

DISRUPTORS SEE THE WORLD DIFFERENTLY

Results of global survey show that disruptive leaders are better prepared to embrace change in a dynamic, evolving business landscape.

2025 GLOBAL BOARD GOVERNANCE SURVEY

protiviti[®]
Global Business Consulting

 **BOARDPROSPECTS**

 **Broadridge**[®]

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EXECUTIVE SUMMARY

Disruptive change is happening, and more is coming. Is your organisation ready to seize the moment?

This message echoes throughout the findings of our second annual Global Board Governance Survey. Our results, based on a global survey of more than 1,800 board members and C-suite executives, reveal that organisations that consider themselves to be disruptive leaders (see our definitions on page 10) see opportunities in a changing business landscape and operate differently compared to organisations that believe they are at risk of being disrupted. From technology modernisation and enablement (e.g., use of generative AI) to talent and culture, the disparities are remarkable and shed light on critical areas of focus for the board and C-suite.

“We have experienced more change in this decade than we have since the turn of the century, with more on the horizon. The key to managing the uncertainty of a disruptive global marketplace is being proactive in embracing change and seizing opportunities. It is all about having a mindset of anticipating, preparing, adapting and taking action decisively.”

*Joe Tarantino
President and CEO
Protiviti*

Our key findings

- **Business models will be changing** — Over 75% of organisations expect major business model changes within three years.
- **A strong majority of companies do not see themselves as disruptive leaders** — Just 15% put themselves in the disruptive leader category.
- **Disruptors see the world differently and are better prepared to embrace change** — 77% of disruptive leaders are confident or highly confident in their ability to recognise, adapt and respond timely to disruptions, versus 28% of disruption laggards.
- **How companies view generative AI is a litmus test of their propensity to disrupt** — 72% of disruptive leaders view generative AI as providing a significant or moderate opportunity to be a disruptor, while more than 40% of organisations at risk of disruption see the technology as a disruption risk.
- **A commitment to technology modernisation is another distinctive indicator** — 72% of disruptive leaders have a high level of confidence that they are modernising their technology infrastructure at a sufficient pace to address disruption risks, versus 37% of all other organisations.
- **Talent and culture are keys to being a disruptor and an agile responder to market events** — 50% of disruption laggards view the lack of an innovative culture or talent to think creatively as a significant barrier to becoming a disruptor or becoming more agile in responding to disruption, versus 11% of disruptive leaders.

Over 75% of organisations expect major business model changes within three years.

The half-life of organisational business models is shrinking. Our survey results reveal that more than three-quarters of organisations expect their business model to undergo moderate to significant changes within the next 36 months. Market factors such as technological advances, geopolitical shifts, evolving customer experiences, regulatory changes, economic volatility and disruptive innovations are driving

companies to adapt their business models more frequently than ever to sustain their competitive position and relevance. Thus, changing business realities necessitate that senior executives and directors stay connected to the marketplace and monitor critical assumptions underpinning their organisation's strategy and business model. Leaders must recognise when change is necessary based on reliable, insightful data and then act decisively to drive that change within their organisations in a timely manner.

76%

of disruptive leaders believe that, based on the rate of disruption within their organisation and industry, their business model will change to at least a moderate extent over the next three years.

A strong majority of companies do not see themselves as disruptive leaders.

Only 15% of the survey participants report that their companies are disruptive leaders in their respective industries, e.g., they either are radically transforming the industry or are creating a new industry. This means that the remaining companies fall into other categories on our disruption continuum. As shown in the chart on page 10, some (34%) believe they are fairly disruptive and are making progress at becoming more disruptive (disruption aspirants). Some (25%) believe they are a disruptor but also are at risk of being disrupted (vulnerable disruptors). Others (16%) believe they are at risk of being disrupted but can quickly pivot and adapt (agile followers). Still others (7%) see themselves at risk of being disrupted as well as slow to evaluate how to respond and react (disruption laggards). Note that 3% are not sure where their companies fall on this continuum.

In creating and shaping disruption, the key areas of focus for disruptive leaders are (1) delivering superior customer experiences through business model innovation, (2) building superior infrastructure and capabilities to scale new products, and (3) creating an ecosystem leveraging diverse partners' strengths for customer solutions.

Disruptors see the world differently and are better prepared to embrace change.

This year's survey focuses on disruption, the market forces upending business models and even entire industries at an accelerating rate. The duration an organisation can sustain a competitive advantage through its size and scale, brand differentiation, low-cost provider positioning, and high switching costs to protect its profitability and market share — its “economic moat,” in the words of Warren Buffett — is shrinking rapidly.

This is especially meaningful because the organisation's views on the opportunities (or risks) of emerging technologies such as generative AI, agentic AI,* quantum computing, etc., are shaped by whether it views itself as a disruptor or a business susceptible to disruption. The same holds true regarding perceived levels of resilience, the ability to respond timely to market disruptions and commitment to technology modernisation, among many other factors. From their agility and innovative culture to their views on external factors that can disrupt the enterprise, organisations that are disruptive leaders see the world differently and are better prepared to embrace change.

On the flip side, organisations that classify themselves as at risk of being disrupted view their organisations as less agile, see talent and culture as barriers to anticipate and stay ahead of waves of disruptive change, and have lower levels of confidence (relative to disruptive leaders) that they are modernising their technology infrastructure at a sufficient pace.

*Agentic AI refers to AI systems that go beyond responding to human queries and requests for new and novel content to operating autonomously in analysing challenges, developing strategies and executing high-volume tasks simultaneously without continuous human intervention.

How companies view generative AI is a litmus test of their propensity to disrupt.

The stakes are particularly high regarding generative AI, a disruption in which outsized impacts swing from game-changing to extremely damaging, depending on an organisation's perceived disruptor status. Most disruptive leaders (more than 70%) approach and leverage generative AI as an opportunity, while more than two in five disrupted organisations (agile followers and disruption laggards) view generative AI as a substantial threat to their business.

Interestingly, more leaders in organisations based in Europe tend to view generative AI as presenting a significant or moderate opportunity to be a disruptor (52%) compared to their counterparts in Asia-Pacific (47%) and North America (42%).

72%

*of disruptive leaders view generative AI as providing a significant or moderate opportunity to be a disruptor, while **more than***

40%

of disrupted organisations see the technology as presenting a significant or moderate risk of being disrupted.

The adoption and operationalisation of generative AI tools now yield major productivity improvements as new forms of agentic AI appear poised to deliver even more sweeping value. This combination of opportunity and risk makes it vital for the board and C-suite to devote more time and attention to disruption risk while fast-tracking the integration of technology with risk governance and enterprise risk management programs. Directors and executives should also note that AI deployment requires vastly different governance discussions and actions depending on a company's proficiency in managing disruption.

A commitment to technology modernisation is another distinctive indicator.

All survey respondents, regardless of their organisation's disruptor status, rate the accelerating pace of technological advancement as their most significant concern in terms of external factors that may disrupt the company's strategy and business model. Whether an organisation leverages a technological disruption as an opportunity or scrambles to mitigate its negative impacts depends heavily on the sophistication and agility of its technology environment.

"You are either disrupting or being disrupted. The pace of change is quickening. It is nearly impossible to interpret the impact of all of this change and new technologies without a handful of trusted guides. Every leader must decide: Who do I turn to for help, an informed point of view and accelerated implementation assistance? Why not take advantage of a head start?"

Jim McCann
Chairman and Founder of 1-800-FLOWERS

Views on the pace of the organisation's technology modernisation efforts are telling. Among disruptive leaders, a strong majority (72%) have a high level of confidence that they are modernising their technology infrastructure at a sufficient pace to address disruption risks, versus 37% of all other organisations. For disruption laggards, this level of confidence percentage is much lower (12%). This is a differentiating factor that cannot be ignored in a disruptive world.

Confidence levels in modernising technology infrastructure vary by industry. To no surprise, technology companies express higher confidence levels compared to, for example, healthcare organisations, which express lower confidence levels.

Talent and culture are keys to being a disruptor and an agile responder to market events.

For organisations that classify themselves as disruptive leaders, the perceived market barriers to advancing their disruptor agenda or responding agilely to disruptive events are regulatory constraints along with capital and/or resource constraints for research and development. But it's a different story for organisations that see themselves as most susceptible to disruption. For them, lack of an innovative culture or the talent needed to stimulate creative thinking, as well as resistance to change within the organisation, are the top barriers.

These results reveal stark differences between disruptor organisations and those being disrupted. Consider the innovative culture barrier, for example. A majority of disruption laggards (50%) view this as a significant barrier to agility and disruption, versus just 11% of disruptive leaders. There is a similar disparity in the responses related to organisational resistance to change (42% for disruption laggards versus 16% for disruptive leaders).

50%

of disruption laggards view the lack of an innovative culture or talent to think creatively as a significant barrier to becoming a disruptor or becoming more agile in responding to disruption, versus

11%

of disruptive leaders.

Bottom line, the keys to being a disruptor and having the capability to respond agilely to market events lie in talent, culture and embracing change. This point is important to keep front and center as directors and senior executives intensify their focus on the quickening pace of change and the unique organisational disruption risks that accompany it.

There is alignment between the boardroom and C-suite on disruption views and priorities.

There clearly are priorities related to disruption and business strategy on which organisations must focus. But interestingly, it appears boards and executives are on the same page regarding these priorities. The board members and C-suite executives worldwide that we surveyed are largely aligned in their views on disruption, generative AI, technology modernisation and more. Given the rapid pace of disruption and change in the market, it's vital for the boardroom and C-suite to maintain frequent, ongoing dialogue to ensure alignment of views and that they remain in agreement on potential shifts in the strategy and business model.

