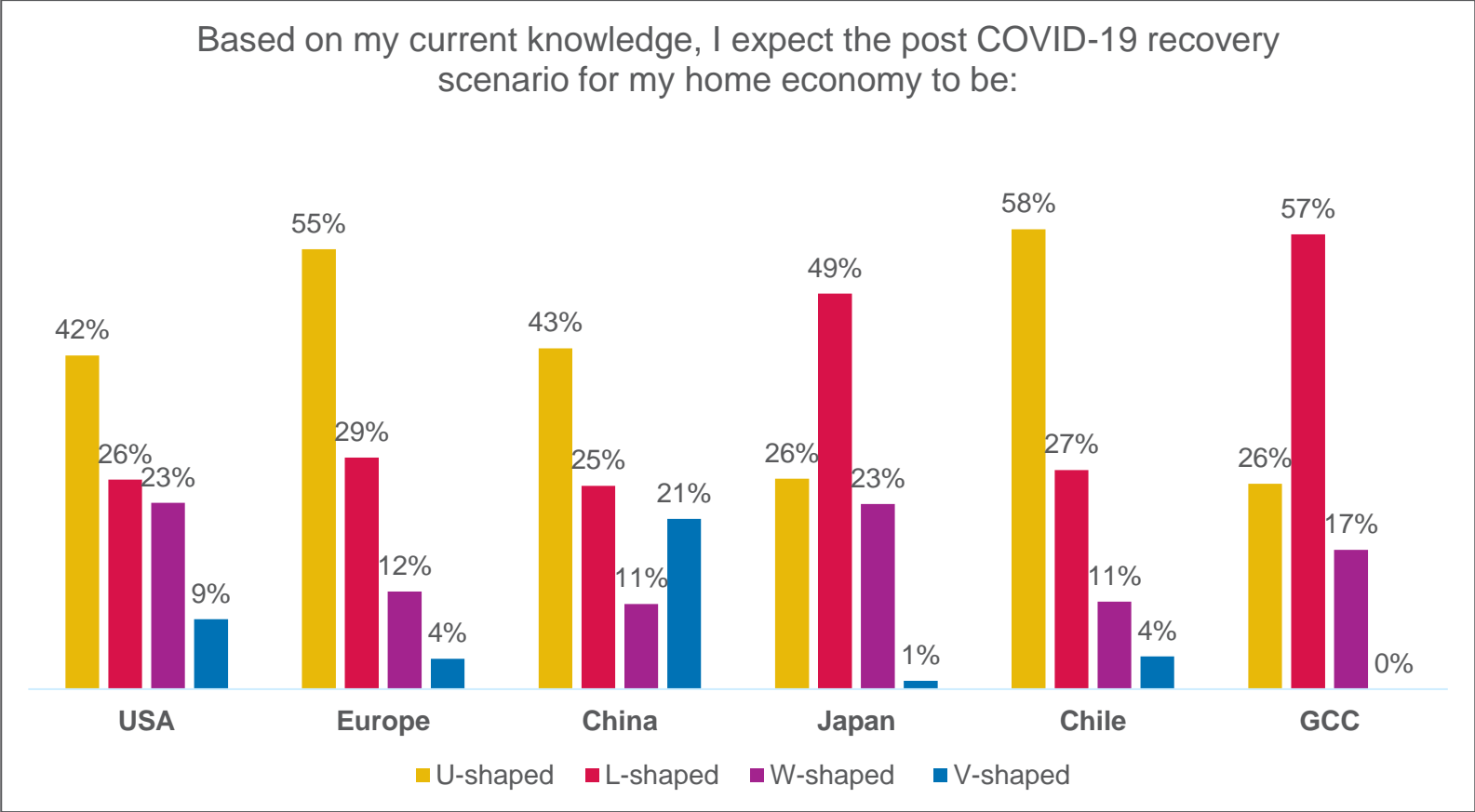


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