

# ***Governing for the long term:*** Looking down the road with an eye on the rear-view mirror

*PwC's 2015 Annual  
Corporate Directors Survey*





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Please note: Charts may not all add to 100 percent due to rounding

## ***Executive summary***

*The dichotomy between long-term and short-term thinking has had a polarizing effect on corporate boardrooms and investors in recent years. Most companies are looking down the road, focused on “enhancing long-term shareholder value.” Yet they are simultaneously preoccupied with a need to look in the rear-view mirror and meet the short-term expectations of investors in the form of quarterly earnings. This pressure can result in business decisions that may satisfy expectations for the company’s next quarter, but not necessarily the next decade.*





The short-term/long-term dichotomy has been exacerbated by an unprecedented level of pressure from shareholder activists over the last several years. While activists are not monolithic, many are short-term focused, using a variety of approaches to achieve a near-term increase in the company's share price – at the potential expense of its long-term outlook. In fact, 84% of activists exited their investments within two years. And 44% of the companies at which activists obtained board seats changed CEOs within 18 months—likely because of a failure to meet short-term expectations.<sup>1</sup> Some governance commentators have even suggested that the need for quarterly earnings reports should be reconsidered because of the conflicting pressures.<sup>2</sup> They suggest this change could combat the excessive focus on short-term performance encouraged by activist shareholders.

From a corporate governance perspective, these concerns raise many questions: How do boards stay oriented towards long-term shareholder value in the face of short-term pressures? And, have boards made changes to their practices in the last few years to ensure an adequate focus on “governing for the long term?”

We structured PwC's 2015 Annual Corporate Directors Survey to gauge director sentiment on whether their boards have oriented themselves toward a longer-term governance focus in light of short-termism. And the survey results indicate this is clearly the case; specifically:

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- **Strategy oversight time horizons have increased** – showing directors are focused on looking even further into the future.
  - **Directors are embracing the power of board diversity** – suggesting they are more focused on ensuring their board makeup is positioned for the company's long-term needs.
  - **Directors are more critical of peer performance and have prioritized board composition** – indicating that current performance may not be good enough down the road.
  - **Directors rate board-level IT strategy expertise as a bigger priority than having a director with a cyber risk background** – recognizing the effective use of IT is critical to their company's long-term approach.
  - **Directors are less likely to believe the time they spend on CEO succession is sufficient** – acknowledging more attention is needed in this area and underscoring the importance of effective leadership to sustained long-term success.
  - **Talent management is a priority** – confirming that attracting and retaining of the best people is a key driver of competitive advantage for the long haul.
  - **Direct communications with shareholders are more prevalent** – demonstrating that to meet new shareholder expectations, directors are more willing to discuss a variety of governance topics.
  - **More action is being taken to prepare for shareholder activism** – with directors playing more offense to combat short-term performance pressure, wanting to be in the best position to defend their company's long-term strategy in case activists come knocking.
  - **Directors are spending significant time on continuing education** – displaying a desire to focus on their own development and better preparing for the changing requirements the future will bring.
  - **Engagement in all areas of IT strategy and risk oversight have increased** – signaling that directors are more fully aware of the impact of revolutionary technological developments on long-term company strategy and risks.
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<sup>1</sup> The Wall Street Journal, January 27, 2015

<sup>2</sup> The Wall Street Journal, August 19, 2015

*In the summer of 2015, 783 public company directors responded to PwC's 2015 Annual Corporate Directors Survey. Of those directors, 74% serve on the boards of companies with more than \$1 billion in annual revenue. Participants were 86% male and 14% female – closely aligning with gender distribution averages of public company directors. The board tenure of participants was dispersed relatively evenly. While participants came from nearly two dozen industries, the leading sectors represented included industrial products, energy, insurance, and banking. Here are the highlights of our research:*

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- **Directors continue to place the greatest importance on core attributes in director nominees.** Consistent with results from last year, the most desirable director attributes continue to be financial expertise (91% describe it as “very important”) followed by industry expertise (70%), operational expertise (66%), and risk management expertise (62%).
- **Directors are less satisfied with their peers’ performance.** Nearly 40% of directors now say someone on their board should be replaced – a jump from 31% only three years ago. Directors continue to cite diminished performance due to aging, unpreparedness for meetings and lack of expertise as the top reasons for their dissatisfaction with peer performance. Female directors are more critical of their peers’ performance than males.
- **Directors rate IT strategy expertise as a bigger priority than having a director with a cyber risk background.** Given the climate around cyber breaches, it’s not surprising that 89% of directors find board expertise in this area to be at least “somewhat” important. However, it is surprising that directors prioritize IT strategy expertise more than cyber risk expertise.
- **Male and female directors disagree about the importance of having gender and racial diversity on their boards.** Female directors continue to be far more likely to consider board diversity important – with 63% of female directors describing gender diversity as a “very important” attribute, compared to only 35% of male directors. Similarly, 46% of female directors describe racial diversity as “very important,” compared to only 27% of their male counterparts.
- **More than 70% of directors at least “somewhat” believe there are impediments to increasing board diversity.** They cite a limited pool of diverse director candidates as a significant obstacle; less than one-quarter “very much” believe there is a sufficient number of qualified diverse candidates.
- **The vast majority of directors believe board diversity positively impacts both the board and the company.** More than eight-in-ten believe diversity at least “somewhat” enhances board effectiveness and company performance, and more than one-third believe it does so “very much.” Newer directors place a much higher value on board diversity than long-serving directors.
- **The majority of directors view proxy access as appropriate at higher ownership thresholds and with longer holding periods than many investors prefer.** Less than one-in-five directors believe that three percent ownership and a three-year holding period is the right standard for proxy access. Rather, more than half of directors believe proxy access is appropriate at five percent ownership, for at least five years or more. Twenty-seven percent of directors believe proxy access is never appropriate, with long-term directors much more inclined to reject the notion of proxy access.
- **There was a decline in the percentage of directors who believe their boards are spending sufficient time on CEO succession.** Only 48% “very much” believe this to be the case, down from 62% last year. In a related concern, more than half of directors only “somewhat” or “not at all” believe their company is adequately prepared to deal with an unplanned CEO succession emergency.
- **Director-investor communication protocols are more pervasive.** More than six-in-ten directors now say their company has established or discussed protocols and practices regarding the permissible topics for discussion between directors and shareholders. A similar number have established or discussed the process by which shareholders can request direct dialogue with the board. In addition, more than half of directors say their company has now established or discussed protocols and practices around preparation for director-shareholder interactions and the particular director(s) to participate in such a dialogue.

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- **Directors are now more inclined to view direct communications with investors as appropriate.** Seventy-seven percent of directors now believe it is at least “somewhat” appropriate to directly discuss executive compensation with shareholders compared to just 66% in 2013. Similarly, two-thirds of directors now believe it’s appropriate to communicate directly with investors regarding company strategy – compared to only 45% in 2013.
  - **There was an increase in the percentage of directors who say their board has interacted with activists and extensively discussed activism at the board level.** About one-third of directors now say they have interacted with activists during the last year and held extensive board discussions about activism, compared to 29% last year; 17% have extensively discussed the topic this year even though they have had no activist interaction – up from 14% in 2014.
  - **Directors are taking action in anticipation of shareholder activism.** Nearly seven-in-ten say their board regularly communicated with the company’s largest investors over the past year. A number of boards are also regularly monitoring their company’s shareholder base, with 56% using a stock-monitoring service to provide them with regular updates on changes to the company’s ownership. Fifty-five percent of directors say their boards are reviewing strategic vulnerabilities that can be targeted by activists.
  - **Audit committee disclosures are being enhanced.** A number of companies have already chosen to enhance the information they provide investors regarding the audit committee’s oversight of the external auditor. And about one-in-ten audit committee members say their boards are considering providing additional proxy disclosure pertaining to auditor compensation and tenure (in addition to the 40% that already do so).
  - **Directors want additional time and focus on strategy oversight and IT.** Two-thirds want at least “some” additional boardroom time and focus on strategy, and one-in-five want much more time and focus. Directors also want to give more time and attention to the IT issues that are closely tied to strategy; 65% want at least “some” additional time and focus on IT risks like cybersecurity and 46% want at least some additional attention given to overall IT strategy.
  - **Increasing demands on the audit committee, potential new state and federal cybersecurity regulations, and activist intervention in company strategy are the top three areas of director concern.** There was a notable decline in director concern about shareholder proposals for proxy access and new disclosures regarding the CEO pay ratio. Directors citing at least some concern over these two matters declined by 5 and 21 percentage points from last year, respectively.
  - **A majority of directors would like to see better board materials.** More than two-thirds “somewhat” or “very much” wish their materials better highlighted risks related to the issues being discussed. A similar number wished such information included more management insights. In addition, the format and timing of materials could stand to be improved; more than half of directors at least “somewhat” wish board materials were shorter and more summarized.
  - **Management could improve their communications.** Fifty-six percent of directors at least “somewhat” wish their dialogue with management was less formal and more spontaneous. And nearly half of directors at least “somewhat” wish these discussions were less scripted and controlled.
  - **Directors continue to dedicate significant time to continuing education.** Over three-quarters of directors participated in some form of board education or training during the last year; nearly one quarter participated in more than 16 hours of education.
  - **The most widely discussed governance initiatives in boardrooms are proxy access and proxy disclosure around the board’s investor engagement policy.** In addition, board leadership structures and mandatory retirement policies are frequently discussed. Fifty-three percent of directors say their company currently splits the roles of Chair and CEO – up by two percentage points from last year. And about one quarter of those who currently have a combined role say they are considering splitting it going forward.
  - **Directors are thinking longer term when it comes to strategy oversight.** Fifty-eight percent now say their strategy time horizon is greater than five years, compared to 48% in 2011. In fact, only 39% of directors now say they use a one-to-three-year time horizon in evaluating strategy, compared to 52% who said so four years ago.
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- **Most directors are focused on macro-trends as part of evaluating their company's strategy.**

Seventy-six percent say they look at long-term, economic, geopolitical, and environmental macro-trends and 71% of directors consider emerging technological macro-trends when evaluating strategy. Additionally, nearly six-in-ten directors studied competitor initiatives that could introduce disruptive approaches.

- **Directors express a high degree of confidence around talent oversight.** Ninety-three percent at least “somewhat” agree that their company’s hiring, retention, and incentive programs support a robust talent pipeline. Over 80% at least “somewhat” believe that their company documents address talent oversight and succession planning, and almost as many think the board, or its committees, takes ownership of talent management oversight.

- **Directors are deeply involved in crisis management oversight.** Seventy-seven percent report discussing management’s plan to respond to a major crisis and 62% have evaluated management’s testing of the company’s crisis response plan. However, only about half of directors say their company has identified, or contracted with, a particular law firm to advise or conduct an investigation in anticipation of a possible crisis; less than half have identified a public relations firm to assist with necessary communications.

- **Directors continue to take actions to reduce fraud risk.** The most common of these was holding board discussions about “tone at the top.” Sixty-eight percent of directors say their boards had such discussions – a 22 percentage point increase over three years ago. There has also been a significant increase in the percentage of directors who say they have had interactions with members of management below the executive level; 57% did so this year – compared to only 31% in 2012.

- **Audit committees are generally satisfied with their company's internal audit function.** Nine-in-ten audit committee members describe internal audit’s skills, resources, leadership, and the materials provided to the board as either good or excellent. Audit committee members also believe that the internal audit group is empowered and well-respected at their company; 90% of audit committee members describe internal audit’s stature within the organization as either good or excellent.

- **Public perception of tax positions is not as concerning as last year.** Sixty-two percent of directors now say their boards have had no discussions in the last year about public perception of their company’s effective tax rate. Over 70% have not discussed their company’s repatriation of offshore profits or use of low-tax-rate jurisdictions. Director attention to all of these areas declined from last year.

- **Director engagement with IT issues has increased.** Eighty-three percent of directors say they are at least moderately engaged in understanding the status of major IT implementations, an increase of seven percentage points from 2012. Similarly, 83% of directors describe themselves to be at least moderately engaged with overseeing the risk of cyberattacks. Two other areas that saw more director engagement than last year are the company’s annual IT budget and the level of spend on cybersecurity.

- **Directors are spending more time discussing oversight of IT risks and opportunities.** Overall, the percentage of directors who spend between 6% and 10% of their board time discussing IT increased from 31% to 37%. Fourteen percent of directors now say they spend 11% to 20% of their annual board hours discussing IT risks and opportunities.

- **The frequency of board interactions with the CIO increased dramatically.** Twenty-five percent of directors now say they meet with the company’s CIO at every formal meeting and 34% say they do so at least twice annually (up from 18% and 30%, respectively, in 2012).

- **External board IT consultants are more popular than ever.** Nearly half of directors now say their boards engage outside consultants on a continuous or project-specific basis to advise on IT, compared to just 27% who said so in 2012.

- **Directors have a fair degree of confidence around cybersecurity.** About eight-in-ten directors are at least “somewhat” comfortable that their company has a comprehensive program in place to address data security. A similar number are at least “somewhat” comfortable that their companies have adequately identified the parties responsible for digital security and that management has appropriately tested their company’s resistance to cyberattacks.

# **Board composition and diversity**

*The focus on board composition and diversity continued to gain steam in corporate governance circles during 2015. When it came to the two types of activists, it became a scenario of, “if the left hand didn’t get you, the right hand might.” First of all, corporate governance activists submitted a record number of proxy access shareholder proposals. Additionally, the hedge fund activists had their day and pushed for, and were successful in obtaining, board representation at a growing number of companies.*

*At its core, board composition is under pressure to evolve. In order to be well-positioned to oversee long-term value creation, directors know their boards need the right expertise and experience – including directors with diverse backgrounds. Directors also recognize they need to be more focused on CEO and director succession in order to make sustained growth a reality.*



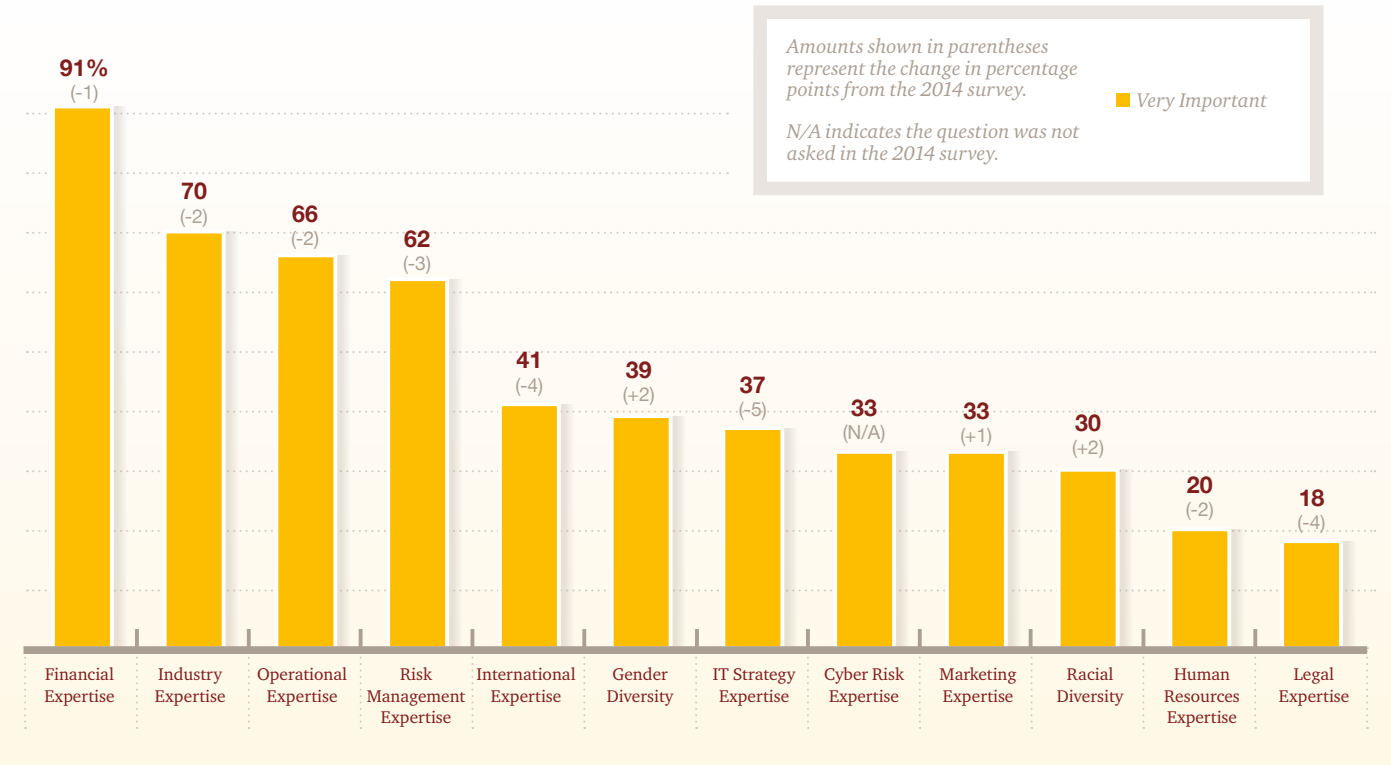
What director attributes are most important?

Consistent with results from last year, the most desirable director attributes continue to be financial expertise (91% describe it as very important), followed by industry expertise (70%), operational expertise (66%), and risk management expertise (62%). These areas are crucial to board service as they provide the foundations for overseeing the business. The percentage of directors who think board diversity is an important attribute increased; 39% now consider gender diversity very important compared to only 37% in 2014. And 30% now consider racial diversity very important – up from 28% last year.

Given the climate around cyber-breaches, it’s not surprising that 87% of directors find board expertise in this area to be at least “somewhat” important. But it’s surprising that directors rate IT strategy expertise as a higher priority than having a director with a cyber risk background. The importance of cybersecurity has certainly been recognized, but directors are strategically focused when it comes to IT. Directors are thinking down the road and know that the effective use of IT can be critical to long-term success.

Human resources and legal expertise continue to be less sought after, with only one-in-five directors describing these attributes as “very important”.

How would you describe the importance of having the following attributes on your board?