A TALE OF LEADERS, ASPIRANTS, FOLLOWERS AND LAGGARDS

Disruptive leaders focus on technology modernisation, business model innovation, scaling new products and more.

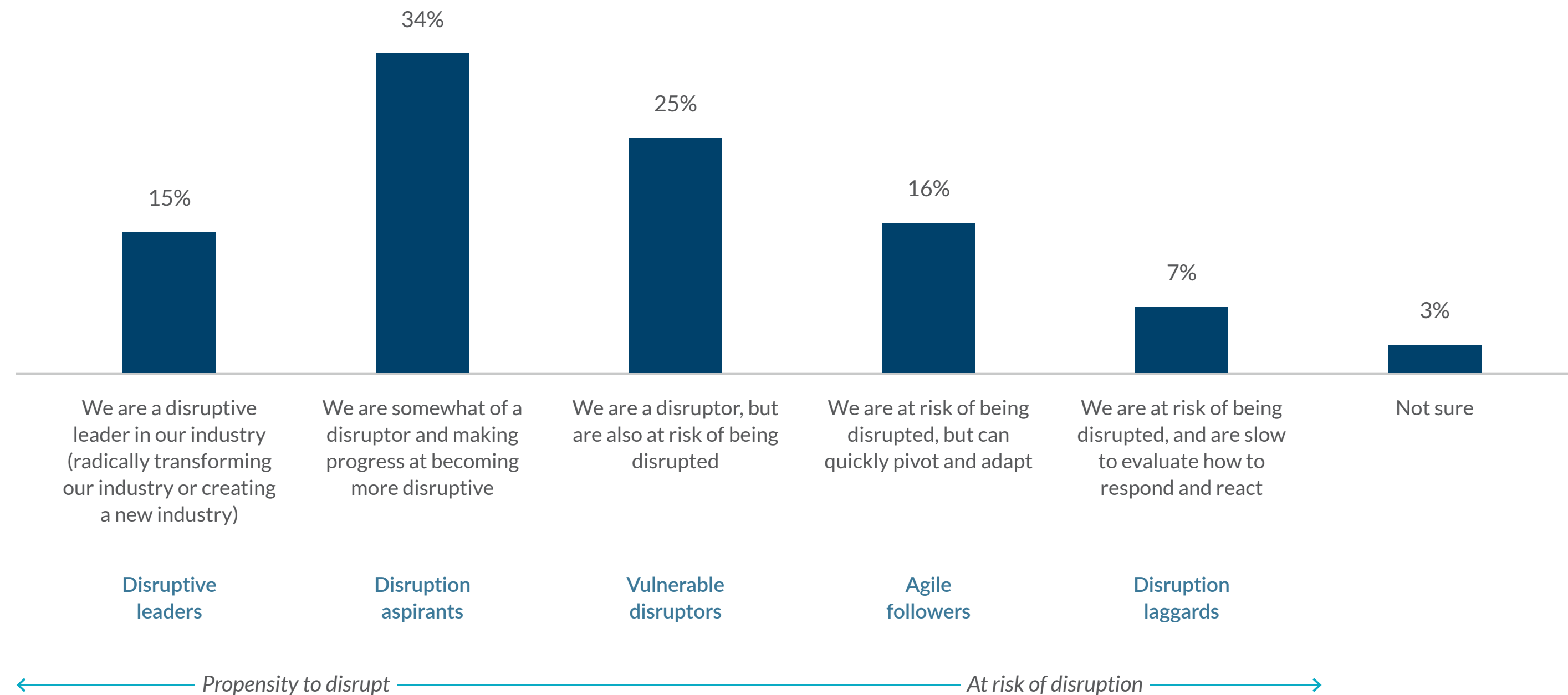
A company's susceptibility to being disrupted depends on how vulnerable it is to potential change or a disruptive force, such as a competitor establishing a new source of advantage through deployment of a new technology or moving early to embrace a game-altering market trend. A company's ability to disrupt, as well as its susceptibility to being disrupted, matters now more than ever as the pace and magnitude of technological advancements increase amid economic uncertainty and intensifying geopolitical flashpoints and as ongoing challenges to attract and retain talent and skills continue.

We asked board members and executives worldwide to rate their organisation on our disruption continuum (see Figure 1 on the next page), which includes five levels of maturity from disruptive leaders to disruption laggards. While no company can claim immunity to some form of disruption, almost 50% of companies identify as at risk of disruption, according to our results, while just 15% see themselves as disruptive leaders in, for example, radically transforming their industry or creating a new industry. In essence, they see themselves as change agents of the highest order.

“In an era where disruption is the norm, the most successful organisations are those that embrace change, modernise proactively and foster a culture of agility. Boards and executives must not only anticipate transformation but lead it, ensuring their companies remain resilient and ahead of the curve.”

*Peggy Smyth
Public & Private Equity-Backed Company Director*

Figure 1: Disruption continuum



Q: Which of the following statements best describes your organisation when it comes to disruption in your industry and markets?

In viewing the continuum, note that the further to the left, the higher the propensity to disrupt, whereas the further to the right, the greater the risk of being disrupted.

The results in our survey reflect notable differences among these five groups in terms of how they see the world and react and respond to change. We refer to these different groups throughout this report.

Industry observations

- Nearly one in four organisations in the Technology, Media and Telecommunications industry group (24%) consider themselves to be disruptive leaders, more than any other industry group.
- Compared to the overall global response, organisations in the Financial Services (32%) and Energy and Utilities (33%) industry groups are significantly more likely to view themselves as at risk of being disrupted.

Get ready – business models will be changing

Board members and executives – especially those with disruptive leaders – see business models changing over the next three years.

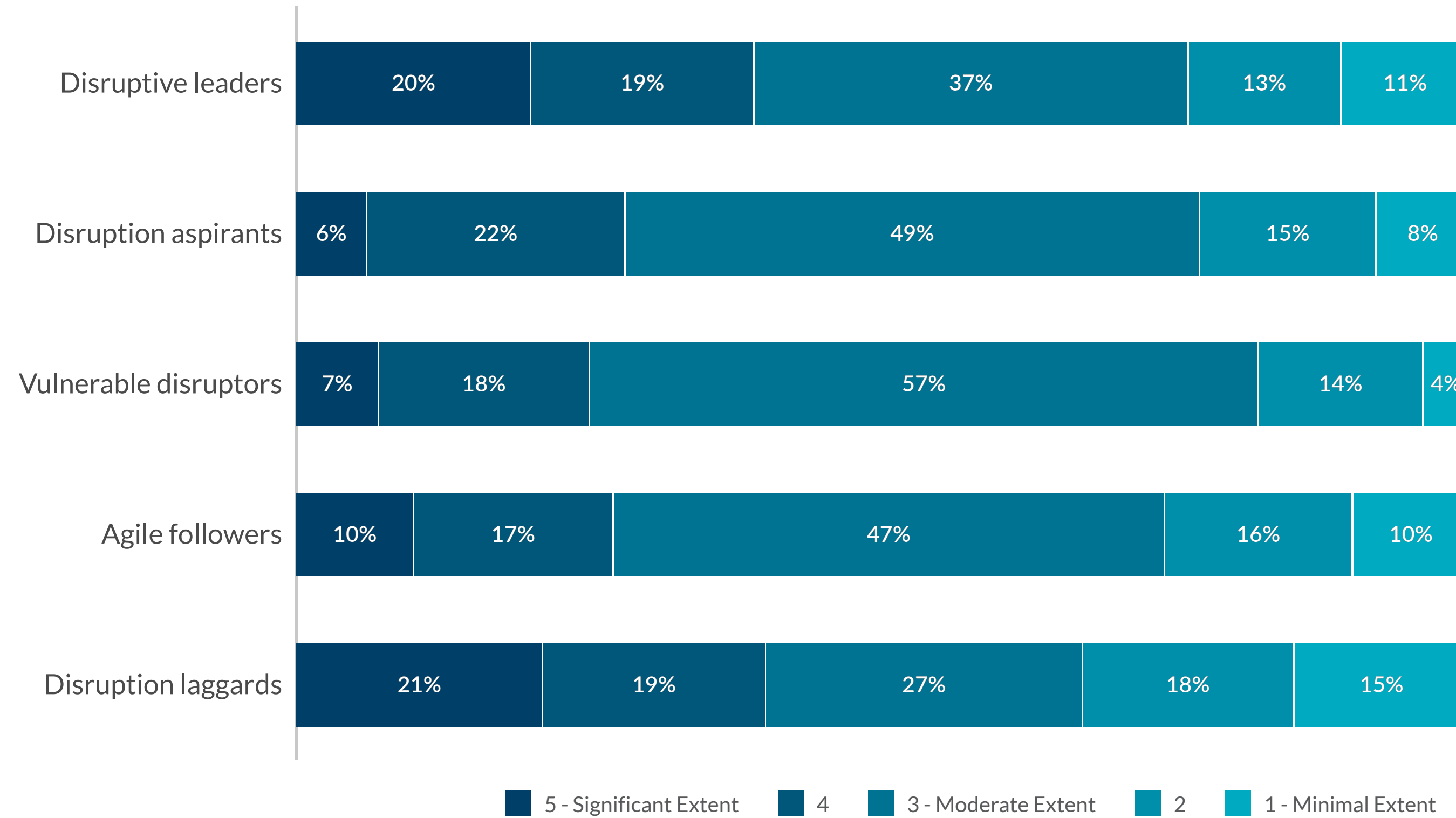
Overall, more than three-quarters of organisations expect their business model to undergo moderate to significant changes within the next 36 months. Of note, these numbers drop for organisations that classify themselves as disruption laggards, with two out of three seeing their business models changing over the next three years.

