



Businesses Prepare for New Era of Public Scrutiny as 83% Expect Investigations in Next 12 Months

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- *Companies Anticipate Investigations into Three Key Areas: Business Conduct and Treatment of Customers, Sustainability/ESG Practices, and Relationship with Public Bodies or Procurement of Government Contracts*
- *80% Believe Their Business Model Needs to Fundamentally Change to Maintain or Restore Competitiveness*
- *97% of Companies Are Actively Investing in Preparation for Future Crises, Including Use of Tools Such as AI and Analytics to Mitigate Risk*

WASHINGTON, Sept. 21, 2021 (GLOBE NEWSWIRE) -- Socio-economic fault lines exposed by COVID-19 are creating an unforgiving marketplace, with companies under scrutiny from governments and the public and little room to avoid disputes and investigations into business practices and behavior, according to a new report from FTI Consulting, Inc. (NYSE: FCN).

The FTI Consulting [2021 Resilience Barometer report](#) found companies under “extreme” pressure to integrate technology (41%), strengthen reputations (37%), improve ESG/sustainability practices (34%) and improve corporate culture (29%) in the next 12 months. The survey of more than 2,800 executives from large public and private companies across G-20 nations found that 83% of those organizations either are being or expect to be investigated in the next 12 months.

The top three investigation worries are: business conduct and the treatment of customers, sustainability and ESG practices, and the relationship with public bodies and government contracts. Thirty percent of respondents identified each of these areas as leading concerns. The services sector and financial sector were the most likely to report experiencing regulatory or political scrutiny over the past 12 months (23% each).

“The ability of businesses to handle crises has been a defining factor of their success during the pandemic,” said [Caroline Das-Monfrais](#), a Senior Managing Director and Global Resilience Lead at FTI Consulting. “However, COVID-19 has exposed and exacerbated economic and social fault lines — employee wellbeing, talent shortages, treatment of customers, financial crime and cybersecurity all have risen up the corporate agenda, and businesses are responding to protect value and build resilience as they look towards future growth.”

The *Resilience Barometer* identifies the nature, severity and potential trajectory of these threats, which are forcing companies to embed resilience on more fronts:

- **Growing cybersecurity threats:** 78% of companies surveyed suffered a cyber attack in the past 12 months, with a rise in phishing attacks among the most prevalent type (34%). Breaches are increasingly damaging, with 32% experiencing a loss of customer/patient data, and a further 30% reporting a loss of third-party information.
- **Class actions and mass consumer claims:** 13% of respondents experienced these in the past 12 months, and the same percentage expect this to continue in the next 12 months. One-third strongly agreed that class actions or mass claims are becoming more costly for their business, with 17% of legal costs expected to be spent on settlements from class actions and other disputes.
- **The “Great Resignation”:** Over the last 12 months, 30% of companies surveyed have experienced a shortage of talent and skills, and 68% have reported increased mental health issues in their workforce since the start of the pandemic. Unsurprisingly, 30% are under “extreme” pressure to retain talent, and 29% are under “extreme” pressure to improve corporate culture in the next 12 months.

“The ever-changing landscape will put the onus on companies to take a proactive stance regarding investigations,” said [Edward Westerman](#), Global Investigations Initiative Leader at FTI Consulting. “Leveraging new technologies and data and analytics can help companies efficiently manage an ongoing investigation and help mitigate the risk of future crises.”

Methodology

The FTI Consulting *2021 Resilience Barometer* survey incorporates the views of 2,869 decision-makers in large companies across all G-20 countries. Large companies are defined as those with over 250 employees, or over USD\$50 million in annual global revenue, or with a balance sheet of over USD\$43 million. In July 2021, FTI Consulting conducted a quantitative survey with C-suite and senior managers executives from privately owned and publicly listed companies. In total, participating companies employ 58 million people, with each company employing an average of 20,000 individuals.

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 6,400 employees located in 29 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 \$2.46 billion in revenues during fiscal year 2020. In certain jurisdictions, FTI Consulting’s services are provided through distinct legal entities that are separately capitalized and independently managed. For more information, visit www.fticonsulting.com and connect with us on [Twitter \(@FTIConsulting\)](#), [Facebook](#) and [LinkedIn](#).

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