

Audit Committee Leadership Summit

October 2020

ACLS

VIEWPOINTS

Accelerated digital innovation

As the COVID-19 pandemic spread across the world, business leaders realized the need to rapidly adapt operations—supply chain, sales, communications, infrastructure, and more—and many have dramatically increased the pace of digital innovation as a result. For some firms, fast-tracking digitalization may be a matter of survival; for others, the urgency created by COVID-19 offers an opportunity to leapfrog peers, reimagine operations, or advance long-standing transformation goals. Yet even in the best of times, any complex technology project can carry significant risk, and the current environment raises those stakes further. Boards face the challenge of ensuring effective and vigilant oversight as innovation proceeds at a faster tempo.

On September 18, 2020, members of the North American and European Audit Committee Leadership Networks (ACLN and EACLN) met virtually to discuss how large global firms can best lead and govern accelerated innovation.¹ They were joined by Netta Nyholm, EY EMEIA enterprise risk and risk markets leader; Kate Smaje, global leader at McKinsey Digital; and David Gledhill, recently group chief information officer and head of group technology and operations at DBS. *For biographies of the guests, please see Appendix 1 on page 11. For a complete list of participants, see Appendix 2 on page 13.*

Executive summary

Several themes emerged regarding how companies and boards are overseeing accelerated digital innovation.

- **The pandemic is driving companies to fast-track digital innovation** (Page 2)

Guests and members highlighted a variety of ways digital innovation has accelerated during the pandemic, including not only the increased use of technology but also broader efforts to break down internal barriers and move at speed. Though survival of the business amid crisis is a key driver behind much of the innovation, other factors are also at play, such as gathering data and intelligence, responding to accelerated customer trends, and pursuing emerging opportunities to push the business forward.

- **Mitigating the risks associated with accelerated innovation** (Page 4)

Members have been pleased with the more agile approach their companies have taken with digital innovation, but also highlighted risk concerns and discussed approaches to dealing with these. Boards and audit committees should continually assess risk management practices and should be looking back at actions taken in recent months to

determine whether additional risk management work needs to be done. The current pace of change and shifting work environment also raises challenges associated with employee wellness and corporate culture, issues boards should carefully monitor.

- **Strategic priorities amid rapid innovation** (Page 6)

Boards can play a vital role in ensuring that innovation is directly aligned with strategy. As more companies are able to widen their strategic focus from immediate survival to longer-term growth, they will be doing so in a world in which customer expectations and behaviors may have permanently changed. It may be necessary for companies to reassess long term strategic plans and rethink talent strategy as they adapt approach. Major digital projects should be carefully monitored by the board to avoid the danger of pursuing innovations that do not align with long-term strategic goals or may not achieve promised value.

For a list of discussion questions for audit committees, see Appendix 3 on page 14.

The pandemic is driving companies to fast-track digital innovation

The global pandemic tested business continuity plans, forced companies to reimagine what is possible, and drove them to implement change in short time frames. An EY report stated, “If necessity is the mother of invention, and technology is a universal enabler, we find ourselves in a unique position to challenge predetermined concepts of what is possible.”²

How companies are accelerating innovation

Guests and members described a variety of ways digital innovation has accelerated during the pandemic. These include not only the increased use of technology but also broader efforts to break down internal barriers and move at speed. The increased pace of change can be observed in many areas:

- **Strategic plans.** Several members outlined how their firms fast-tracked what had previously been long-term strategic goals. One member said, *“In 2019 we announced a new, bold, forward 2030 strategy, a 10-year plan. It’s now a 2022 or 2023 strategy.”* Another said, *“Frankly, we achieved in three weeks what we had expected to do in three years.”* A third member said, *“Transformation got accelerated. That means building platforms; that means finding ways to connect. We knew what we wanted to do—we just thought we had five or six years to get it done.”*
- **Use of digital models and assets.** Members and guests reported a renewed prioritization of digital models. One member said, *“We had to very quickly switch all engagements—which were previously physical, in the field—to digital. But we had to create the tools to do that.”* Intelligence gathering and use of data received heightened priority as well. Ms. Smaje said, *“For those with data, it was suddenly a source of incredible insight. How are customers behaving? What’s going to stick or not?”*

