


Executive Perspectives on Top Risks in Healthcare

2023 & 2032

Key issues being discussed in the boardroom and C-suite, according to results from the latest Protiviti-NC State global survey

TOP 10 RISKS FOR 2023*	YOY change	TOP 10 RISKS FOR 2032*	YOY change
 1. Organization's succession challenges and ability to attract and retain top talent in a tightening talent market may limit ability to achieve operational targets	↑	 1. Ensuring privacy and compliance with growing identity protection expectations may require significant resources	↑
 2. Anticipated increases in labor costs may affect ability to meet profitability targets	↔	 2. Adoption of digital technologies may require new skills in short supply, requiring significant efforts to reskill/upskill employees	↓
 3. Pandemic-related government policies and regulation impact business performance	↓	 3. Rapid speed of disruptive innovations enabled by new and emerging technologies and/or other market forces may outpace ability to compete	↔
 4. Economic conditions, including inflationary pressures, may restrict growth opportunities	↑	 4. Ease of entrance of new competitors and other industry changes threaten market share	↑
 5. Ensuring privacy and compliance with growing identity protection expectations may require significant resources	↑	 5. Organization's succession challenges and ability to attract and retain top talent in a tightening talent market may limit ability to achieve operational targets	↓
 6. Our organization may not be sufficiently prepared to manage cyber threats	↑	 6. Anticipated increases in labor costs may affect ability to meet profitability targets	↓
 7. Rapid speed of disruptive innovations enabled by new and emerging technologies and/or other market forces may outpace ability to compete	↑	 7. Regulatory changes and regulatory scrutiny may heighten, noticeably affecting how products or services will be produced or delivered	↓
 8. Regulatory changes and regulatory scrutiny may heighten, noticeably affecting how products or services will be produced or delivered	↓	 8. Substitute products and services arise that affect the viability of our business	↓
 9. Approach to managing demands on or expectations of a significant portion of workforce to work remotely or as part of a hybrid work environment	↑	 9. Pandemic-related government policies and regulation impact business performance	↑
 10. Adoption of digital technologies may require new skills in short supply, requiring significant efforts to reskill/upskill employees	↓	 10. Inability to utilize data analytics and "big data" to achieve market intelligence and increase productivity and efficiency	↔
 10. Changes in the overall work environment may lead to challenges in sustaining culture and the conduct of the business	↓		

*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

People, talent and the future of work represent a defining business challenge for the next decade.

Workforce challenges, including succession challenges, a tightening talent/labor market, increases in labor costs and increased expectations for a hybrid or remote work environment, are among the top concerns for healthcare executives globally. Succession challenges and the ability to attract and retain top talent amid the constraint of a tightening labor market are pervasive issues that have impacted the healthcare industry for many years, but the worldwide public health emergency brought on by COVID-19 has materially exacerbated the risk for healthcare organization leaders.

Healthcare organizations are undeniably impacted by government policies and economic conditions, particularly those surrounding the pandemic, and are concerned about how these may impact business performance, influence margins and restrict growth opportunities.

In most countries around the world, there is no additional government support in sight. Thus, healthcare organizations are seeking solutions to decrease operational costs and improve revenues, as their pre-pandemic strategies may no longer be sufficient.

Regulatory compliance and readiness around patient protection and data privacy, as well as fraud, waste and abuse oversight/enforcement, are causing healthcare organizations to rethink and restructure processes and resource use.

As healthcare organizations navigate to the "new normal," the regulatory environment will only add complexity to an already strained system disrupted by the pandemic.

Cyberthreats such as ransomware and other attacks continue to be a top concern for healthcare industry leaders, particularly due to their potential to disrupt core operations and damage the organization's brand.

Cyber events are key disrupters across healthcare organizations of all sizes, and the number of threats and associated attack techniques continues to expand.

Rapid speed of disruptive innovations enabled by new and emerging technologies and/or other market forces may require significant efforts by organizations to reskill/upskill employees, outpacing their ability to compete.

While the healthcare industry has not yet experienced a true disruptive movement like those seen in more consumer-driven industries such as retail, digital products and intelligent technologies will continue to play an increasing role and help change the way we think about and deliver healthcare.

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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