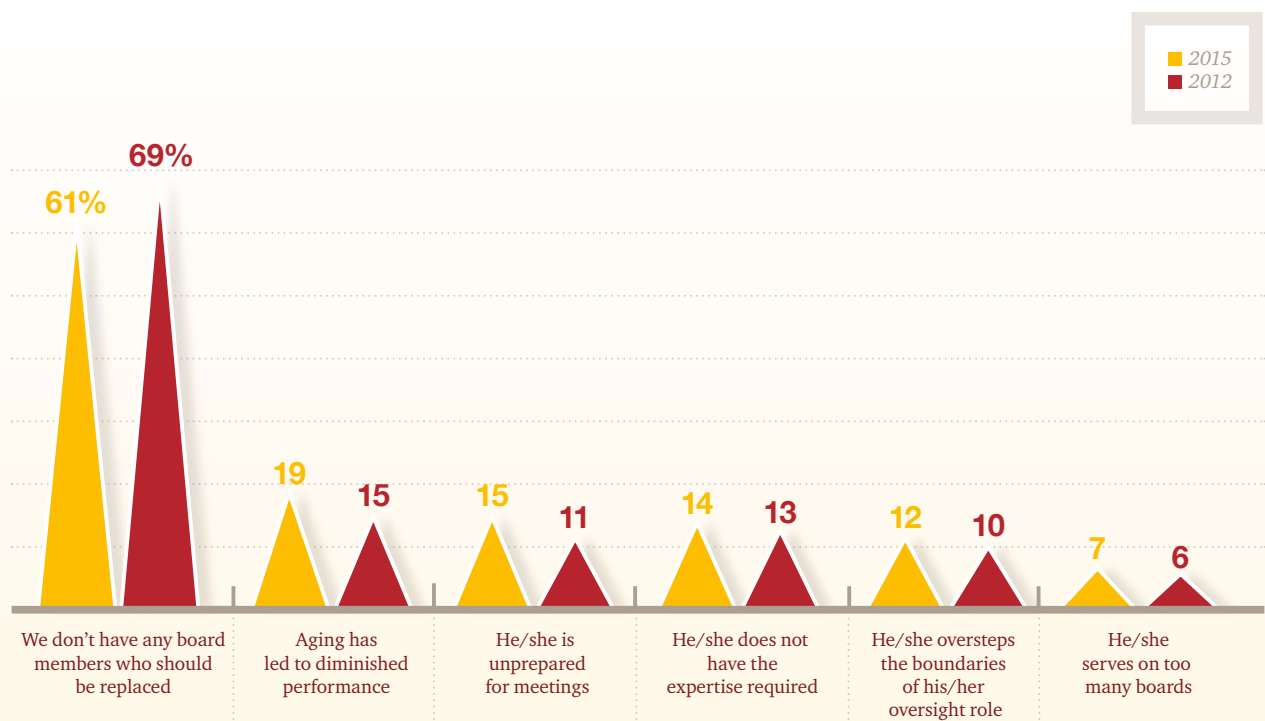


## Greater director dissatisfaction with peer performance

The level of dissatisfaction directors express with their fellow directors has increased each of the last three years – signaling that a significant number of board members expect more from their peers. It may also indicate that the bar for acceptable board performance continues to rise. Nearly 40% of directors now say someone on their board should be replaced – a jump from 31% only three

years ago. Directors continue to cite diminished performance due to aging, unpreparedness for meetings, and lack of expertise as the top reasons for their dissatisfaction with peer performance. Overall, director criticism of peers may indicate a recognition that changes to board composition are necessary to promote long-term value creation.

*Do you believe that any of your board members should be replaced for the following reasons?*



### Deeper insights:

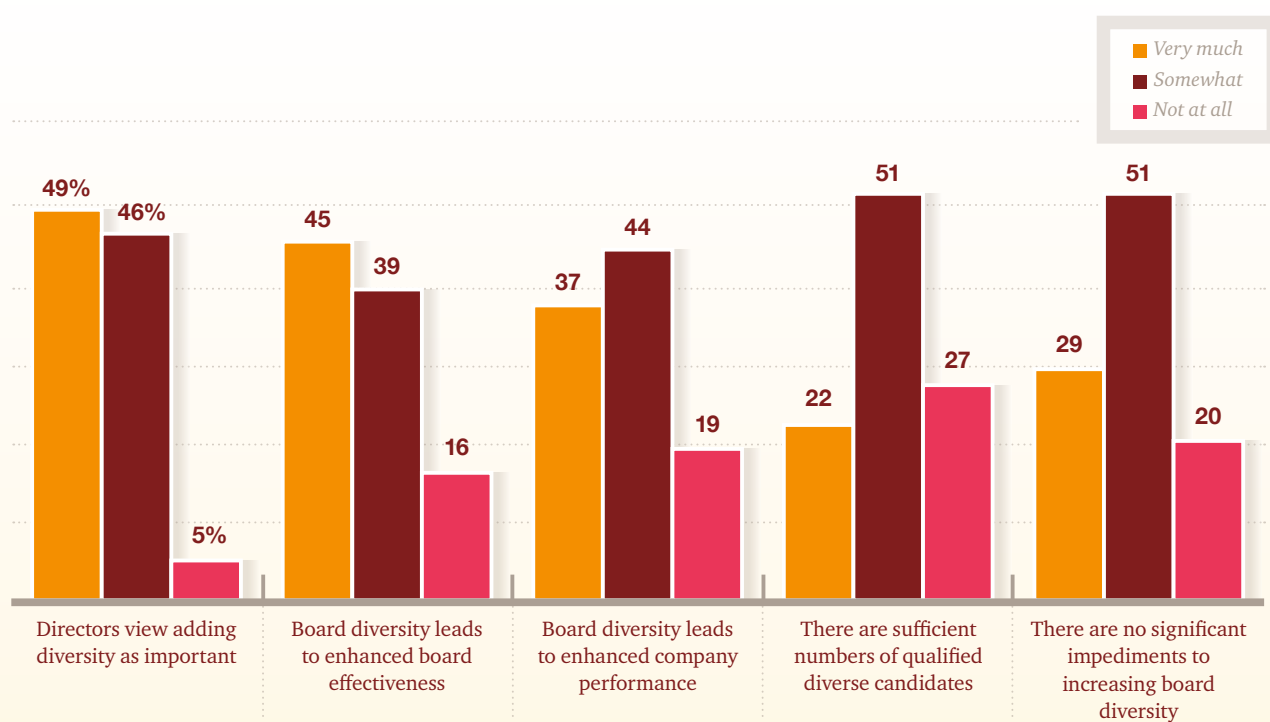
- **Female directors are slightly more likely to believe a fellow director should be replaced; 42% of female directors believe someone on their board should be replaced, compared to 39% of male directors.**

## Board diversity in the spotlight

Because boards are emphasizing governing for the long term, getting the right mix of directors is key, including achieving diversity. Global demographics continue to shift and directors realize their boards must have a broader array of perspectives to meet future challenges. Overall, 95% of directors view diversity as at least a “somewhat” important director attribute. However, more than 70% of directors at least “somewhat” believe there are impediments to increasing board diversity.

They cite a limited pool of diverse director candidates as a significant obstacle; less than one quarter very much believe there is a sufficient number of qualified diverse candidates. The vast majority of directors believe board diversity positively impacts both the board and the company; more than eight-in-ten believe diversity at least “somewhat” enhances board effectiveness and company performance, and more than one-third believe it very much does so.

*To what extent do you believe the following regarding board diversity:*



### Deeper insights:

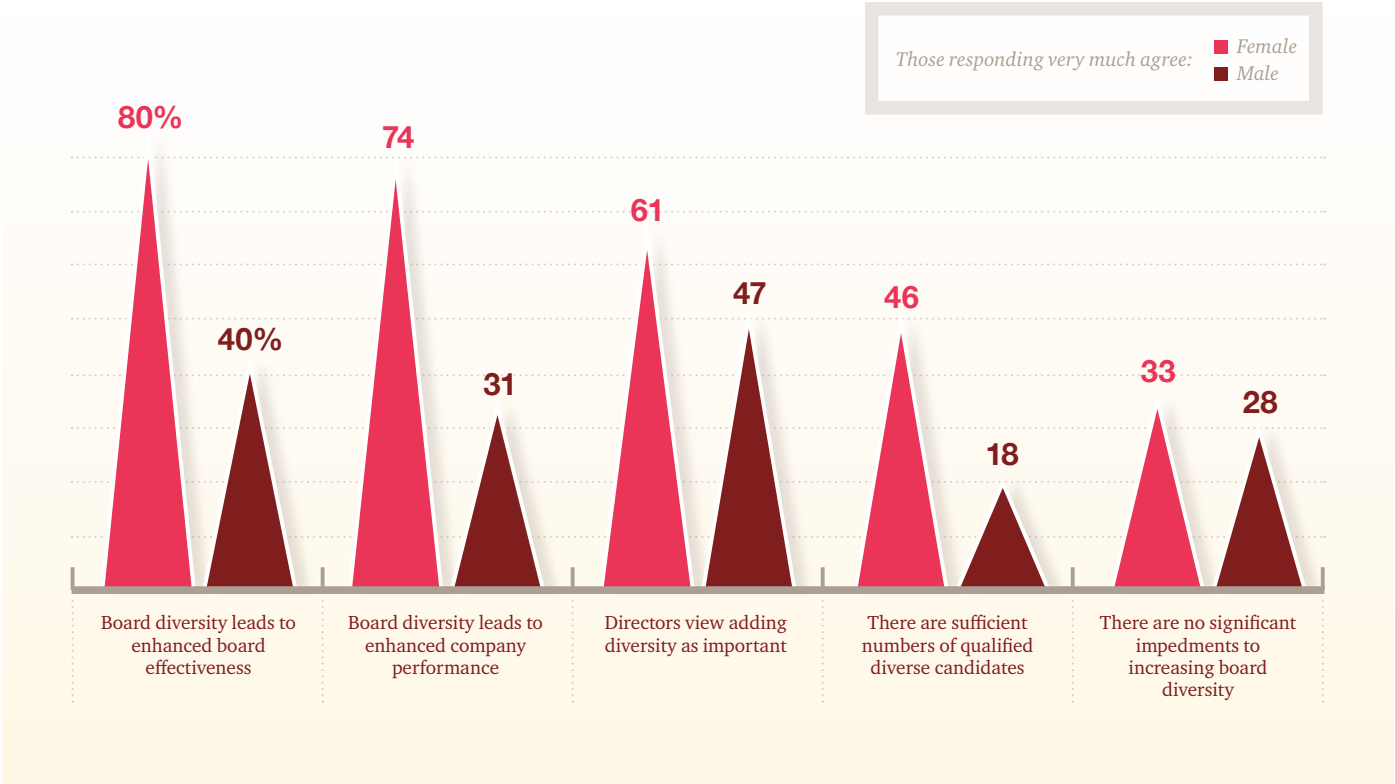
- **Directors of the largest companies prioritize diversity more:** 67% of mega-cap company directors think diversity is “very important” to board composition compared to only 31% of directors at micro-cap companies.
- **Conflicting views about the importance of diversity exist between newer and more-tenured directors:** 62% of directors with less than one year of board service “very much” agree that having diversity on the board is important, compared to only 39% of directors who have tenure of greater than ten years.



Male and female directors disagree about the importance of having gender and racial diversity on their boards. Female directors continue to be far more likely to consider board diversity important – with 63% of women describing gender diversity as a very important attribute compared to only 35% of male directors. Similarly, 46% of female directors describe racial diversity as very important compared to only 27% of their male counterparts.

Similar to the differences in importance each gender places on diversity, there are stark contrasts in male and female views on diversity’s impact. Women are twice as likely to “very much” believe diversity leads to enhanced board effectiveness. Similarly, 74% of female directors “very much” agree that board diversity leads to enhanced company performance, compared to only 31% of males.

*To what extent do you believe the following regarding board diversity (by gender):*

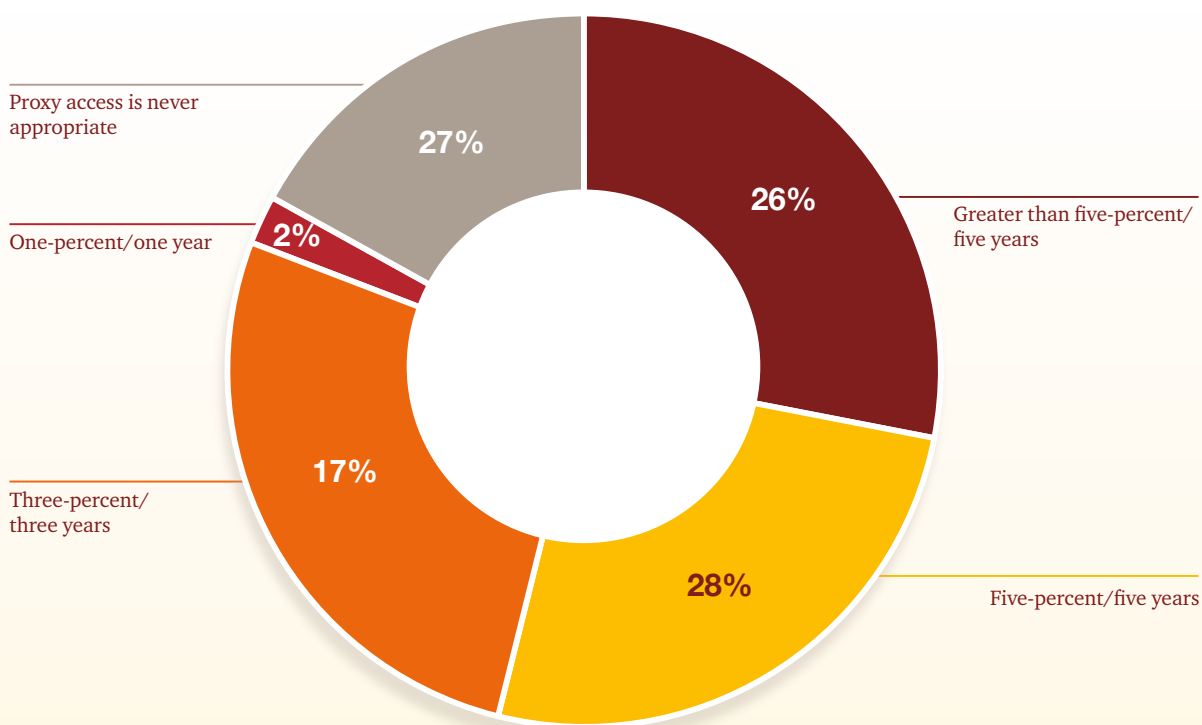


## The “right” thresholds for proxy access

Proxy access refers to the right of shareholders (with certain ownership stakes and holding shares over a certain period of time) to place a certain percentage of director nominees on a company’s slate. It has been one of the most hotly contested governance issues of 2015, with more than 100 companies receiving shareholder proposals requesting adoption.<sup>3</sup> Proxy advisory firms favor a three-percent ownership position and a three-year holding period. But even though a significant

majority of directors view granting proxy access to be appropriate, most believe it should require higher ownership thresholds and longer holding periods. Less than one-in-five directors believe the three percent ownership and three-year holding period are appropriate. Instead, more than half believe proxy access is appropriate at five-percent ownership for at least five years or more. Twenty-seven percent of directors believe proxy access is never appropriate.

*At what ownership threshold do you generally believe it is appropriate to grant shareholders proxy access?*



### Deeper insights:

- **Directors with greater tenure are far more likely to reject proxy access:** Directors with a tenure of greater than ten years are almost three times more likely to reject proxy access compared to directors with less than one year of tenure.

<sup>3</sup> PwC+Broadridge *ProxyPulse*, August 2015.

## Less confidence about CEO and board succession

CEO and director succession are quintessential board composition issues. Having smooth transitions in these leadership roles is crucial to a company's long-term success. As such, it's imperative that boards focus on these areas. However, there was a noteworthy decline this year in the percentage of directors who believe their boards are spending sufficient time on CEO succession; only 48% "very much" believe this to be the case, down from 62% last year. A related concern is that more than half of directors only "somewhat" or "not at all" believe their company is adequately prepared to deal with an unplanned CEO succession emergency. And only about one quarter "very

much" believe their company has adequate bench strength in its CEO talent pipeline. This may be why 52% of directors say they want to spend at least "some" additional board time on CEO succession going forward.

Board and committee leadership succession are two other areas in which directors showed concern; less than half "very much" believe their board is spending sufficient time fulfilling these responsibilities, and one-in-ten believe their board is "not at all" doing so. The concerns about CEO and director succession suggest today's directors are concerned about leadership transition and continuity.

### To what extent do you agree with the following:

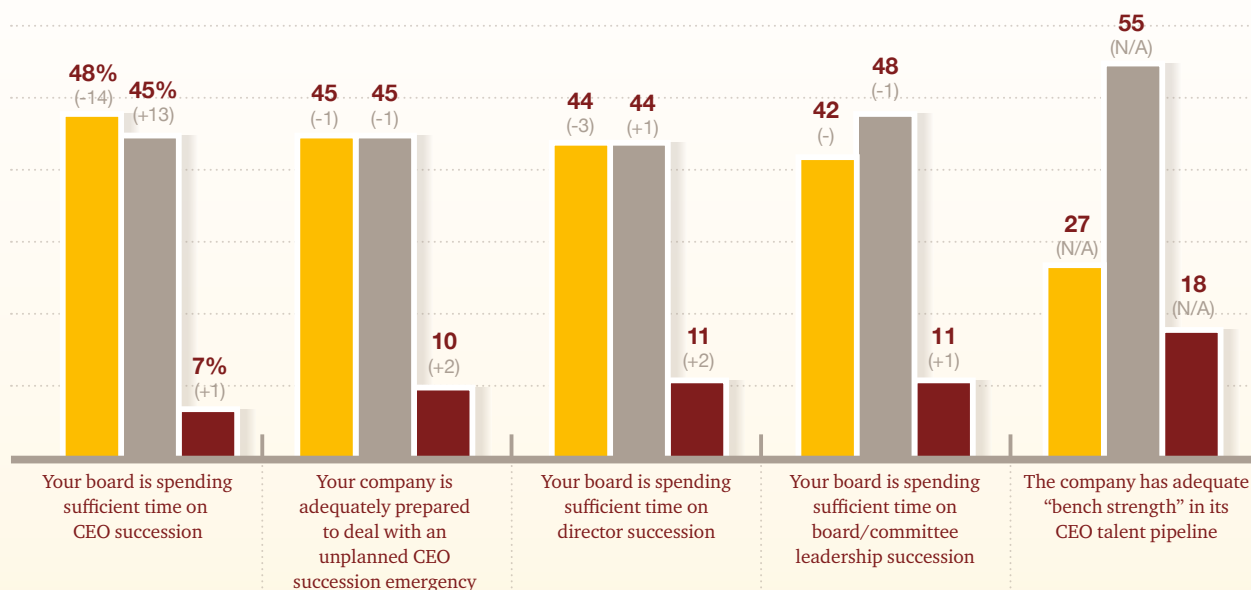
Amounts shown in parentheses represent the change in percentage points from the 2014 survey.

N/A indicates the question was not asked in the 2014 survey.

Very much

Somewhat

Not at all



### Deeper insights:

- **Directors of the largest companies are more satisfied with the amount of time spent on CEO and director succession;** Directors of mega-cap companies are twice as likely to agree their boards spend sufficient time on CEO and director succession compared to directors of micro-cap companies.

