

Executive Perspectives on Top Risks 2021 and 2030 – Retail Industry

In the annual top risks survey conducted by Protiviti and NC State University’s ERM Initiative, retail executives identified pandemic-related government policies as their top risk issue for 2021 and beyond. Retailers also listed a deterioration in market and economic conditions, and talent retention and acquisition challenges among their top risks. Overall, the survey results reveal significant opportunity for retail companies to continue to invest in omnichannel shopping, customer experience and loyalty programs, and environmental, social and governance (ESG) issues to build long-term brand relationships and deeper connections with customers.

TOP 10 RISKS FOR 2021*		2021
	1. Pandemic-related policies and regulation impact business performance	7.35
	2. Pandemic-related market conditions reduce customer demand	7.25
	3. Economic conditions constrain growth opportunities	6.45
	4. Cyber threats	6.28
	5. Anticipated increases in labor costs	6.18
	6. Uncertainty surrounding the viability of key suppliers, scarcity of supply or stable supply prices	6.18
	7. Inability to utilize analytics and big data to obtain market intelligence and increase productivity and efficiency	6.18
	8. Succession challenges, ability to attract and retain top talent	6.08
	9. Adoption of digital technologies may require new skills or significant efforts to upskill/reskill existing employees	6.05
	10. Ability to compete with “born digital” and other competitors	6.05

TOP 10 RISKS FOR 2030*		2030
	1. Pandemic-related market conditions reduce customer demand	6.65
	2. Anticipated increases in labor costs	6.03
	3. Sustaining customer loyalty and retention	6.03
	4. Adoption of digital technologies may require new skills or significant efforts to upskill/reskill existing employees	6.00
	5. Impact of regulatory change and scrutiny on operational resilience, products and services	5.98
	6. Rapid speed of disruptive innovations may outpace ability to compete	5.75
	7. Succession challenges, ability to attract and retain top talent	5.70
	8. Emerging innovations' impact on brand, customers, regulatory compliance and/or business	5.62
	9. Substitute products and services may arise that affect the viability of the business	5.59
	10. Ability to compete with “born digital” and other competitors	5.58
	11. Inability to utilize analytics and big data to obtain market intelligence and increase productivity and efficiency	5.58

*Scores are based on a 10-point scale, with “10” representing that the risk issue will have an extensive impact on the organization.

Results are based on a survey of more than 1,000 board members and C-suite executives worldwide. The full survey report, *Executive Perspectives on Top Risks*, may be accessed at erm.ncsu.edu or protiviti.com/toprisks. It includes detailed breakdowns of the results by respondent role, organization size, industry, geography and other categories.

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