

Bank Governance Leadership Network

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BGLN

VIEWPOINTS

Geopolitical risks are driving enhanced operational resilience and agility

As the world emerges from a global pandemic, bank leaders must confront a range of operational questions driven by geopolitical, macroeconomic, and market volatility. While some of the credit and market risks are clear and present, banks must also address expanding operational risks to ensure they remain resilient and agile enough to adapt to the pace and scale of change. Large banks continue to face challenges in their efforts to monitor, measure, and manage nonfinancial risks, and the volatile operating environment is making those efforts ever more complicated.

“We’re seeing one-in-a-hundred-year events every few months, so operational risk has gotten much more complex.”

– Bank chair

A bank chair observed, *“We’re seeing one-in-a-hundred-year events every few months, so operational risk has gotten much more complex.”* While geopolitical risk is not new, the consequences for global institutions are perhaps greater than ever: banks are revisiting how and where they do business, even considering exiting some of the largest global markets, reviewing their talent supply chains and offshoring decisions, considering meaningful investments in technology and resilience, and adjusting risk management and governance.

On November 17 in London and December 6 in New York, Bank Governance Leadership Network (BGLN) participants met to discuss enhancing operational resilience and agility in banking in the face of the risks and challenges posed by the current geopolitical and macroeconomic climate. This *ViewPoints* synthesizes these and related discussions with network participants over the course of the second half of 2022.¹ It is structured around the following themes:

- **Geopolitical volatility is driving fundamental changes to the operating landscape**
- **Banks are exploring changes to operations and technology to improve agility and resilience**
- **Heightened nonfinancial risks are challenging management and oversight**

Geopolitical volatility is driving fundamental changes to the operating landscape

“Operational risk has ramped up higher than any other risk category that we’re looking at,” observed one bank director. A continued focus on operational resilience is now complicated by a level of geopolitical and macroeconomic volatility that will challenge bank operating models. An executive stated, *“We have wars, we have viruses, we have rising tensions in Asia. There’s the constant threat of so many things. In the old days we had one thing; now we have 50 things.”*

“Operational risk has ramped up higher than any other risk category that we’re looking at.”

– Bank director

As geopolitical risks intensify, responses are evolving

Geopolitics rose to the top of risk agendas in 2022 with Russia’s invasion of Ukraine and escalating tensions between China and the West, including the threat of conflict over Taiwan. These developments challenged assumptions about the durability of a globalized world economy and whether and how banks can operate in some key markets. As a participant noted, *“It wasn’t so long ago that we thought the idea of a major land war in Europe was implausible.”*

In response to increased regulatory and compliance costs and changing business models, many global banks retrenched from noncore markets in recent years. An executive noted the fundamental question once again facing international banking: *“In a more geopolitically fraught world, how does one think about the risks of being a global financial institution?”*

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– Executive

An EY expert described how geopolitical risks shifted from a focus on country risk in places like North Korea and Venezuela to a broader set of international risks spanning borders and regions and involving shifting sanctions, trade barriers, and complex situations like military conflict. Sanctions and economic warfare put financial institutions in the middle of geopolitical conflicts, even those that remain “cold,” as one participant noted, *“The same institution can be an ally in one place and an adversary in another.”*

According to one participant, in a recent survey, *“95% of CEOs said geopolitics shifted significant decisions in the past year,”* including delaying investments, relocating assets, and exiting markets. According to this participant, these results are in stark contrast to recent history, when geopolitical issues *“weren’t even regularly elevated to the boardroom.”* A director observed, *“Our client base is expecting us to do certain things or stop doing certain things. This is a change that is quite fundamental;*

geopolitical risk and the reputational effects have become much more important.”

Banks are reconsidering Asian operations as tensions between East and West mount

One significant set of decisions being driven by geopolitical tensions relates to Western banks’ operations in Asia. Many Western financial institutions invested heavily in growth in the region, but increasing global ambitions from the Chinese and resulting tensions with the West—particularly the United States—raise new questions about those operations. An executive said, *“China needs to be part of the ecosystem; if China drops a wall or invades Taiwan, there will still be some economic relationship between China and the rest of world. But we are not leaning into China. We will no longer say that China is one of our biggest growth markets, which we certainly would have said five years ago.”*

“We are not leaning into China. We will no longer say that China is one of our biggest growth markets.”

