

The C-Suite's Risk Management Checklist: Navigating 8 Critical Business Risks

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The Association of
Accountants and
Financial Professionals
in Business

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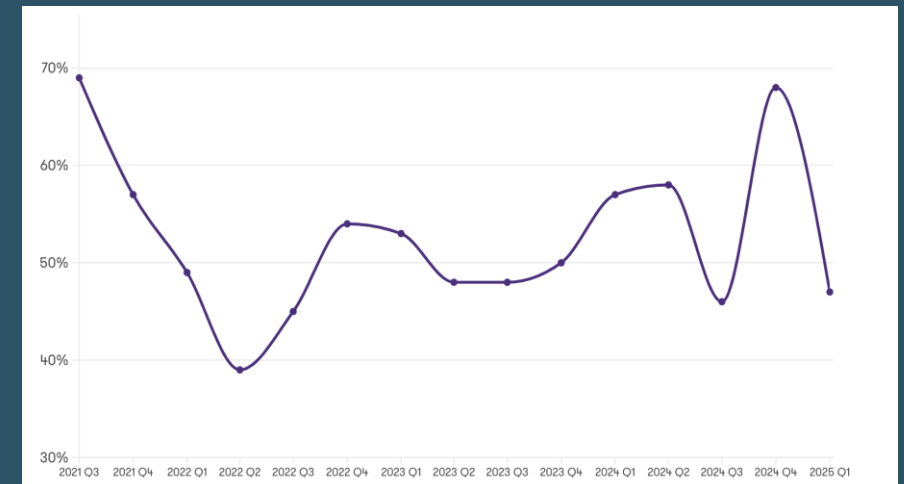
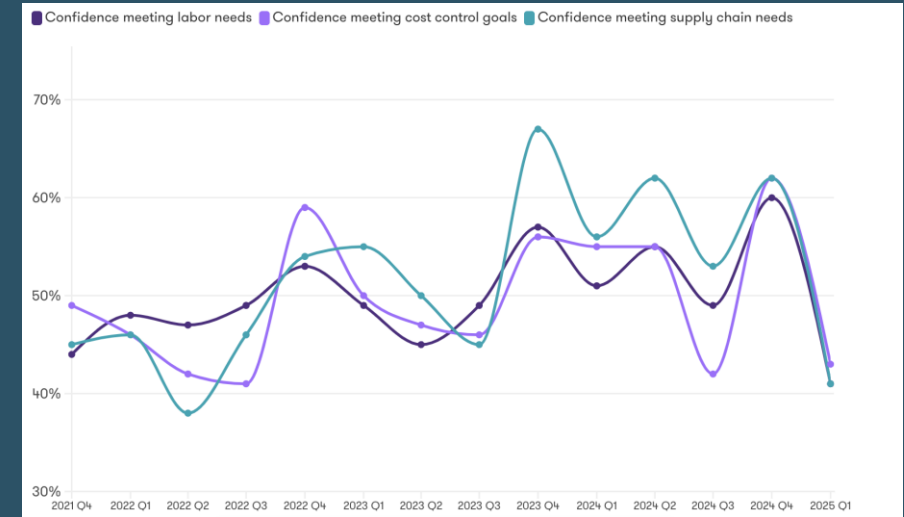
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Agenda

- Background
- Risks
 - Blind Spots and Information Gaps
 - Supply Chain Constraints
 - Cash Shortfalls
 - Regulatory and Organizational Complexity
 - Bad Customer Experiences
 - Excessive Back-Office Overhead
 - Aging, Ineffective Technologies
- Conclusion
- Q&A

Background

- 47% are optimistic about the U.S. economy.
 - 21-percentage-point drop from the previous quarter.
 - Pessimism at a 10-quarter high.
- 41% of CFOs said they were confident in meeting their supply chain needs.
 - Drop of 21 percentage points from the previous quarter.
 - Lowest mark since the runaway inflation period of 2022 Q2.
- 41% of CFOs expressed confidence in meeting labor needs.
- 43% were confident in their ability to control costs.



Source: Grant Thornton CFO survey 2025 Q1

Poll Question #1

Which of the following best describes your sentiment around the current economy?

- a) Very optimistic
- b) Somewhat optimistic
- c) Neutral
- d) Somewhat pessimistic
- e) Very pessimistic



Blind Spots and Information Gaps

Blind Spots and Information Gaps

Overview

- No clear view → risk management based on incomplete information, instinct, and memories of last crisis.
- Today, effective companies can access data across departments.
 - Gaps in insight a major disadvantage.
- For example, trying to figure out spike in costs leading to a 10% drop in its profitability.
 - No ability to drill down? Can't see spike in shipping rates due to a disruption in a major shipping channel is largely responsible for these higher costs.