While not surprising, these results are telling. Technological advances, geopolitical shifts, evolving customer experiences, regulatory changes, economic volatility and disruptive innovations are driving companies to adapt their business models more frequently to sustain their competitive position and market relevance.

“The findings of this year’s Global Board Governance Survey reveal a stark reality: Organisations that position themselves as disruptive leaders are significantly better equipped to harness emerging technologies and navigate change. This highlights the critical importance of boards fostering an innovative culture that embraces disruption rather than merely responding to it.”

*Mark Rogers
Founder and CEO
BoardProspects*

Figure 2: How business models will change in three years



Q: Based on your perception of the rate of disruption within your company and industry over the next three years, to what extent do you expect your organisation's business model to change?

Industry observations

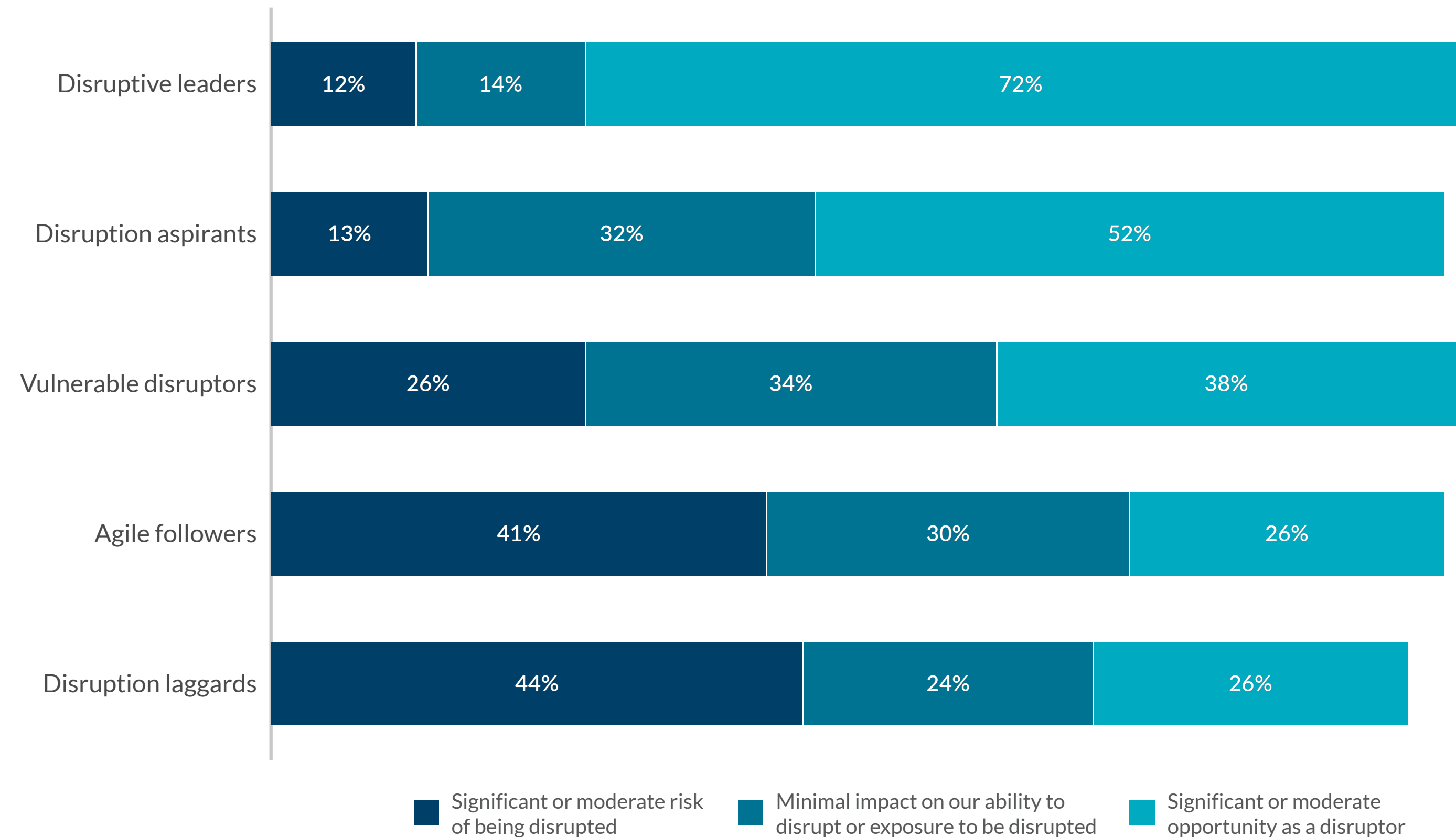
- Unsurprisingly, more Technology, Media and Telecommunications organisations (82%) anticipate moderate to significant changes to their business model over the next three years.
- Conversely, compared to other industry groups, a higher percentage of Financial Services organisations (30%) anticipate a minimal level of changes to their business models in the next 36 months.

Views on generative AI differentiate disruptors from the disrupted

Generative AI disruptions are only the beginning.

When considering their company's plans for implementing generative AI in the context of technology advancements occurring throughout their industry, the perspectives of directors and executives in our survey correlate to their view of the organisation's ability to respond to disruptions. A strong majority of disruptive leaders, for example, see generative AI as a significant opportunity to enhance their competitive advantage. On the other hand, more than four in 10 disruption laggards view generative AI developments as posing moderate to significant threats to their businesses.

Figure 3: Impact of generative AI*



Q: Considering your company's plans for implementing generative AI versus developments taking place in your industry, how would you rate the impact of this technology on your organisation's potential either as a disruptor or to be disrupted?

* "NA" and "Don't know" responses not shown.

These contrasting perspectives on generative AI have markedly different implications on board governance and director-executive interactions. A growing number of organisations are beginning to reap transformative productivity, efficiency and innovation-related benefits from generative AI investments. In fact, according to a recent global survey of CFOs and finance leaders, 58% of finance organisations that are using generative AI are achieving meaningful and measurable progress in their cost optimisation efforts.¹

Given that some companies already are investing in digital labor and related forms of agentic AI designed to help them scale customer-facing capabilities with greater speed, efficacy and cost-efficiency, organisations that see risk rather than opportunity in generative AI may need to transform their thinking.

Industry observations

- As expected, when it comes to generative AI, views among different industry groups vary widely. For example, a majority of organisations in the Technology, Media and Telecommunications industry group view generative AI as presenting a significant or moderate opportunity for their organisation to be a disruptor, versus just 29% of Energy and Utilities organisations.
- Interestingly, nearly 30% of Financial Services organisations view this technology as presenting a significant or moderate risk of disrupting their business — more than any other industry group.

¹ TRANSFORM: Assessing CFO and finance leader perspectives and priorities for the coming year, Protiviti, September 2024: www.protiviti.com/us-en/survey/global-finance-trends-survey.

Pace of technology modernisation differs significantly

If you're a disruptor, you're confident in your technology modernisation progress.

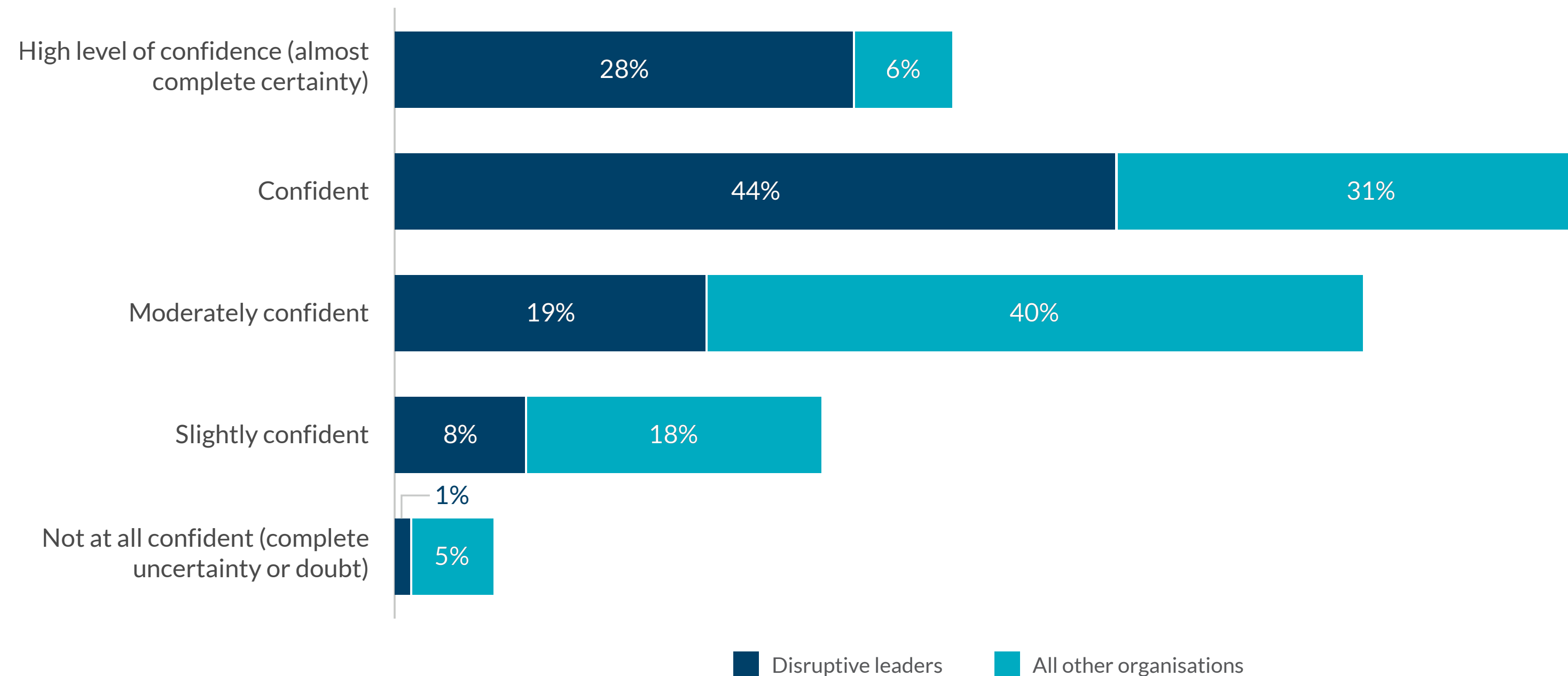
Almost three-quarters of survey respondents in disruptive leader organisations express confidence or almost complete certainty that their company's technology modernisation initiatives are keeping pace with industry and market disruptions. On the other hand, just under two-thirds of