– Executive

China’s shifting COVID policies and scrutiny from the Chinese Communist Party are concerning, but the bigger worry is an escalation of tensions over Taiwan, which could result in supply-chain disruptions, sanctions, or direct military conflict with the US and allies. These tensions are causing some institutions to move some or all of their operations elsewhere in the region, raising some questions about Hong Kong’s role as a global financial center. Several participants highlighted Singapore as a destination for relocating Asian operations, but one participant cautioned, *“The country of Singapore can’t handle a stampede of firms relocating there. They are very nervous about that.”* Some noted the political sensitivities, given Singapore’s ties to the Chinese economy. Other participants see India as a growing hub; one said India is *“keen to capture the opportunity and build themselves as an international financial center.”*

“If there is military conflict with China, wondering about how I pull out of China will be the least of our worries.”

– Participant

Nevertheless, when asked if they could quickly exit Hong Kong if needed, a participant said, *“No. No one with a global business could.”* Another declared, *“If there is military conflict with China, wondering about how I pull out of China will be the least of our worries—the economic consequences would be so great. We don’t talk about supply-chain risk in financial services, but it is now a prominent issue for everyone, and we don’t yet know how to model that.”*

The US presents an emerging source of political risk

While war in Europe and tensions in Asia are the foremost geopolitical risks for many institutions, the United States increasingly represents a significant source of political risk as well. A participant outlined some of the concerns around political polarization and instability: *“The US midterm elections*

demonstrated some appetite for moderation among the electorate, but cultural and ‘values’ votes still steered most. Baseline polarization is still very strong.” That polarization is likely to drive increasing competition among governors and legislatures in places like Texas and California, with “entrepreneurial politicians” making increasingly bifurcated policy at the state level that further complicates doing business across the US. The same participant highlighted the “normalization of political violence as a legitimate form of protest” as an increasing concern as well: “We are in an extreme environment where tipping points can be reached quickly. Delegitimization of our institutions is becoming a tool against whatever party is in power.”

“We are in an extreme environment where tipping points can be reached quickly.”

– Participant

An executive observed, “Maybe it’s a Western bias, but historically, we looked at the UK, US, and Western Europe as the dominant backdrop of stability compared to other parts of the world. And it feels like that is no longer the case. There are questions about how US policy could evolve in the decades to come, and we’ve got no idea in the current environment.”

Banks are exploring changes to operations and technology to improve agility and resilience

In response to these geopolitical risks, bank leaders are considering some fundamental questions about the nature of their international operations, how they source talent around the world, and how geopolitics shape data and technology requirements. As one commentator put it, “In this new world, where you have a bipolar digital-tech and trade framework between the US and China that is going in different directions—it could be multipolar depending on where Europe, India, and other large regions end up—how do big, global multinationals operate? The answer is: very carefully.”²

“Globalization is retrenching, and we don’t understand the fragmentation of that yet.”

– Executive

Rethinking international structures

One participant said, “The notion that a firm can go forward and operate on a global basis, with a global supply chain, to address a unified global market that enables global data flows, and do all this under a coherent regulatory regime, is now obsolete.” If capital, data, and people cannot easily flow across borders, international models will be challenged. An executive said, “Globalization is retrenching, and we don’t understand the fragmentation of that yet.”

Boards of global banks are considering how international operations can accommodate geopolitical fragmentation and the potential for disruptions that could require rapid changes. One director noted that recent events seem to be “pushing everybody into geopolitically modular setups.” The operational

costs and complexity of global fragmentation create a significant cause for concern. A director said, *“With a modular approach, you lose the advantages of scale. It’s hard to manage risk globally when you start to bifurcate that, and it requires incremental headcount increases and creates trapped capital and trapped resources.”*

Renewing the focus on agility

As banks consider operational changes, they recognize the need for agility to be prepared to adapt quickly to a changing environment. An executive observed, *“The pandemic accelerated these changes—our thinking became more agile. For the next three to five years, we have to do some of the hard work around reengineering and significant work around capabilities, skills, and culture so we can be in a position where we have a choice about how to respond to future crises.”* Participants discussed efforts to improve operational efficiency and agility in large, international banks:

“We can’t become Google because we are regulated, but we should ask, Why are we doing things the way we do?”

There are different ways of thinking.”