# **Director communications and shareholder activism**

*Directors recognize that balancing the pressure for short term results with a focus on long-term value creation requires the board to have good relationships with the company's largest shareholders. The majority of directors have become more comfortable with direct investor communications around corporate governance issues like executive compensation and board composition. Boards have also made significant strides in establishing protocols and practices to structure their communications with investors. In many cases, they are embracing direct communications with potential or current activists. And this progress can only serve to help them be in a better position to navigate an increasingly aggressive shareholder activism environment.*



## Progress with communication protocols and practices

Director communication with institutional shareholders has increased during the last several years; 69% now say they participate in such dialogue, compared to 62% in 2012. But a number of boards had not developed a robust set of policies and protocols for such dialogue. This year boards made notable progress in addressing this area. More than six-in-ten directors now say their company has established or discussed protocols and practices regarding both the permissible topics for discussion between directors and shareholders as well as the process by which shareholders

can request direct dialogue with the board. Additionally, more than half of directors say their company has now established, or discussed, protocols and practices around preparation for director-shareholder interactions as well as identification of the particular director(s) to participate in such a dialogue. Formalizing these protocols contributes to ensuring director communications with shareholders are conducted in an appropriate fashion and promote effective long-term relationships.

### Has your board discussed or established company protocols/practices for:

Permissible topics for dialogue between directors and shareholders

35%  
(+8)

25%  
(-3)

40%  
(-5)

The process by which shareholders can request direct dialogue with the board

31  
(+9)

30  
(-1)

39  
(-8)

Preparation for director/shareholder interactions

31  
(+8)

21  
(-)

48  
(-8)

The format for director/shareholder dialogue

29  
(+8)

21  
(-2)

50  
(-6)

The particular directors to participate in director/shareholder dialogue

28  
(+2)

31  
(+3)

41  
(-5)

Amounts shown in parentheses represent the change in percentage points from the 2014 survey.

Discussed  
Discussed and established  
Not discussed or established

### Deeper insights:

- **Protocols around director-investor communications are more prevalent at the largest companies; 72% of directors at mega-cap companies have discussed or established a process by which shareholders can request direct dialogue with the board, compared to only 44% of micro-cap company directors.**

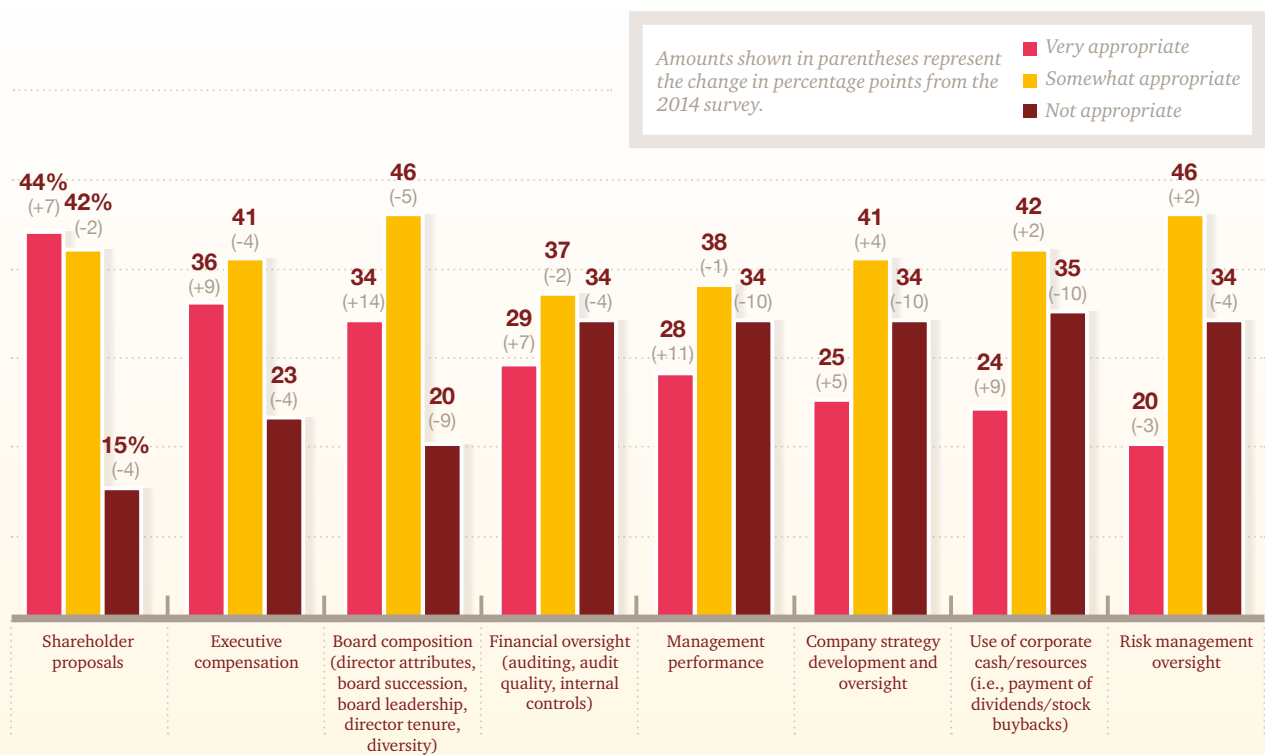


## Appropriate topics for director-shareholder dialogue

Director views on appropriate topics for direct communications with shareholders are changing. Directors became more inclined to view communications as appropriate in every area; directors who consider it “never appropriate” decreased across the board. For example, 77% of directors now believe it is at least “somewhat” appropriate to discuss executive compensation with shareholders compared to just 66% in 2013. Similarly, two-thirds of directors now believe it’s appropriate to

communicate directly with investors regarding company strategy – compared to only 45% in 2013. Another topic that saw a significant two-year increase is the use of corporate cash and resources (66% of directors now believe it’s at least “somewhat” appropriate to discuss this area – up from 46% in 2013). This may be a response to the concern many activists have expressed about dividends, stock buybacks, and other uses of cash.

*Regarding the following topics, how appropriate is it for boards to engage in direct communication with shareholders?*



### Deeper insights:

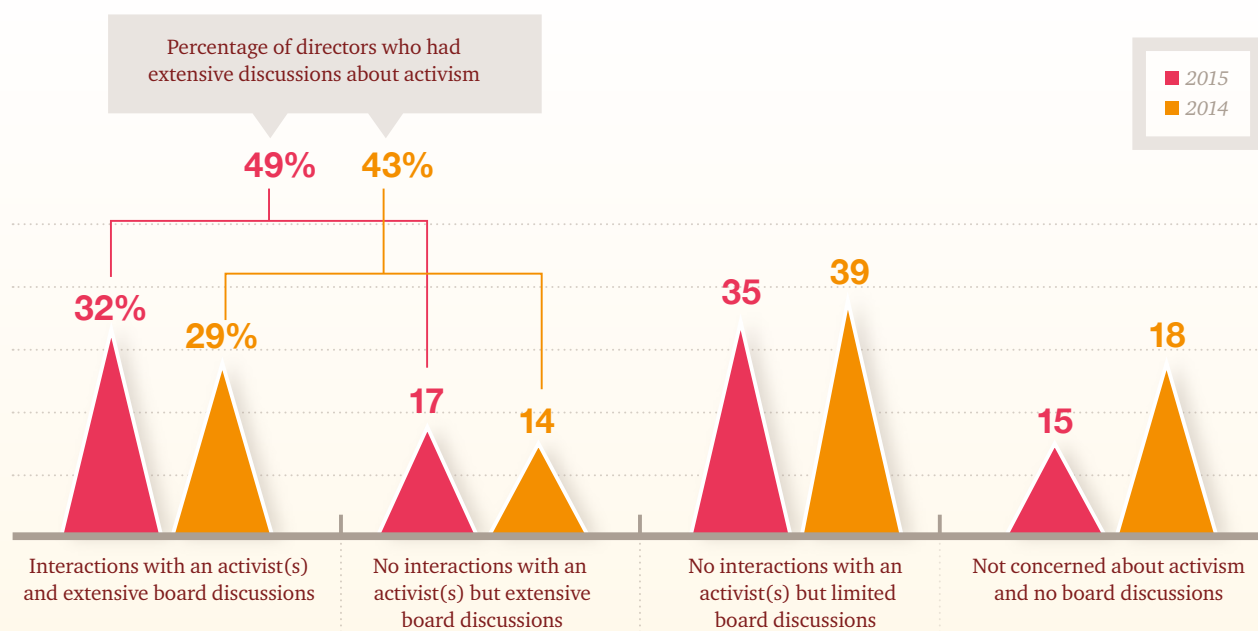
- **Directors of the largest companies are more comfortable discussing executive compensation directly with shareholders;** Directors of mega-cap companies are much more likely to agree it’s very appropriate to discuss executive compensation with shareholders than directors of small and micro-cap companies.

## Dear activist—want to talk?

The shareholder activism environment has intensified over the last year as evidenced by an increase in the total number of proxy contests and settlements in which activists acquired board representation. In addition, the number of “vote no” or “vote yes” campaigns targeted at influencing director elections also increased.<sup>3</sup> It’s therefore not surprising that there has been an uptick over the last year in the percentage of directors who say their board has interacted with activists,

as well as directors who say they have extensively discussed activism at the board level. Forty-nine percent of directors now say they held extensive board discussions about activism, up from 43% last year. Those who had activist interaction rose to 32% from 29%. Activist interventions during the last year frequently demanded that boards shift away from the company’s agreed-upon strategy and become focused on improving the company’s market capitalization.

### How would you describe your board’s preparation for and actual experience with shareholder activism?



#### Deeper insights:

- **Directors of software, media, and pharmaceutical companies were most likely to have had interactions with shareholder activists this year** (67%, 67%, and 52%, respectively).

<sup>3</sup> PwC+Broadridge ProxyPulse, August 2015.

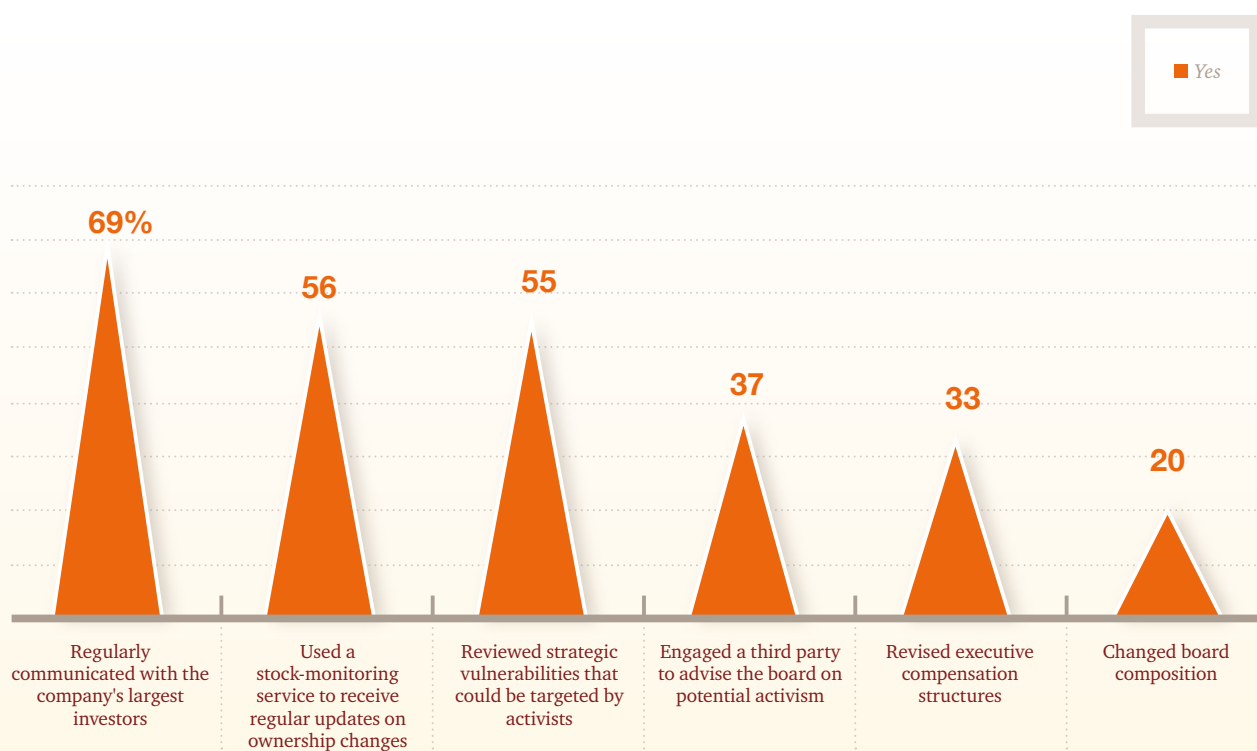
## Proactive approaches to embracing activists

As a result of the more aggressive activist environment, boards are taking a number of proactive steps to mitigate exposure to shareholder activism, better defend the company's strategy from activist attacks, and remain focused on generating long-term shareholder value. And it all starts with enhanced communications; nearly seven-in-ten directors say their board regularly communicated with the company's largest investors over the past year. A number of boards are also monitoring their company's shareholder base more regularly, with 56% of directors now using a stock-

monitoring service to provide them with regular updates about changes to the company's ownership.

A substantial number of directors are focused on protecting their company's strategy against activism; 55% say their boards are reviewing strategic vulnerabilities that can be targeted by activists, and more than one-third have engaged third parties to provide advice on potential activism. One-in-five directors say their company changed board composition as a protective measure.

*During the last 12 months, has your board done any of the following related to actual or potential shareholder activism:*



### Deeper insights:

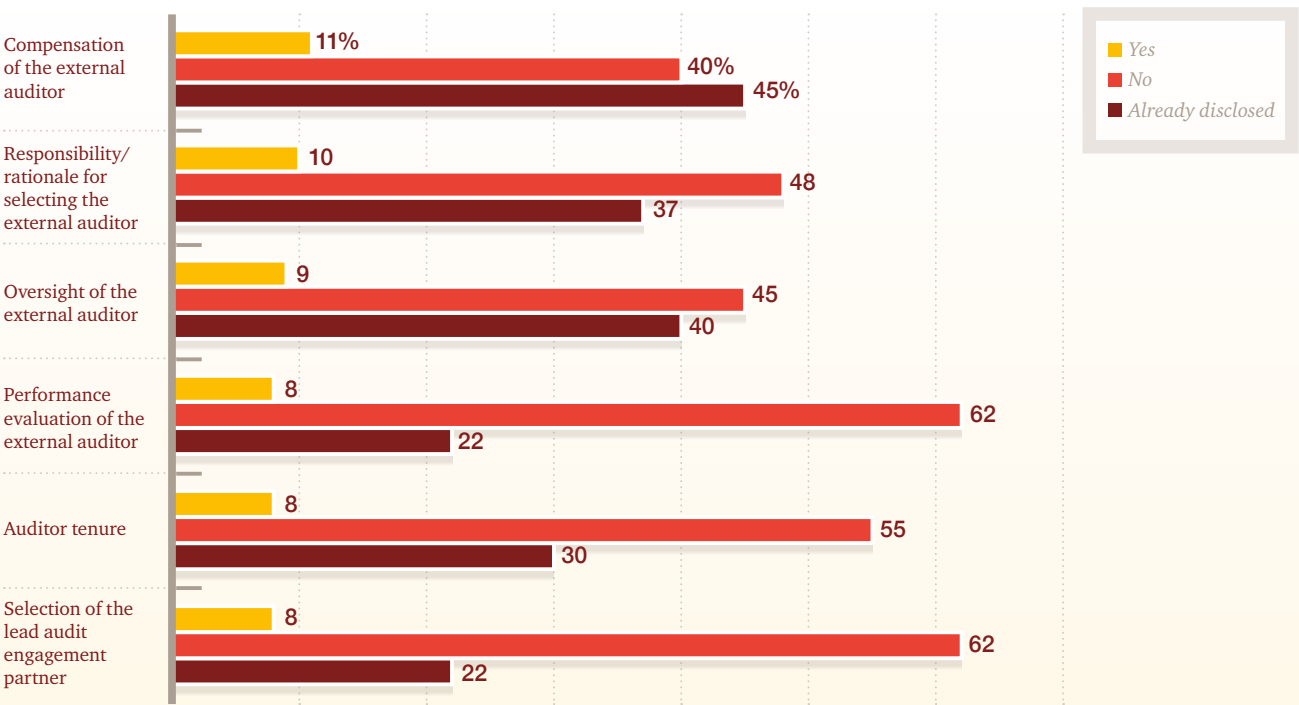
- **Directors of the largest companies are more likely to be taking actions related to activism;** Mega-cap company directors are engaging third parties to advise the board on potential activism at much higher rates than directors of small-cap companies (20 percentage points higher).

Enhanced audit committee proxy disclosures

In July 2015, the US Securities and Exchange Commission issued a Concept Release seeking public comment on whether to expand the proxy disclosure requirements of audit committees. The Concept Release focuses on additional disclosure surrounding the audit committee’s responsibilities for oversight of the independent auditor. Prior to this, the Center for Audit Quality (CAQ) had issued a Call to Action asking audit committees to reconsider the robustness of their disclosures.

Well over one-third of companies have provided investors information regarding the audit committee’s oversight of auditor compensation, selection, and oversight. In addition, another ten percent of audit committee members say their boards are considering providing additional proxy disclosure pertaining to auditor compensation and selection.

Are you considering additional proxy disclosures in your next audit committee report regarding\*:



\* Audit committee responses only. 5-8% of audit committee members responded “don’t know”.

