

A New Approach to Volatility: The Importance of Making Better Decisions

Aon Insights

September 2021

Adaptation Future
Innovation Analysis
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Business Prioritie

Methodology

International Survey of Business Leaders

Aug. 3 – Sept. 4, 2021

- 800 interviews with C-suite and senior executives from companies with >500 employees
- Findings compared to 2020 survey of similar audience (with addition of Canada into North America)
- Recruited from online panels in North America, UK and Europe
 - North America: U.S. (n=360); Canada (n=40)
 - EU/UK: UK (n=84); Spain (n=57); France (n=84); Italy (n=75); Germany (n=100)

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Key Themes

Lessons Learned from the COVID-19 Pandemic



Lessons Learned from the COVID-19 Pandemic

Key Themes

- 1. Executives recognize risk as a necessity to future resilience.** Across industries, executives are reporting a greater willingness to address risk and make investments in order to build resiliency for the future.
- 2. Organizations that fared better during the pandemic took a holistic approach to preparing for risks.** In a world where risks are more intertwined, stronger companies are placing increased value on an approach to risk management that considers the interconnectedness of potential threats and integrates those factors into all decision making.
- 3. Stronger companies value analysis and expertise alongside data.** Business leaders are looking beyond the numbers to garner actionable insights from the data, evaluating analysis and advice from both internal and external expertise.

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Economic Outlook

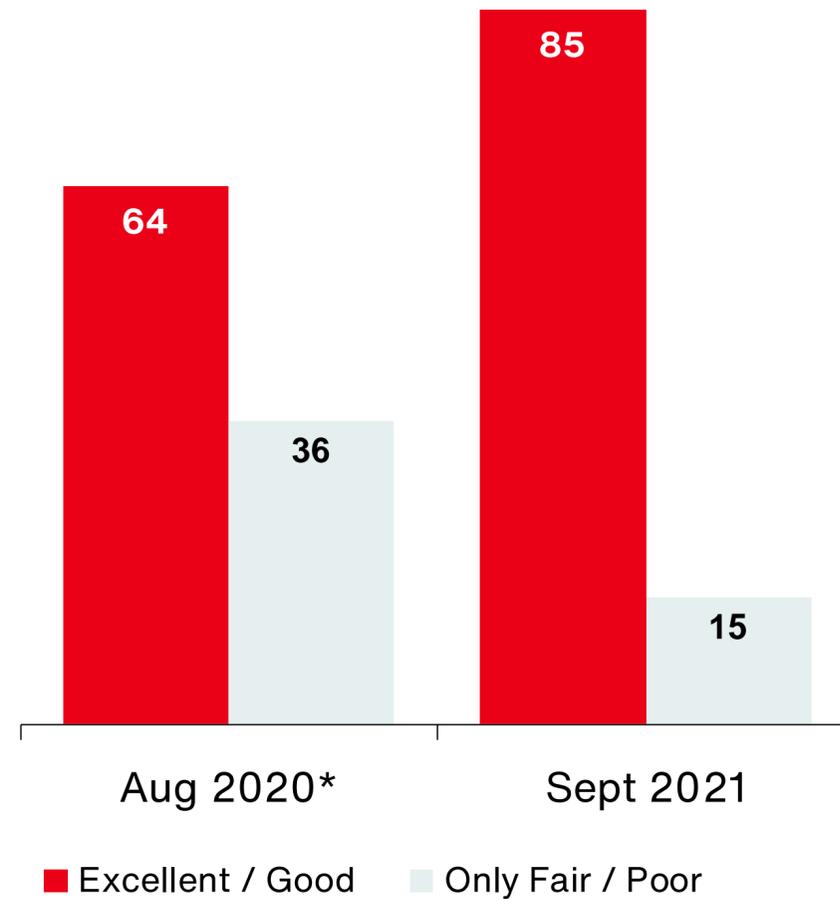
Resilience Turns to Optimism



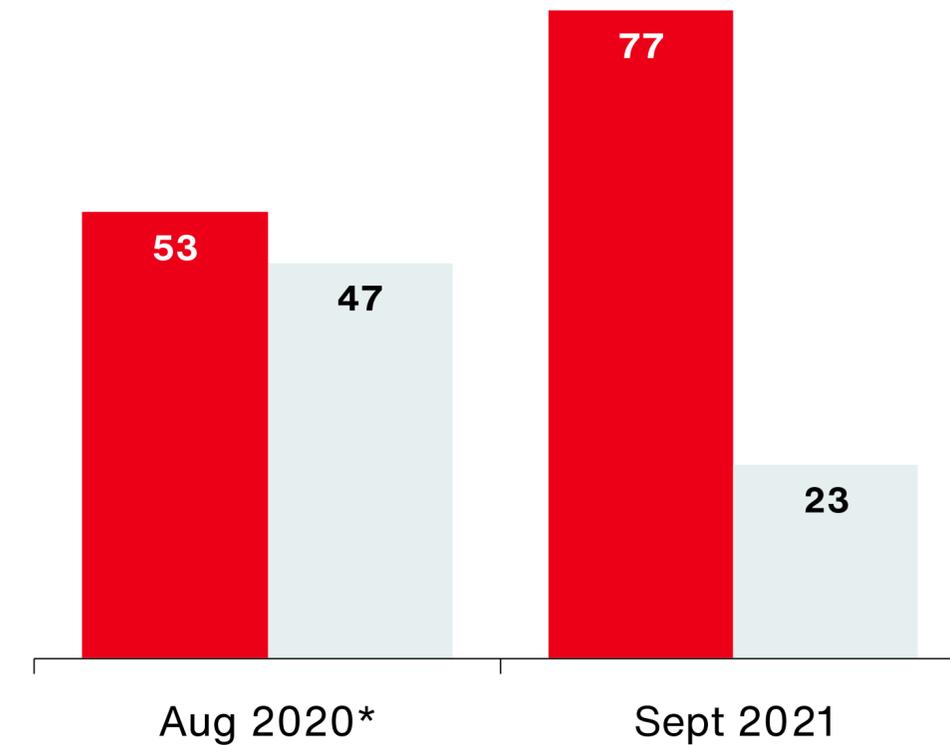
Cautious Optimism From 2020 Grows to Full-On Bullishness