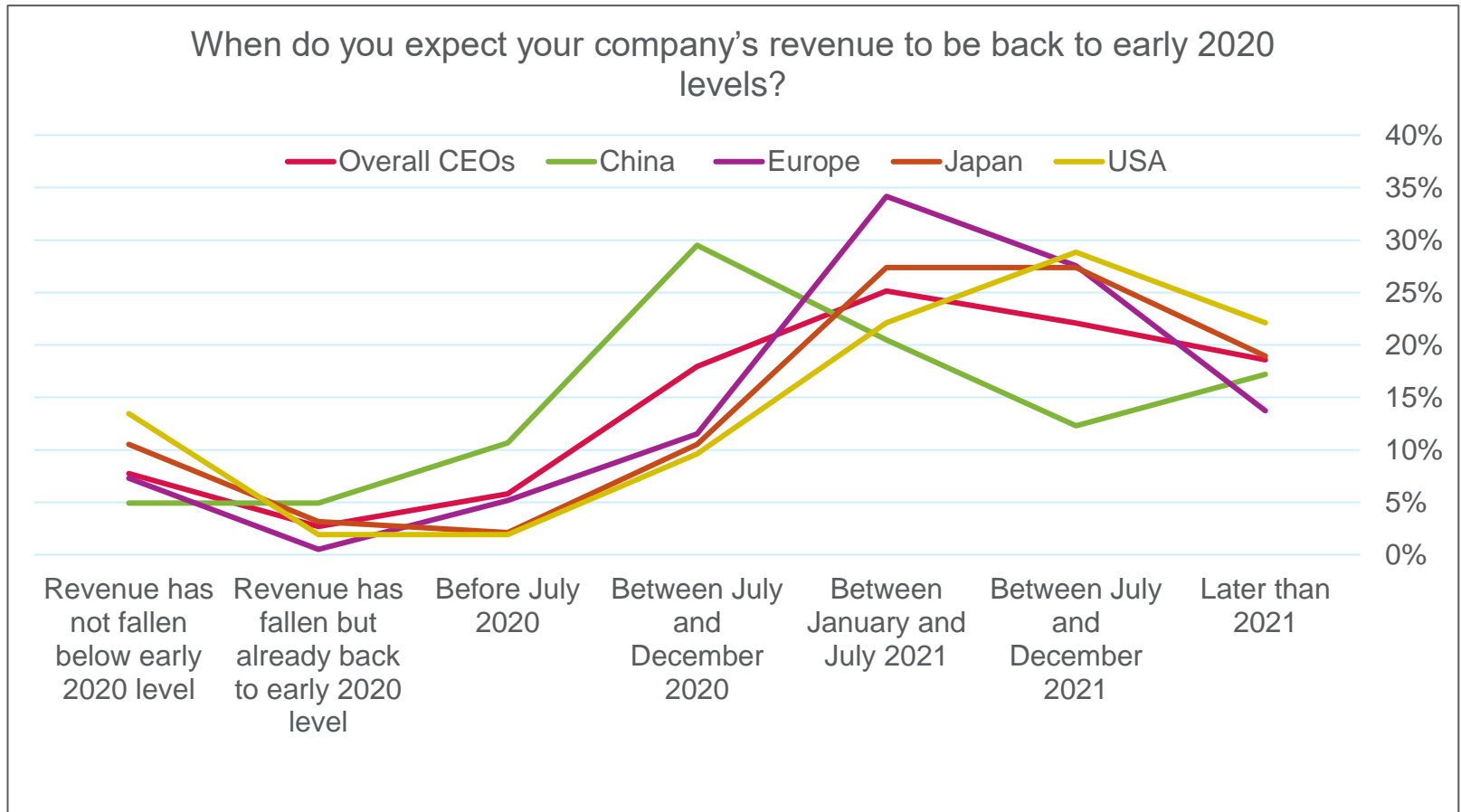
Most CEOs worldwide expect the recovery from the COVID-19 shock to be U-shaped