## ***Board priorities and practices***

*As directors face increasing scrutiny from investors, regulators, and other stakeholders, board practices have evolved by necessity. Today's boards want to spend more time on areas impacting long-term shareholder value creation like strategy, mitigating IT risk, and talent management. They want company executives to help them do their jobs better by enhancing the content and format of board materials and by becoming more comfortable with spontaneous dialogue at board meetings. Directors continue to participate in educational programs – indicating a commitment to staying abreast of the latest governance developments.*





## Where do directors want to spend more time?

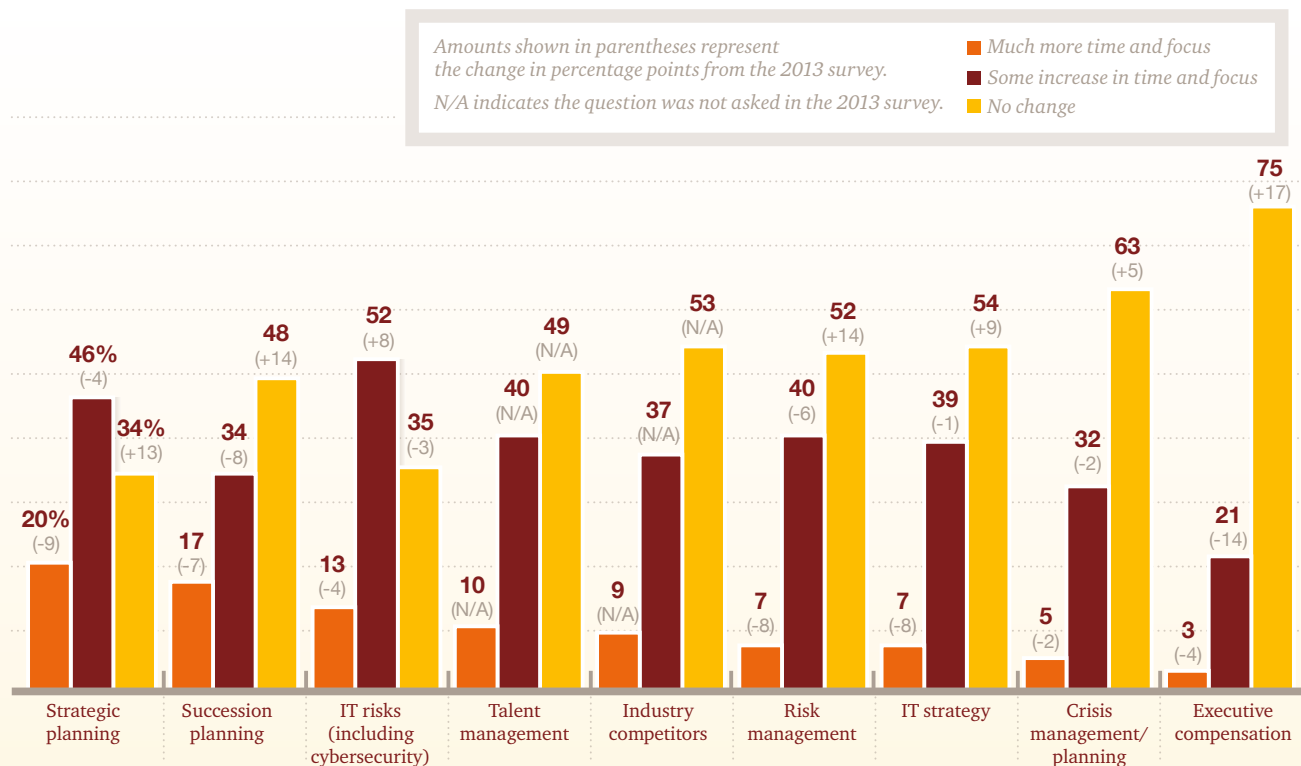
In order to maintain their sights on the long term, directors must allocate their board time with great discipline. So it's not surprising that board priorities are areas in which companies need to remain relevant and competitive. Strategic planning, succession planning, IT risk mitigation, and talent management stand out as priorities for much more directors' time and focus going forward.

Directors view strategy oversight as one of their core responsibilities and undoubtedly see "getting it right" as key to their company's long-term growth. That's likely why two-thirds of directors want at least "some" additional boardroom time and focus on strategy, and one-in-five want "much more" time and focus. Directors also want to give more time and attention to the IT issues that are closely

tied to strategy. In fact, 65% want at least "some" additional time and focus on IT risks like cybersecurity and 46% want at least "some" additional attention given to overall IT strategy. Directors also see talent management oversight as a crucial area. With increasingly competitive labor markets causing companies to be concerned about their ability to attract and retain the best employees, half of directors want at least "some" additional time and focus on talent management.

It is interesting to note that there is a large group of directors (about one-third to one-half) who do not feel the need to increase their focus of strategy and risk – two areas identified in 2014 as requiring more attention. This could be because these individuals focused heavily on these two areas during the last few years.

Please indicate if you believe your board should change the amount of time it spends on the following:



### Deeper insights:

- **Directors of the smallest companies want more time on strategy;** 42% of directors at micro-cap companies want "much more time and focus" on strategic planning compared to only 14% of directors at mega-cap companies.
- **Female directors prioritize succession and talent more;** Female directors are twice as likely as males to want "much more time and focus" devoted to succession planning and talent management.

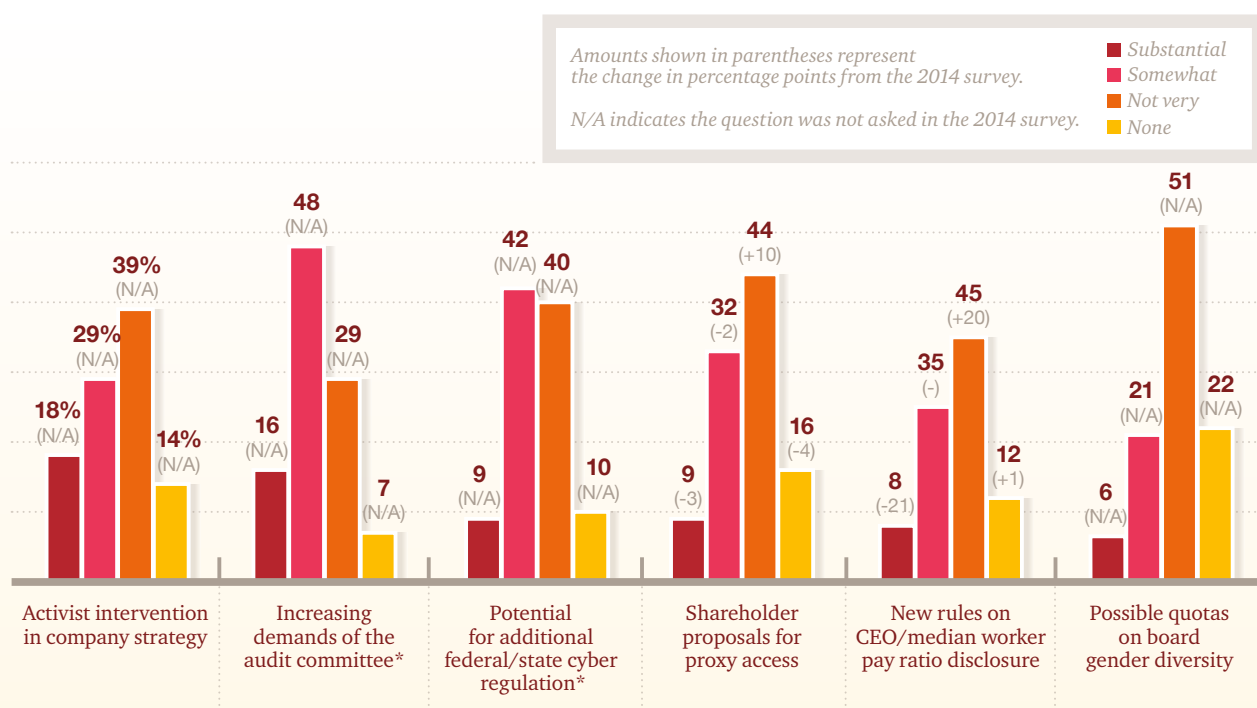
## Top director concerns

This year, increasing demands placed upon the audit committee, potential new state and federal cybersecurity regulations, and activist intervention in company strategy were the top areas of concern. (64%, 51%, and 47% of directors are at least “somewhat” concerned with these topics, respectively).

There was a notable decline in director concern about shareholder proposals for proxy access and the new disclosures regarding the CEO pay ratio. Those directors

citing at least “some” concern over these two matters declined by five and 21 percentage points from last year, respectively. Directors may realize proxy access proposals are being targeted at a small subset of companies and, if adopted, are unlikely to be used frequently by investors. Directors have also seen the SEC address some of the parameters around computing the CEO pay ratio, which may have contributed to the decline in their concern regarding this topic.

### How significant is your level of concern with the following:



\* Indicates audit committee responses only.

### Deeper insights:

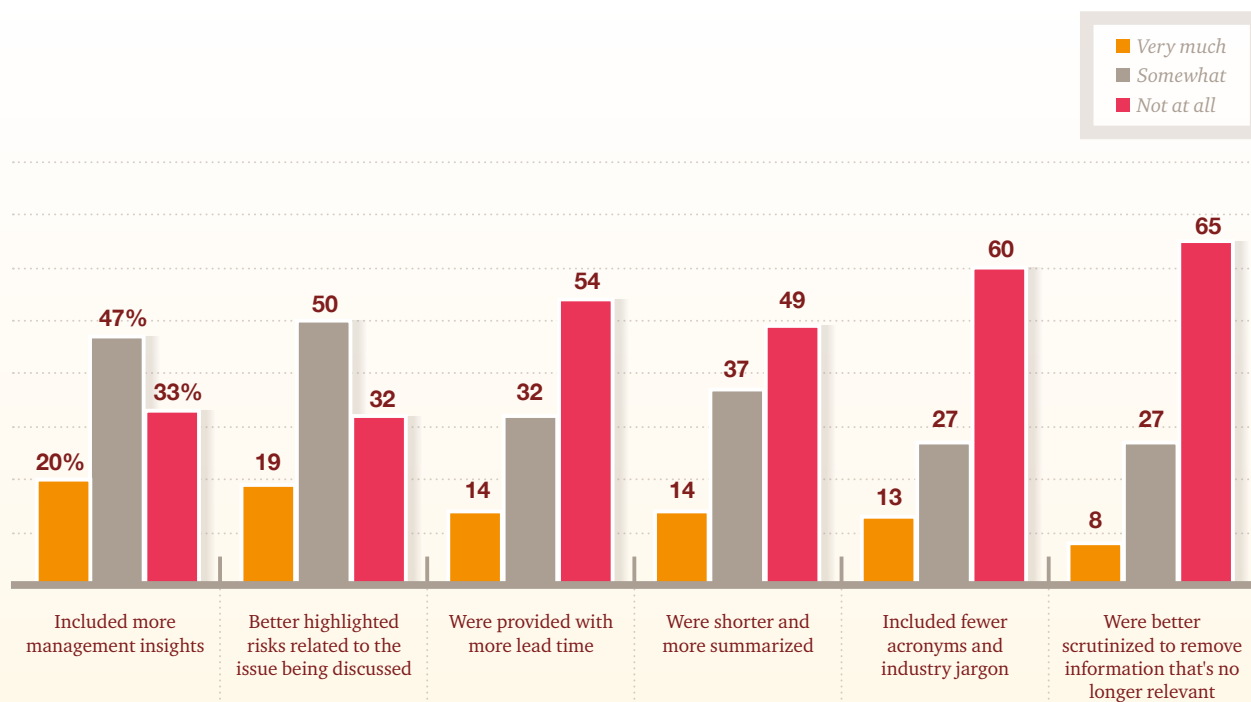
- **The newest directors are more likely to be concerned about activist intervention;** Directors with less than one year of tenure are twice as likely to be concerned with activist intervention in company strategy compared to directors with at least six years of tenure.
- **Female directors are more concerned about proxy access proposals;** 54% of female directors are at least “somewhat” concerned with shareholder proposals for proxy access, compared to 38% of male directors.

## Room to improve board materials

A board's ability to effectively deliberate and provide sound oversight is only as good as the information it receives from management. That's why effective long-term governance requires that boards receive the right information, in the right format, and in a timely fashion. There is a lot of room for improvement in this area. More than two-thirds of directors "somewhat" or "very much" wish their materials

better highlighted risks related to the issue being discussed. A similar percentage wish they included more management insights. Additionally, the format and timing of board materials could be improved; more than half of directors at least "somewhat" wish the materials were shorter and more summarized and 46% at least "somewhat" wish they were provided with more lead time.

*With regard to your boardroom materials, do you wish they:*



### Deeper insights:

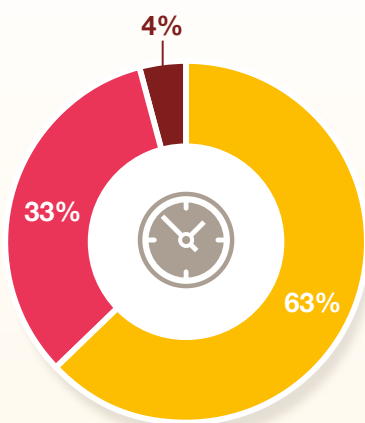
- **Directors of the smallest company are more likely to believe they are receiving information they don't need;** 44% of directors at micro-cap companies wish their boardroom materials were better scrutinized to remove information that's no longer relevant. This compares to 24% of directors at mega-cap companies.

*Boardroom discussions could improve*

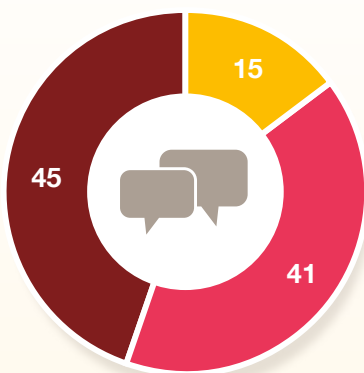
Directors want to make the most productive use of the time allocated to formal board meetings. Management’s approach to the meeting presentations and subsequent discussions makes all of the difference. Directors are looking for candid and insightful presentations that provide commentary, analysis, and perspective to supplement pre-read materials. This puts them in the best position to make decisions impacting long-term shareholder value.

Nearly all directors believe they allocate sufficient time to important topics during boardroom discussions and nearly two-thirds “very much” believe this is the case. But 56% of directors at least “somewhat” wish management presentations were less formalized and involved more spontaneous discussion. And nearly half of directors at least “somewhat” wish the dialogue with management was less scripted or controlled.

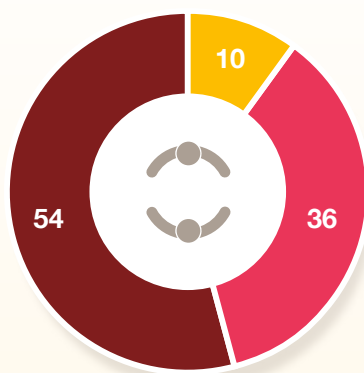
*With regard to your boardroom discussions:*



You believe you have sufficient time allocated to important topics



You wish the presentations were less formalized and involved more spontaneous discussion



You wish the dialogue with management was less scripted/controlled

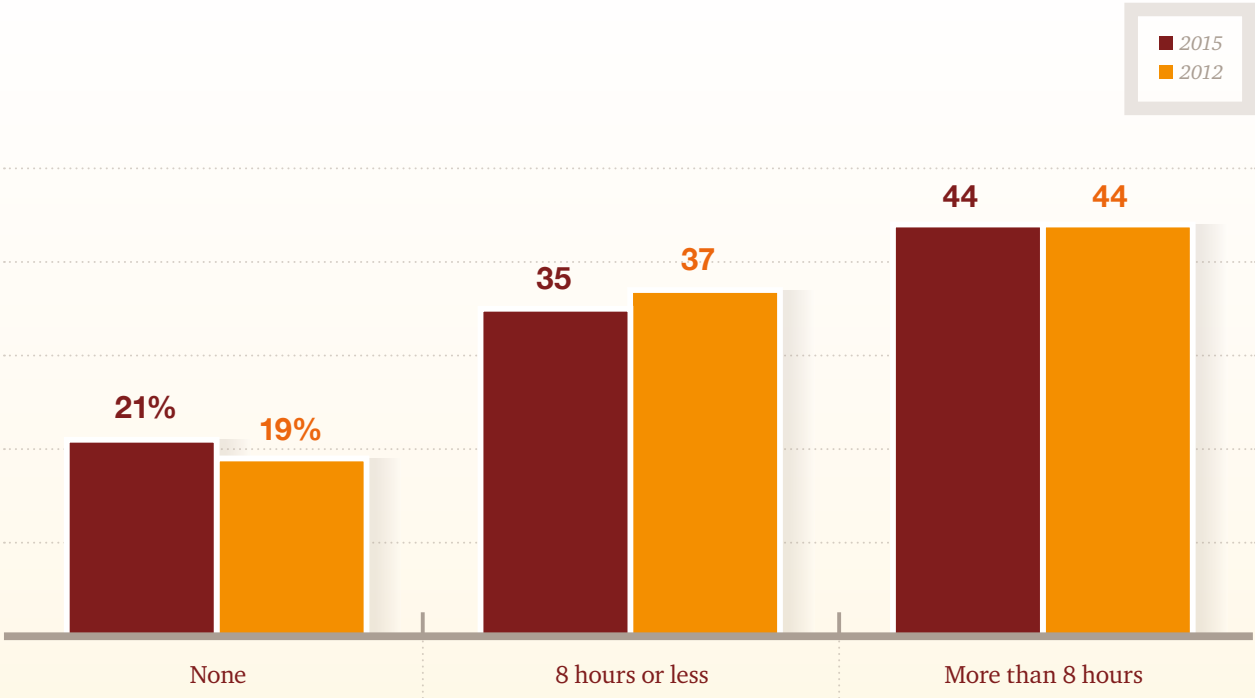


Director education remains a priority

Director education can take many forms and most companies provide their boards with periodic internal or external opportunities for their ongoing improvement. Consistent with results from three years ago, directors continue to dedicate significant time to continuing development. They recognize that changing stakeholder expectations, an active regulatory environment, and aggressive shareholder

activism require that they stay up to speed on the latest developments. In fact, over three-quarters of directors participated in some form of board education or training during the last year and nearly half participated in more than eight hours of education. These efforts speak to their commitment to be prepared for longer-term challenges.

Did you participate in separate board education/training last year totaling:



Deeper insights:

- **Female directors attend more board education;** 92% of female directors participated in at least some board training in the last 12 months, compared to 77% of male directors.



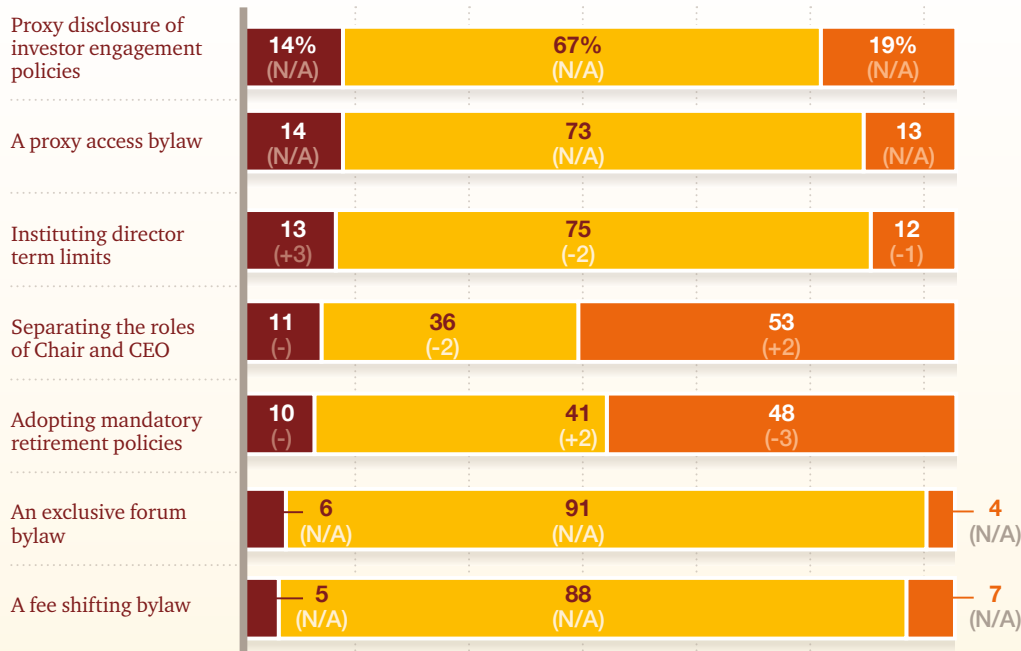
## Board tenure initiatives get attention

Shareholders continue to pressure boards to adopt changes to their governance structures. These efforts have prompted board discussions about the potential benefits and drawbacks of various policies and practices. Proxy disclosure around the board's investor engagement policy and proxy access bylaws are often discussed. In addition, board leadership structures and mandatory retirement policies are frequent topics.