Condition of the Economy

North America

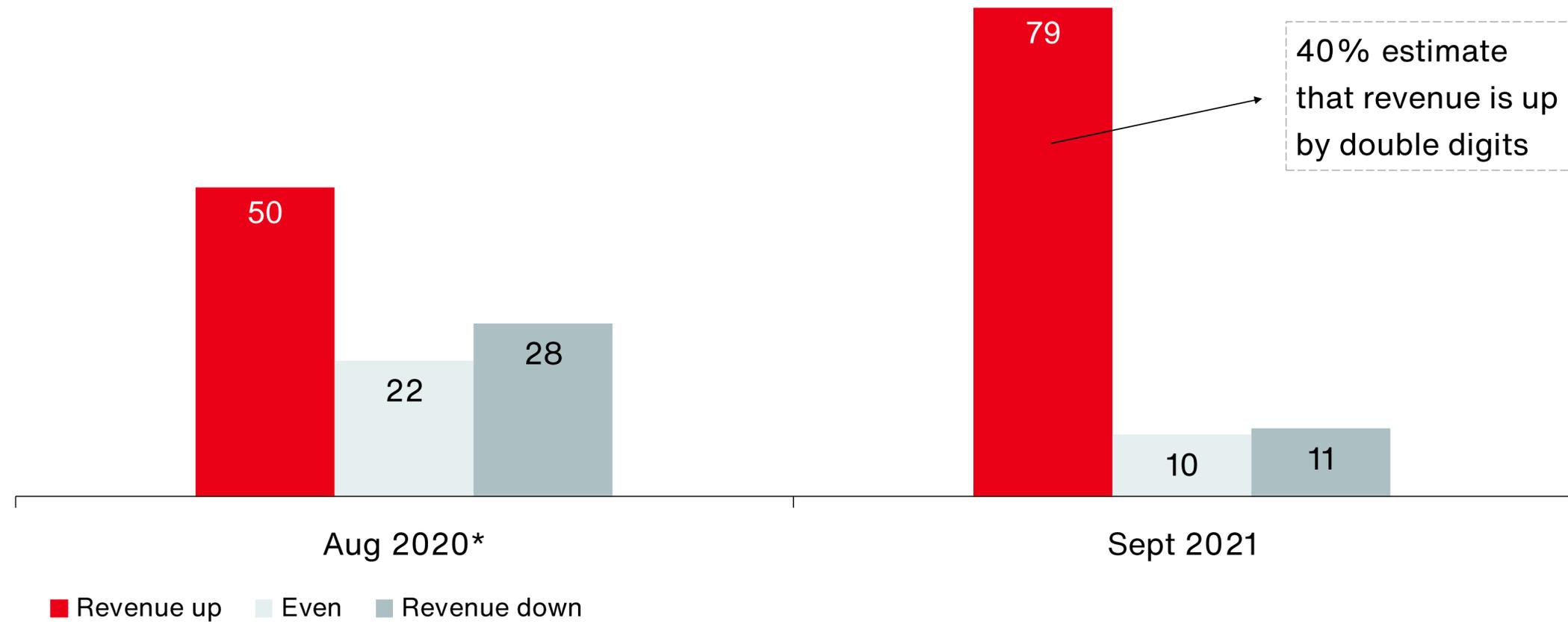


Europe/UK



Most Companies Seeing Growth Compared to Last Year

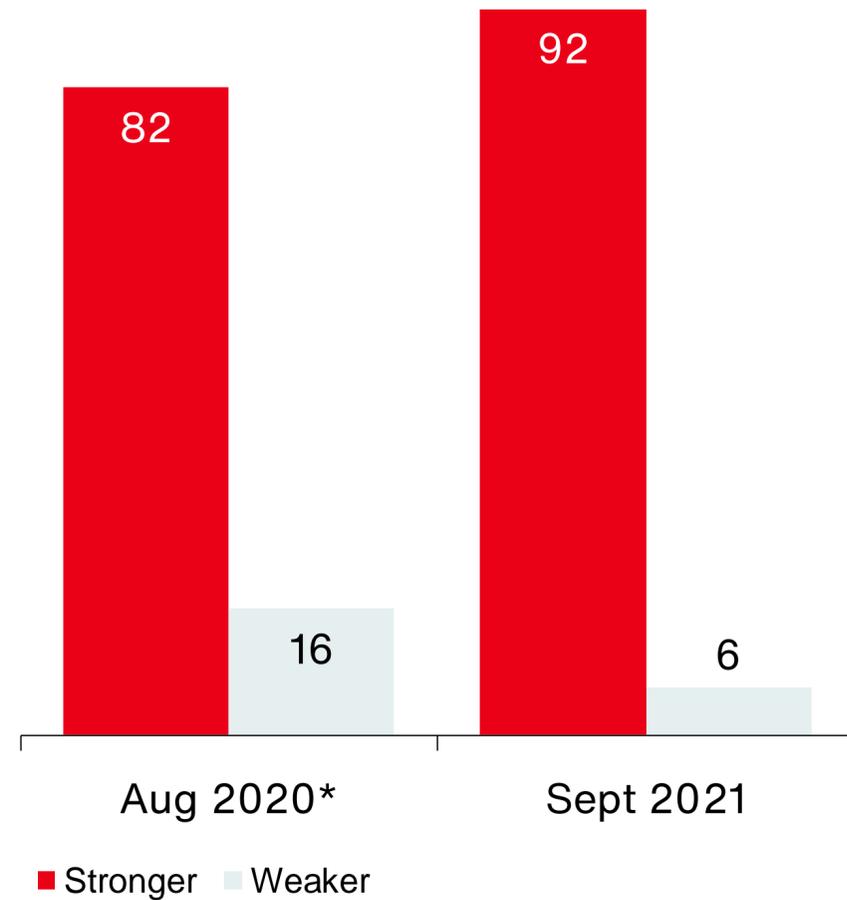
Revenue Estimates for the First Half of 2021/2020 Compared to Previous Year