Most Common Financial & Risk Gaps

1. Cost Drivers and Margin Clarity
2. Forecasting and Scenario Planning
3. Regulatory and Compliance

Blind Spots and Information Gaps

Action Item

- Invest in a system that can centralize and track real-time operating and financial data in one place for all critical business functions.
 - Serves as a base for analytics → help shed light on emerging risks.
 - Needs to give leaders the ability to zoom in and zoom out so they can dig into points of concern.
 - Present this information in automatically updated dashboards and reports that make daily health checks easy.
 - Set an intentional strategy across the organization on information sharing based on department and role.
 - Executives should not be the gatekeepers of all data.



Supply Chain Constraints

Supply Chain Constraints

Overview

88%

of supply chain leaders reported their C-suite considers the supply chain a cost center.

78%

of supply chain leaders report reducing supply chain costs is again a top priority.

19%

of executives acknowledge they're unprepared for disruptions.

Source: EY 2024 Supply Chain Survey

Supply Chain Constraints

Action Item

- Reframing your supply chain as an asset.
 - Map out suppliers (and supplier's suppliers).
 - Run scenarios.
 - Develop contingency plans based on those outcomes.
 - Could include finding backup suppliers for critical goods and redundant production and transportation partners.
 - Frequent communication, timely payments, longer-term contracts, and information sharing.
 - Centralized supply chain information center.
 - Rolling demand forecasts and scenario planning tools.

Poll Question #2

How would you rank your concern over your company's supply chain?

- a) Very concerned
- b) Somewhat concerned
- c) A little concerned
- d) Not concerned
- e) Not applicable



Cash Shortfalls

Cash Shortfalls

Overview

- Cash shortfalls can happen during booms or busts in a business.
- Could be the product of a late payment, sudden drops in customer demand, or racing to keep up with surging demand.
- Example: excess inventory many retailers carried in 2022 and into 2023 after stocking up → patterns changed again by the time more inventory arrived.

\$1.77T

Cost of overstocks and out-of-stocks in 2022 and 2023.

Source: IHL Group

Cash Shortfalls

Action Item

- Consistently updated view of various cash flow measures.
 - Free cash flow, operating cash flow, days payables outstanding, days sales outstanding, cash flow coverage ratio, and current liability coverage ratio.
- Data on payables and receivables, funding, planned expenditures, and historical revenue and expenses should also be centralized.
 - Better cash flow forecasts that can be run on a weekly or even daily basis.
 - More advanced cash forecasting solutions = different forecasting methods and AI models.
- Scenario planning → plan response to possible outcomes.



Regulatory and Organizational Complexity

Regulatory and Operational Complexity

Overview

- Addressing new regulations that apply to a company as footprint grows can be a major undertaking— and easy to underestimate.
- Not just global expansion that raises the complexity—expanding domestically also means new state and local rules to navigate.
- Also challenges of simply managing and monitoring a multinational business.
 - Supporting multiple currencies, subsidiaries, languages, multibook accounting, and consolidated financial reporting.

51%

of small businesses say navigating regulatory compliance requirements is negatively impacting their growth.

47%

Say their business spends too much time fulfilling regulatory compliance requirements.