Fifty-three percent of directors say their company currently splits the roles of Chair and CEO – up by two percentage

points from last year. And about one-quarter of those who currently have a combined role say they are considering splitting it going forward. Nearly half of directors say their company has already instituted a mandatory director retirement policy and one-in-five whose companies have not are currently discussing doing so. Term limits are not common; only 12% of directors say their boards have them. Few directors are considering adopting exclusive forum bylaws – which require any shareholder litigation to be filed in a specific legal jurisdiction.

### Is your board considering/discussing any of the following:



Amounts shown in parentheses represent the change in percentage points from the 2014 survey.

N/A indicates the question was not asked in the 2014 survey.

■ Yes  
■ No  
■ Already adopted

### Deeper insights:

- **Boards of the largest company are more likely to have adopted mandatory retirement policies;** 63% of directors at mega-cap companies say their boards have done so compared to just 26% of directors at micro-cap companies.
- **The smallest companies are more likely to have separated the roles of Chair and CEO;** 62% of micro-cap company directors say their company has separated the roles, compared to 43% of mega-cap company directors.

# Strategy and risk

*Directors continue to focus their attention on overseeing company strategy – but many say they are using longer time horizons than they did just a few years ago. To support this longer-term approach, they are frequently taking into account economic, geopolitical, and environmental macro trends, as well as emerging technological macro trends. All signs point to directors looking further down the road when it comes to strategy oversight.*

*Directors have also become more confident in their ability to oversee risk and are taking more concrete actions to deter fraud and ensure appropriate “tone at the top.”*

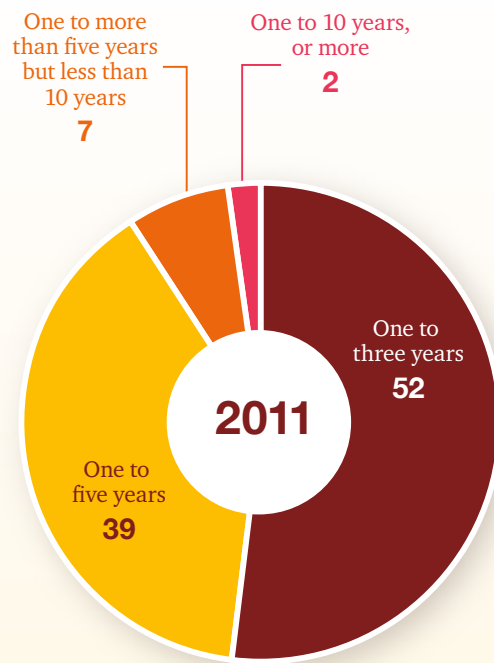
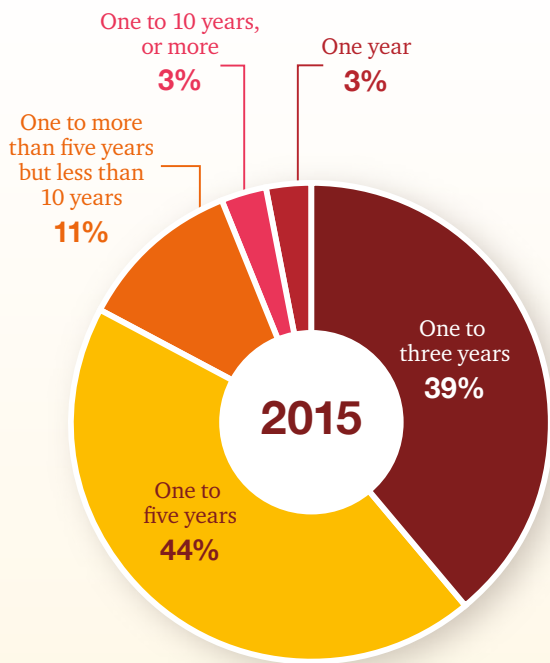


### Thinking strategically for the long-term

Boards are responsible for providing strategic oversight in their efforts to enhance long-term shareholder value. A noteworthy development in this area is the use of a longer-term horizon for strategy reviews in recent years; 58% now say their company's strategic time horizon is five years or longer, compared to just 48% who said this in 2011.

In fact, only 42% of directors now say they use a one-to-three-year time horizon in evaluating strategy, compared to 52% who said this four years ago.

*When your board is discussing the company's strategy, what time horizon is primarily used?*



#### Deeper insights:

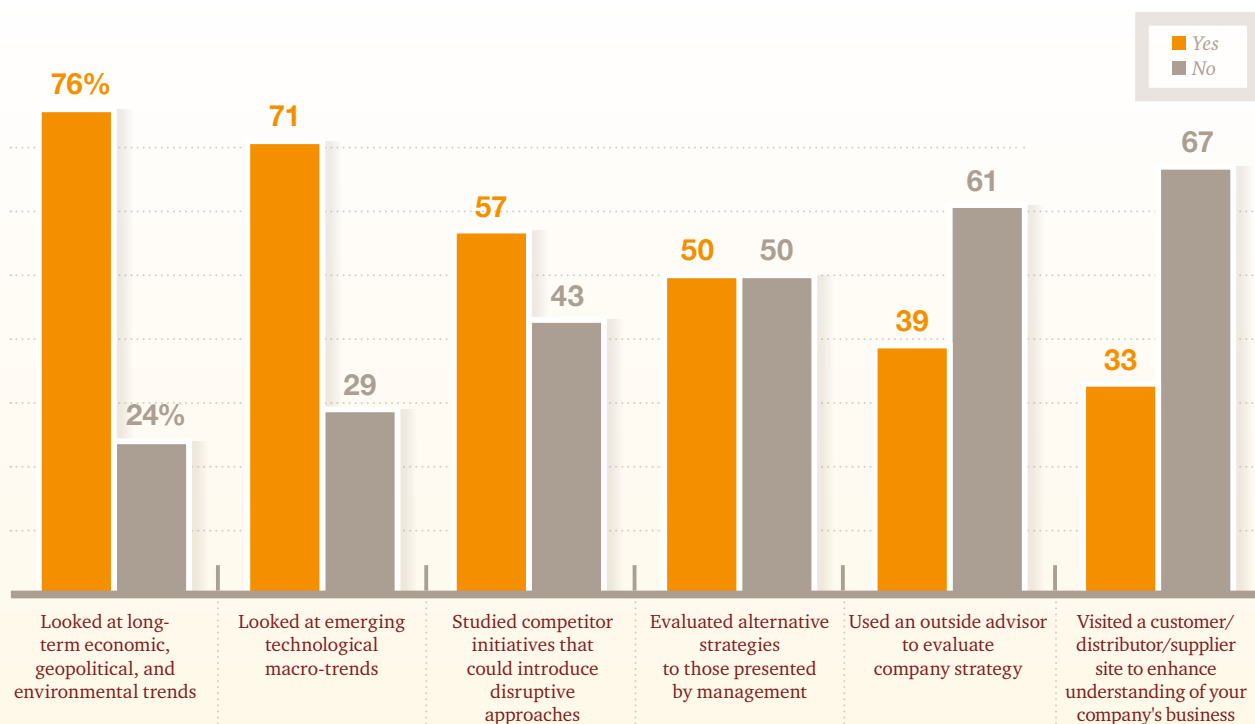
- **Longer-term planning oversight is most prevalent at the largest companies;** seven-in-ten mega-cap company directors use a time horizon of at least five years to evaluate their company's strategy, compared to 37% of micro-cap company directors.

## Board approaches to strategy

The effects of macro trends continue to reshape the global economy. So with a longer-term view, directors must consider these trends' impact in order to best position their companies for success. Seventy-six percent of directors say they look at long-term economic, geopolitical, and environmental trends and 71% consider emerging

technological macro trends. Additionally, nearly six-in-ten directors study competitor initiatives that could introduce disruptive approaches. However, only half of directors consider alternative strategies to the one presented by management, despite the fact that almost 40% use an outside advisor to evaluate their company's strategy.

### Which of the following has your board done in the last 12 months regarding strategy?



### Deeper insights:

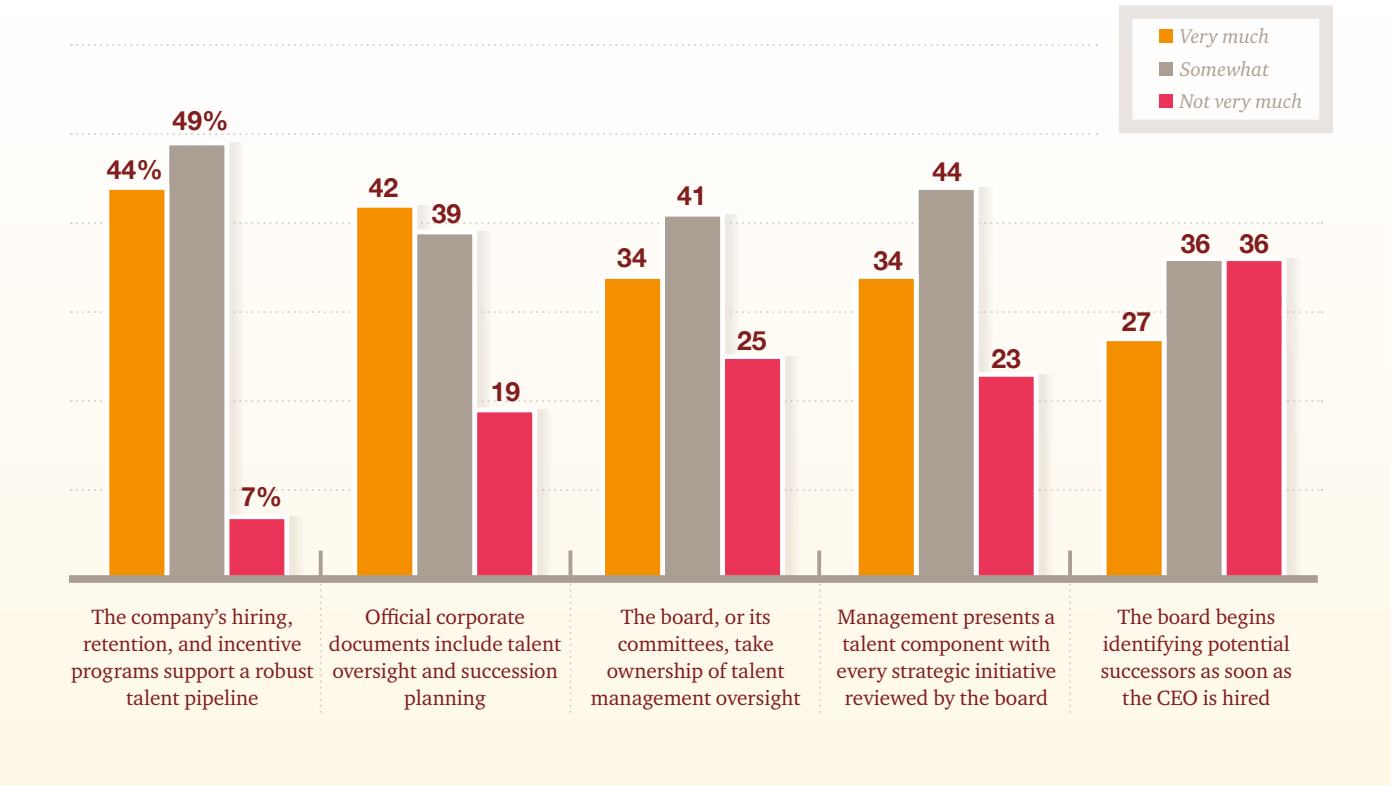
- **The largest companies are more focused on macro trends;** directors at mega-cap companies are 21 percentage points more likely to consider economic, geopolitical, and environmental trends in strategy discussions than directors at micro-cap companies.

Talent management is a key concern

Boards understand that their companies rely on human capital to execute the company’s strategy and create long-term shareholder value. As a result, they are involved in talent oversight and express a high degree of confidence in this area; 93% at least “somewhat” agree that their company’s hiring, retention, and incentive programs support a robust talent pipeline. Three-quarters or more

at least “somewhat” believe company documentation includes talent oversight and succession planning. A similar number agree that their board takes ownership of talent management oversight. However, succession planning remains challenging, as only about a quarter of directors “very much” agree that their board begins identifying potential successors as soon as the CEO is hired.

To what extent do you agree with the following regarding your company’s approach to talent management:



Deeper insights:

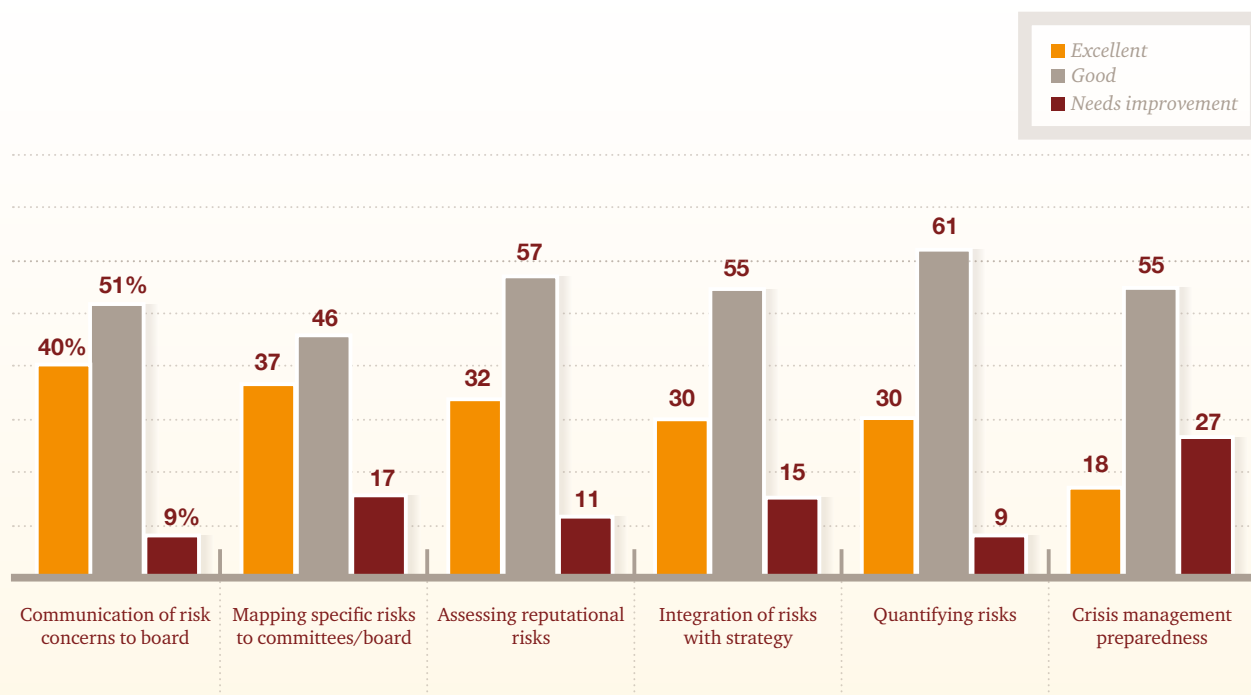
- **Directors of the smallest companies are more likely to think their boards don’t take ownership of talent management oversight;** 41% of directors at micro-cap companies don’t think their board does so, compared to just 16% who don’t believe this is the case at mega-cap companies.

## How comfortable are directors with risk oversight?

Ideally, any evaluation of strategy involves integrated board-level discussions of risk. And overall, directors have a high degree of confidence in their board's ability to oversee the risks facing their companies; 91% describe their board's ability to quantify risks as good or excellent. And nine-in-ten say the same of their board's ability to assess reputational risk. Directors are also fairly comfortable with their board's ability to integrate discussions of risk with strategy; 85% of directors describe their board's performance in this area as good or excellent.

The allocation of responsibility for oversight of individual risks is fairly clear; 83% of directors describe their boards as good or excellent at mapping specific risk areas to committees or the board. However, directors are less confident in their crisis management preparedness; 27% describe their board's performance in this area as needing improvement.

### How do you assess your board's performance in the following risk oversight areas:



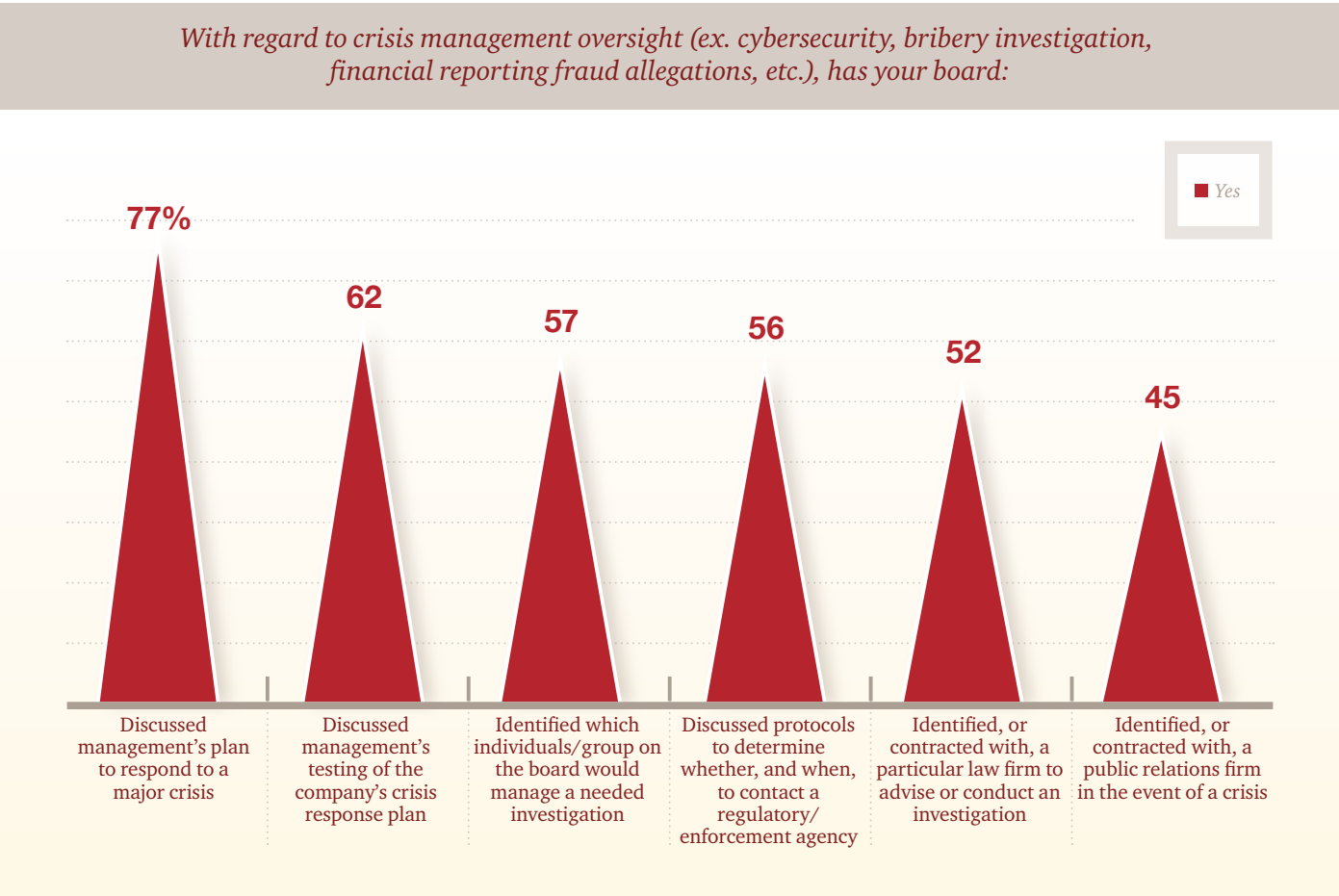
### Deeper insights:

- **The least-tenured directors are less confident in their board's crisis management preparedness;** 46% of directors with less than one year of tenure think their board oversight of crisis management needs improvement compared to one-in-four directors with more than six years of tenure.
- **Directors of the smallest companies are less confident in their board's ability to quantify risks;** 25% of directors at micro-cap companies say their board's ability to quantify risks needs improvement compared to 5% of directors at mega-cap companies.