Source: The Conference Board, C-Suite Challenge, COVID-19 special edition



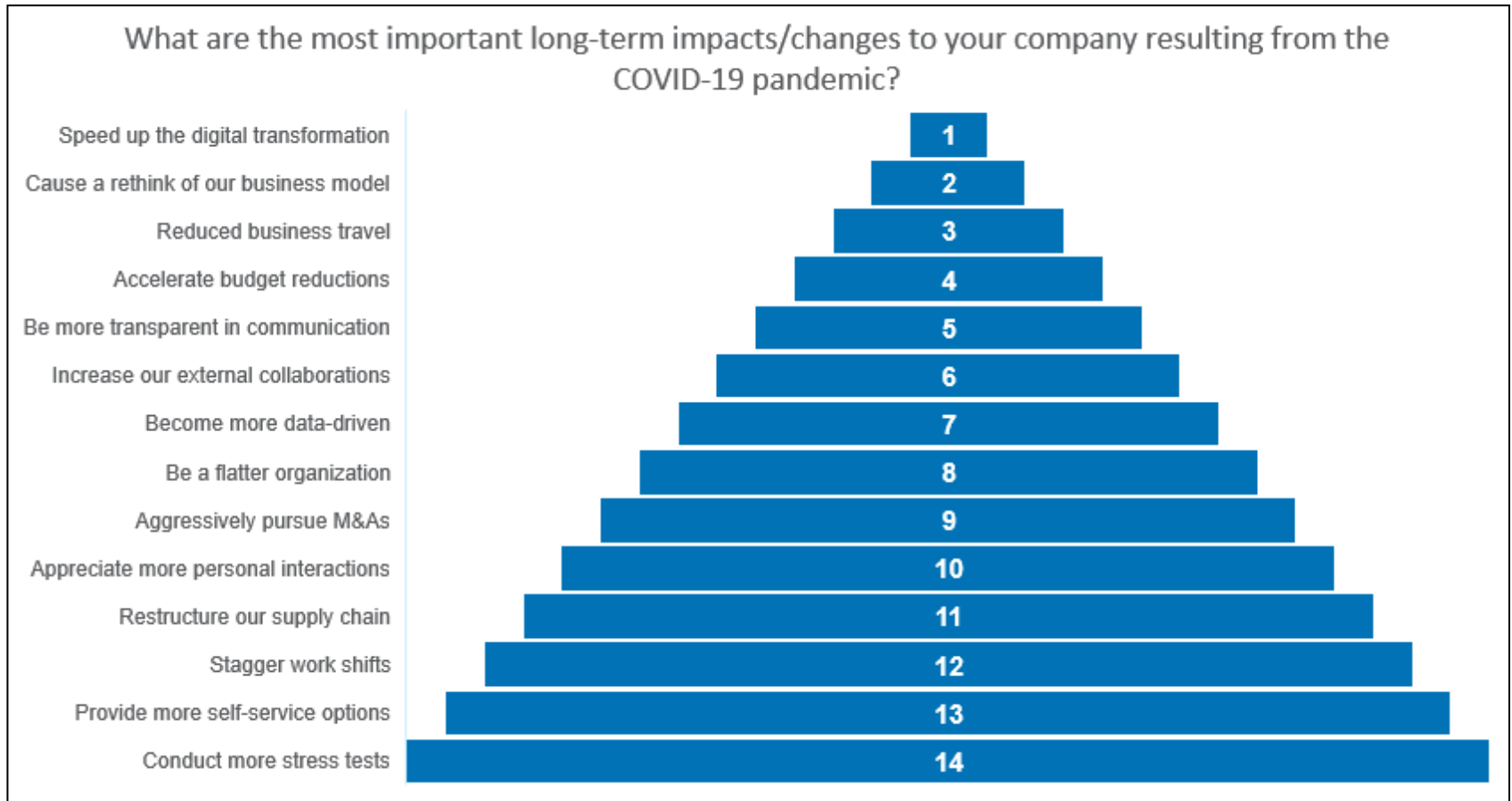
CEOs in China are more optimistic on the possibility of an earlier return to pre-pandemic revenue levels



Source: The Conference Board, C-Suite Challenge, COVID-19 special edition



COVID-19 crisis is an opportunity to accelerate digital transformation. CEOs think this time is different.



Source: The Conference Board, C-Suite Challenge, COVID-19 special edition



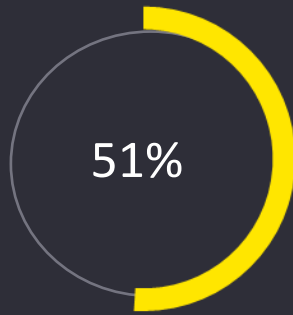
“Rethinking business models” is a top priority as customer preferences are changing, especially for service industries