- **Implementation of emerging technologies.** Grocery stores, hospitals, and many other businesses swiftly increased their use of both software and hardware robots, accelerating an automation journey that had been under way for many years.³ Businesses not only quickly became comfortable with remote working tools but also scaled up the use of advanced technology to find entirely new ways to operate and communicate with clients. A member said, *“Our use of artificial intelligence and robots has increased significantly, and it’s gone smoothly. I don’t think we’re going back to the old ways of doing things.”*
- **IT infrastructure enhancements.** Although many companies entered the pandemic with complex IT transitions already underway, more than a few were surprised to find that these could be accelerated. One member said, *“We were doing a methodical shift to the cloud, but with COVID we did it almost overnight.”*

Members noted that some projects should maintain a slower pace or be temporarily shelved amid so much uncertainty. Yet other companies have chosen to move forward with or even accelerate highly complex IT projects. A few members confirmed that their companies had pushed ahead with significant systems overhauls. One said, *“It was a challenge, but it was necessary, and we got it done.”*

Companies that had aggressively pursued digitalization before the pandemic benefited from those efforts, experts say. A recent *Fortune* article commented, “Almost overnight, the COVID-19 crisis widened a performance gap—between those organizations that invested in technology innovation at scale before the pandemic and those that did not—into a chasm.”⁴ Ms. Smaje said, *“One thing that is striking is the disparity between the companies that could be described as the haves and the have-nots. These are the companies who were doing pretty well and are now absolutely blowing the lights out, versus the ones who were struggling and are now in crisis.”* For those that were behind their competition on the road to digitalization, the disparity may now have significant implications, especially if they lack the necessary capital to invest and catch up.

Key factors driving the pace of change

Though most companies have been on a technology transformation journey for some time, the rapid increase in the pace of change has surprised many. Members and guests highlighted several distinct factors driving this sense of urgency:

- **Survival.** For many companies, a deeper adoption of technology was necessary simply to remain operational. Some fast-tracked digitalization simply because they could not stay in business without drastic cost reductions. A member said, *“It’s very clear that we as a business have no choice but to reduce costs. It caused us to prioritize and also narrow what we were focused on.”* As companies rushed to adapt their models, an evolving risk environment also forced innovation. Ms. Smaje said: *“Companies were being hit with risks they hadn’t seen before, and the risks they had seen were rapidly expanding. Things they*

weren't expecting to be concerned about for several years suddenly had to be managed overnight."

- **Accelerated customer trends.** Nearly overnight, trends in customer behavior that had seemed steady and predictable sped up exponentially. Customers demanded not only greater digital access but also more intimacy with their suppliers, and companies were forced to respond. A member said, *"We had plans aligned with customer demand to double e-commerce over the next three years, but the lockdowns took the whole industry into levels of demand that were unexpected and unprecedented. In three weeks, we had to double our online delivery capacity."* Customer needs should be driving any acceleration, Mr. Gledhill said: *"You don't innovate; you create customer-led and customer-driven things that bring business and technology together."*
- **A need for intelligence.** Ms. Smaje said, *"The need for intelligence was a massive source of accelerated innovation. The intelligence of companies—the need for data, the need to look at problems in different ways—became more important than ever."* For large global companies, data became critical for effective forecasting and response. One member said, *"We've found that we could tell how operations in a country would perform based on the penetration of our digital channels there."* Another said, *"By using data, we could tailor the communications to users based on the specific circumstances they were facing at the time. It allowed a more tailored approach."*
- **Opportunity to break barriers to change.** The pressures of a crisis situation can create a sense of urgency, expediting decision-making and reducing internal obstacles. Ms. Smaje said, *"What's driving innovation? Companies are thinking that if they are going to come out of COVID, they need to do everything they can to hit that flight path as effectively as they can."* A lot of recent innovation has been reactive to the pandemic, but as the "new normal" emerges, companies are now moving faster toward longer-term strategic goals. A member said, *"It's about coping, but I have the view that you have to use the pandemic to become the winner. How do you leap ahead of your peers during this time?"* For some companies, the crisis also helped to reveal their positioning versus their peers, clarifying strategic opportunities. Ms. Nyholm said, *"Some clients realized at the beginning of COVID that they were farther along with digital maturity than competitors."*