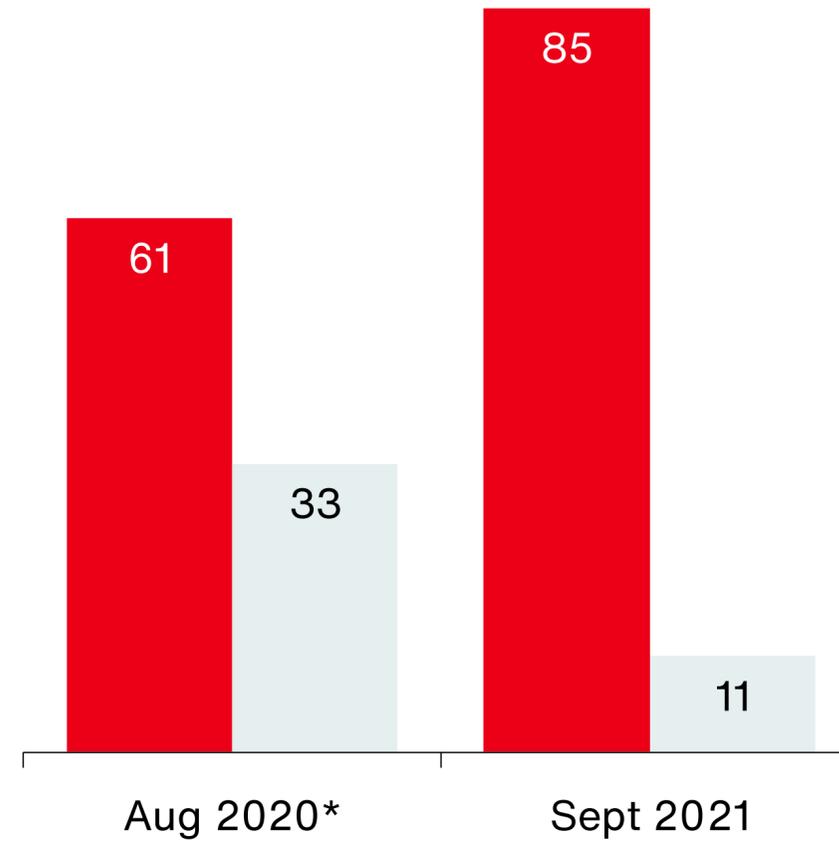
Business Leaders Expect Conditions to Strengthen Through 2022

Expectations of Business Conditions in One Year

North America



Europe/UK



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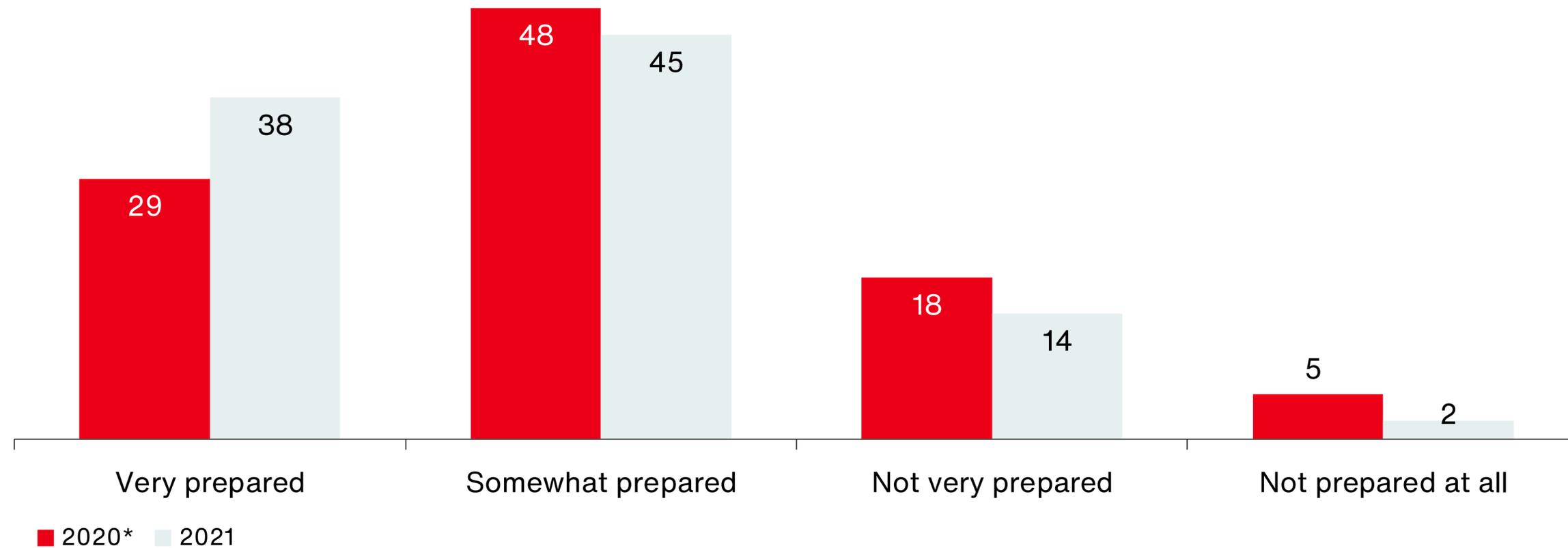
Pandemic Preparedness
**Emerging Stronger While
Looking Forward**