	Manufacturing	Services	Finance
Speed up the pace of transformation into a digitally driven organization	1	2	1
Reduced business travel since videoconferencing has been effective for a majority of meetings	2	3	2
Accelerate cost management and budget reductions	3	4	3
Cause a rethink of our business model as customer preferences shift	4	1	4
Be more transparent in communication and information-sharing at all organizational levels	5	6	6
Be a flatter organization to de-centralize decision-making	6	9	6
Become more data-driven/make more data-driven decisions	6	7	5
Increase our external collaboration efforts with nontraditional partners	8	5	11
Restructure our supply chain by seeking intermediate goods suppliers that are closer to our home base	9	11	14

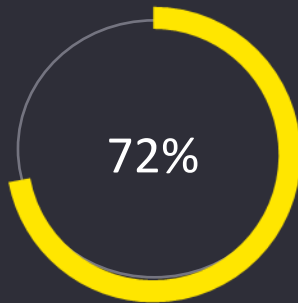
Source: The Conference Board, C-Suite Challenge, COVID-19 special edition



Political risks have risen dramatically ...

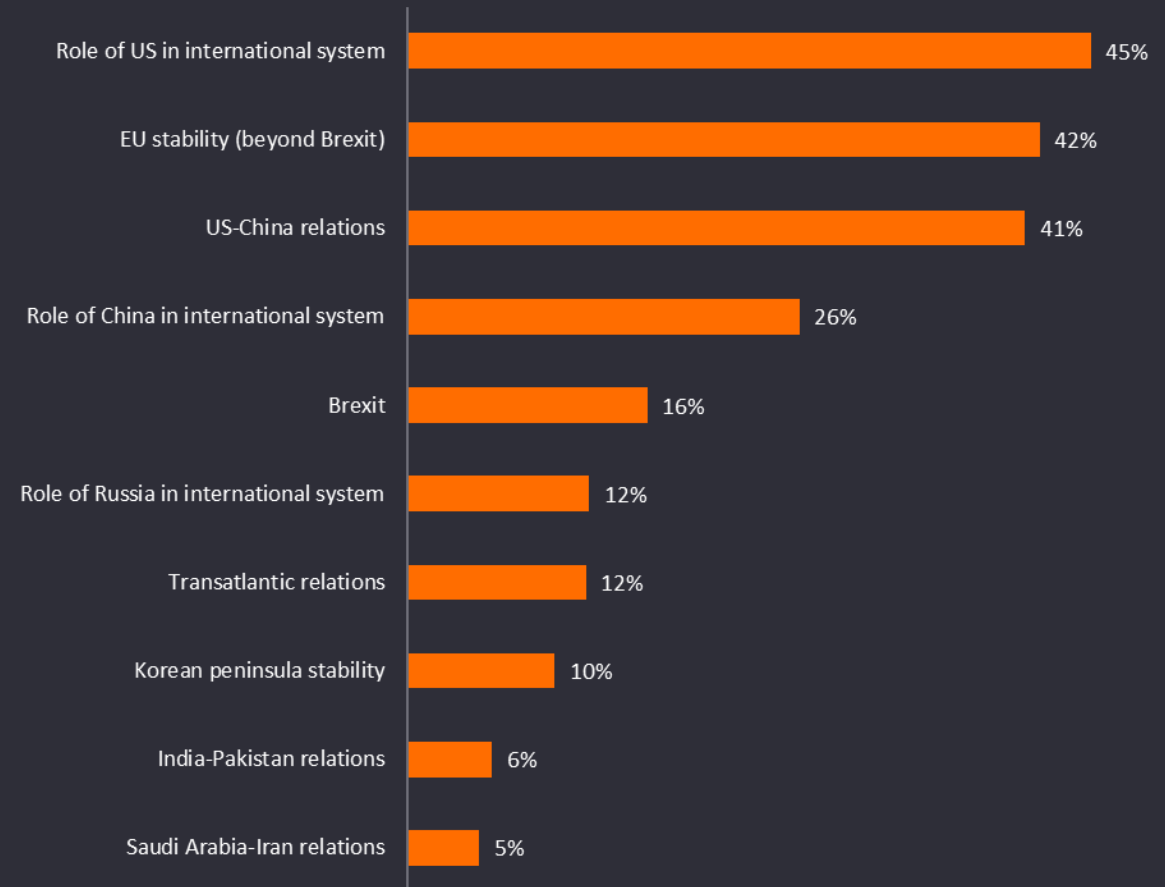


of executives say the effect of political risk on their company is higher or much higher than two years ago