respondents in all other companies indicate that they are moderately, slightly or not at all confident in their organisation's technology modernisation progress. Further, a majority of disruption laggards in our survey are either not at all confident or just slightly confident that their technology modernisation efforts are keeping pace with disruption risks in their market or industry.

These findings underscore the critical importance of updating and improving an organisation's existing technology systems, infrastructure and software to enhance efficiency, security

and functionality in becoming a disruptor and driving disruption in the industry and market. For those organisations seeking either to broaden their efforts to disrupt or contend with the level of disruption they are experiencing, boards and executive teams need to focus on and prioritise their technology modernisation initiatives while also assessing and addressing technical debt (see next section).

Figure 4: Confidence in pace of technology modernisation



Q: How confident are you that your organisation is modernising its technology infrastructure at a sufficient pace to address disruption risks?

Industry observations

- Technology, Media and Telecommunications organisations have higher levels of confidence (51%) that they are modernising their technology infrastructure at a pace sufficient to address disruption risks, as do Financial Services organisations (46%).
- Conversely, compared to other industry groups, more Healthcare organisations (27%) have lower levels of confidence that their technology modernisation efforts are keeping pace with potential disruption risk. Healthcare organisations find themselves in a precarious position, having to navigate slim profit margins while also considering investments in cutting-edge technology to keep up with industry disruptors. These organisations face tough choices about where to allocate their limited budgets, striving to strike a balance between meeting the strategic goals of supporting patients and members, addressing supply chain dependencies, enhancing existing products or goods, and taking calculated risks on potentially transformative solutions.

Views on technical debt and other barriers change based on disruptor status

Disruptors can calibrate and fine-tune; the disrupted confront comprehensive obstacles.

Disruptive leaders and companies most at risk of being disrupted hold starkly different views of the barriers that impede their responses to emerging risks.

For example, disruption laggards are more than twice as likely as disruptive leaders to view excessive technical debt from legacy technology infrastructure as the most significant barrier to responding to disruption in an agile manner. (Note: Technical debt is the cost and magnitude of additional rework caused by the cumulative effect of choosing technology solutions that are easier to implement over the near term rather than the best overall solution for the long run.)

“These important findings affirm that today’s most successful leaders are embracing digital disruption to ensure they deliver enduring value for their shareholders, customers and associates.”

*Doug DeSchutter
Co-President, Investor Communications Solutions
Broadridge*

Table 1: Perceived barriers to becoming a disruptor and responding to disruptions

	Disruptive leaders	Disruption aspirants	Vulnerable disruptors	Agile followers	Disruption laggards
Regulatory constraints	38%	34%	32%	42%	22%
Capital and/or resource constraints for research and development	36%	32%	34%	37%	34%
Pressure to sustain existing core business	13%	27%	38%	46%	35%
Resistance to change within the organisation	16%	23%	28%	27%	42%
Inability to scale rapid increases in demand	23%	22%	20%	18%	15%
Lack of an innovative culture or talent to think creatively	11%	15%	22%	22%	50%
Insufficient customer focus or data regarding the customer experience	11%	13%	14%	18%	19%
Excessive technical debt from legacy technology infrastructure	9%	10%	15%	14%	21%

Q: Which of the following do you believe represent the most significant barriers to your company becoming a disruptor or improving its agility to respond to disruption in your industry? (Respondents selected up to three factors.)



Board member and executive respondents identified several other barriers to disruption that vary considerably based on their disruptor status. Among disruptive leaders, directors and C-suite executives are focused more on addressing regulatory constraints, finding new sources of capital to fuel research and development, and developing new ways to scale rapidly to meet surges in demand. Among organisations we define as agile followers and disruption laggards, their boards and C-suite executives are much more concerned about talent- and culture-related challenges such as resistance to change in the organisation and lack of an innovative culture to think creatively.

“As C-suite leaders invest in technology modernisation and innovative corporate culture to stay agile in an ever-evolving global business landscape, the pressure to justify ROI and deliver measurable growth continues to rise. Success in this dynamic environment requires a leadership mindset centered on anticipation, adaptability and strategic risk mitigation.”

*Joe Tarantino
President and CEO
Protiviti*

Industry observations

- Leaders in Consumer Products and Services organisations noted that pressure to sustain existing core business (39%) and capital constraints (30%) represent the most significant barriers.
- Among Energy and Utilities organisations, the most-cited barrier was, by far, regulatory constraints (58%).
- For Financial Services organisations, regulatory constraints are the most significant perceived barrier (50%), far ahead of pressure to sustain existing core business (31%).
- Regulatory constraints also are the most significant barrier for Healthcare organisations (51%), followed by capital constraints (45%).
- For Manufacturing and Distribution organisations, the top perceived barriers are regulatory constraints (33%) and pressure to sustain existing core business (30%).
- Capital constraints represent the top barrier for Technology, Media and Telecommunications organisations (44%), followed by pressure to sustain existing core business (29%).

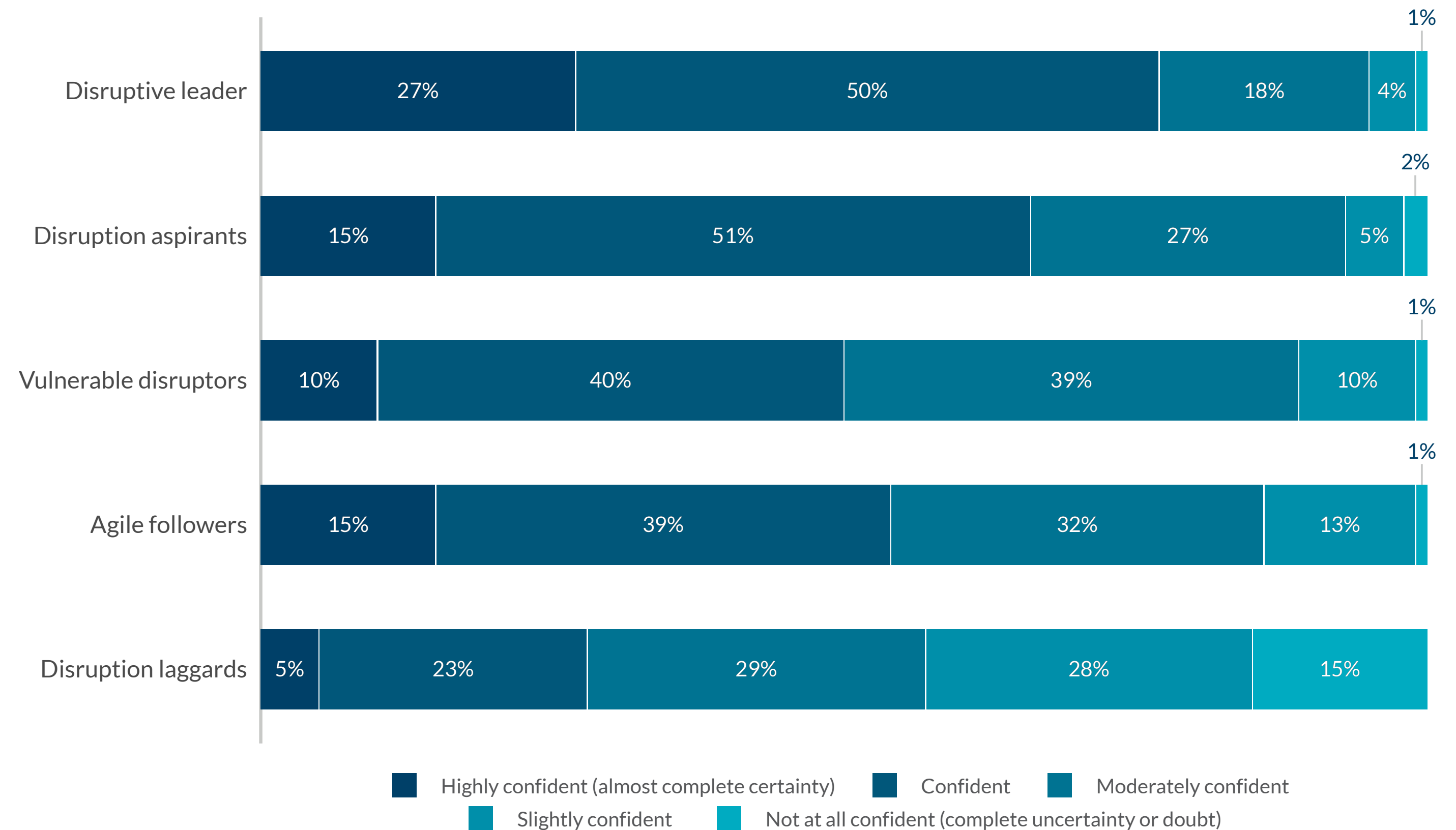
Views vary on external disruptions and response times

Timing is critical in responding to emerging risks.