Crisis management oversight practices

Boards should evaluate whether management teams adequately consider the range of events that can impact the company, and have an adequate response plan prepared and tested. Directors are taking substantial ownership of this process; 77% report discussing management’s plan to respond to a major crisis and 62% have discussed management’s testing of the company’s crisis response plan. However, when it comes to the board’s preparation for an

investigation, only about half of directors say their company has identified or contracted with a particular law firm to advise or conduct a potential investigation, and less than half have identified a public relations firm to assist with communications. In the event of a crisis, time is at a premium and having the proper firms “on the shelf” can increase the company’s ability to respond quickly and effectively.





## Fraud risk mitigation

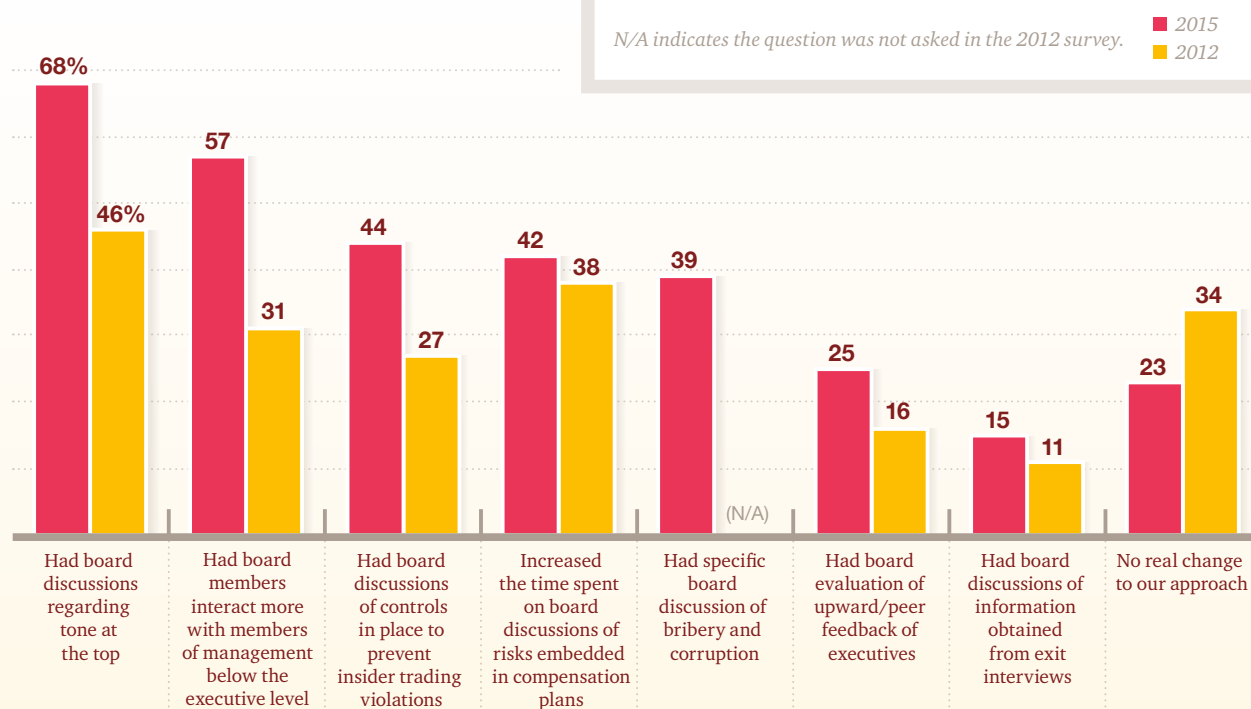
Over the last two years, there has been an uptick in reported fraud incidents. On average, 45% of US organizations report they have suffered some type of fraud over that period.<sup>4</sup> And technological advancements have changed the landscape, increasing the number of opportunities to commit fraud, and creating innovative new ways to perpetrate it.

Directors have continued to take action to reduce fraud risk. More than seven-in-ten now say they made changes to their approach to fraud risk over the last 12 months by adopting leading practices. The most common action is holding board discussions of “tone at the top.” Sixty-eight percent of directors say their boards had such discussions – a 22

percentage point increase over three years ago. There has also been a significant increase in the percentage of directors who say they have had interactions with members of management below the executive level: 57% did so this year – compared to only 31% in 2012.

Directors are also taking other actions to help deter fraud; 44% increased their discussion of the controls in place to prevent insider trading violations, 39% now report having discussions related to bribery and corruption, and 25% report having board evaluations of upward/peer feedback of executives. Each of these practices are significantly more common now than they were just three years ago.

### Which of the following has your board done in the last 12 months to reduce fraud risk?



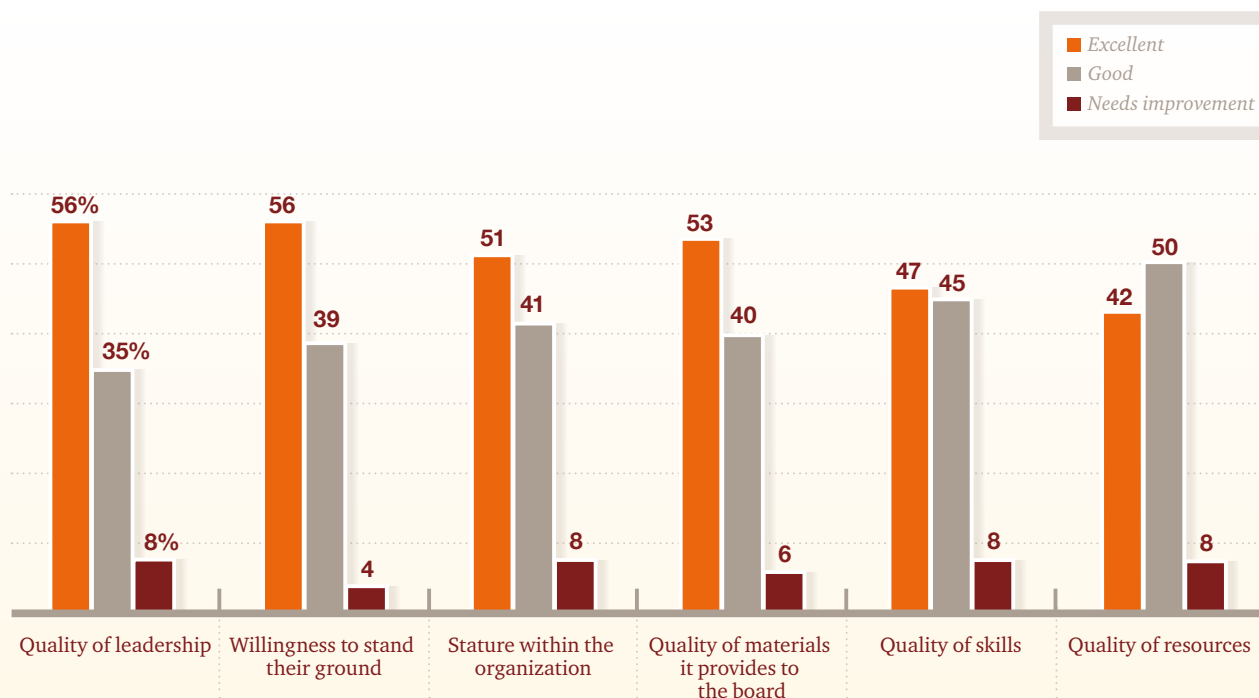
<sup>4</sup> PwC's 2014 Global Economic Crime Survey

## Perceptions about internal audit

An independent and objective internal audit function can contribute significantly to improving governance, risk management, and internal controls. And because a company's internal audit function plays such a critical role in these areas, the board's view of their capabilities is noteworthy. Audit committee members are generally satisfied in this respect; nine-in-ten describe internal audit's

skills, resources, leadership and the materials it provides the committee as either good or excellent. Audit committee members also overwhelmingly believe that the internal audit function is empowered and well respected at their company; 92% describe their stature within the organization as either good or excellent.

### How do you assess your company's internal audit function regarding\*:



\* Indicates audit committee responses only. 1% responded they didn't work with internal audit.

### Deeper insights:

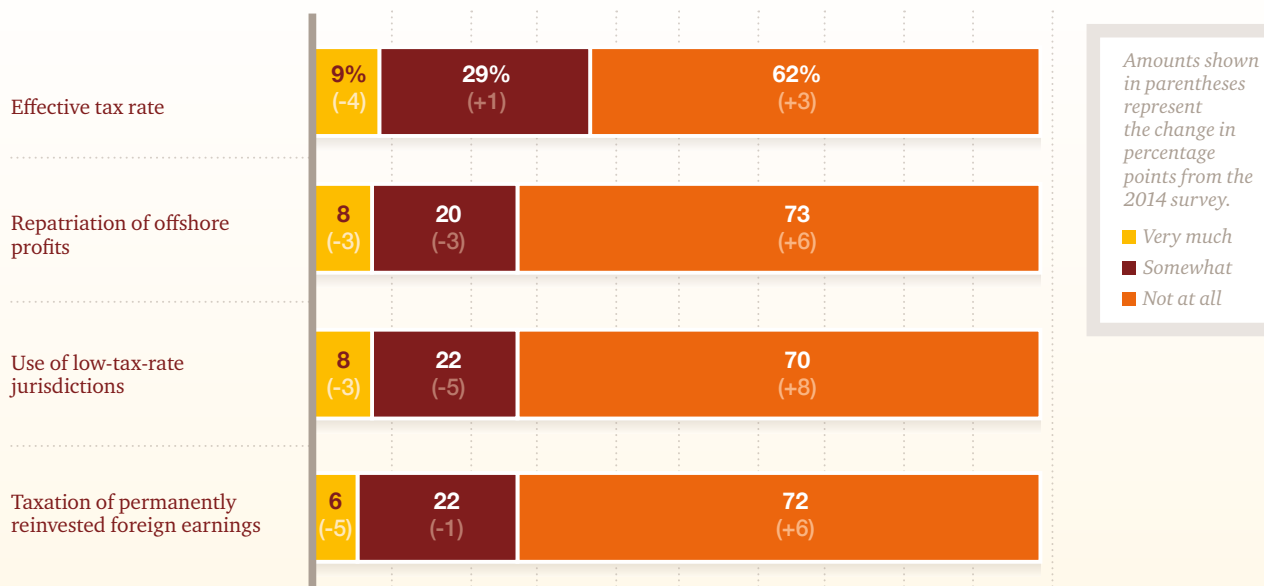
- **Directors of the largest companies have the greatest confidence in the stature of their company's internal audit departments;** over 50% of directors at mega-cap companies describe internal audit's stature within the organization as "excellent" compared to 28% of directors of micro-cap companies.

## Are we paying the right amount of taxes?

A few years ago, criticism of corporate tax strategies started to dominate the headlines and public perception of corporate tax issues was on the minds of many. However, over 70% of directors now say their boards did not discuss public perception of a number of tax-related issues this year. These include the taxation of permanently reinvested foreign earnings, repatriation of offshore profits, and the use of low

tax-rate jurisdictions. Still, about 38% of directors say they at least “somewhat” discussed public perception of their company’s effective corporate tax rate. While not all of these issues are applicable to every public company, directors may still want to consider having board discussions about how their company’s broader stakeholders may perceive their tax structure.

### To what extent is your board discussing public perception of the company’s:



### Deeper insights:

- **Public perception of tax issues is more likely to be discussed at the largest companies;** 50% of directors at mega-cap companies discussed their company’s effective tax rate, compared to only about 35% of directors at small and micro-cap companies.

# Information technology (IT) oversight

*Companies now see IT strategy and risks as inextricably linked to corporate strategy, and the level of board engagement in this area is increasing. Despite the significant media focus and the attention given to cybersecurity risks, directors appear especially focused on IT strategy. As a result, they are committing more time to IT and talking more frequently with the company's Chief Information Officer. In addition, more directors say their boards are using external IT advisors – to ensure they have the right expertise to discharge their oversight responsibilities.*

*Directors are also making progress to effectively address IT issues by considering and evaluating the company's mitigation of cyber threats to protect long-term shareholder value.*



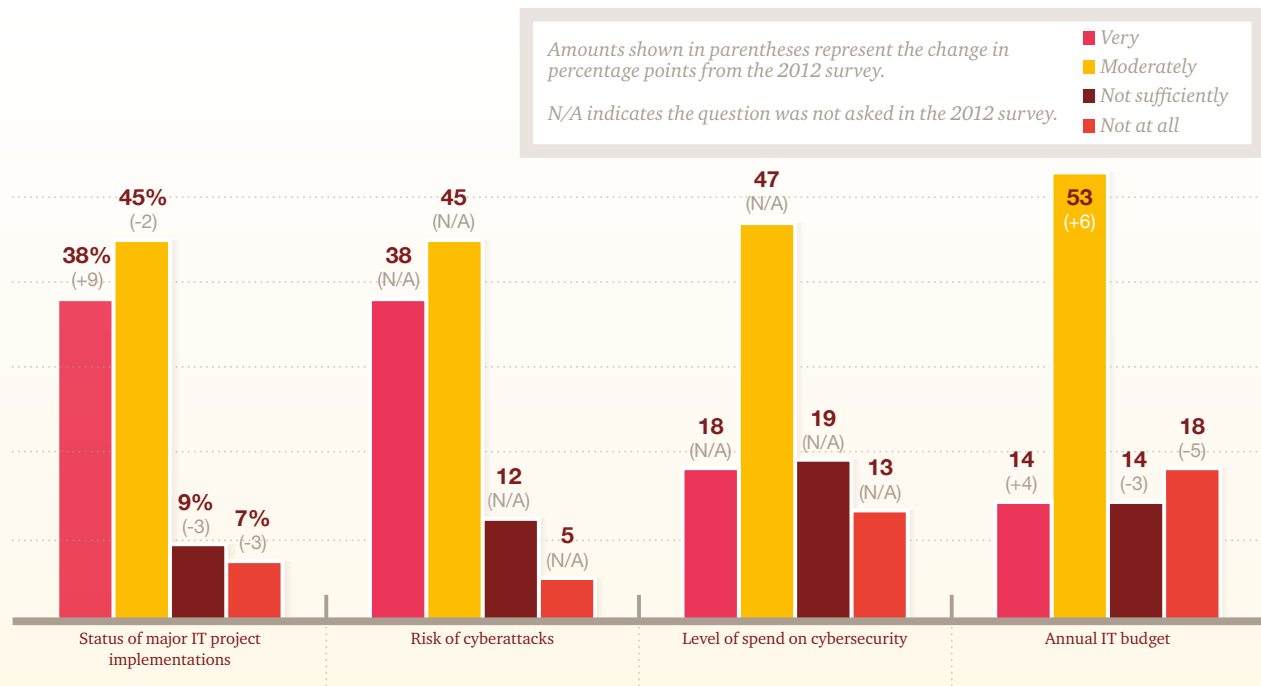
## Looking at IT as a strategic advantage

Directors have become more engaged with understanding how traditional and emerging IT issues impact the company's long-term strategic goals over the last three years. The increased focus demonstrates a commitment on the part of directors to ensure an approach that aligns technology and business strategy over the long run. Eighty-three percent of directors say they are at least "moderately" engaged in understanding the status of major IT implementations, an

increase of 7 percentage points from 2012. Similarly, 83% of directors describe themselves as at least "moderately" engaged with overseeing the risk of cyberattacks. The company's annual IT budget and the level of spend on cybersecurity are two other areas that saw more director engagement; about two-thirds now describe themselves as at least "moderately" engaged in these areas.