Mitigating the risks associated with accelerated innovation

Though members celebrated the more agile approach their companies have taken with digital innovation, they also highlighted risk concerns and discussed approaches to dealing with these.

Continually assessing risk management

The recent pace of change often resulted in truncated risk management processes. One member said, *"Normally when you make a change of this scale, you go through a lot of work*

on risk assessment, trialing how you'd manage the risk; you'd do this all very thoroughly up front. But in this situation, you need to respond thoughtfully, and you cannot do all the normal prep work." Another said, "The costs, risks, and operational impacts of our acceleration were significant and we're still working through that. As an audit committee chair, my question is, How do you play catchup in that situation? Because the ability to get assurances as you make these changes is thrown out the window due to the need to adapt."

Guests said that boards should be looking back at actions taken in recent months and determine whether additional risk management work needs to be done. Ms. Nyholm said, *"The impact of all of this acceleration is only now becoming visible to the organizations. Now they're looking at the quick actions taken at the beginning of the pandemic, what they involved, what stakeholders were affected and how, and how to transfer the risk around those areas."*

Several key areas of concern were identified:

- **Lagging controls.** Members and guests agreed that updated controls should be baked into accelerated implementation and continually evaluated. A member said, *"The control procedures were not audited, not reviewed—at least not in the same ways they normally would be. What is important is to look back now and check and make sure that appropriate controls exist around all those new processes. That is something everyone needs to do; it's just a trailing activity now instead of a leading activity."* Several members noted that they have been impressed with how well controls have been handled thus far. EY's John King said, *"One thing we see broadly across clients is an impressive consciousness of maintaining controls, even in a rapidly changing environment. At the same time, there has certainly been a focus on the near term. I think an openness to evaluating the real efficacy of the controls that have been changed and a consciousness around that is important going forward."*
- **Risk management maturity.** Members advocated for maintaining a relationship between risk managers and line managers that balances accelerated innovation with strong internal controls and implementation oversight. They noted that companies with mature internal processes will be better positioned to tackle acceleration. A director summarized, *"Better brakes, faster car."* Ms. Nyholm added, *"We have seen that those organizations who built risk management into their governance models and across every aspect their companies were much faster in responding."*
- **Third- and fourth-party reliance.** The rapid pace of change poses challenges for third- and fourth-party relationships, exposing resilience concerns as companies expand their reliance on key partnerships. For some, the crisis has been a stress test for these relationships and exposed weak spots. One member said, *"There were some classic areas of third-party risk, where we were more reliant and in a worse position than we realized, that should have been addressed long ago. It was eye opening."* Collaboration and communication are key, as Ms. Nyholm explained: *"We've been working with a lot of clients who have a high*

dependency on third and fourth parties. Those that have been fostering trust and communication in their networks have been able to be more agile and more easily adjust expectations and collaborations with business partners.”

- **Legacy infrastructure.** Some shared concerns that quickly applied innovations may be layered on shaky legacy infrastructure. Mr. Gledhill said, *“A lot of what you’re seeing now is frankly digital lipstick applied to things in the backend. I think a lot are stretching their backend to the breaking point, and in the next couple of years you’re going to see a lot of companies needing to reengineer a lot of that.”*

During times of rapid change and adaptation, guests stressed the importance of promoting an equally adaptive risk management culture across the organization. Ms. Nyholm described how one company is making concerted efforts to adjust risk culture: *“It’s no longer a matter for just internal auditors or the risk management people; it’s anyone across the organization identifying deviations to previous processes. The willingness to report risk has changed quite a lot, transforming risk from being a downside negative to potentially being an opportunity for change.”*