Rapid, highly effective responses transform threats into opportunities. A key difference between disrupting and disrupted companies relates to the ability to identify new threats and opportunities in a timely manner – in effect, giving decision-makers a time advantage in evaluating options. Directors and C-suite executives in disruption laggards and, to a lesser extent, agile followers are far less likely to express confidence that they will recognise, or be informed of, new disruptions quickly enough for the organisation to respond and adapt effectively. Thus, they are highly reactive.

As expected, respondents who describe their companies as disruptive leaders are substantially more likely (77%) to express confidence in the board’s and executive team’s ability to recognise or be informed of a disruptive trend or event quickly enough for the organisation to adapt or respond in a timely manner.

Figure 5: Recognising, adapting and responding timely to disruption



Q: If your business and industry were being significantly disrupted (excluding sudden catastrophic events), how confident are you that your board and executive team will recognise or be informed of the disruption timely so that the organisation can be positioned to adapt or respond timely?

77%

of disruptive leaders are confident or highly confident in their ability to recognise, adapt and respond timely to disruptions, versus

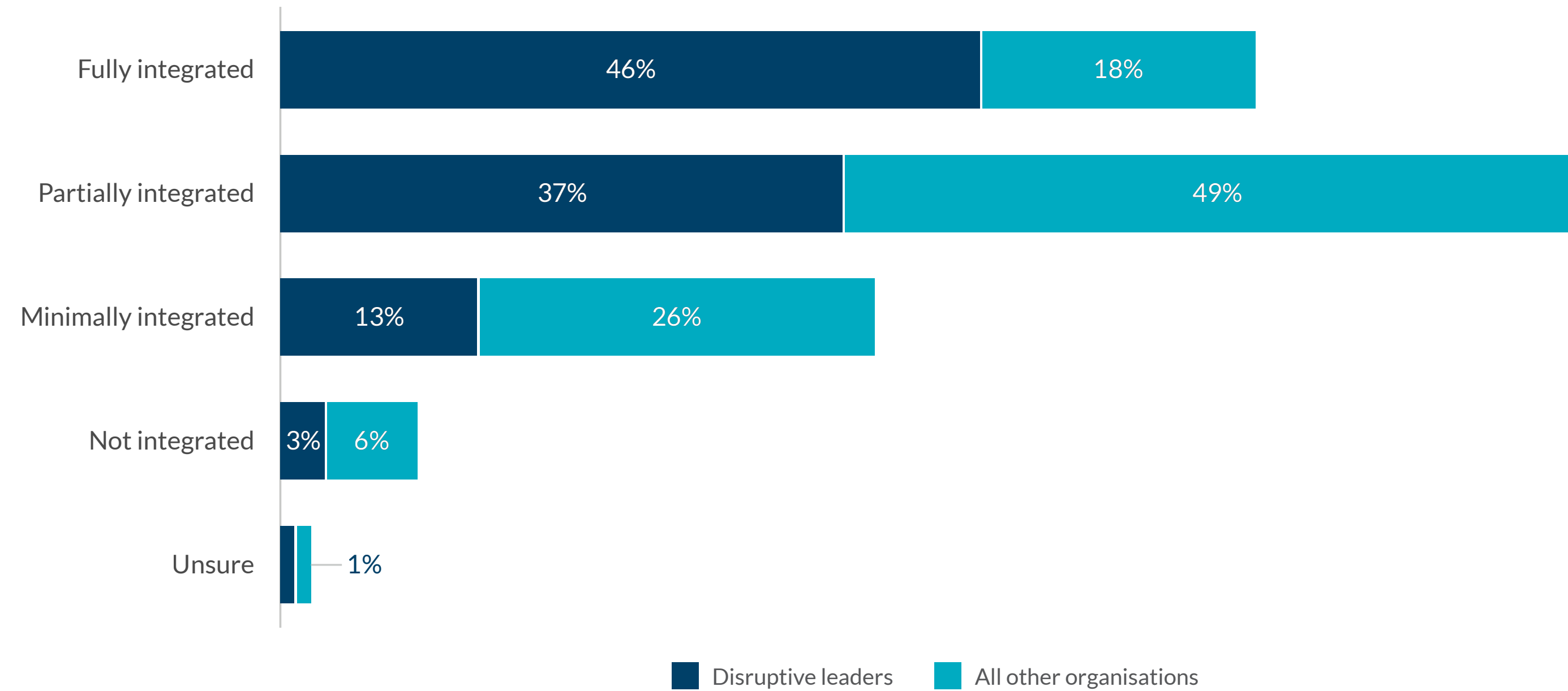
28%

of disruption laggards.

Considering the importance of timely response to industry and market disruptions, we also asked board member and executive respondents about the degree to which disruption risk is considered in the design of their organisation's overall risk governance capabilities, as well as their views on the external factors of most concern to them in terms of disrupting their organisation's strategy and business model.

In regard to risk governance integration, while disruptive leaders are far more likely to have achieved full integration, the majority of organisations have made significant progress in integrating disruption risk into overall risk governance. That said, among leaders with disruption laggards, 60% report that disruption risk is not integrated or is just minimally integrated into the organisation's overall risk governance.

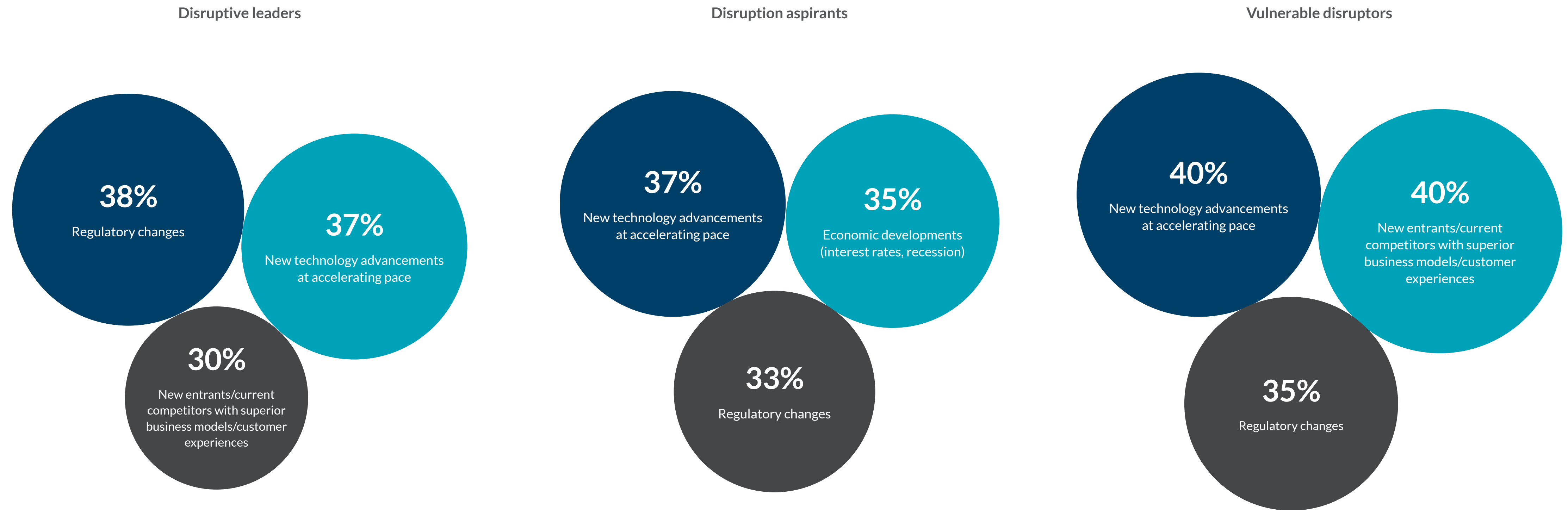
Figure 6: Integration of disruption risk into risk governance



Q: To what extent has your board and executive team integrated disruption risk into the organisation's overall risk governance?