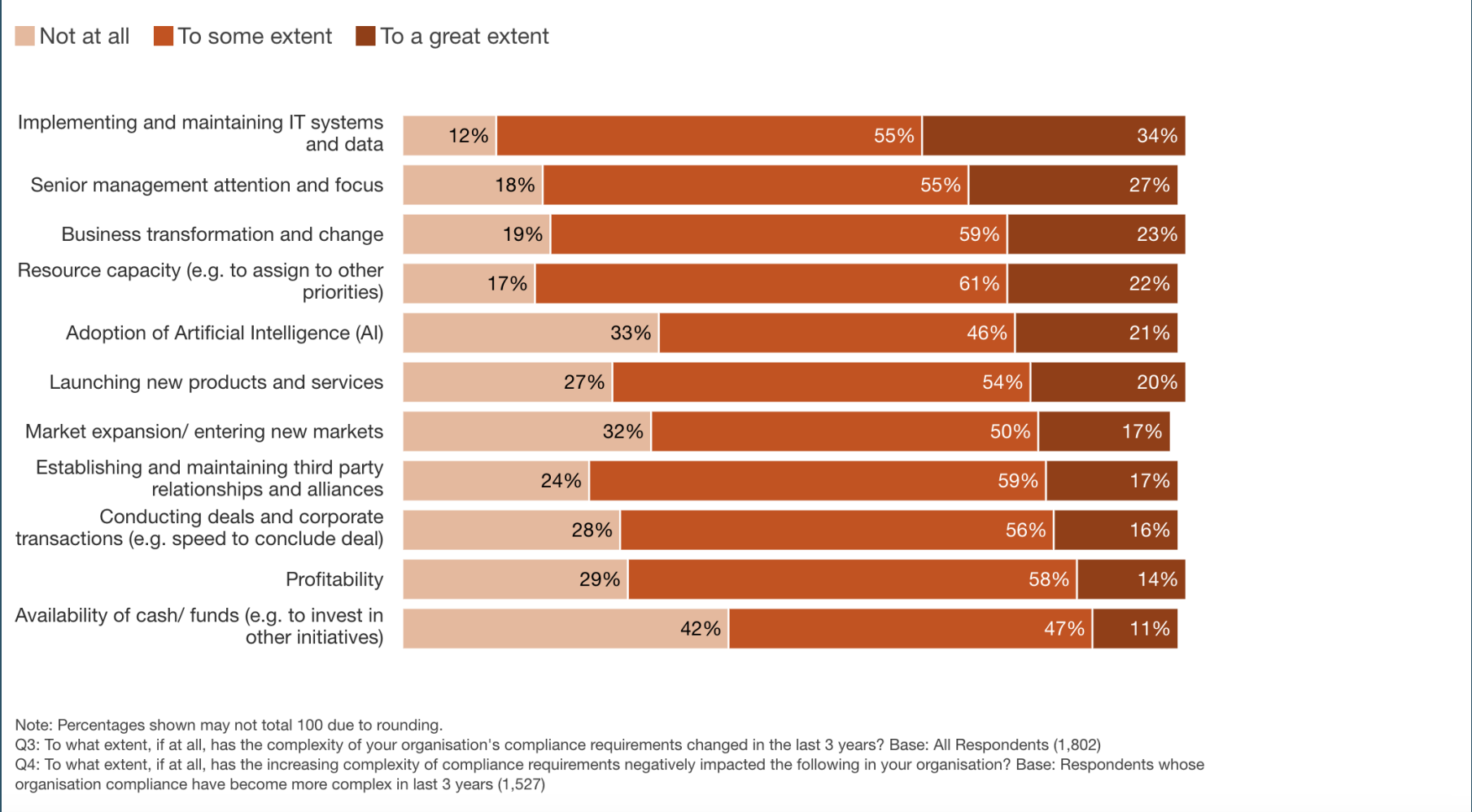
85%

of surveyed global execs feel that compliance requirements have become more complex in the last three years.

*Sources: US Chamber of Commerce;
PwC's Global Compliance Survey 2025*

Regulatory and Operational Complexity

Negative Impacts of Increased Complexity



Source: PwC's Global Compliance Survey 2025

Regulatory and Operational Complexity

Action Item

- Be careful about expanding too widely too fast, as it can overwhelm your business and multiply regulatory risk.
- Don't hire your way through regulatory and reporting challenges.
 - Efficient systems that can handle new reporting and rules with the same staff as much as possible. As you gain muscle moving into new markets, including executing on the regulatory and compliance requirements, you can steadily speed up.
 - Dig deep on the capabilities of current ERP system.
 - What currencies, languages, taxes, and major regulations can it support natively?
 - Can it easily shift between reports on global, subsidiary, and country results?
 - Are there partners with proven success configuring or building plugin applications for your ERP system to fill the gaps?
 - **Clear gaps in your systems or processes? Probably time to upgrade.**



Bad Customer Experiences

Bad Customer Experiences

Overview

- A major risk is when new customer growth comes at the expense of existing customers.
- Poor customer service is one of the most common sources of churn.
 - This can ultimately lower customer lifetime value and over time shrink your bottom line.