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Well-Prepared Companies Saw Greater Revenue Growth

Assessment of Company Preparation to Deal With the Pandemic



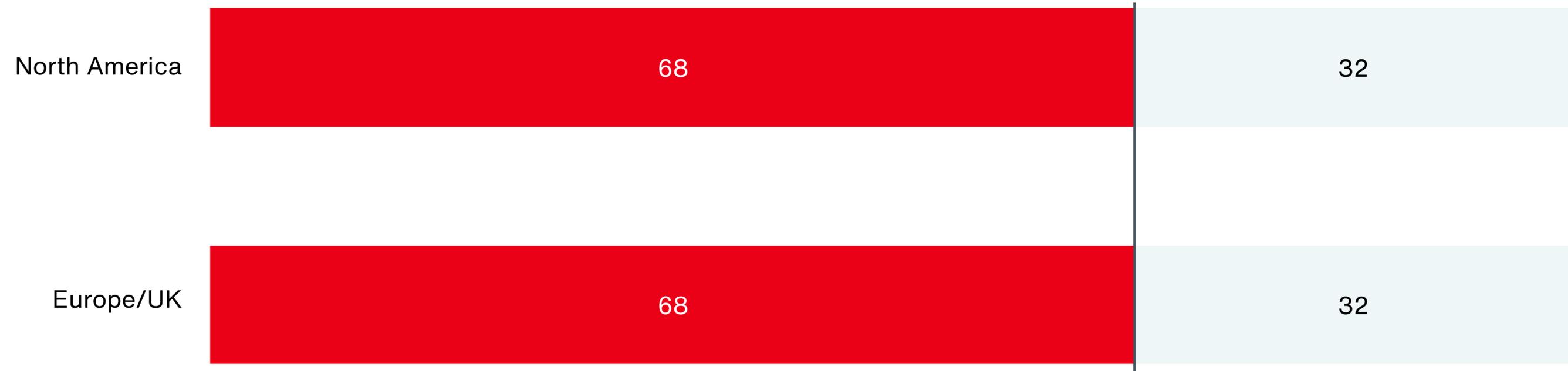
Service Industry Least Prepared to Deal With Pandemic; C-Suite More Confident in Company's Preparation

<i>Looking back, how prepared would you say your company was to deal with the coronavirus pandemic?</i>	Very Prepared	Somewhat Prepared	Not Very / Not At All Prepared
Finance	45%	46%	9%
Tech	40%	44%	16%
Production	41%	42%	17%
Service	28%	50%	22%
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C-Level / Partner	45%	43%	12%
Senior Executive / Executive	31%	48%	22%

Tested by Crisis, Most Feel Strengthened by the Pandemic

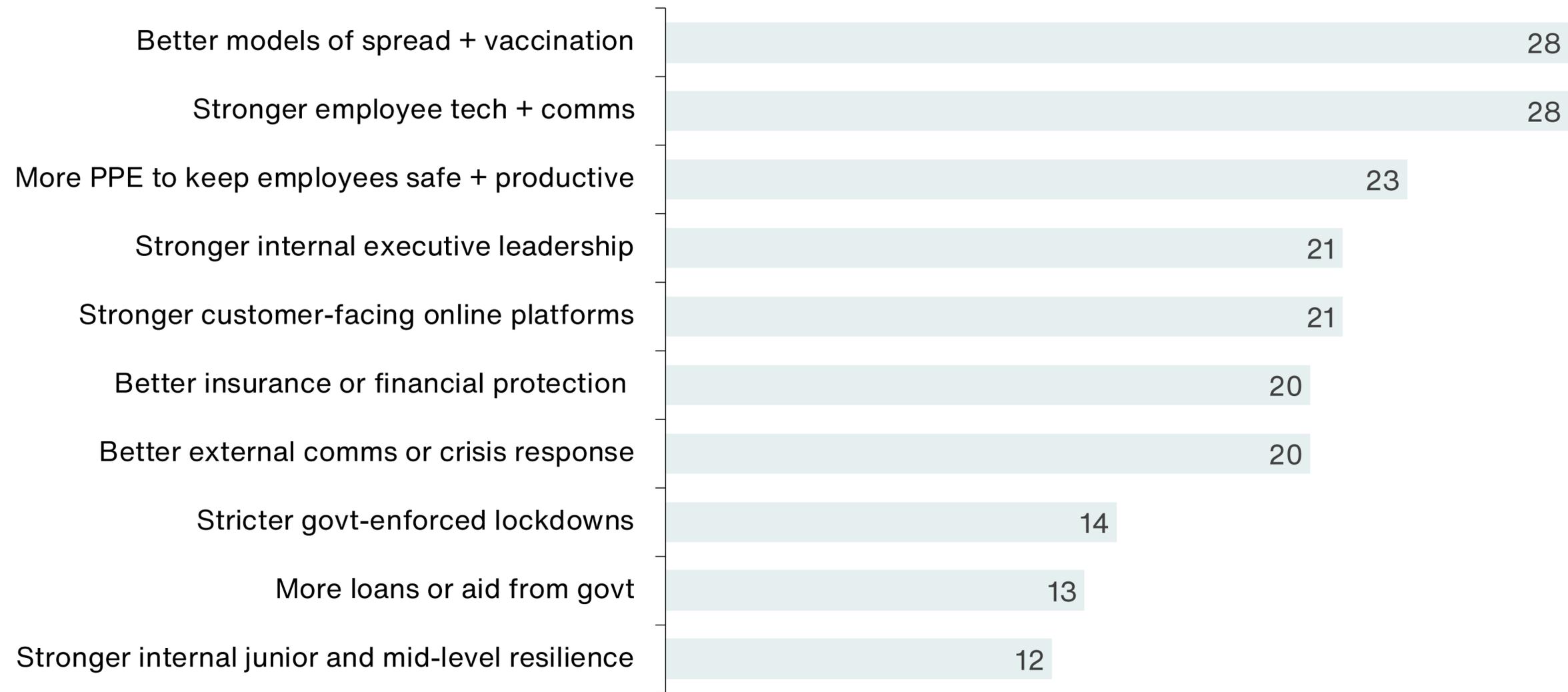
*The pandemic revealed significant industry-wide or company-wide **advantages**, so our company is **stronger** than it was before*