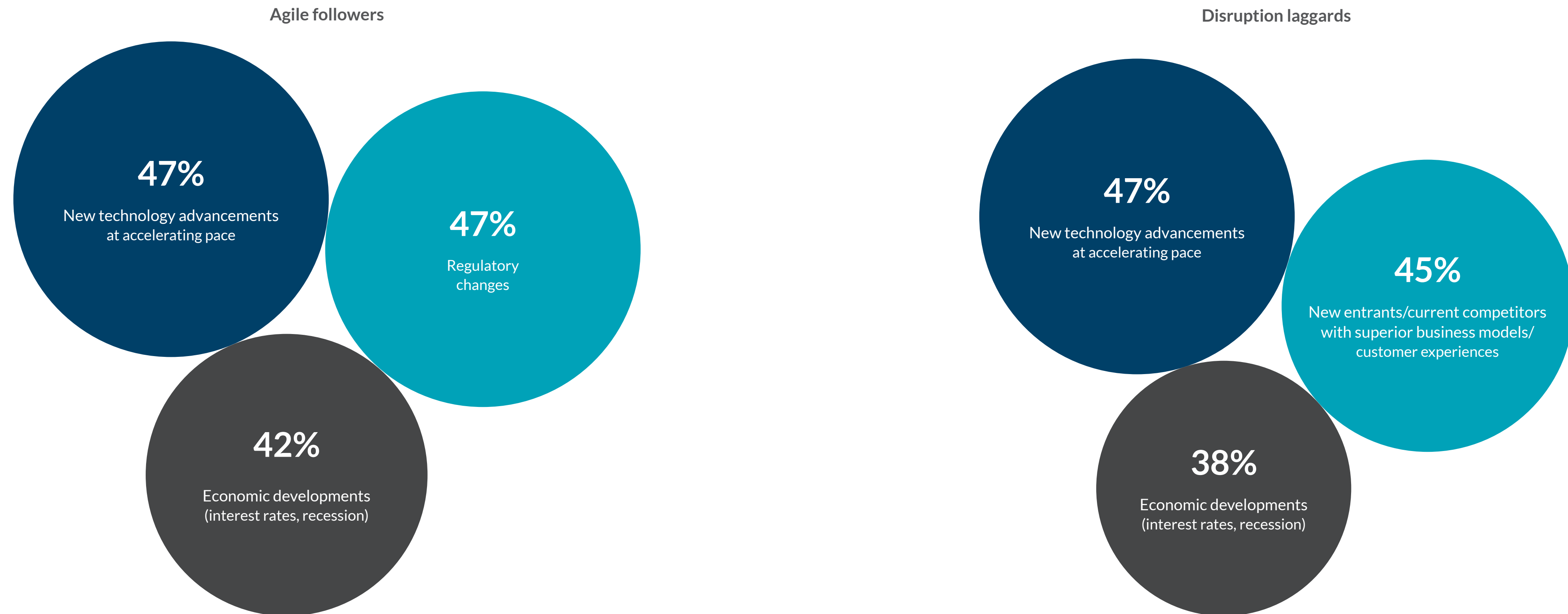
Regarding external factors perceived to be of greatest concern as potential disruptors, disruptive leaders were more likely to cite regulatory changes compared to most of their less innovative counterparts. This makes sense: Because they are less concerned about being disrupted by emerging technologies and competitors, disruptive leaders are focusing more on the constraints that may inhibit innovation, with emphasis on the regulatory environment. This also mirrors their views on the most significant barriers to becoming a disruptor or improving agility to respond to disruption, as discussed earlier. On the other hand, directors and executives with disruption laggards are most concerned about the threats that new technology advancements, current competitors and new entrants pose to their strategies and business models.

Figure 7: External factors viewed as potential disruptors



Q: Which of the following external factors are of significant concern to you as potential disruptors to your company's strategy and business model? (Respondents selected up to three factors.)

Figure 7: External factors viewed as potential disruptors (continued)



Q: Which of the following external factors are of significant concern to you as potential disruptors to your company's strategy and business model? (Respondents selected up to three factors.)

The external factors that disruptive leaders, compared to other organisations, are less concerned about are also illuminating: the accelerating pace of technology advancement, economic developments (including interest rate fluctuations and recession risks), the availability of talent, and industry consolidation. These findings suggest that disruptive leaders believe they are better equipped from a resilience, agility and technology-enablement perspective to respond agilely to, and even benefit from, unexpected swings in the economy or talent market. The effects of an insufficient talent supply, high attrition rates and labor unrest may be less significant to disruptive leaders. Talent management excellence also corresponds to a strong organisational culture; as noted, disruptive leaders are almost five times less likely to identify the lack of an innovative culture or talent to think creatively as a significant barrier to being agile in responding to disruption.

Industry observations

- Organisations in the Financial Services (64%) and Energy and Utilities (64%) industry groups expressed the most confidence in their ability to recognise and respond to disruption risk in a timely manner.
- Financial Services (29%) and Manufacturing and Distribution (26%) lead all industry groups in terms of organisations in which disruption risk is fully integrated into the enterprise's overall risk governance.
- Not surprisingly, compared to other industry groups, far more Energy and Utilities (63%), Healthcare (52%) and Financial Services (51%) organisations view regulatory changes to be of significant concern as a potential disruptor to their strategy and business model.
- For Technology, Media and Telecommunications organisations, new technology advancements are the most significant potential disruptor.
- Geopolitical volatility is a more significant concern for Energy and Utilities (47%) and Manufacturing and Distribution (41%) organisations as a potential strategy and business model disruptor.

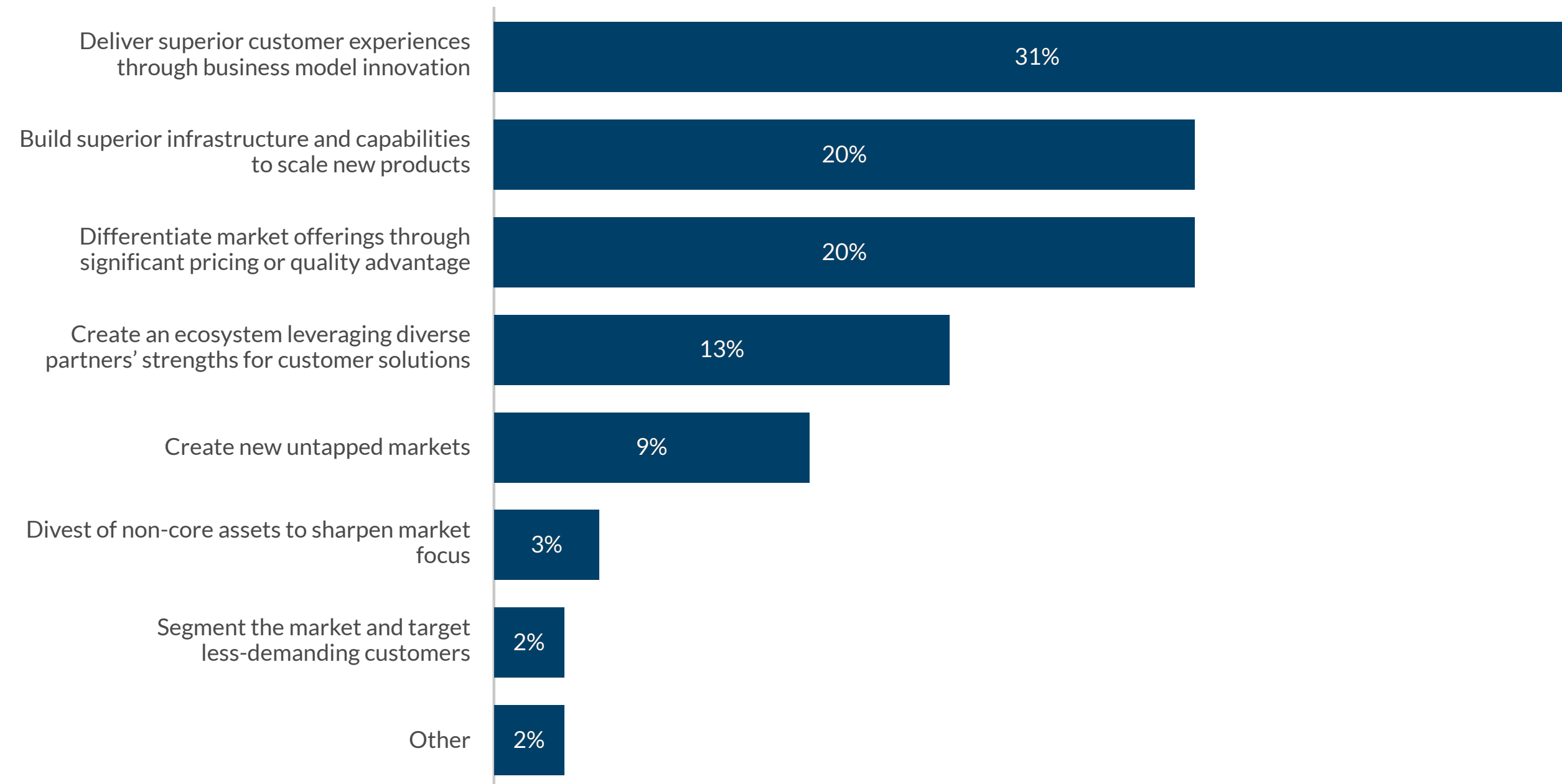


For disruptors, the focus of disruption centers on customer experience and infrastructure

It's all about the customer experience.

As noted earlier, three out of four respondents with disruptive leaders are confident in their organisation's ability to identify, respond and take advantage of disruptions. This enables these organisations to focus on meaningful disruption-related opportunities, which most frequently include delivering superior customer experiences through business model innovation, building superior infrastructure and capabilities to scale new products, and differentiating market offerings through significant pricing or quality advantage.

Figure 8: Focus of strategy to create and shape disruption



Q: Which one of the following statements best describes the primary focus of your company's strategy to create and shape disruption? (Note that only organisations in our "disruptive leader," "disruption aspirant" and "vulnerable disruptor" categories (n=1,347) answered this question.)