Sales at Risk After Consumers Have a Bad Experience, 2025

	Decreased Spending (\$US Billions)	Stopped Spending (\$US Billions)	Total Sales at Risk (\$US Billions)	Percentage of Total Consumption
Overall	2181	811	2992	6.8%
United States	1072	372	1444	8.2%
China	224	50	274	4.1%
India	167	78	245	11.5%
Brazil	91	35	126	9.2%
Germany	78	44	122	5.4%
UK	76	31	107	5.2%
Mexico	76	23	100	7.9%
France	57	33	90	5.6%
Italy	59	30	89	6.6%
Japan	49	29	78	3.3%
Spain	42	18	60	6.8%
Canada	43	16	60	5.1%
Australia	33	14	47	5.5%
South Korea	36	9	45	5.3%
Philippines	23	4	27	8.1%
Netherlands	15	8	22	4.6%
Sweden	10	5	15	5.9%
Denmark	7	3	10	5.6%
United Arab Emirates	6	2	8	5.7%
Ireland	6	2	8	5.4%
New Zealand	6	2	8	5.3%
Singapore	5	1	6	3.8%

About: This chart shows estimates of sales at risk after a bad experience. These estimates are based on the percentage of consumers reporting decreased spending in 20 industries multiplied by total household consumption numbers (\$US) in 23 countries.

Source: Qualtrics XM Institute Q3 2024 Global Consumer Study and "Households and NPISHs Final Consumption Expenditure (current US\$)" World Bank data.

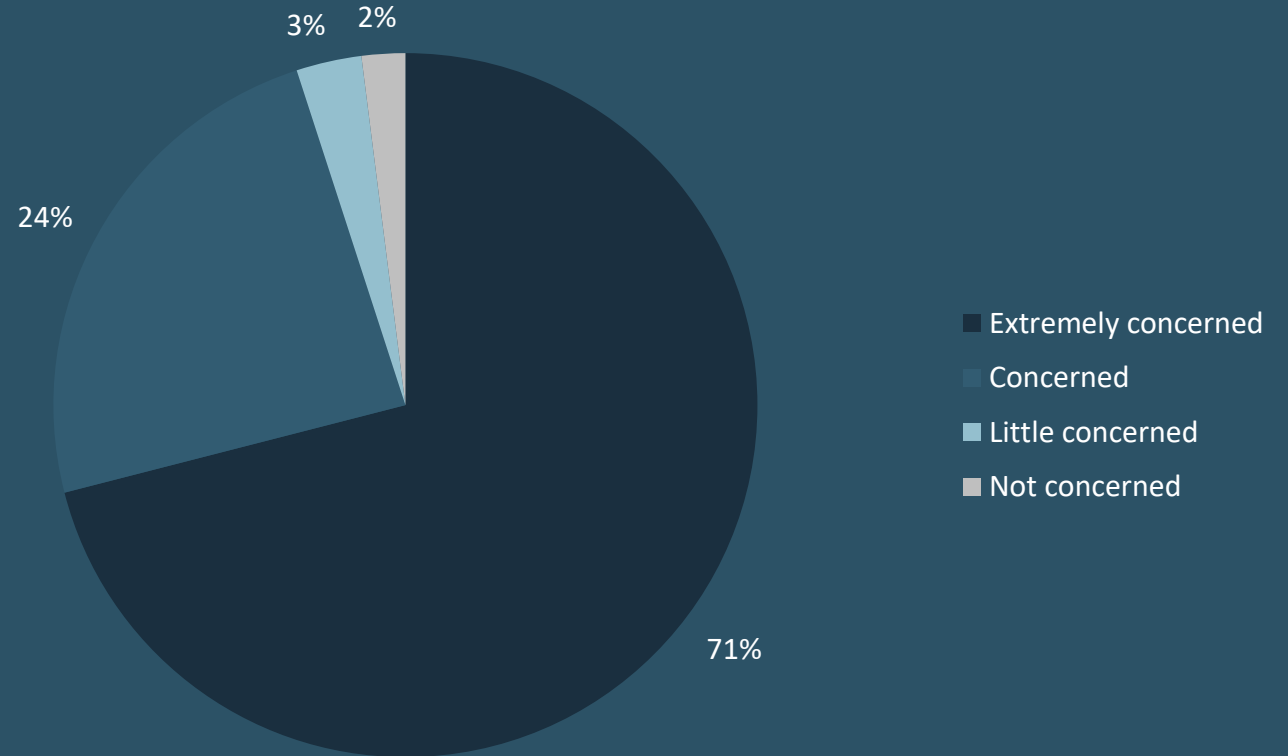
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Bad Customer Experiences

Common Challenges

1. Users have experienced poor customer service.
2. Outreach isn't timely or relevant.
3. Customers are disengaged.
4. There aren't enough resources.
5. You don't reward loyal customers.
6. You're not training your users.
7. Customers might not see the product's value.
8. You don't have internal processes to implement customer feedback.