– Executive

- **Simplifying organizational structures.** According to one executive, *“Banks are still wired in the old way: our org charts, decision-making. We can’t become Google because we are regulated, but we should ask, Why are we doing things the way we do? There are different ways of thinking.”* That includes reducing organizational complexity: *“In practice, that’s required us to take steps to radically simplify the business, remove the silos,”* reported another executive. *“We can now tackle some of the challenges and see where capacity is trapped and redirect that as quickly as possible.”*
- **Adopting agile approaches across the enterprise.** While many banks have experimented with agile approaches in parts of the business—often around innovation initiatives—participants suggested it is possible to expand those. *“You have to think about that journey and what you can prioritize from a run-and-change-the-bank perspective and outline clear, short-term outcomes,”* said one executive. Banks can take some lessons from the pandemic, according to another participant: *“When India went offline, [business process outsourcing and] other processes stopped. Their risk policies meant they couldn’t work from home, but everyone found a way to accept risk and let them do so. The speed and execution worked tremendously well. Yet those issues about making choices very quickly are back again.”*
- **Investing in automation.** A participant reported, *“Capital allocation is now done much more strategically. We are investing in data analysis and prioritizing investment by the executive committee. We established and ruthlessly executed customer journeys across the bank and invested in*

automating controls; we have embedded risk and control into those journeys and that's been done across the business."

Elevating operational resilience on the risk agenda

"How do you architect and organize to provide more redundancy and more resilience into the design of those systems?"

– Executive

An executive said, *"The top of my list of operational risks is operational resilience, which is quite a broad category, but when we think about the ability to recover from disruption of one sort or another and the risks to the supply chain, how do you architect and organize to provide more redundancy and more resilience into the design of those systems? There are shifts in the design principles starting to work their way through now."* Operational resilience has been a focus of supervisors for years, but the shifting technology and geopolitical landscape is raising new issues for banks to confront in several areas.

Participants discussed the following considerations around building technical and operational resilience:

- **Developing new approaches to systems architecture.** For some, the current environment requires a mindset shift around systems architecture, in some ways mirroring the way banks think about legal entities for the purposes of recovery and resolution planning. A participant observed, *"If you think that there could be a need to move operations out of a country, that is a way of saying, 'This bit of the machinery has to be switched off for whatever geography it is,' and I don't think we've ever thought that way. So what we currently think of as global institutions have to evolve to start thinking about how we can chop up the operational and technology estates."* An executive described the need for redundancy to build resilience: *"You unfortunately need a spare tire for everything. We continuously run services and that's a complex architecture to navigate, so the first design principle in the new age is you need one extra—three command centers, not two; three data centers, not two. You need multi-cloud, multi-tenant, complex architecture. That's the cost of operational risk now; that's the premium or tax you have to pay. You need to be able to fail over the entire business."*

"You need multi-cloud, multi-tenant, complex architecture. That's the cost of operational risk now."

– Executive

- **Reconsidering where and how data is stored.** Growing geopolitical tensions have also raised questions about where and how data is stored. A participant said, *"The tech element is easy; data is a different topic. We suffer from fragmentation around data; tech solutions are available, but because you are being forced to modularize, it may be hard to extract the value out of it."* A participant suggested, *"You may want to switch where*

that data is stored through your cloud provider to another region away from where the instability is.”

- **Considering the benefits and risks of migrating more data and processes to the cloud.** *“One of the ways to become more resilient, at least in theory, is by migrating stuff to the cloud,”* said one bank director. An executive noted that the need to potentially adapt operations quickly is also driving more systems to the cloud: *“It puts you more in the cloud mindset because you’ve actually got more ability to turn on capacity quite quickly than you have on typical on-premises solutions.”* Geopolitical fragmentation, however, is complicating these moves as the concentration of cloud providers has become politically sensitive: *“Do we really want all of our critical infrastructure in the hands of big US tech firms, where you potentially have some change in government policy or stance that becomes very protectionist and whatever else? And where does that leave not just banks but energy providers and everything else?”* asked one executive. Another opined, *“We as banks are regulated. Now, the entire world is headed toward these three cloud providers; who regulates them? There’s an important dynamic of how to ensure their resiliency as we move toward more heavy cloud investment.”* A director asserted, *“Simply moving into the cloud is not mitigating risk.”*
- **Remaining vigilant around heightened cyber risk.** Cyber risk is exacerbated by concerns about nation-state actors. An executive stated, *“The number-one nonfinancial risk I care about is still cyber.”* While a participant in a previous BGLN discussion said of the Russia-Ukraine conflict, *“Cyber is the dog that didn’t bite so far,”* this executive said, *“I think it’s been lots of small bites—not injuring too much—but the concern really is about the level of sophistication and potential of nation-states to expose underlying vulnerabilities that previously wouldn’t have been thought about.”* A director cautioned, *“Assume what happened to ‘them’ happens to you. What would you do? Work backwards from that. Don’t think, ‘This won’t happen.’ Think, ‘It hasn’t happened yet.’”* An executive detailed how rising geopolitical tension continues to heighten and alter cyber-risk considerations: *“Geopolitical tension adds a different flavor to the situation because now cyber criminals are not just trying to steal your money or your data. They don’t want you to exist. They’re attacking you with unique, sophisticated ways of hacking.”*
- **Reconsidering outsourcing and third-party relationships.** *“Third-party vendor stuff is what scares me the most,”* stated an executive. Another said, *“The reason you engage third parties is because they are arguably*