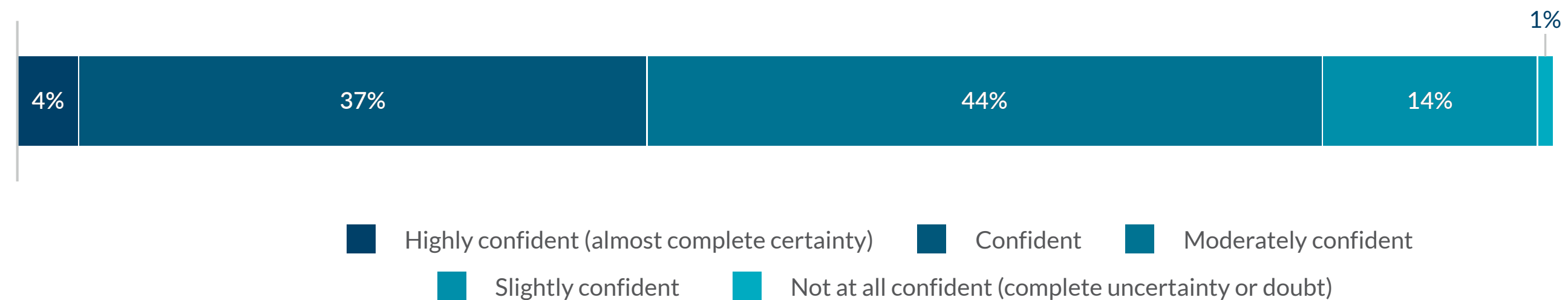
Driving value for the customer is fundamental to disruptive leaders. Innovating to create new value for existing customers while expanding into new markets is a relentless pursuit. It's all about reimagining and improving business models and processes continuously. Anything less is a recipe for failure, leading to sluggishness, operational blind spots and strategic error as markets evolve rapidly.

A majority of disrupted organisations lack high confidence to adapt and respond quickly to disruption

Confidence to address emerging disruptions needs improvement.

Among organisations classified as vulnerable disruptors or agile followers, there are less-than-ideal levels of confidence in their ability to adapt and respond quickly to emerging disruptions. This does not bode well for them given the rapid pace of change in the market and, as reported earlier, the expectation among a majority of organisations that their strategy and business model will change over the next 36 months.

Figure 9: Level of confidence to address disruption



Q: How confident are you in your company's ability to adapt and respond quickly to emerging disruptions? (Note that only organisations in our "vulnerable disruptors" and "agile followers" categories (n=754) answered this question.)

The lack of high confidence of many directors and senior leaders in their company's processes for adapting and responding to disruption suggests a need to reflect on how they can be improved. Of course, this lack of confidence also reflects an awareness of the disruptive markets in which companies operate.

RELEVANT QUESTIONS FOR DIRECTORS AND SENIOR LEADERS

Our survey results offer insights regarding certain characteristics distinguishing organisations along the disruption continuum, including comparison of disruptive leaders with all other organisations. Because it is not possible for everyone to be a disruptive leader, it is not our intention to suggest that all organisations need to be alike. Indeed, agile followers can be successful if they make good data-driven decisions and pivot timely in response to market developments. But everyone can learn from what leaders do. To that end, we recommend that organisations take a pause and consider opportunities to improve how they manage inevitable change in the marketplace, both as an opportunistic disruptor as well as an agile responder to disruptive trends and events.

Based on our survey's key takeaways, we offer the following questions for directors and senior executives to consider as they assess the competitive landscape, potential disruptors and their desired positioning on the disruption continuum. The questions are organised in several categories, consistent with our presentation of the survey findings.



The strategy and business model

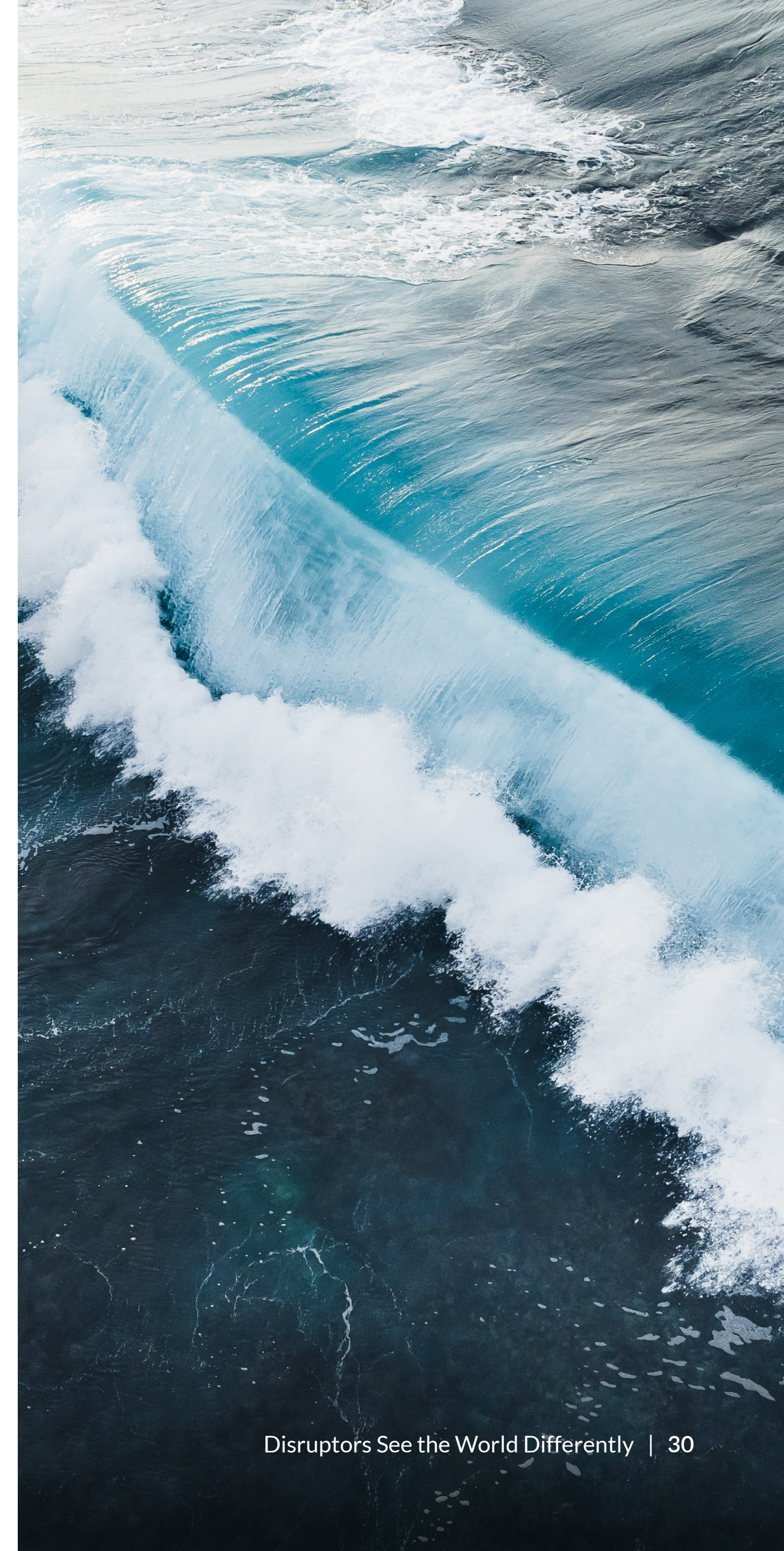
- Is our organisation truly customer-centric? For example, are we sufficiently focused on enhancing the customer experience? Is driving value for the customer central to all of our decision-making in sustaining the relevance of our business model and its underlying processes and in identifying and overcoming internal barriers to putting customer preferences and expectations first?
 - Have we identified potential industry or market disruptions that may impact our strategy and business model? Have we played out the impact of these disruptive scenarios to understand the extent of their impact on our business and how best to counter them, including actions we should take near-term to prepare?
 - Do we understand the most critical assumptions underlying our strategy, and are we monitoring the external and internal factors that could render one or more of those assumptions invalid?
 - Do we have an early warning capability in place, such as a dashboard of vital signs or early alerts derived from ongoing analyses of disruptive scenarios and key assumptions underlying our strategy? Do we monitor the dashboard for changes in markets and customers as well as the economy and competitive environment, just as we monitor the execution of the strategy itself?
- Are we prepared to implement changes to our strategy and business model that may be necessary to respond to disruptive trends and events or when one or more of our strategic assumptions are no longer relevant? Do our decision-making processes support high-velocity, quality decisions that enable us to be agile and resilient?
 - Do we have the leadership, talent and skills in place to navigate change and execute the necessary adjustments to our business model and strategy? If not, how are we filling the gaps to build and sustain a workforce that is resilient and equipped with diverse skills, perspectives and a high level of change readiness? Are we regularly assessing our digital capabilities as a core competency?
 - Are we leveraging customer, market and other insights to inform data-driven decisions regarding customer preferences, competitor actions and operational improvements? Are feedback loops in place to engage customers, suppliers and other external parties that broaden employee participation, invigourate the innovation process and help eliminate unconscious bias in decision-making?

AI and other technologies

- How is the organisation currently deploying and managing the opportunities and risks relating to generative AI? What governance structures do we have in place to enable experimentation with these capabilities and implementation of selected use cases while ensuring responsible deployment? What are the legal, regulatory and ethical issues we need to address? How are we sourcing and managing the integrity of the data used by our AI models?
- How does the organisation plan to use current and emerging forms of generative AI in the future as well as other AI-related systems, such as agentic AI? If we view AI deployment as more of a risk, is our perspective constraining our realisation of the opportunities these capabilities offer?
- What changes to our organisational culture, talent strategy and technology environment are needed to harness the full value of our AI investments? Do we have the talent and skills we need to succeed? Are we investing in ongoing training and development, including necessary upskilling, to realise fully the value proposition of our technology investments?