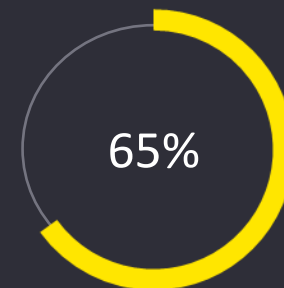
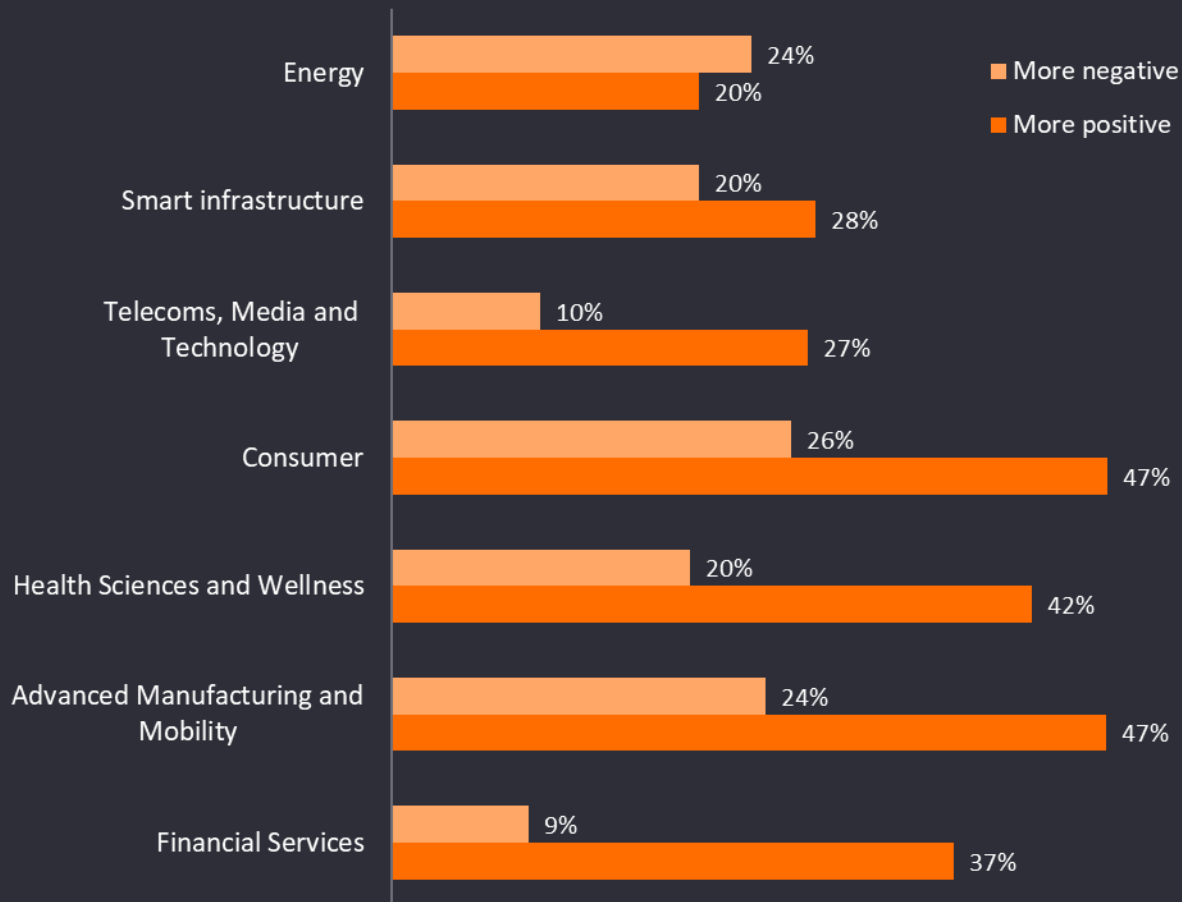
of executives at the largest companies say the same

The three emerging power blocs dominate executives' view of likely geopolitical risks

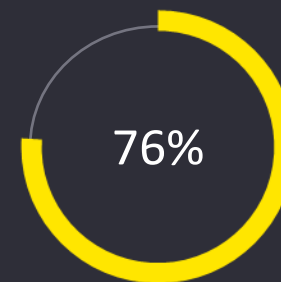


... with COVID-19 likely intensifying the focus on trade and technology

Negative effect of trade protections is stronger for companies in some sectors than others