“Assume what happened to ‘them’ happens to you. What would you do? Work backwards from that.”

– Director

“Where is the trade-off between the outsourcing and importing of risk and the financial costs ... of doing it yourself?”

– Executive

better at whatever you are asking them to do. The question is, Where is the trade-off between the outsourcing and importing of risk and the financial costs and consequences of doing it yourself?” A director expressed concern about “*shared vulnerabilities,*” asking, “*What are the domino effects if those vendors have a problem? What are the operational and market effects? How exposed are we to a common failure?”* The pandemic prompted some banks to ask, “*Do we have the right kind of systems to build up excess capacity to use in those situations where third-party vendors fail?”* Participants continue to question how regulators are considering these dependencies. Given limited mandates to supervise large vendors directly, one regulator noted the questions they are asking: “*Do firms understand risks when they transfer them to a third party? Do they have a robust IT hygiene program? If a firm outsourced critical operations to a third party, do they know what that does if that business no longer exists?”*

Effective technology investment continues to be a concern for directors and executives. One executive said, “*My two biggest concerns around tech are talent.*” First, “*there is less tech talent in the pipeline, so we will have to reskill,*” and second is “*prioritization—we spend a lot on tech, but do I know I’m spending it well?”* This point in time could present some opportunities, according to another participant: “*The CIO is under pressure to improve [earnings per share] and take out manual processes, generate data that allows delivering value for clients, etcetera. Risk and resiliency is a given. We only have a chance to make really significant investments and changes to our architecture about once every seven years. This may be one of those times.*”

Heightened nonfinancial risks are challenging risk management and oversight

“*COVID was the big test*” for the management of operational agility and resilience, an executive observed, but those lessons will be tested again by the current global landscape. A participant summarized some of the questions they are asking: “*Do you do scenario planning? How do you measure in a qualitative space? Do you develop a risk appetite? When you get into the details of the metrics, it is more challenging. Can we have a good mix of detailed and high-level information?”* Risk managers and boards are considering the appropriate taxonomies to cover the broad landscape of nonfinancial risks that have taken on increasing relevance and how to monitor and manage them effectively. Participants discussed several approaches:

“The useful thing is to explore ‘extreme but plausible’ scenarios.”

