Startling Results Found in DuPont Sustainable Solutions’ 2018 Global Operations Risk Survey of Corporate Leaders

Executives’ Lack of Proper Risk Governance Is Putting Their Businesses in Jeopardy

WILMINGTON, Del. (PRWEB) January 22, 2019 -- Despite overwhelming evidence of business disruptions that can occur from failing to manage various risks, company executives are not adequately identifying and preparing for risks that can have potentially catastrophic implications on business operations, according to DuPont Sustainable Solutions’ (DSS) annual global survey of company executives. If left unchanged, a company’s operational performance, business continuity, right to operate and ability to deliver consistent value to shareholders could all suffer.

“Old ways of looking at risk are insufficient in today’s global business environment if executives want their organizations to be sustainable and prosper,” said Davide Vassallo, Global Managing Director of DuPont Sustainable Solutions. “Running a successful business is more complex today than ever before, with executives facing numerous challenges on a daily basis both within and outside their organizations. With these challenges come numerous associated risks that executives must successfully anticipate and mitigate. In order to transform an organization, executives should integrate risk into the organizations business strategy to engage employees, increase productivity and drive competitive advantage.”

The findings of DSS’ 2018 global operations risk management survey of executives show that while there is general agreement and acknowledgement among participating executives of important characteristics of a successful risk management program, leaders are failing to implement those characteristics in their organizations. This failure is manifesting in the following ways:

• Executives are not placing sufficient emphasis on risks that can lead to large-scale incidents. Executives appear to be allowing low incident rates to give them a false sense of security and are not paying attention to other indicators of potential significant events. While 78 percent of survey participants agree that low incident rates do not correlate to reduced risk, two-thirds of executives nonetheless acknowledge feeling safe when they see data indicating incident rates are low or trending to zero.

• Executives address gaps in risk management processes by adding more processes. Executives participating in the survey agree that processes and systems alone are inadequate to manage risk and ensure operational performance. They agree on the importance of having systems in place to manage risks that are integrated, complement each other and are regularly reviewed for effectiveness. Yet 44 percent admit that gaps in existing systems present a challenge for their organizations.

• Executives confirm disconnect among personnel in managing risk. One-quarter of surveyed executives feel front-line personnel are not aligned on top risks facing the company. More than half (55 percent) do not feel senior executives are fully aligned on top risks facing the organization which is an increase of 35 percent versus last year’s DSS survey, which is a general indication of a widening engagement gap between company leaders and front-line workers that prevents an organization from effectively recognizing and mitigating risks.

DSS’ annual global risk management survey of executives benchmarks and measures the maturity of operational risk management programs in companies across numerous industries, and examines the challenges they face in effectively managing risk to improve business performance. Executives from more than 350
companies participated in the survey, which was conducted between May and August. One-half of survey participants (52 percent) were senior executives (CEO, CFO, etc.) and one-half (48 percent) were from the executive director level. Sixty percent of participating companies are in high-hazard industries such as mining and metals, oil and gas, and manufacturing. Roughly two-thirds of participating companies have a global presence. Forty-four percent are headquartered in North America, 27 percent in Asia-Pacific and 24 percent in Europe.

About DuPont Sustainable Solutions

DuPont Sustainable Solutions (DSS), a business unit of DowDuPont Specialty Products, is a leading provider of world-class operations consulting services to help organizations transform and optimize their processes, technologies and capabilities. DSS is committed to improving the safety, productivity and sustainability of organizations around the world. Additional information is available at: http://www.sustainablesolutions.dupont.com.

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DowDuPont Specialty Products, a division of DowDuPont (NYSE: DWDP), is a global innovation leader with technology-based materials, ingredients and solutions that help transform industries and everyday life. Our employees apply diverse science and expertise to help customers advance their best ideas and deliver essential innovations in key markets including electronics, transportation, building and construction, health and wellness, food and worker safety. DowDuPont intends to separate the Specialty Products Division, which will be called DuPont, into an independent, publicly traded company. More information can be found at http://www.dow-dupont.com.

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