## Traditional IT issues

*How engaged is your board or its committees with overseeing/understanding the following?\**



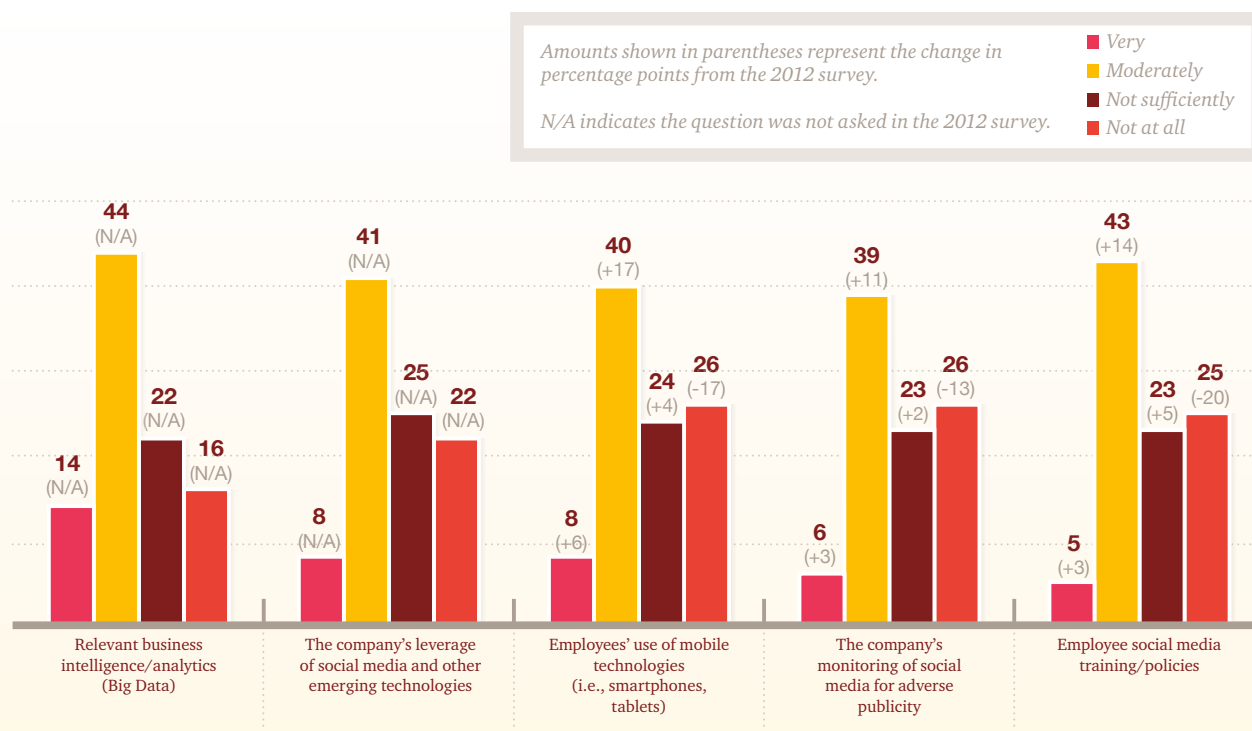
\*1-5% of directors responded "don't know".

Rapid developments in emerging technologies like mobile computing and social media have prompted directors to become more engaged in oversight of these areas as well. For example, 58% now describe their board as at least “moderately” engaged with oversight of their company’s use of Big Data. And nearly half say the same about oversight of their company’s leverage of social media and other emerging

technologies. Director engagement regarding employees’ use of mobile technologies also increased; 48%, say they are at least “moderately” engaged, compared to just 24% in 2012. These increases in engagement likely reflect an understanding on the part of directors that their IT oversight approach needs to evolve to meet future expectations.

## Emerging Technologies

*How engaged is your board or its committees with overseeing/understanding the following?\**



\*1-5% of directors responded “don’t know”.

### Deeper insights:

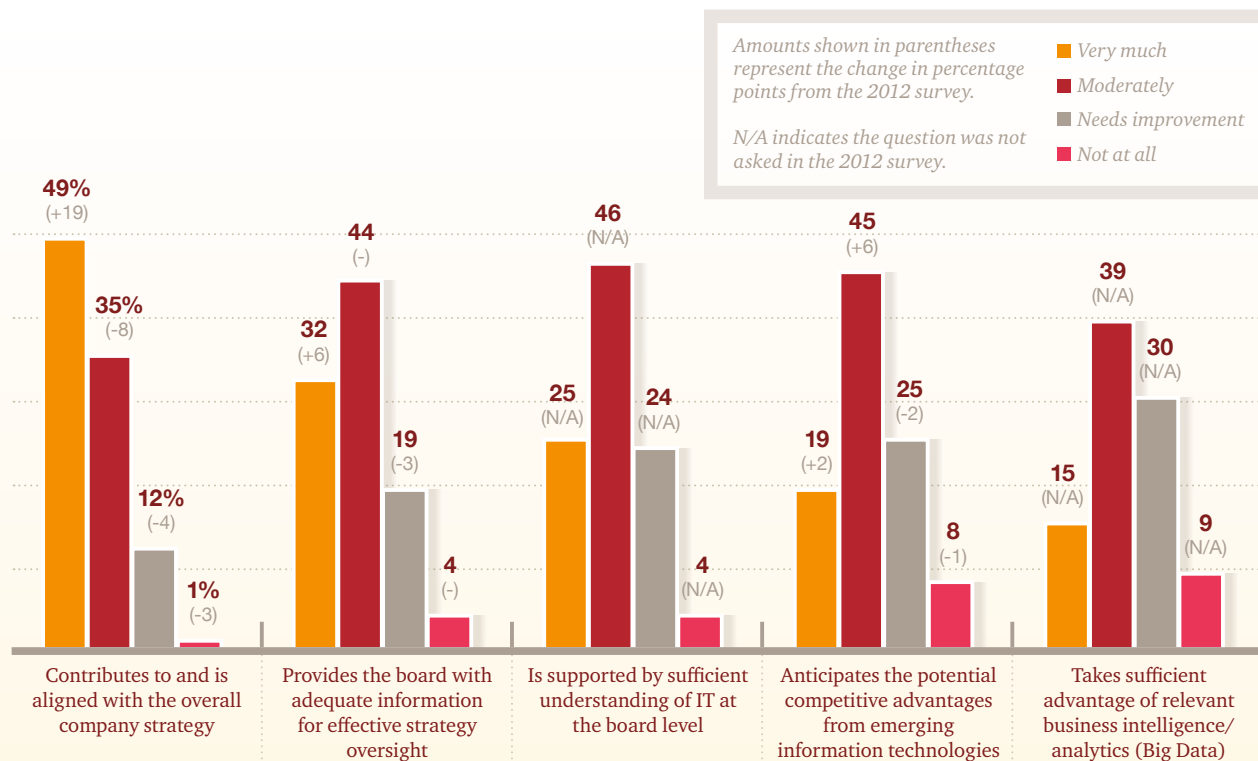
- **Engagement by directors on employee social media training/policies is higher at the largest companies;** Directors of mega-cap companies are almost twice as likely to say they are engaged with oversight of employee social media training/policies as directors of micro-cap companies.

## IT strategy and IT risk mitigation

There was a noteworthy improvement in director's views about their company's IT strategy and IT risk mitigation approach over the last three years. A larger percentage of directors now believe their company's approach "very much" contributes to, and is aligned with, setting overall company strategy and provides the board with adequate information

for effective oversight (increases of 19 and six percentage points respectively, from 2012). A greater percentage also believe their company's approach is supported by a sufficient understanding of IT at the board level and anticipate the potential competitive advantages from emerging information technologies.

### Do you believe your company's IT strategy and IT risk mitigation approach\*:



\*1-8% of directors responded "don't know".

### Deeper insights:

- **Directors of the smallest companies have less confidence that their company's approach to IT strategy and IT risk mitigation is supported by a sufficient understanding of IT at the board level; 33% of directors at micro-cap companies believe their understanding "needs improvement," compared to 17% of directors at mega-cap companies.**

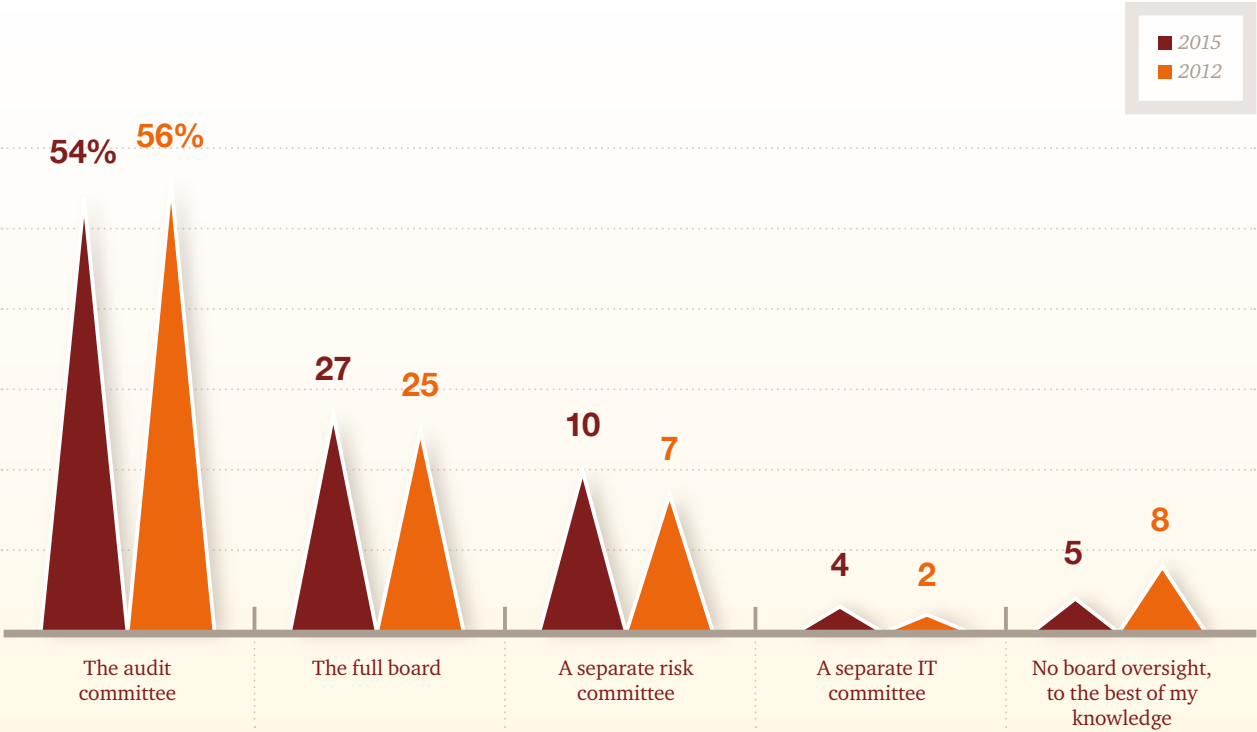


Who oversees IT risks?

When deciding on the board’s approach to IT oversight, allocation of responsibility is central. Despite the fact that audit committees already have a lot on their plates, more than half of directors say their board’s audit committee has the responsibility for IT oversight. About one-quarter assign

this responsibility to the full board. Separate IT committees continue to be rare. There was a three percentage point downtick from 2012 in directors citing no board oversight of IT.

Who on the board currently has primary responsibility for the oversight of IT risks?



Deeper insights:

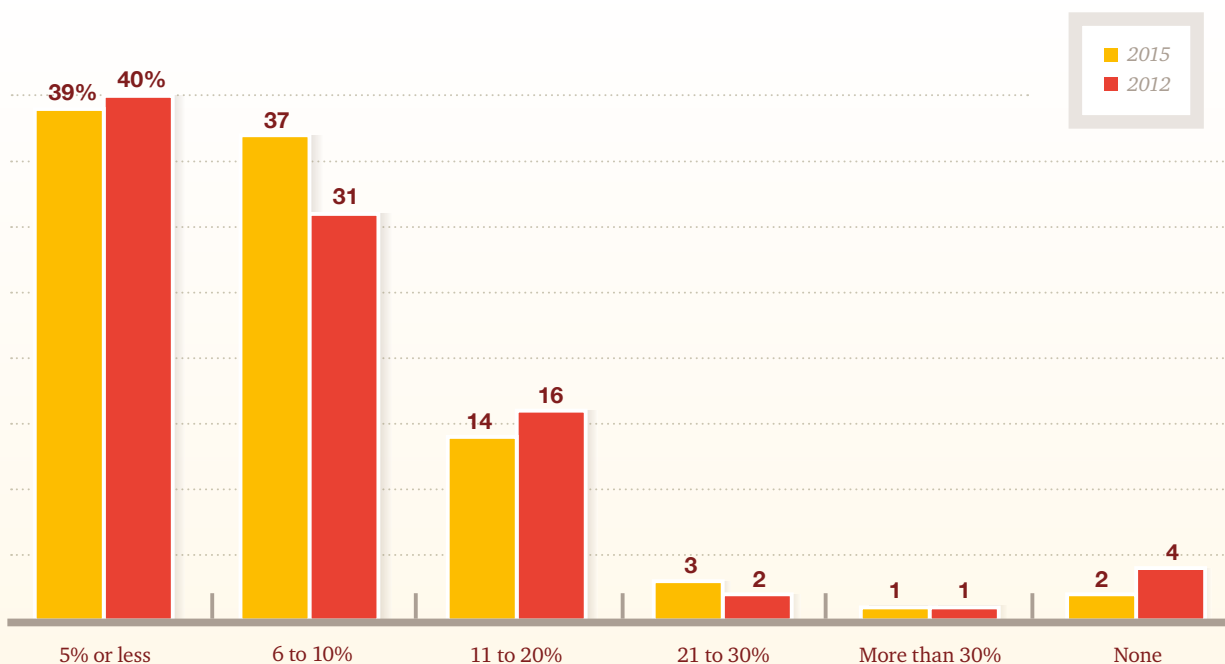
- **Smaller companies are more likely to assign IT oversight responsibilities to the full board; 39% of directors at micro-cap companies say they assign IT oversight responsibilities to the full board compared to 24% at mega-cap companies.**

## Time spent on IT oversight

Directors understand how important IT is to the long-term strategy and success of their companies. They also know that the company's effective use of emerging technologies like cloud computing, mobile devices, and social media can be transformative. In response, they are increasing the amount of time their boards spend discussing oversight of IT risks

and opportunities. Overall, the number of directors who spend over five percent of their board time discussing IT increased by four percentage points from 2012 to 55%. Fourteen percent of directors say they now spend 11-20% of their annual board hours discussing IT risks and opportunities.

*On average, what percentage of last year's total annual board/committee hours were spent discussing oversight of IT risks and opportunities?*



\*3-5% of directors responded they do not serve on the relevant committee(s).

### Deeper insights:

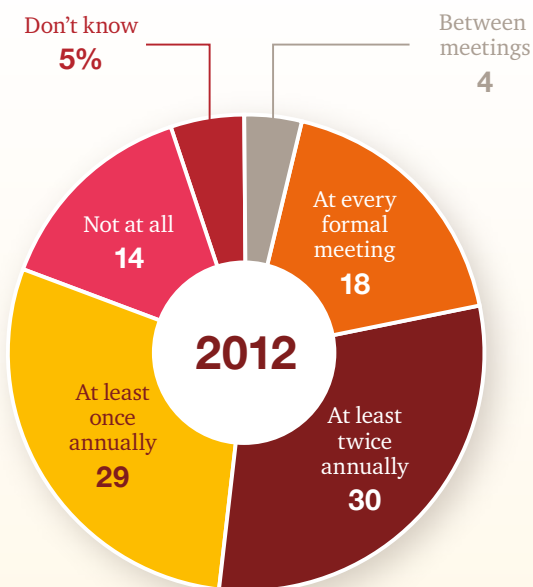
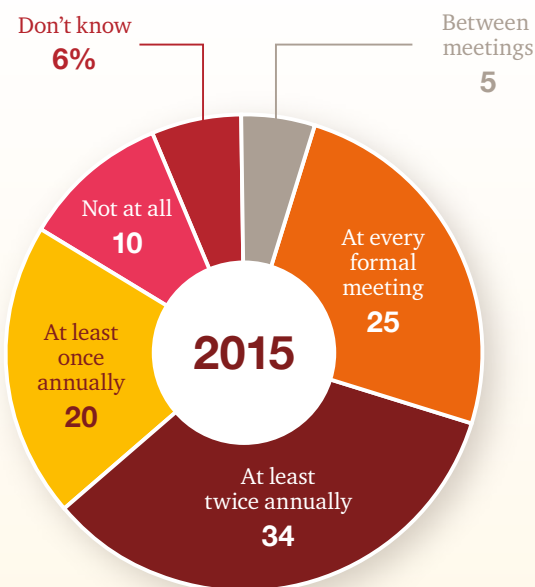
- **Directors with greater tenure spend more board time discussing IT issues;** 62% of directors with more than six years of tenure say they spend at least 6% of their time discussing IT issues, whereas only 31% of directors with less than one year of tenure spend this level of time.

## Meetings with the CIO

Regular board communication and elevated stature of the CIO within the organization are both critical to execution of the company's IT strategy and creating long-term shareholder value. As such, the frequency of board interactions with the CIO increased over the past three years; 25% of directors now say they meet with the company's

CIO at every formal meeting and 34% say they do so at least twice annually (up from 18% and 30%, respectively, in 2012). Only one-in-ten directors say they never meet with the company's CIO – a decline of four percentage points from three years ago.

### How often do board members communicate with the company's Chief Information Officer?



### Deeper insights:

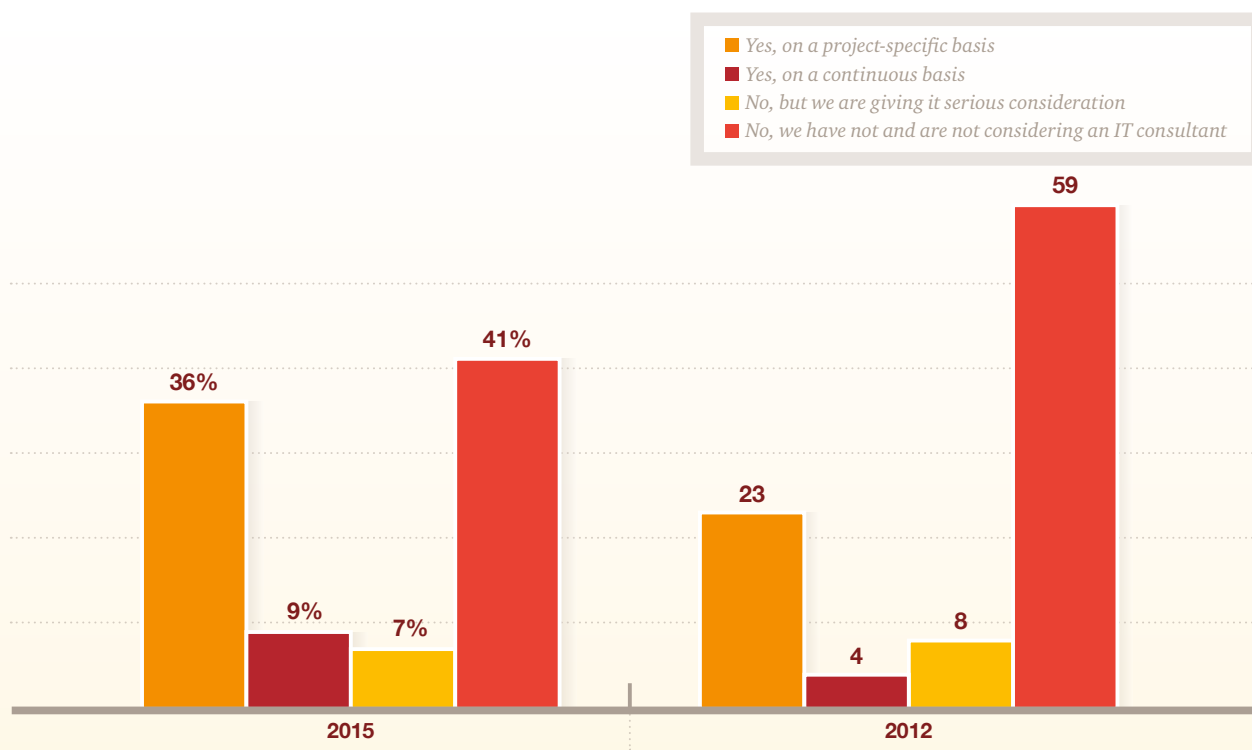
- **Directors of larger companies are more likely to meet with the CIO;** directors at mega-cap companies are five times more likely to communicate with their company's CIO as directors of micro-cap companies.