Level of concern regarding challenges:
Customer retention



Bad Customer Experiences

Action Item

- Make a concerted effort to monitor and improve your customer experience.
 - Could include:
 - Building out an account management team.
 - Expanding support resources.
 - Developing customer advisory boards.
 - Creating more educational and training resources.
 - Measure impact through KPIs such as:
 - Attach rate
 - Average customer value
 - Retention rate
 - Customer satisfaction scores
 - Build customer-specific dashboards that compile all key information and recent activity on a single page.



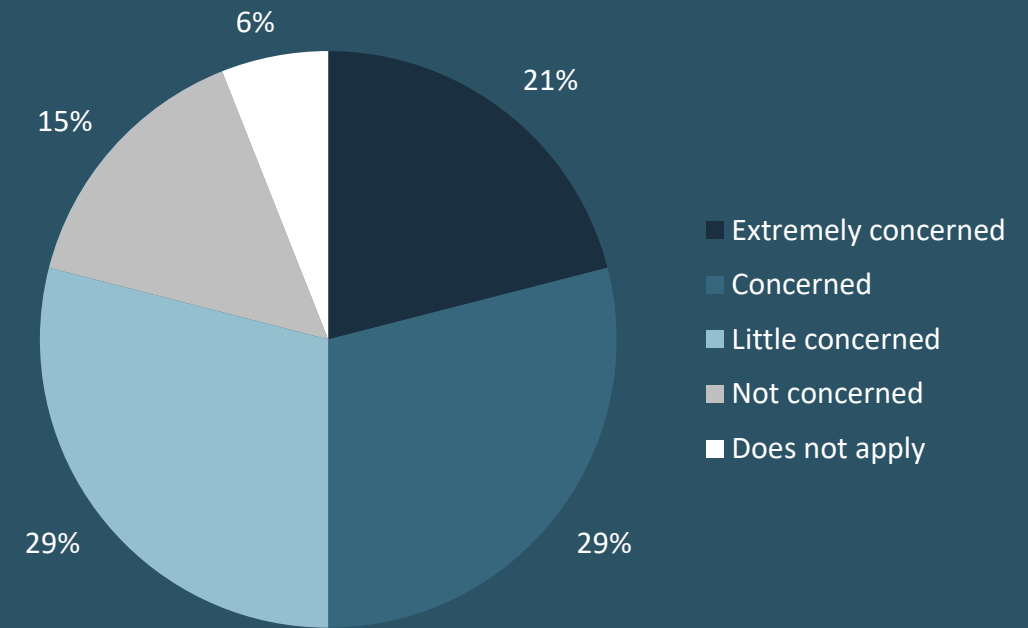
Excessive Back-Office Overhead

Excessive Back-Office Overhead

Overview

- Overhead costs can quickly hurt your bottom line and require corrections if your business faces any kind of downturn or slowdown.
- Common overhead costs (that add up fast!):
 - Insurance premiums
 - Subscriptions
 - Inefficient processes
 - Shipping costs
 - FX fees
 - Unused space
 - Disorganized inventory
 - Opportunity costs
 - Procurement processes

Level of concern regarding challenges:
Overhead expenditures



Excessive Back-Office Overhead

Action Item

- Expense approval policies critical for cost control and risk management.
 - Set a lower threshold for expenses that require manager or executive approval
 - Give fewer people the power to approve expenses.
 - Executing these thresholds efficiently requires technology and policies that make expense review-and-approval easy—and ideally smartphone accessible—so your leaders aren't spending their days vetting office supply choices.
- Comprehensive audit of current expenses to identify potential waste.
 - Look out for opportunities to consolidate software with duplicative or similar functionality.
 - Pay close attention to requisitions for administrative roles that don't directly generate revenue.
- Consider better automation tools for existing staff to help them spend less time on manual tasks.

Poll Question #3

Which of the following risks are you most concerned about in the next 12 months?