Monitoring the sustainability of the current pace

Directors wondered whether the current pace of digital transformation could continue even after the pandemic has abated. A member said, *“The transformation, engagement, and increased speed of response was something we’ve all really witnessed. I think now our boards and senior management are asking, ‘How do we capture this and bottle it and keep it going through the crisis?’”* But audit chairs cited employee burnout and mental health concerns related to digital transformation, noting that the shrinking barrier between work and personal life was a critical ingredient in much of this innovation. A member said, *“It’s been impressive, but the downside is potential burnout of our people. I’m not sure it’s healthy to keep the whole organization at that breakneck speed; it’s not sustainable.”*

The maintenance of an effective corporate culture is also a key concern in this environment, members said. Fostering strong relationships and promoting ethical behavior can be difficult. All of these issues can bleed into security and risk concerns. A member said, *“I’m thinking of reassessing employees for two things: One is their attitude toward security and loyalty to the company, which are very hard to assess. Second is the practical difficulties of remote working; sure, it can be very efficient, but the ability to maintain long-term relationships and trust is a challenge.”*

Strategic priorities amid rapid innovation

Guests and members stressed the importance of ensuring that innovation is directly aligned with strategy. They identified three priorities for board-level strategy discussions.

Pivoting toward the long term

Now that the initial stresses of responding to the pandemic have waned, members said that more companies can widen their strategic focus from immediate survival to longer-term growth. Some stressed the importance of remaining conscious of pre-COVID goals. One said, *“It’s critical to remember that some of our previous priorities are still important. They may have been paused or moved lower on the list, but I worry we’re not focusing enough on the longer term.”* Many businesses will emerge from this era fundamentally changed from how they entered it. One member said, *“We’ve made it very clear as a business that we’re not going back to how it was. You can’t go back to the old world.”* Companies will need to reassess long-term strategy as a result. A member said, *“We have transformed our mix of business, and it opens a lot of doors.”* The scale of transformation is likely to cause a shuffle among the winners and losers in any sector, making actions taken today all the more significant. Ms. Smaje said, *“That pressure of innovation is higher than we’ve ever seen it, because the fight to be the company that comes out the strongest is so important.”*

Strategic decision-making will rely on predictions of a highly uncertain future. Companies will need to navigate a world in which customer expectations and behaviors may have permanently changed. The SARS outbreak of 2003 both accelerated and cemented China’s widespread adoption of e-commerce, highlighting how such a crisis can fuel a trend toward digitalization.⁵ The current pandemic is having a similar impact across the world, according to members. Offering services that cater to specific customer needs is more important than ever.

Rethinking talent strategy

The events of recent months have clarified the importance of certain roles and skill sets, members said. One member opined, *“We’ve learned during this what makes us tick; it might be the person seven or eight layers down in the organization that you realized overnight you cannot do without. I like that we’ve now worked out very acutely who an organization truly needs to get stuff done, and where there is a lot of noise.”* Another member said, *“We’ve become very creative on how to structure the organization, how to think through the management roles and responsibilities, and how to properly identify the critical work that needs doing.”*

Some also wondered whether firms will need to rethink management needs. One said, *“I have started to think of the suitability of certain types of senior management and how they really cope with being effective in this world.”* For example, the new environment may drive a pursuit of different types of management profiles. One member said, *“Our chief financial officer is retiring next year. When you have a chance to make changes, one thing we’re looking at is getting engineering backgrounds or digital experience. Having a CFO with a broader background could be a real value add.”* But another cautioned, *“Some people are great on gravel roads but also might be very reckless on paved roads, so if you focus only on getting*

people for those gravel roads, you might not have the right ones when it comes time to pave them.”