*The pandemic revealed significant industry-wide or company-wide **weaknesses**, so our company is **weaker** than it was before*



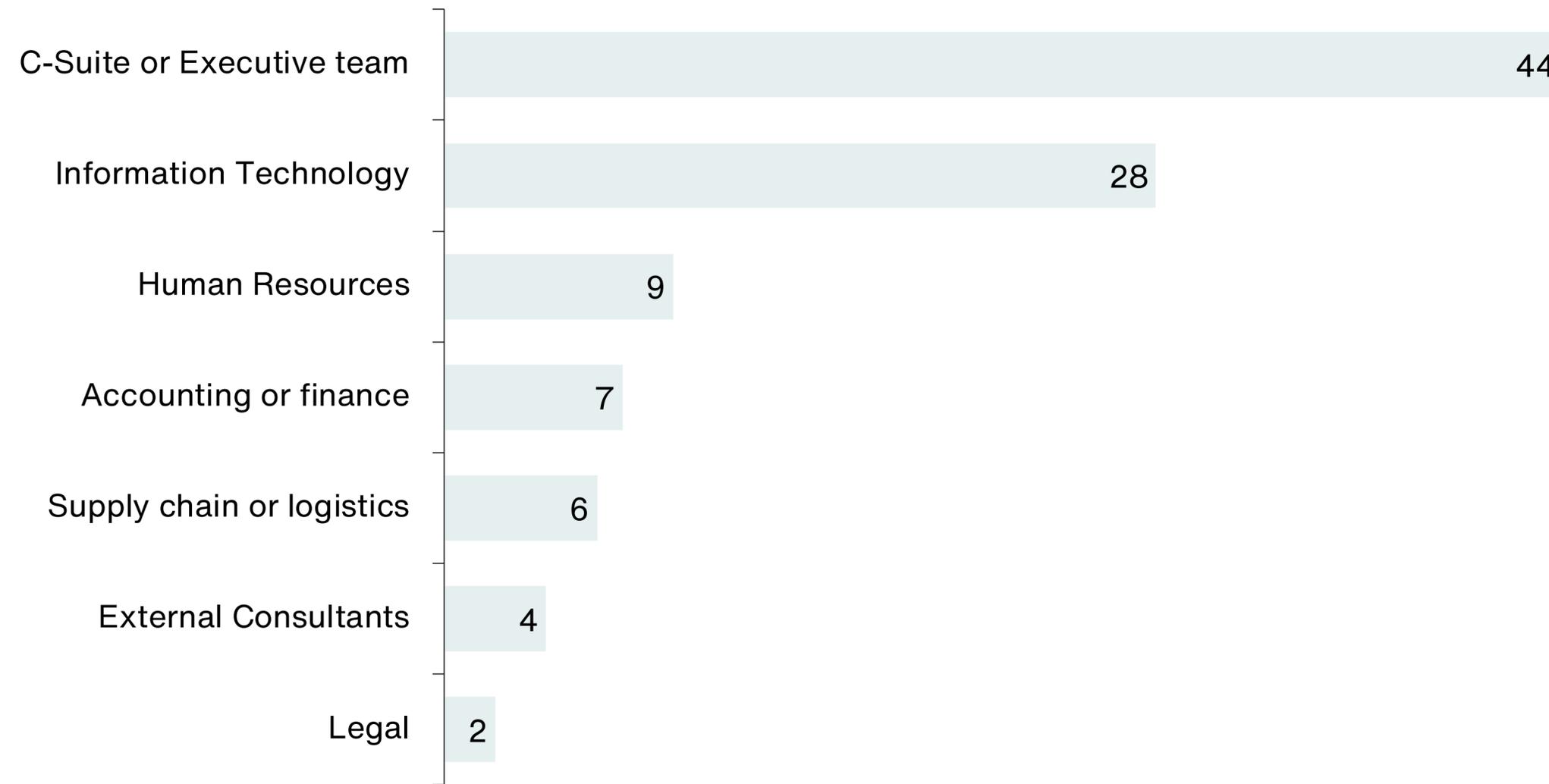
Companies Wanted Both Better COVID-19 Models and Tech for Internal Comms to Strengthen Their Pandemic Response

Which of the following would have been most helpful in effectively responding to the coronavirus pandemic?



Leadership and Tech Made the Difference on Making Better Decisions

What groups or organizations within your company were most important to making better decisions and managing risk for your company during the coronavirus pandemic?