- a) Information gaps/blind spots
- b) Bad customer experiences
- c) Cash shortfalls
- d) Supply chain constraints
- e) Regulatory and organizational complexity



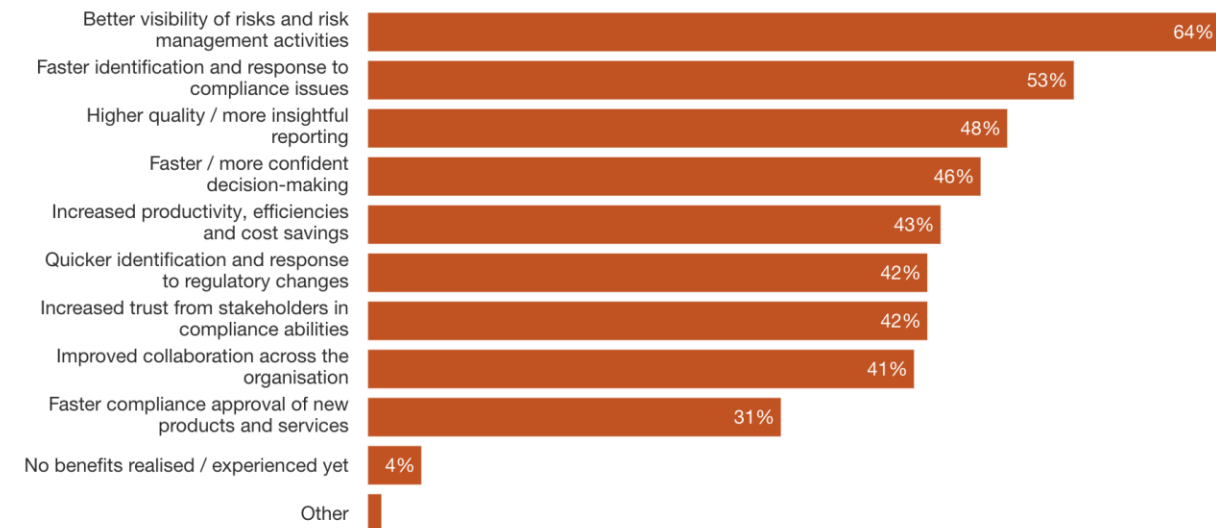
Aging, Ineffective Technology

Aging, Ineffective Technology

Overview

- AI has the potential to widen the gap between businesses, as AI capabilities increasingly get built into software.
- Outdated software increases a company's risk:
 - Can make it more difficult to identify and respond to risks.
 - Can prevent businesses from leveraging the latest technology such as AI that could improve insights or increase productivity.
 - i.e. processing incoming bills, helping company add customers and volume without adding people at the same rate.
 - Automation and analytics.

Benefits realised from technology investment



Q14: As a result of your organisation's investments in technology, what are the main benefits you have experienced in relation to your compliance activities?
Base: Respondents who use technology and data to automate compliance activities (1,802)

Source: PwC's Global Compliance Survey 2025

Aging, Ineffective Technology

Action Item

- Upgrade foundational systems that store key data.
 - ERP, inventory management, CRM, human resources, and professional services automation.
 - Ideally, all on a common platform to avoid possibly problematic integrations. If that's not feasible, invest in proven connectors that can transmit data between systems to keep information up to date.
 - Cloud applications that can scale with your business as it increases transactions, SKUs, locations, employees, and business units. Cloud software also makes it easier to keep you on tech's latest capabilities, since they get frequent updates.
- Bringing better data into everyday processes and workflows = improvements.
 - Monthly budget reviews that compare budget to actuals → more effective if drawing on timely financial, operational, and HR data.
 - Generative AI tools can be more relevant and useful if they can tap your enterprise data .
 - Better flag risks, help identify causes of budget variances, draft financial reports, marketing plans, and similar responses to changing market conditions.

Poll Question #4

Which of the following would you rank as your top risk management challenge?

- a) Inadequate technology
- b) Insufficient expertise
- c) Lack of resources
- d) Lack of foresight
- e) Slow response time to risks/crises

Conclusion

NetSuite Technology's Role in Risk Mitigation

- NetSuite ERP:
 - Tracks information and processes from across your organization.
 - Tracks role-specific KPIs to monitor the health of your business.
 - Offers controls to help you make sure people see only the right data for their role.
 - Automates and improves tasks related to indispensable business processes such as order-to-cash, procure-to-pay, financial close, payroll, and reporting.
 - Offers support for multicurrency, multilanguage, and global audit and compliance.
 - Helps services businesses forecast revenue and staff utilization targets for upcoming projects.
 - Helps product companies predict inventory needs to help improve cash flow management.
 - Receives regular enhancements via twice-per-year upgrades.
- Questions? Contact megan.obrien@oracle.com

Questions and Answers

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