Technology modernisation

- Do we have a clear understanding of the lessons learned from our modernisation investments over recent years? Are we thinking out of the box and taking the best approach to modernise? For example, do we buy, build or deploy a hybrid approach? Do we have the right partners? Are we breaking down large investments into discrete, manageable components?
- Are there any barriers that impede our efforts to modernise our technology infrastructure? For example, if we face capital and resource constraints and/or scaling challenges, how are we addressing them? What is our plan for removing or overcoming any other barriers?
- What is the current level of technical debt associated with our organisation's legacy systems? How do we assess the risks of our technical debt, particularly its impact on our ability to innovate and compete with digitally mature companies? What is our strategy for reducing our technical debt?
- What governance structures are used to evaluate and prioritise our modernisation initiatives?



Barriers to being a disruptor and responding to disruptions

- Are there any other barriers not referenced above that hamstringing our ability to respond timely to industry disruptions? What is our plan for removing or overcoming these barriers?
- Does our talent strategy enable us to inculcate an innovative organisational culture that embeds innovation into our operating model and prioritises and rewards continuous learning, experimentation, creative thinking and risk-taking?

Agility and resilience in responding to disruption

- Is agility a core mindset in our business? Are we creating flexibility and infusing agility into our operating principles and processes to navigate inevitable change in the markets we serve?
- What do our disruption-related concerns say about our need to improve our preparedness and response readiness? How would improvements to our ability to pivot our strategy, processes and organisational structures timely in response to new opportunities or threats translate to increased C-suite and boardroom confidence in our ability to manage disruption risk?

For example, are we fostering lean behaviors with an open, flexible and empowering organisational structure and flat hierarchy? Does our structure and hierarchy drive efficiencies, accelerate innovation cycles, and facilitate collaboration, communication, transparency, rapid decision-making and customer-focused execution?

- What steps do we need to take to better integrate disruption risk into our organisation's overall risk governance, e.g., scanning the business environment, assessing potential disruptive scenarios and developing actionable response plans to mitigate risks?

IN CLOSING

There is no question that corporate boards and C-suite executives understand that the speed and impact of disruptive change are increasing and are influenced by external and internal factors. As markets evolve, so must companies — at speed. Having the capabilities to embrace change at market speed engenders confidence in the C-suite and boardroom. Absent that, uncertainty increases and the quality and velocity of decision-making erode. Even during uncharacteristically placid stretches, disruptive leaders think about, plan for and invest in the building blocks that simultaneously strengthen their capabilities to disrupt and reduce the likelihood of being taken by surprise and disrupted.

These building blocks are where the rubber meets the road. Our survey results suggest disruptive leaders outperform less disruptive competitors in developing innovative organisational cultures, inspiring their people to think creatively and overcoming resistance to change. They are more focused on prioritising technology modernisation initiatives, deploying AI and other advanced technologies, reducing the impact of encumbering technical debt in legacy technology infrastructure and reimagining new business models as they sustain the relevance of their market offerings. Their go-to-market intention is clear: Deliver superior customer experiences through business model innovation; build the necessary skills, infrastructure and processes to launch and scale new products rapidly and effectively; and differentiate market offerings through significant pricing or quality advantage.

These capabilities differentiate industry transformers and creators from organisations that are slow to evaluate and respond to emerging threats and opportunities and thus are at greater risk of being disrupted. These are important topics for leaders of organisations positioned at all points along the disruption continuum to address in strategic conversations in the C-suite and boardroom regarding how they can improve their market positioning.

We hope the results of this study along with our analysis facilitate these discussions and the resulting improvements.

METHODOLOGY AND DEMOGRAPHICS

Protiviti, Broadridge and BoardProspects conducted the Global Board Governance Survey in the fourth quarter of 2024. The study was designed to gain the perspectives of board members, CEOs and other C-level executives, identifying opportunities for improving boardroom performance. We polled more than 1,800 (n=1,831) board members and C-suite executives, who also were asked to provide demographic information about the nature, size and location of their businesses, as well as their titles or positions. For a number of questions, the responses of directors who serve on multiple boards reflect the largest company for which the director serves as a board member. We are very appreciative of and grateful for the time invested in our study by these individuals.

BOARD/EXECUTIVE POSITION

Independent Board Member	56%
C-suite	27%
Both Board Member and C-suite	17%

POSITION*

Chief Executive Officer (or equivalent position)	34%	Chief Information Security Officer (or equivalent position)	2%
Chief Financial Officer (or equivalent position)	13%	Chief Compliance Officer (or equivalent position)	2%
Chief Operating Officer (or equivalent position)	10%	Chief Risk Officer (or equivalent position)	2%
Chief Strategy Officer (or equivalent position)	5%	Chief Audit Executive (or equivalent position)	1%
Chief Technology Officer (or equivalent position)	5%	Chief Innovation Officer (or equivalent position)	1%
Chief Information Officer (or equivalent position)	5%	Chief Digital Officer (or equivalent position)	1%
Chief Human Resources Officer (or equivalent position)	3%	Other (please specify)	13%
Chief Legal Officer or General Counsel (or equivalent position)	3%		

* Response group represents “C-suite” and “Both Board Member and C-suite” survey participants (n=809), as noted in the left-hand table on this page.

INDUSTRY

Technology (Software/High-Tech/Electronics)	14%	Real Estate	2%	Higher Education	1%
Financial Services – Banking and Capital Markets	8%	Media and Entertainment	2%	Mining	1%
Manufacturing (other than Technology)	6%	Power and Utilities	2%	Warehousing/Distribution	1%
Not-for-Profit	5%	Telecommunications and Data Infrastructure	2%	Construction Aggregates and Building Materials	1%
Retail	5%	Automotive	2%	Financial Services – Payments	1%
Professional Services	4%	Construction	2%	Financial Services – Mortgage and Consumer Lending	1%
Healthcare Provider/Services	4%	Chemicals and Materials	2%	Healthcare Payer/Insurance	1%
Consumer Packaged Goods	4%	Oil and Gas	2%	Airlines	1%
Financial Services – Asset & Wealth Management	3%	Financial Services – Private Equity	2%	Government Agency (National, State or Local)	1%
Pharmaceuticals and Life Sciences	3%	Financial Services – Other	1%	Healthcare – Integrated Delivery Systems (Provider and Payer)	1%
Transportation and Logistics	3%	Hospitality, Leisure and Travel	1%	Other	4%
Insurance (other than Healthcare Payer)	3%	Renewables	1%		
Biotechnology/Medical Devices	2%	Agriculture, Forestry and Fishing	1%		

**SIZE OF ORGANISATION (OTHER THAN FINANCIAL SERVICES)
– BY GROSS ANNUAL REVENUE IN U.S. DOLLARS**

\$10 billion or more	13%
\$5 billion - \$9.99 billion	7%
\$1 billion - \$4.99 billion	20%
\$500 million - \$999.99 million	11%
\$100 million - \$499.99 million	18%
Less than \$100 million	31%

SIZE OF ORGANISATION (FINANCIAL SERVICES ORGANISATIONS) – BY ANNUAL ASSETS UNDER MANAGEMENT IN U.S. DOLLARS

\$50 billion or more	26%
\$25 billion - \$49.99 billion	8%
\$10 billion - \$24.99 billion	13%
\$5 billion - \$9.99 billion	8%
\$1 billion - \$4.99 billion	15%
\$250 million - \$999.99 million	9%
Less than \$250 million	21%

ORGANISATION HEADQUARTERS

United States	66%
United Kingdom	6%
Canada	4%
India	3%
Germany	3%
China	3%
Japan	2%
France	2%
Italy	2%
Australia	1%
Singapore	1%
New Zealand	1%
Switzerland	1%
Other	5%

ORGANISATION TYPE

Publicly listed company board	47%
Private company board	32%
Not-for-profit board	11%
Private equity-owned board	7%
Other	3%

About Protiviti

Protiviti (www.protiviti.com) is a global consulting firm that delivers deep expertise, objective insights, a tailored approach and unparalleled collaboration to help leaders confidently face the future. Protiviti and its independent and locally owned member firms provide clients with consulting and managed solutions in finance, technology, operations, data, digital, legal, HR, risk and internal audit through a network of more than 90 offices in over 25 countries.

Named to the *Fortune 100 Best Companies to Work For*® list for the 10th consecutive year, Protiviti has served more than 80 percent of *Fortune 100* and nearly 80 percent of *Fortune 500* companies. The firm also works with government agencies and smaller, growing companies, including those looking to go public. Protiviti is a wholly owned subsidiary of [Robert Half Inc.](http://www.roberthalf.com) (NYSE: RHI).

About BoardProspects

BoardProspects.com is the premier board recruitment solution for public and private companies.

Founded in 2010, the innovative platform offers for-profit corporations of all sizes a cost-effective way to identify, assess, and recruit board members from a prestigious community of highly-regarded and credentialed board members, c-suite executives, and thought leaders. BoardProspects leverages technology to improve the board recruitment process for publicly traded and private corporations and provides the tools and features necessary to create a diverse and talented board succession pipeline.

About Broadridge

Broadridge Financial Solutions (NYSE: BR), a global Fintech leader with over \$6 billion in revenues, provides the critical infrastructure that powers investing, board governance and communications to enable better financial lives. We deliver technology-driven solutions to banks, broker-dealers, asset and wealth managers and public companies. Broadridge's infrastructure serves as a global communications hub enabling board governance by linking thousands of public companies and mutual funds to tens of millions of individual and institutional investors around the world. In addition, Broadridge's technology and operations platforms underpin the daily trading of on average more than U.S. \$10 trillion of equities, fixed income and other securities globally. A certified Great Place to Work®, Broadridge is a part of the S&P 500® Index, employing over 14,000 associates in 21 countries. For more information about Broadridge, please visit www.broadridge.com.

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