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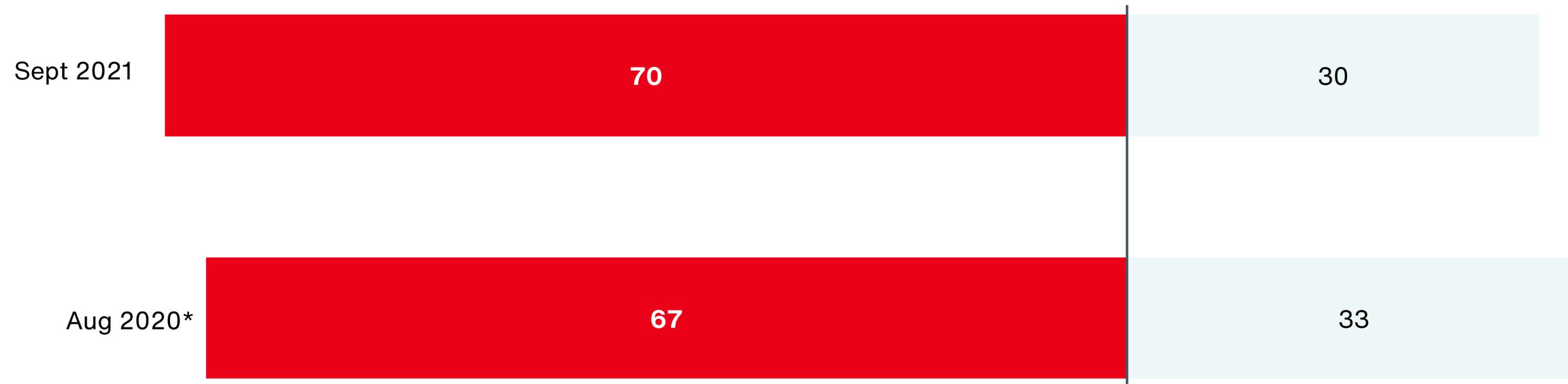
Appetite for Risk **A Holistic, Integrated View of Risk**



Despite Managing Through COVID-19, Few Feel Content to Stay the Course

*The coronavirus pandemic exposed new risks and vulnerabilities that **require a significant change** in how businesses like mine think about the future*

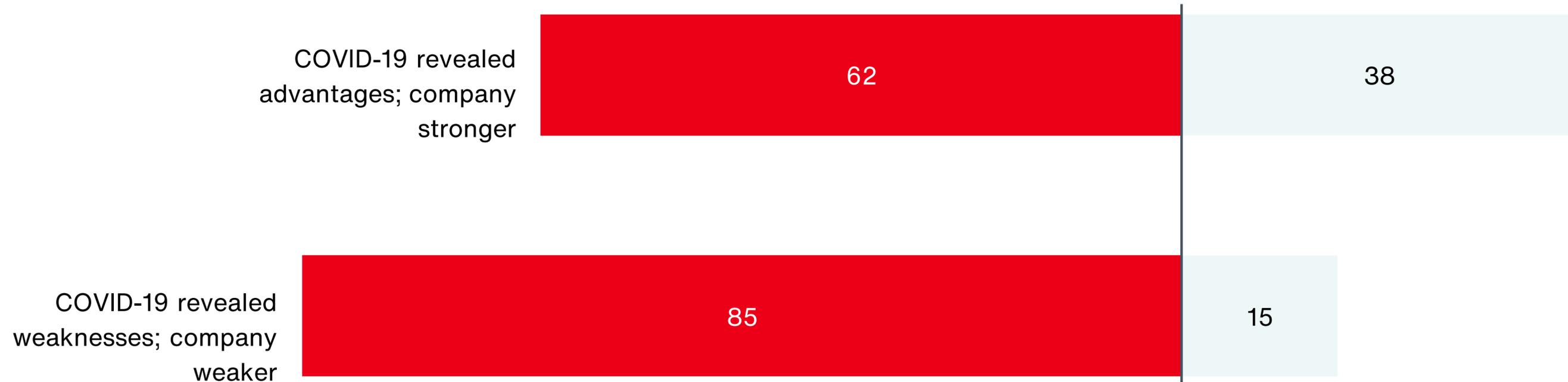
*The coronavirus pandemic is a **one-time event** and **shouldn't change** how businesses like mine make decisions or prepare for the future*



Companies That Struggled Now Realize They Need to Adapt to New Risks

*The coronavirus pandemic exposed new risks and vulnerabilities that **require a significant change** in how businesses like mine think about the future*

*The coronavirus pandemic is a **one-time event** and **shouldn't change** how businesses like mine make decisions or prepare for the future*



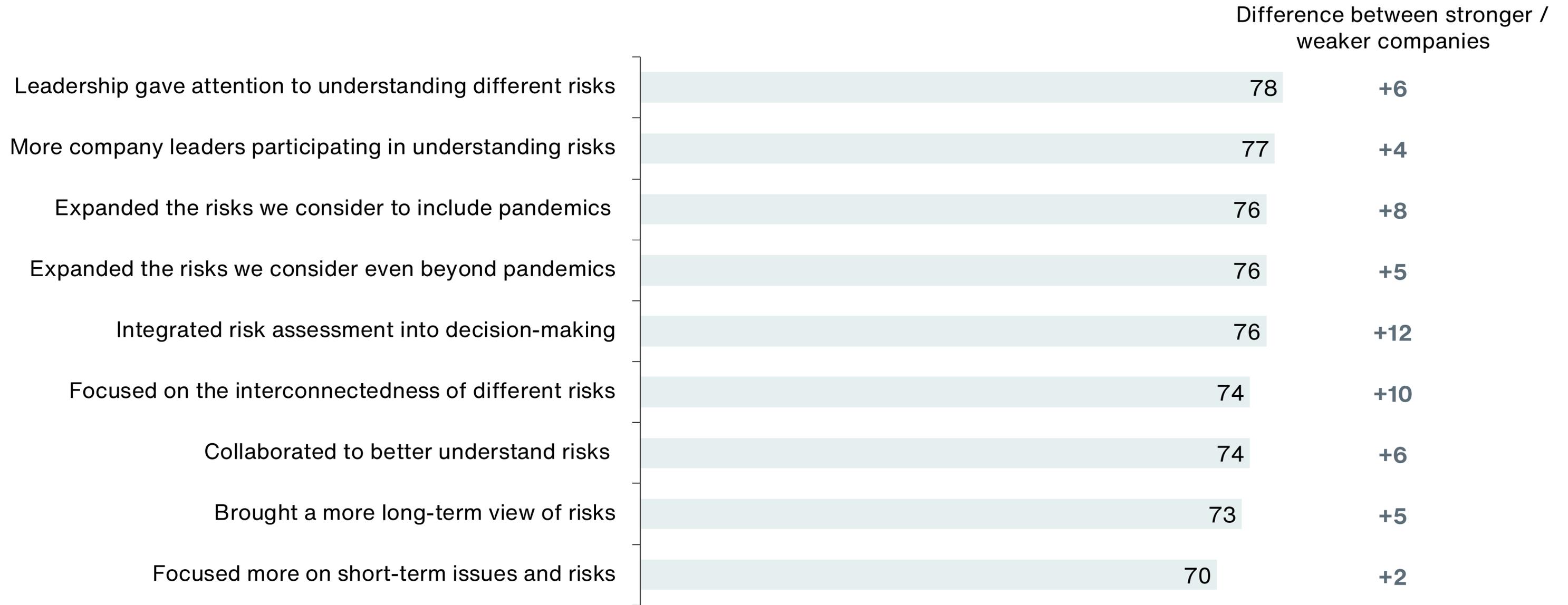
COVID-19 has Made Companies Less Risk Averse