Members and guests largely agreed that companies are likely to pursue different skill sets, retrain current employees, or explore new ways to empower critical roles. A member said, *“I’m starting to think about the internal audit teams, finance function teams, IT people, and people in charge of critical control systems and whether we need to rethink around those people—whether they need more help or, frankly, whether they are even the right people for the job right now.”* Another added, *“How do we complete the transitions we’re in the midst of? Part of what we’re doing is reskilling the employee base, but that has to include the marketing people, the operations people, the rest of the company. There is a lot of work that needs to be done.”*

Adapting board oversight

Board attention to accelerated digitalization efforts varies from company to company and project to project, depending on the size and scope of the implementation. Most members said that board oversight of material technology projects is exercised by a combination of the audit committee and the full board. Guests and members identified a few areas where the board or one of its committees might focus:

- **Identifying and prioritizing risks.** The need to change so quickly caused organizations to prioritize their attention to risk in new ways. One member described how their firm was forced to quickly upgrade core systems in the early days of the crisis. Seeking to learn from this experience, the director asked, *“Why did we wait so long to make the upgrade? It’s an area of risk that should’ve been addressed long ago. In a nutshell, this has been an eye-opener for the board about how to think more clearly about those cases where if there is a crisis, what is your exposure, and shouldn’t we prioritize those high-risk areas?”*
- **Candidly assessing opportunities.** Members and guests discussed the danger of pursuing innovations that do not align with long-term strategic goals or may not achieve promised value. A member said, *“Beware of chasing shiny objects. Sometimes it’s all marketing and there is no ‘there’ there. You have digital guys conjuring up all these things that the business guys do not need or want.”* Ms. Smaje said, *“It’s a clear problem. The first and most important question is, Where is the value coming from? How is it a result of whatever digital program the management team has created? That’s the anchor you need.”* Asking questions about the practicalities of implementation can garner helpful insights for the board as well. Ms. Smaje said, *“Ask them how it’s going to work. What’s different in the talent model? How do we make those people successful? That’s how you can look out for smoke and mirrors and ensure this has really been thought out.”*
- **Monitoring progress.** Once an initiative is underway, the board and audit committee can help avoid costly errors by ensuring that proper oversight of transformative projects is in

place. A member said, *“With a major project involving significant upgrade in digital capabilities, you almost have to treat it like mergers and acquisitions because you’re talking about big money. You need the clear business case; you need the accountabilities put in place so that you’re getting regular reports on progress.”* Boards and audit committees must ensure that the company is taking a holistic approach to transformation and that large projects are not siloed with specific teams. A member said, *“It’s very important to ensure the entire company is on this journey, not just the digital team going on this journey by itself. You may put billions into a project but then you realize progress is gated and every year new issues are coming up.”* One member shared an experience of bringing in a third-party to provide an objective evaluation of progress on a major digital project. Ms. Nyholm said, *“The business case should always be objectively reviewed, and not just reviewed one time and you move on, it should be reviewed on an ongoing basis and you must have the ability to say no from the top down.”*

Conclusion

Many companies are witnessing an unprecedented and exciting pace of innovation. Spurred by the global pandemic, they have identified new approaches to operations and implemented technology in ways they would not have thought impossible, even a few months ago. Members have been impressed by the speed and depth of innovation and expect it to continue. One said, *“The transformation, engagement, and increased speed of response were something we’ve all witnessed. Now our boards and senior management are asking, ‘How do we capture this and bottle it and keep it going?’”* At the same time, directors acknowledged that there are risks as well as benefits from the new tempo.

Members and guests identified ways to mitigate implementation risk and manage the new pace of change – for example, frequent assessment of risk management and controls around new processes. Prioritizing employee wellness can reduce risk and improve sustainability, and talent strategy will need to adapt to the new environment. For boards and audit committees of companies pursuing transformational change, regular progress updates are critical, as is ensuring that technological innovation, fast or slow, is aligned with long-term strategy.

About this document

The European Audit Committee Leadership Network (EACLN) and Audit Committee Leadership Network (ACLN) are groups of audit committee chairs drawn from leading European and North American companies committed to improving the performance of audit committees and enhancing trust in financial markets. The networks are organized and led by Tapestry Networks with the support of EY as part of its continuing commitment to board effectiveness and good governance.

