









Consumer Products and Retail Executive Perspectives on Top Risks **2023**

Across many retail and consumer goods categories, companies are contending with talent shortages that have increased labor costs, product availability challenges, difficulty sustaining customer loyalty and retention, and pressure to implement sustainability practices. According to results from the latest Protiviti-NC State global top risk survey, these are among the key issues being discussed in the boardroom and C-suite.

TOP 10 RISKS FOR 2023 - CPG AND RETAIL*

	1. Uncertainty surrounding core supply chain ecosystem
	2. Anticipated increases in labor costs may affect our opportunity to meet profitability targets
	3. Economic conditions in markets we currently serve may significantly restrict growth opportunities
	4. Shifting perspectives and expectations about social issues and priorities surrounding diversity, equity and inclusion may impact our ability to attract/retain talent and compete in the marketplace
	5. Sustaining customer loyalty and retention may be increasingly difficult due to evolving customer preferences
	6. Resistance to change may restrict the organization from making necessary adjustments to the business model and core operations
	7. Organization's succession challenges and ability to attract and retain top talent in a tightening talent market may limit ability to achieve operational targets
	8. Third-party risks may prevent us from meeting organizational targets or impact our brand image
	9. Geopolitical shifts, regional conflicts, and instability in governmental regimes or expansion of global terrorism may restrict growth and profits
	10. Inability to utilize data analytics and "big data" to achieve market intelligence, gain insights on the customer experience, and increase productivity and efficiency may significantly affect core operations and strategic plans

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

KEY HIGHLIGHTS FROM THIS STUDY



Moving goods through the supply chain continues to be a challenge. The cost of goods, the changing labor model, with its cost implications, and persistent labor shortages are contributing factors.



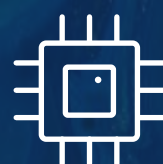
Sustaining customer loyalty and retention is increasingly difficult and costly. Retailers continue to roll out lucrative loyalty programs despite some challenges obtaining customer data.



The labor dynamic remains complicated. With rising inflation and the prospect of a recession, many large companies are taking a cautionary approach with hiring. At the same time, companies are concerned about succession challenges and the ability to attract and retain top talent.



Difficulty integrating "big data" into a usable format is last on the list, but not least; it affects companies' ability to make effective business decisions on nearly all the risk issues cited in the survey.



Technology transformation will continue to enable business processes and drive growth and innovation for companies that embrace change and are able to reduce technical debt.

Results are based on a survey of 1,304 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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