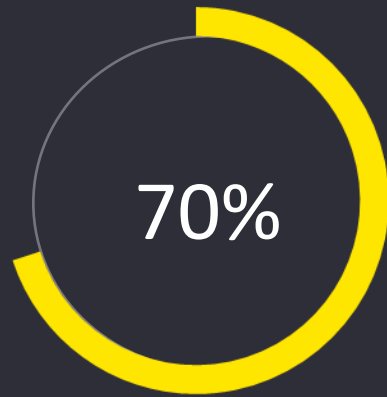
of executives say the **global tech industry and markets** are shaped by geopolitical competition, and ...



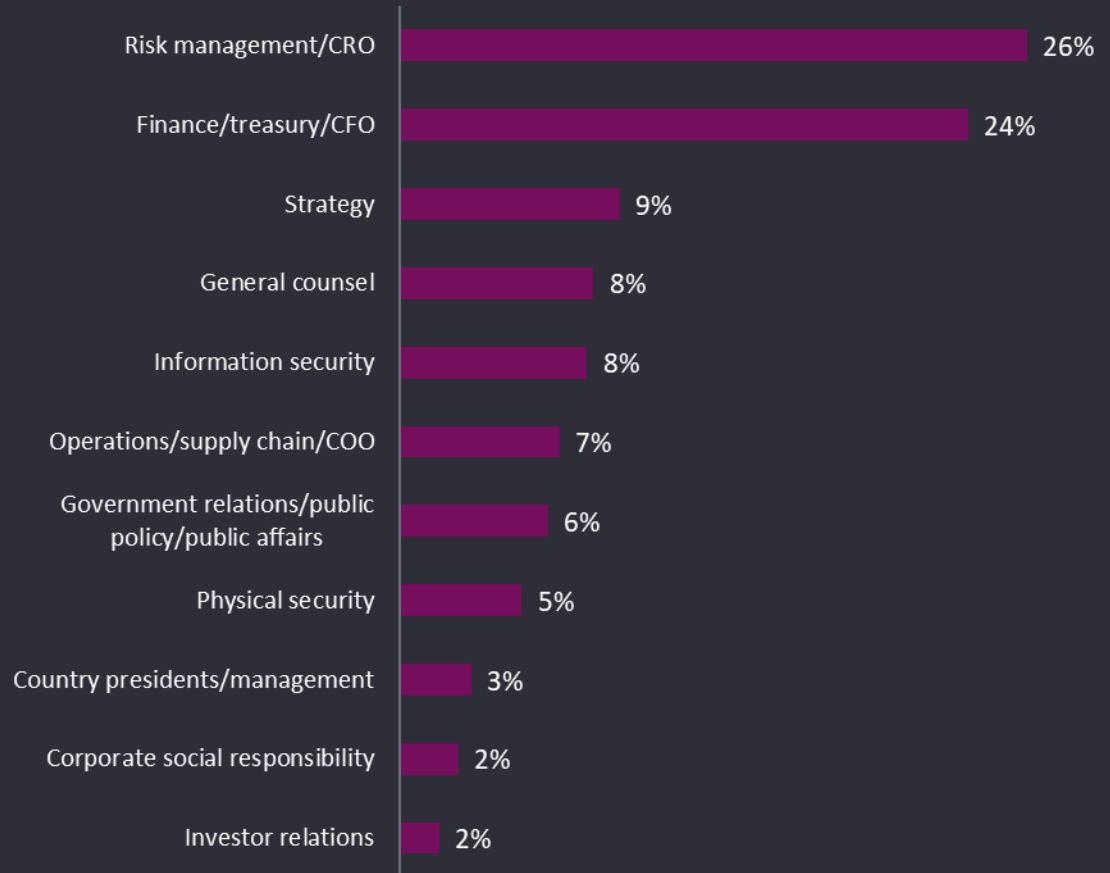
say technological innovation **accelerates geopolitical competition**

It is important to assign responsibility for political risk — and then empower those responsible

Most companies globally *assign* political risk ownership, but there is a strong lack of consensus in the C-suite about *who* should own political risk management