## Board use of external IT advisors grows

As IT knowledge is specialized, it may be impracticable for directors to have this expertise. In fact, only a small percentage of directors on the largest company boards have an IT background. So in order to provide boards with deeper expertise to leverage when exercising their oversight responsibilities, external consultants are often enlisted as

advisors. This trend continues to grow in 2015; nearly half of directors now say their boards engage outside consultants to advise on IT, compared to just 27% who said so in 2012. Clearly, boards are moving toward using outside IT expertise to stay better informed, and deepen their understanding of IT issues.

*During the last 12 months, has your board or its committees engaged an outside consultant to advise on IT strategy, opportunities, or risk?*



\*6-7% of directors responded "don't know".

### Deeper insights:

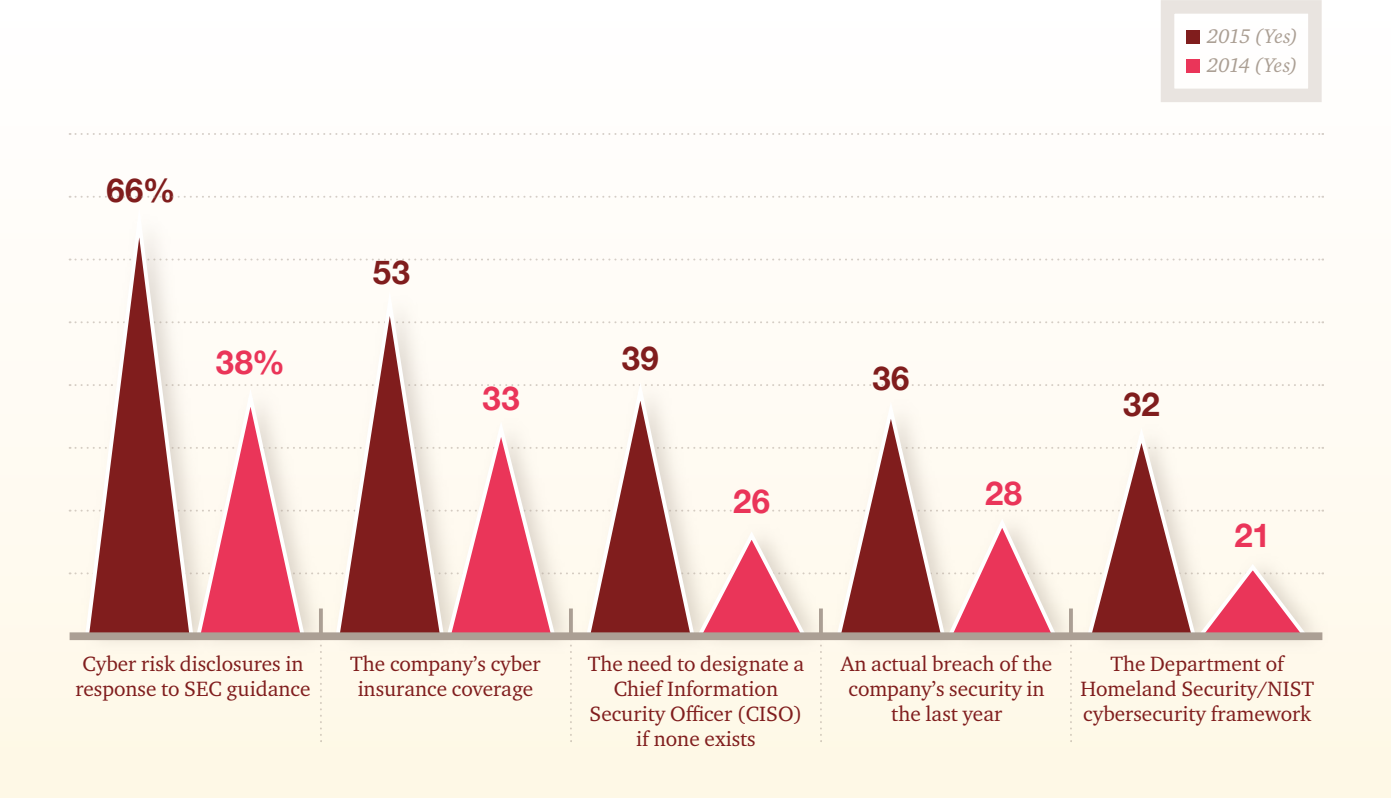
- **Directors of the largest companies more frequently engage external IT consultants;** directors at mega-cap companies are ten percentage points more likely to say their board uses external IT consultants compared to directors at micro-cap companies.

Cybersecurity is front and center

Companies are making progress toward effectively addressing data security by considering and adopting processes to mitigate cyber threats and protect against diminished shareholder value. Not surprisingly, cybersecurity has moved to the front and center of many boardroom discussions. From a disclosure perspective, 66% of directors now say their boards have discussed cyber risk disclosures in response to SEC guidance, a substantial increase from only 38% last year.

Directors are also more frequently discussing the company's cyber insurance coverage; 53% of directors report having board discussions related to this topic, an increase from 33% who did so last year. Additionally, a greater percentage of directors are now discussing the need to designate a Chief Information Security Officer if none exists and the Department of Homeland Security / National Institute of Standards and Technology (NIST) cybersecurity framework.

With regard to cybersecurity issues, has your board or its committees discussed:



Deeper insights:

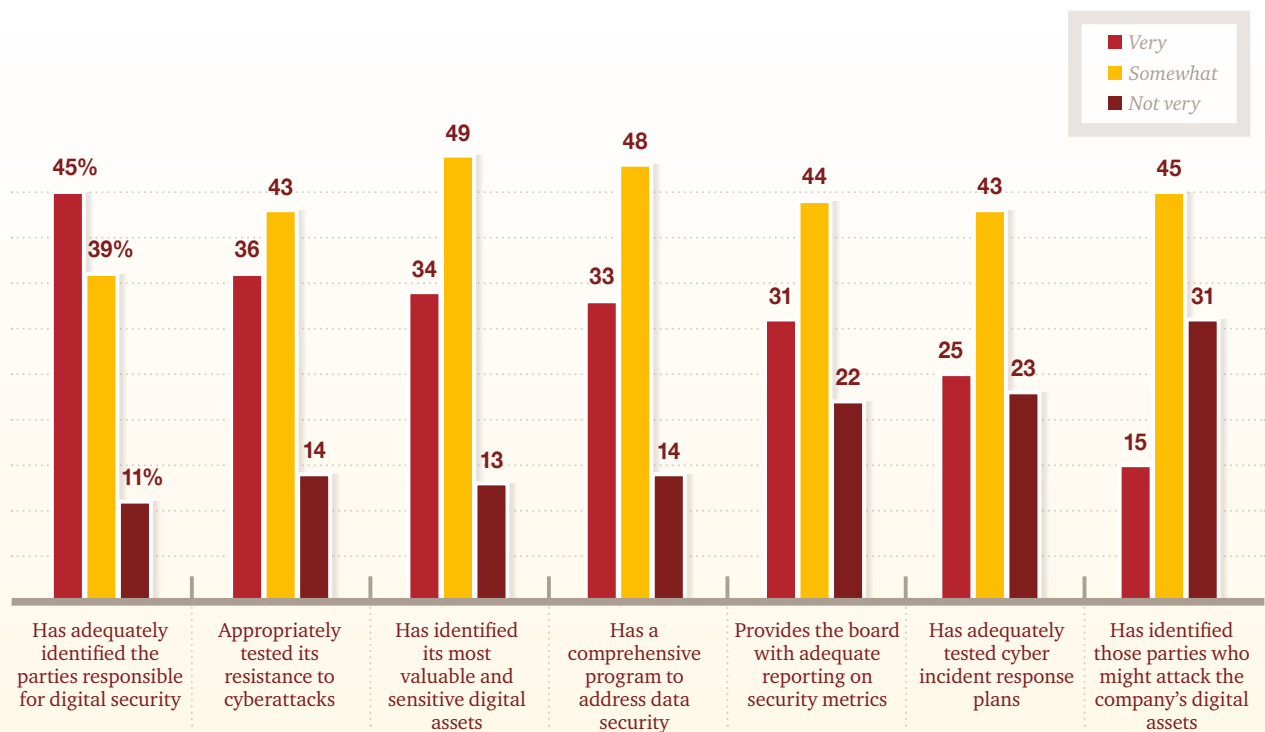
- **Directors of the largest companies are more likely to have discussed cyber risk disclosures; 81% of directors at mega-cap companies discussed cyber risk disclosures compared to just 52% of directors at micro-cap companies.**

Director confidence about cybersecurity

A comprehensive, long-term cybersecurity strategy identifies a company’s vulnerabilities and puts controls in place to detect or prevent security incidents. About eight-in-ten directors are at least “somewhat” confident that their company has a comprehensive program in place to address data security. A similar number are at least “somewhat” comfortable that their companies have adequately identified the parties responsible for digital security and that the

company has appropriately tested their company’s resistance to cyberattacks. However, only one-in-four directors say they are “very comfortable” that their company has adequately tested its cyber incident response plan. Another concern is that nearly one-third of directors are “not very comfortable” that their company has identified those parties who might attack their company’s digital assets.

How comfortable are you that your company:\*



\* 4-9% of respondents responded “don’t know.”

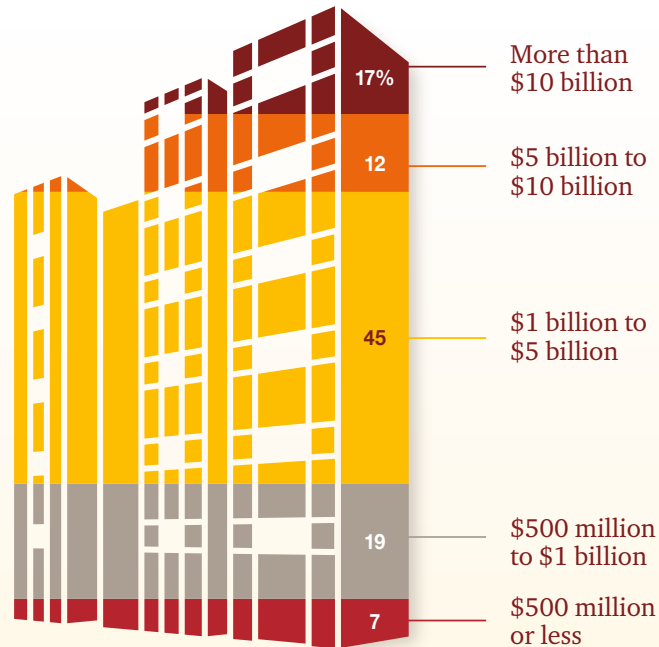
Deeper insights:

- **Directors of the smallest companies have more concern with the adequacy of the cybersecurity metrics they receive; mega-cap company directors are five times more likely than small-cap company directors to consider the information provided to the board on security metrics as adequate.**

# Demographics of survey participants

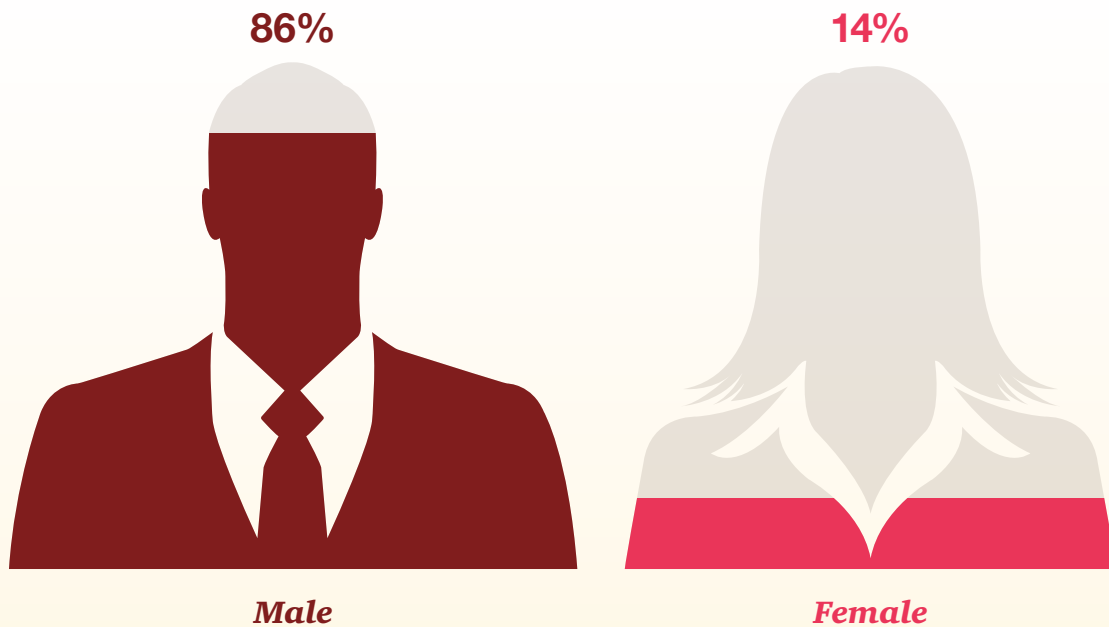
## Company revenue

What are the annual revenues of the company?



## Respondent gender

You are:

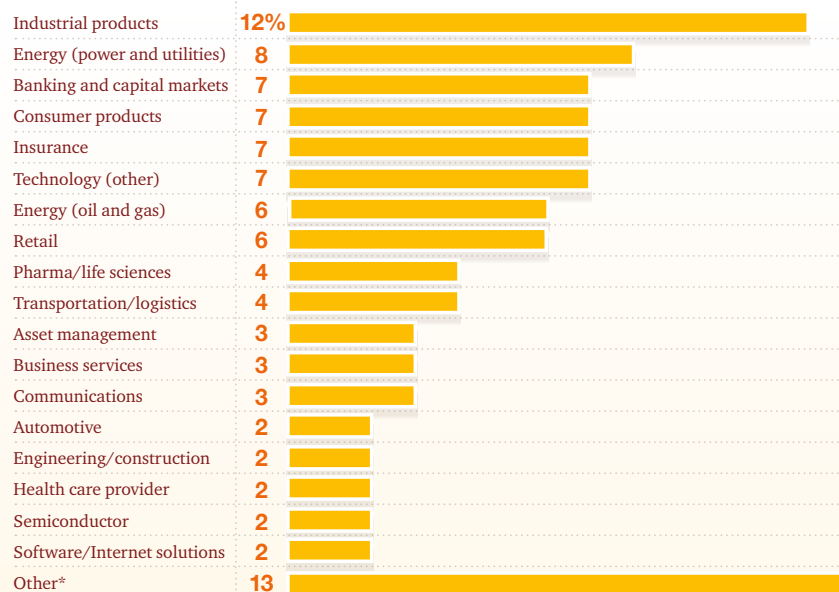




# Demographics of survey participants

## Company industry

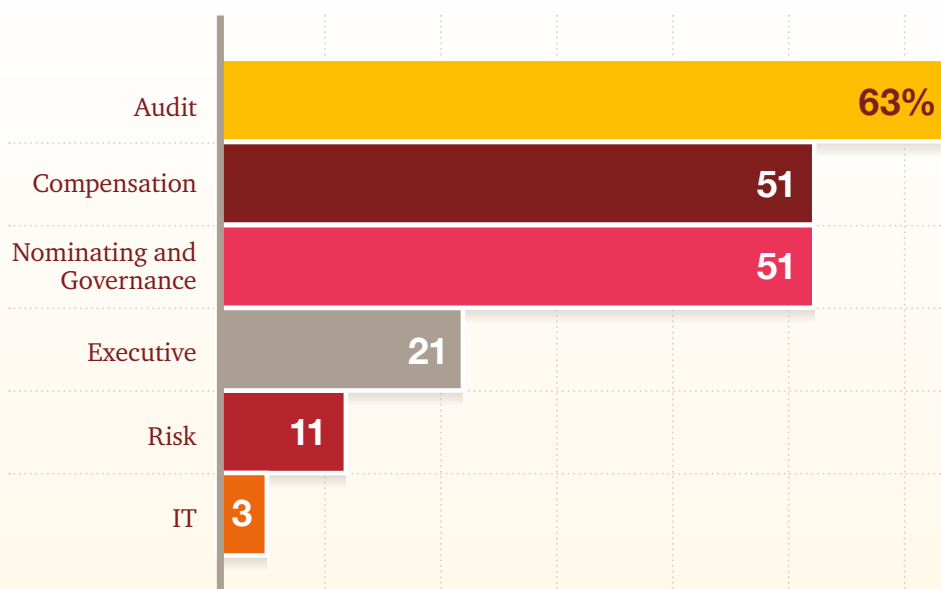
Which of the following best describes the company?



\*Other includes the sum of the following industries with no individual response receiving over 2%: agribusiness, chemicals, entertainment/media, forest, paper, and packaging, government contracting, health care payor, hospitality/leisure, and mining

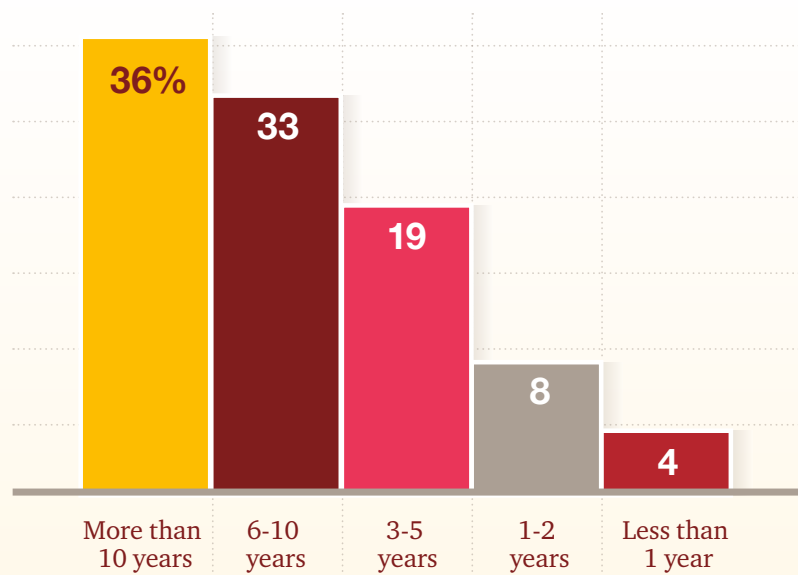
## Committee participation

On which of the following committees do you serve?



## Respondent tenure

*How long have you served on this board?*



To have a deeper conversation about how these findings may affect your business, please contact:

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