The pandemic experience has...



Risk Prep Isn't A Silo: Stronger Companies Take a Holistic View

Changes in Approach to Risk and Decision Making During the Pandemic



Companies Continue to Change How They Make Investment Decisions

Has the threat of a major event beyond the coronavirus pandemic changed a short-term investment decision your company has made in the past six months?



Those Less Risk Averse Focus on Financing and Capital Investment, Not Staff or Compensation

New Areas of Risk (% willing to take on more risk in the following areas)



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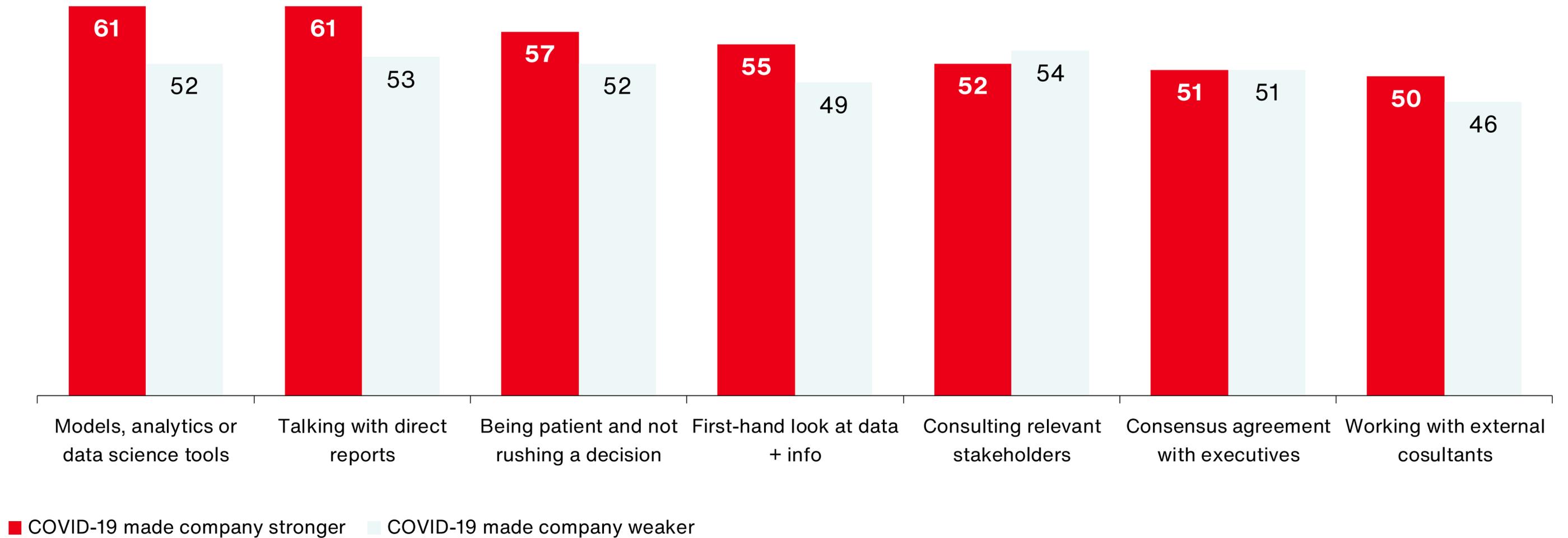
Better Decision Making
**Decisions Powered by Data,
Analysis and Expertise**