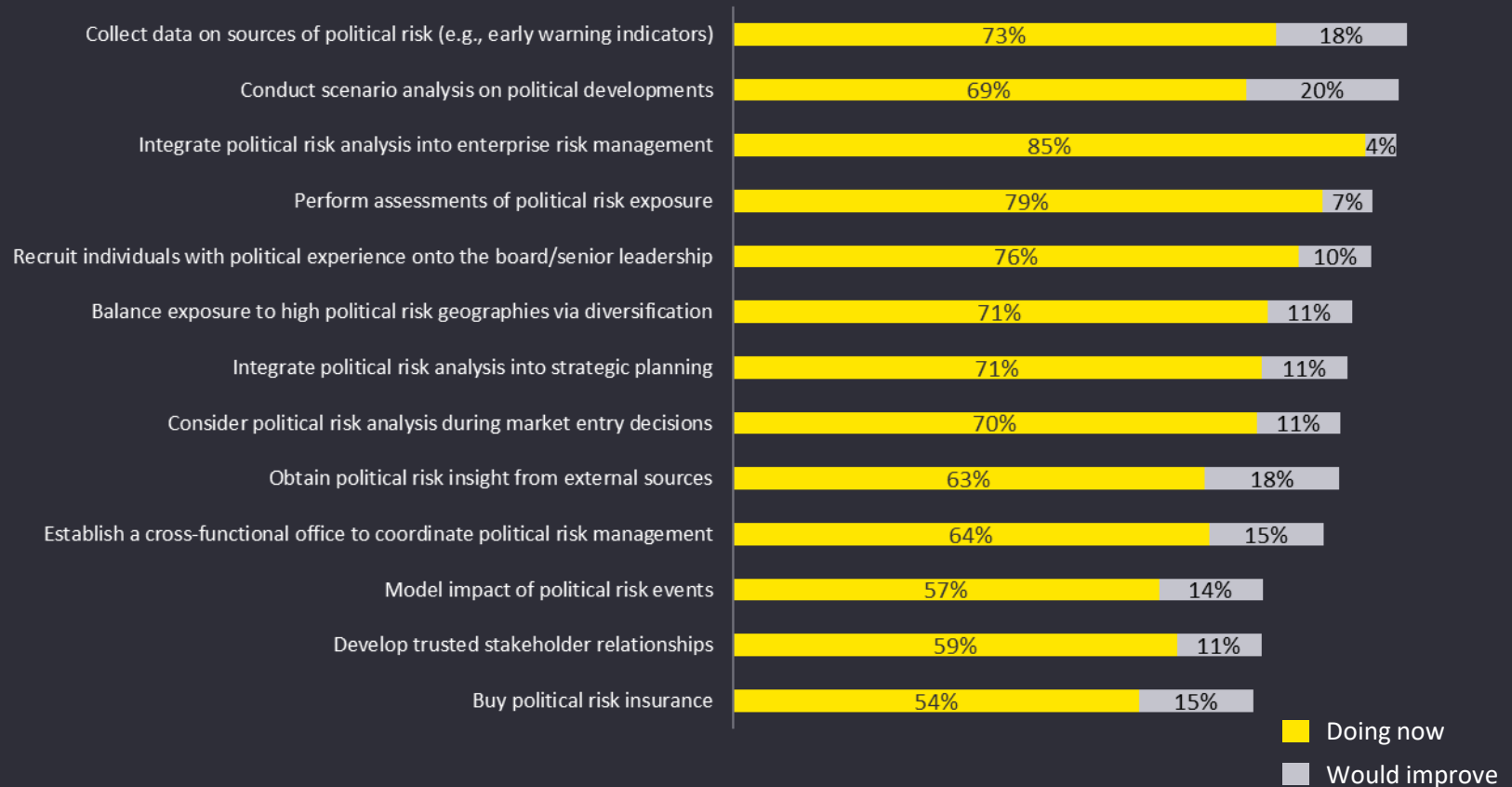


of executives say their company has an individual or function assigned responsibility for political risk management



Make sure you have the right tools for the job

Which of the following does your company do to manage political risk? For those business activities not done, to what extent would the following improve your company's ability to manage political risk?



