



FTI Consulting Survey Finds Business Resilience Remains Low Despite Persistent Risks

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Average Score in the Annual FTI Resilience Barometer Rises Slightly, But 84% of G-20 Companies Expect a Crisis in 2020

Business Leaders Focused on Cybersecurity, Financial Crime and Regulation in 2020

Companies Must Embrace Technology Transformation to Remain Viable and Fight New Threats

WASHINGTON, Jan. 21, 2020 (GLOBE NEWSWIRE) -- As executives continue to confront cybersecurity, financial crime and regulatory threats in 2020, companies remain largely unprepared for events that can impact revenue, valuation and reputation, according to a new survey released today by FTI Consulting, Inc. (NYSE: FCN) at the World Economic Forum in Davos, Switzerland.

The [FTI Consulting Resilience Barometer 2020](#), a survey of more than 2,200 executives from private and publicly traded companies across all G-20 countries, measured the preparedness of companies against 18 regulatory, operational, cultural, leadership and technological threats. The survey found the average resilience score rose from 40 out of 100 in 2019 to 43 out of 100 in 2020.

Five of the countries with the top 10 resilience scores (led by India, with a score of 60) were from emerging markets, while the United States, United Kingdom, Australia, Germany, France and Japan all saw scores decrease year over year.

"Companies across the G-20 face more complex risks from technology transformation, geopolitical tensions and the polarization of the political landscape," said [Kevin Hewitt](#), Chairman of the Europe, Middle East and Africa ("EMEA") region at FTI Consulting. "The 2020 elections in the United States, the looming UK exit from the EU, cyber-attacks and increasing regulatory actions are just a few examples of challenges we see companies grappling with each day. It is not a matter of if a company will face an inflection point or crisis, but when it will happen — meaning the senior executives and businesses that are most prepared are likely to remain the most resilient, competitive and viable."

Cybersecurity remains a top concern for most organizations, according to the *FTI Consulting Resilience Barometer 2020*. Despite cyber-attacks being identified as having the most negative impact on revenue, less than half of all executives surveyed are managing cyber-attacks proactively, and only 10% believe they have no cybersecurity gaps at all. Companies said their largest gaps were in employee awareness, security culture and training (28%), followed by threat monitoring and detection and IT patching and technology stress testing (25%).

The survey also found that 64% of companies experienced a form of financial crime over the past year, with theft and fraud representing 24% of financial crimes identified over the past 12 months. As a result, executives expect to increase their compliance spending by 22% in 2020, with 49% of all respondents saying cybersecurity is the highest priority for investment.

A majority of respondents (81%) expect increased regulation in 2020, compared to 76% in 2019. Executives surveyed are seeing regulatory investigations focused on market dominance or antitrust (71%), financial practices (67%), products and services (66%), and compliance (65%).

However, 72% of executives surveyed said they still needed to improve regulatory safeguards, and 25% said they would have to restrict investment or make major changes to their business models as a result of current or expected regulatory changes. New regulations taking effect in 2020, such as the fifth EU Anti-Money Laundering Directive, will place additional importance on continued compliance investments.

Technology transformation will help companies enhance resilience, according to the survey, which found that 68% of senior executives believed they only would remain in business beyond the next five years if they failed to invest in technology. More than half (59%) of executives surveyed said artificial intelligence and machine learning will have the most significant impact on their industries in the next decade, with 81% believing the effect will be positive.

"By their very nature, data-driven technologies can destroy or redefine old boundaries. Building resilience requires new weapons to assess vulnerabilities, protect data across ecosystems and fight against financial crime," said [Caroline Das-Monfrais](#), a Senior Managing Director and Chief Strategy Officer for EMEA at FTI Consulting. "Over half of the companies we surveyed already use artificial intelligence and machine learning to help avoid or prepare for emerging threats. We all have a stake in how these outcomes will impact the global economy, public trust and the future shape of society."

About the FTI Consulting Resilience Barometer 2020

The *FTI Consulting Resilience Barometer 2020* is based on a quantitative survey conducted in November 2019, with 2,276 respondents from companies across all G-20 countries. Each country's results have been weighted so that each country represents a similar proportion of the total G-20 results. The majority of respondents (74%) were C-suite executives and senior managers from privately owned companies, while 26% were from publicly listed entities. For more information, visit www.ftiresiliencebarometer.com.

About FTI Consulting

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. With more than 4,700 employees located in 28 countries, FTI Consulting professionals work closely with clients to anticipate, illuminate and overcome complex business challenges and make the most of opportunities. The Company generated \$2.03 billion in revenues during fiscal year 2018. For more information, visit www.fticonsulting.com and connect with us on [Twitter \(@FTIConsulting\)](#), [Facebook](#) and [LinkedIn](#).

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