ViewPoints is produced by Tapestry Networks to stimulate timely, substantive board discussions about the choices confronting audit committee members, management, and their advisers as they endeavor to fulfill their respective responsibilities to the investing public. The ultimate value of *ViewPoints* lies in its power to help all constituencies develop their own informed points of view on these important issues. Those who receive *ViewPoints* are encouraged to share it with others in their own networks. The more board members, members of management, and advisers who become systematically engaged in this dialogue, the more value will be created for all.

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Appendix 1: Biographies of the guests

David Gledhill served as Group Chief Information Officer and Head of Group Technology & Operations at DBS Bank for 11 years until 2019. In this role, and as member of the Group Executive Committee, he led the Transformation team that drove much of the change agenda at the company including Customer Journey Thinking, Innovation, Data Science, Platform Organization, and Culture Transformation. Under David's leadership, the bank has consistently driven great value from technology, and has deeply transformed its culture into a truly Digital led company, and what may be the most digitized bank in the world, and certainly widely recognized as Asia's most digital bank. DBS is widely renowned for its Digital Transformation, recognized by Euromoney, Global Finance and The Banker as the "World's Best Bank," and Harvard Business Review as one of the top 10 global strategic transformations of the decade.

In 2017, David received the Massachusetts Institute of Technology (MIT) Sloan CIO Leadership Award, becoming the first CIO from an Asian company to have received the award. David brings to the table over 30 years of experience in the financial service industry and has spent over 25 years in Asia. Prior to joining DBS in 2008, he worked 20 years at JP Morgan, holding senior regional positions in Technology & Operations. In further recognition of his deep technical knowledge, David had also been appointed to the Singapore Government's ministerial level Public Sector Data Security Review Committee, which was responsible for defining new data security policies and practices across all Public Services in Singapore.

David is a non-executive director of Singapore Airlines, where he is a member of the Board Safety and Risk Committee and the Board Customer Experience and Technology Committee, is a board member of National University of Singapore (NUS) Institute of Systems Science, and retains a senior advisor role at DBS. David's previous roles include Director of Singapore Clearing House Pte Ltd, member of IBM Advisory Board, as well as a member of the Singapore National Super Computing Centre Steering Committee.

Netta Nyholm has been with EY since 2008 acting as a consulting partner since 2011. In July 2020, she was appointed to EMEIA Enterprise Risk & EMEIA Risk Markets Leader, covering 97 countries across 10 regions. Previously Netta was the Regional Risk Leader for Germany, Switzerland and Austria between 2017 and 2020 including competencies of Risk Transformation, Internal Audit, Technology Risk and Cyber.

Netta runs the EY Third Party Risk Solution for EMEIA and is focused on serving Global 360 Accounts mainly in the sector of Life Sciences. In her operational client roles, she leads and sponsors various projects with regard designing and implementation of integrated governance and business models infused by digital enablement's across the ecosystem.

In her projects she drives de-complexing, simplification and alignment of operational excellence with available IT capabilities and alliances partners sharing both upside and downside risks along the value chain. To enhance the digitalization, she brings her Life

Sciences clients together with Digital Designers as well as Technology and Telecommunication clients for purpose-led business partnering.

Kate Smaje is a senior partner at McKinsey, based in London and is the global co-lead of McKinsey Digital. She works with clients to deploy the power of data, digital culture and capabilities, and modernized core technology. She works with senior leadership teams around the globe to help them build the mindsets, capabilities, and grassroots understanding required to undergo technology-led transformation successfully and sustainably.

She also has first-hand experience as a Chief Technology Officer across core technology, digital product management and innovation, and cybersecurity topics, having led McKinsey's transformation in this sphere. Prior to joining McKinsey, Kate worked for Chase Manhattan Bank and then JPMorgan, advising on mergers, acquisitions, and debt restructuring in the Technology sector. She has a History degree and in addition to her work with McKinsey, Kate is a trustee of Tommy's, the children's charity.