Checking the box won't help the bottom line — companies need to integrate political risk management into their core

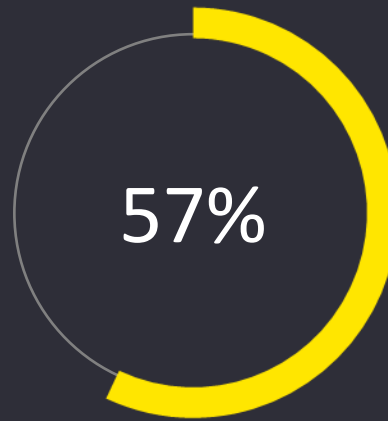
Board attention is crucial

...



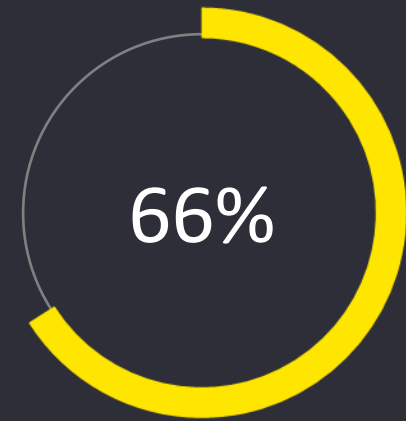
of boards are spending more time on political risk now than they did two years ago — rising to 63% of the boards of the largest companies

... as is communication ...



of executives say more dynamic process around communication of political risks would significantly or highly improve political risk management

... and breaking down silos



of companies that have individuals with political experience in leadership positions reporting that overcoming silos would improve political risk management

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COVID-19 & The Future Of Global Supply Chains

July 16, 2020 11:00 AM ET [11:00] (New York) / 4.00 PM (UK) / 5.00 pm (Brussels) / 11.00 pm (Singapore)



Douglas Bell
Global Trade Policy
Leader
EY



**Bart van
Ark** (Moderator)
Executive Vice
President & Global
Chief Economist;
The Conference Board

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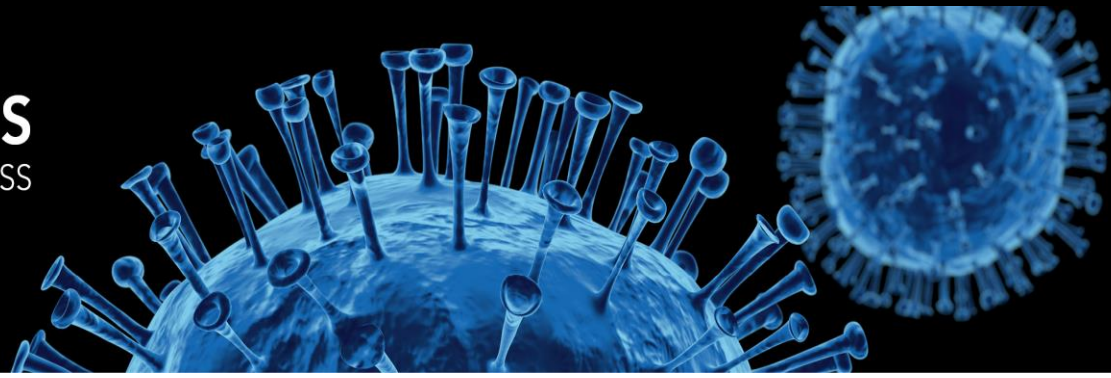
London, United Kingdom

March 23-24, 2021



Register at <https://globalhorizons.live/conference/>

COVID-19
CORONAVIRUS
IMPLICATIONS FOR BUSINESS



Want to hear more about this topic and how the spread of COVID-19 will impact business and the global economy?

The Conference Board has gathered insights and learnings from our thought leaders and member network which we hope will be helpful as you formulate, implement and manage your own crisis response.

Explore all of these resources on our website at <https://www.conference-board.org/COVID-19>.



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Oxford Analytica COVID-19 resource hub

Every business day, we cover the key implications of COVID-19, globally, regionally and for specific countries and sectors

Scenario planning for COVID-19

How we can help you plan for the long-term economic, social, political and security ramifications of the pandemic

Weekly Brief

Sign up for free analysis on the week's major geopolitical and economic developments.

VAPOR Country Risk Ratings COVID-19 update

A special edition of our country risk ratings report has been published accounting for the impact of COVID-19.

COVID-19 analysis fortnightly update

Read a selection of COVID-19 related analysis, updated fortnightly.

Find out more at oxan.to/covid19hub