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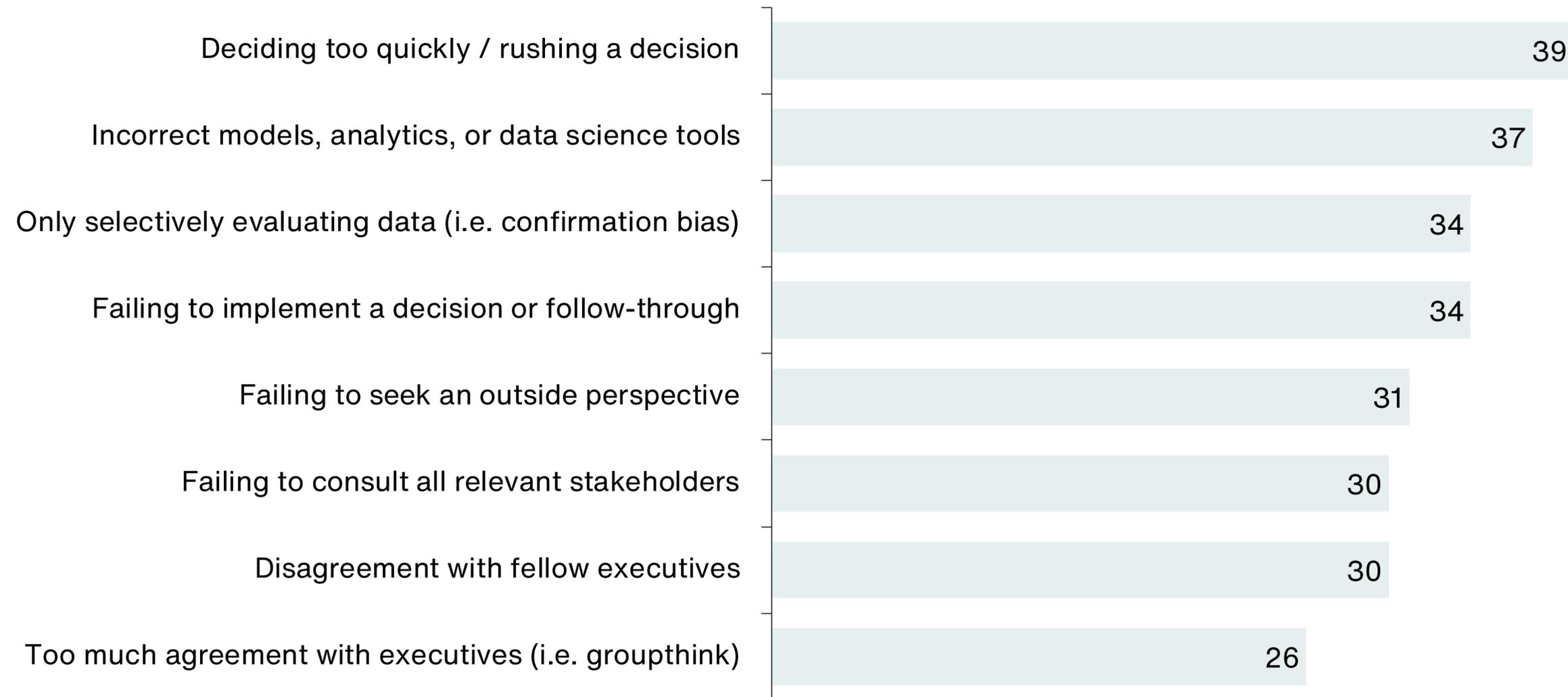
Stronger Companies Place More Value on Data, Direct Reports

% Very Important for Ensuring Company Makes Better Decisions



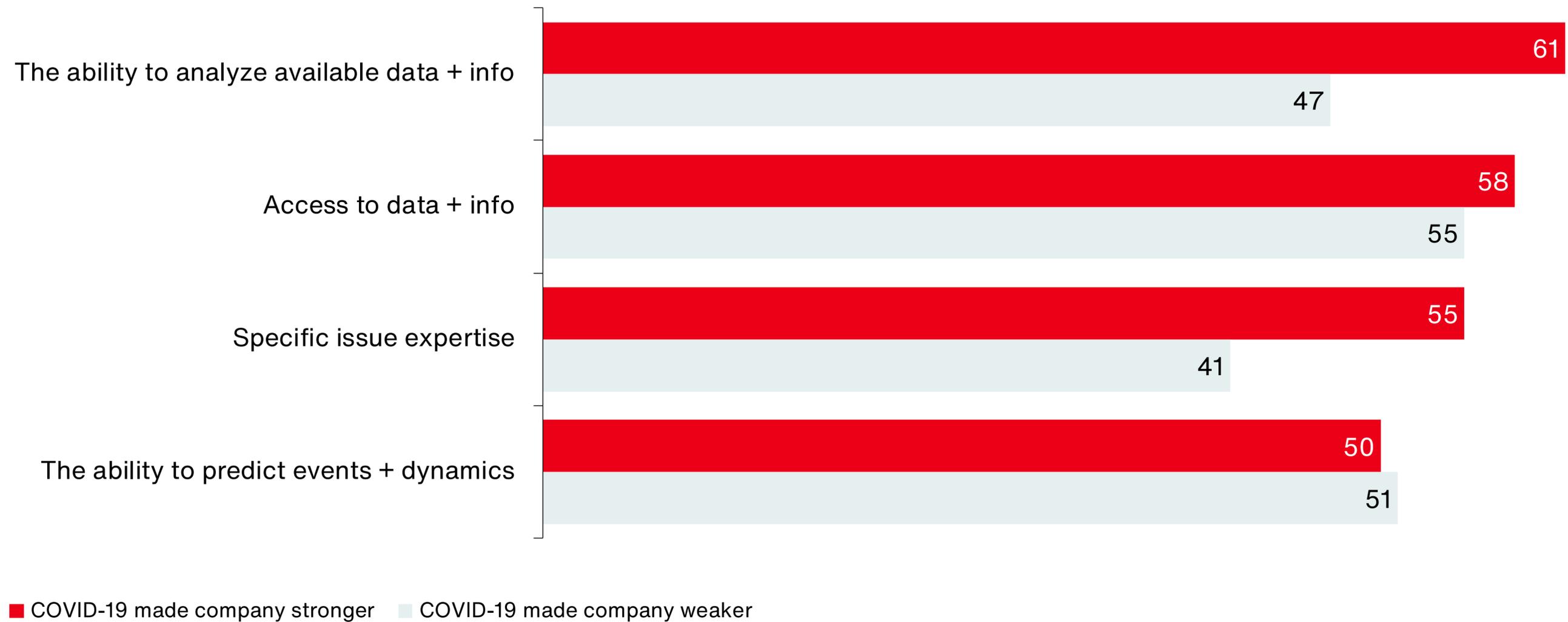
Decision Makers Attuned to Risks of Snap Judgments, Misreading Data

% Very Dangerous for Ensuring Company Makes Better Decisions



Confidence in Future Decision Making Tied to Expertise, Analysis

% Very Confident Your Company has Access to the Following Needs to Make Sound Decisions in the Coming Years



Thank You