Appendix 2: Participating members

The following EACLN and ACLN members participated in all or part of the meeting:

- Mike Ashley, Barclays
- Julie Brown, Roche
- Barbara Byrne, ViacomCBS
- Pam Craig, Merck
- Pam Daley, BlackRock
- Dan Dickinson, Caterpillar
- Sam Di Piazza, AT&T
- Dave Dillon, 3M and Union Pacific
- Carolyn Dittmeier, Assicurazioni Generali
- Liz Doherty, Novartis and Philips
- Bill Easter, Delta Air Lines
- Lynn Elsenhans, Saudi Aramco
- Eric Elzvik, Ericsson
- Tim Flynn, JP Morgan and Walmart
- Sheila Fraser, Manulife
- Byron Grote, Tesco, Akzo Nobel, and Anglo American
- Margarete Haase, ING
- Marion Helmes, Heineken
- Fritz Henderson, Marriott
- David Herzog, MetLife and DXC Technology
- Liz Hewitt, National Grid
- Charles Holley, Amgen and Carrier Global
- René Hooft Graafland, Ahold Delhaize
- Michele Hooper, United Airlines
- Suzanne Nora Johnson, Pfizer
- Hugh Johnston, Microsoft
- Arne Karlsson, Mærsk
- Dagmar Kollmann, Deutsche Telekom
- Mike Losh, Aon
- Edward Ludwig, CVS
- Benoît Maes, Bouygues
- Brad Martin, FedEx
- René Médori, Vinci
- David Meline, ABB
- Hanne de Mora, Volvo Group
- Marie-José Nadeau, ENGIE
- Chuck Noski, Wells Fargo
- Louise Parent, FIS
- John Rishton, Unilever
- Mariella Röhm-Kottmann, Zalando
- Sarah Russell, Nordea Bank
- Guylaine Saucier, Wendel
- Erhard Schipporeit, RWE
- Tom Schoewe, General Motors
- Leslie Seidman, GE
- Gerald Smith, Eaton
- Alan Stewart, Diageo
- Tracey Travis, Facebook
- Jim Turley, Citigroup and Emerson Electric
- John Veihmeyer, Ford
- Robin Washington, Salesforce.com
- David Weinberg, The Coca-Cola Company

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EY was represented in all or part of the meeting by the following:

- Marie-Laure Delarue, EY Global Vice Chair, Assurance
- Julie Teigland, EY EMEA Area Managing Partner
- Jean-Yves Jégourel, EY Global Vice Chair, Professional Practice
- John King, EY Americas Vice Chair of Assurance Services
- Steve Klemash, EY Americas Leader, Center for Board Matters

Appendix 3: Discussion questions for audit committees

- ? Where and how have your companies accelerated strategic initiatives?
- ? Which initiatives have you deliberately not accelerated, and why?
- ? What new initiatives have your companies launched?
- ? Have you observed an increased focus on opportunities to acquire digital-forward companies?
- ? Is the internal controls environment keeping pace with changing business models?
- ? How do the audit committee and board oversee new areas of risk resulting from changes to the business?
- ? Is a faster rate of change now a permanent feature of your company? Of your competition? Of most large global corporations?
- ? How do management and the board oversee risks from accelerating change and changing business models?
- ? How can boards support management in pursuing accelerated digital innovation?

Endnotes

¹ *ViewPoints* reflects the network's use of a modified version of the Chatham House Rule whereby comments are not attributed to individuals or corporations. Quotations in italics are drawn directly from conversations with network members, guests, and other experts in connection with the meeting.

² Sujan Palanee, "[How to Leverage Technology Transformation Opportunities Post-COVID-19](#)," EY, May 11, 2020.

³ Angus Loten, "[Calling All Robots: Businesses Automate the Battle Against Coronavirus](#)," *Wall Street Journal*, April 6, 2020.

⁴ Julie Sweet, "[Accenture's CEO: 5 Rules for Rethinking Digital Transformation During COVID-19](#)," *Fortune*, June 26, 2020.

⁵ "[The Changes COVID-19 is Forcing on to Business](#)," *Economist*, April 11, 2020.