– Executive

- **Adapting management responsibility for nonfinancial risks.** A director noted that *“our chief risk officer is saying their scope continues to expand”* as the range of risks they are expected to manage continues to grow. One executive said their bank took steps to address these concerns by moving traditional operational risks, including conduct risk, out of risk management and into compliance, while other nonfinancial risks, like geopolitical risk, remain with the risk function.
- **Using more robust scenario planning and analysis.** Scenario analysis is a useful tool for management and boards, particularly when it comes to more difficult to quantify nonfinancial risks. One director said, *“The useful thing is to explore ‘extreme but plausible’ scenarios.”* Banks are considering a wider range of geopolitical and macroeconomic scenarios to gain insight into the scope of possible outcomes. The most challenging are considering the second- and third-order implications of different scenarios. An executive said, *“As we think about geopolitical risk, it’s all about scenario analysis.”* A participant shared a relevant anecdote: *“When the Iceland volcano eruption shut down air travel in Europe, my firm used the scenario planning for a shutdown of air travel from avian flu years earlier and applied it to the volcanic eruption.”* To the participant, this demonstrated that *“you don’t have to get the scenario exactly right—you just have to build the muscle to be able to think about scenarios in the right way.”*
- **Refining measurement.** Bank leaders are trying to strike a balance between what some see as futile attempts to quantify nonfinancial risks and the need to allocate capital and guide decision-making. As one participant quipped, *“We’re still searching for the Nobel laureate who’s figured out how to quantify operational risk.”* A bank executive noted, *“The precision is not that important, but what is important is to translate risk-identification processes, scenario design, and what you know and understand to be potential vulnerabilities into how those could play out in ways that drive management attention. You have to have operational risk capital but understand that the manner in which it’s calculated is false precision.”*
- **Ensuring the three lines of defense have the talent and understanding to manage nonfinancial risks.** *“Managing nonfinancial risks requires different skills and capacities,”* said one participant. *“Ultimately, it’s a mindset shift. First-line traders did not grow up dealing with nonfinancial risk. Now, they will have to be responsible for that, and they haven’t been trained to do that historically.”* As a result, the participant continued, *“You*

“We’re still searching for the Nobel laureate who’s figured out how to quantify operational risk.”

– Participant

need a nonfinancial risk framework, and it is key to educate the front line to understand and manage these risks.” The second and third lines also struggle to manage these risks. A director said, *“Geopolitics has shot up the agenda, and chief risk officers agree they don’t have the talent and tools to watch it.”* Another said, *“The biggest issue we are hearing about is a labor shortage among the control functions—compliance, anti-money laundering, and technology within those. If you don’t have the people in the control functions, we will have problems with lending, reporting, etcetera.”*

- **Refining reporting to the board.** Boards continue to request refined reporting on difficult-to-measure operational risks. Many banks are focusing on relatively simple indicators as a proxy. Boards are less concerned about precise quantifications and more concerned with *“getting better data on things like what’s running through what country and what suppliers through a third-, fourth-, fifth-party supply chain.”* Participants voiced a desire for a framework for approaching a diverse set of nonfinancial risks and a shared taxonomy for those risks. A bank executive explained, *“We are changing key performance indicators we share with the board. Credit and market risk issues are standard. Operations issues and resiliency entail a new slew of reporting to the board. It’s been night and day over the last two years. The board is demanding more information.”*

“In many ways, ‘nonfinancial’ is a misnomer—nonfinancial risks transform into financial risks.”

– Bank executive

Bank leaders are managing through a period of heightened uncertainty and complexity. Overseeing a broad set of strategic and operational questions in this environment is daunting. A participant acknowledged, *“We are in a period where people are talking about a major shift in the global monetary system, with a higher interest rate environment and geopolitical risks. We need to be able to assess the political and operating risks and make difficult decisions. Are you ultimately going to have to choose sides between the East and West? Will banks have to choose the right side of issues when the right side is not clear? Things become incredibly complex.”* Another director shared a lesson learned from recent crises: *“Everything is more complex than you think. We usually have our hands around the first-order effects; it’s the second, third, and fourth order that are harder to manage.”* A bank executive summarized, *“In many ways, ‘nonfinancial’ is a misnomer—nonfinancial risks transform into financial risks.”*

Appendix

The following individuals participated in these discussions:

Participants

- Michael Alix, Americas Chief Risk Officer, UBS
- Jeremy Anderson, Vice Chair and Senior Independent Director, Audit Committee Chair, UBS Group AG; Risk Committee Chair, Prudential
- Win Bischoff, Chair of the Board, JPMorgan Securities
- Jonathan Bloomer, Chair of the Board, Morgan Stanley International
- Mayree Clark, Risk and Nomination Committee Chair, Deutsche Bank
- Michael Cole-Fontayn, Non-Executive Director, JPMorgan Securities
- Greg Coleman, Senior Deputy Comptroller, Large Bank Supervision, Office of the Comptroller of the Currency
- Jim Coyle, Audit Committee Chair, HSBC UK
- Catherine Cripps, Risk Committee Chair, Goldman Sachs International
- John Dugan, Chair of the Board, Citigroup
- Tobi Guldemann, Audit and Risk Committee Chair, Edmond de Rothschild
- Kyra Hazou, Non-Executive Director, Société Générale
- Brad Hu, Executive Vice President and Chief Risk Officer, State Street
- Giedrimas Jeglinskas, Non-Resident Senior Fellow, Atlantic Council
- Phil Kenworthy, Non-Executive Director, ClearBank
- Senthil Kumar, Senior Executive Vice President and Chief Risk Officer, BNY Mellon
- Brian Levitt, Chair of the Board and Corporate Governance Committee Chair, TD Bank
- Michel Madelain, Non-Executive Director, China Construction Bank
- John Maltby, Audit Committee Chair, Nordea
- Tom Mildenhall, Managing Director, Global Head of Technology Partnership Development, Bank of America
- Scott Moeller, Non-Executive Director, JPMorgan Securities
- Edward Ocampo, Risk Committee Chair, JPMorgan Securities
- Bill Parker, Non-Executive Director, Synchrony Financial
- Marty Pfinsgraff, Risk Committee Chair, PNC Financial
- Jonathan Pruzan, Chief Operating Officer and Executive Vice President, Morgan Stanley
- John Rhea, Non-Executive Director, State Street
- Phil Rivett, Audit Committee Chair, Standard Chartered; Non-Executive Director, Nationwide Building Society

- Mohit Sarvaiya, International Chief Information Officer, BNY Mellon
- Agnes Bundy Scanlan, Non-Executive Director, Truist Financial
- Joseph Sidor, Officer, Federal Reserve Bank of New York
- Gavin Smyth, Chief Risk Officer, Nationwide Building Society
- Tom Sullivan, Senior Associate Director, Federal Reserve System, Board of Governors
- John Sutherland, Audit, Risk and Supervision Committee, European Investment Bank
- Jen Tippin, Chief People and Transformation Officer, NatWest Group
- Barbara Wastle, Ring Fenced Bank Risk Officer, Lloyds Banking Group
- Steve Weber, Partner, Breakwater Strategy
- Tom Woods, Non-Executive Director, Bank of America

EY

- Omar Ali, EMEIA Financial Services Regional Managing Partner
- Jan Bellens, Global Banking and Capital Markets Sector Leader
- Peter Davis, Financial Services Markets and Solutions Leader
- Oliver Jones, EY-Parthenon Global Government and Public Sector Leader
- Nigel Moden, EMEIA Financial Services Banking and Capital Markets Leader
- John Walsh, Americas Banking and Capital Markets Leader

Tapestry Networks

- Dennis Andrade, Partner
- Eric Baldwin, Principal
- Tucker Nielsen, Partner
- Andre Senecal, Associate

About the Bank Governance Leadership Network (BGLN)

The BGLN addresses key issues facing complex global banks. Its primary focus is the non-executive director, but it also engages members of senior management, regulators, and other key stakeholders committed to outstanding governance and supervision in support of building strong, enduring, and trustworthy banking institutions. The BGLN is organized and led by Tapestry Networks, with the support of EY. *ViewPoints* is produced by Tapestry Networks and aims to capture the essence of the BGLN discussion and associated research. Those who receive *ViewPoints* are encouraged to share it with others in their own networks. The more board members, senior management, advisers, and stakeholders who become engaged in this leading-edge dialogue, the more value will be created for all.

About Tapestry Networks

Tapestry Networks is a privately held professional services firm. Its mission is to advance society's ability to govern and lead across the borders of sector, geography, and constituency. To do this, Tapestry forms multistakeholder collaborations that embrace the public and private sector, as well as civil society. The participants in these initiatives are leaders drawn from key stakeholder organizations who realize the status quo is neither desirable nor sustainable and are seeking a goal that transcends their own interests and benefits everyone. Tapestry has used this approach to address critical and complex challenges in corporate governance, financial services, and healthcare.

About EY

EY is a global leader in assurance, tax, transaction, and advisory services to the banking industry. The insights and quality services it delivers help build trust and confidence in the capital markets and in economies the world over. EY develops outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, EY plays a critical role in building a better working world for its people, for its clients and for its communities. EY supports the BGLN as part of its continuing commitment to board effectiveness and good governance in the financial services sector.

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Endnotes

¹ *PreView* reflects the network's use of a modified version of the Chatham House Rule whereby comments are not attributed to individuals, corporations, or institutions. Network participants' comments appear in italics.

² ["Author Talks: Global Business Is Coming Home, Says Financial Times Editor Rana Foroohar,"](#) McKinsey & Company, October 21, 2022.