

SURVEY ON FRONT BURNER ISSUES FOR CORPORATE BOARDS IN 2019

A Survey by **DCSL**

📍 DCSL Head Office
235 Ikorodu Road
Ilupeju, Lagos

☎ 08090381861
✉ badeyemi@dcs.com.ng
🌐 dcs.com.ng

Table of Content

Executive Summary	3
Introduction	4
About DCSL	5
About the Survey	7
Key Findings	14
Top 5 Trends for Companies in the Next 12 Months	29
Highlights	32

Executive Summary

This report outlines the front burner issues for Corporate Boards in 2019. Of the 65 participants 67.24% are Directors of private companies and 37.76% sit on the Boards of publicly quoted companies. Our analysis of the responses confirm that the following fourteen (14) issues are front burner topics that corporate Boards should keep on the agenda in 2019 and beyond:

1. Corporate Strategy
2. Executive Compensation and Link to Corporate Performance
3. Defining Non-Financial Metrics for the Chief Executive Officer and Annual Performance Evaluation
4. Board Composition
5. Oversight of Internal and External Audit
6. Privacy and Cybersecurity
7. Sustainability Issues and Reporting
8. Corporate Culture
9. Human Resources and Talent Management
10. Succession Planning for the Board of Directors
11. Succession Planning for the Chief Executive Officer and Senior Management
12. Risk Management within the context of Digital Disruption
13. Compliance
14. Crisis Management and Planning

Economic and Political Changes in the country, change in the regulatory environment, business model disruptions, increased regulatory oversight and Cybersecurity Threats are ranked as the top five trends that will have the greatest impact on companies over the next 12 months.



Introduction

- Many Boards today spend a significant amount of time on reviewing quarterly performance reports, audit reports, budgets and operation matters - rather than on more strategic matters crucial to the prosperity and sustainability of the business. When Boards spend too much time looking into the rearview mirror and not enough scanning the road ahead, governance suffers the most.
- Amid unrelenting disruption and innovation in today's world, Corporate Boards are called to play a more active role than ever in overseeing strategy, risk management, digital and emerging technology, cybercrime, cybersecurity and myriad of issues shaping the business environment.
- To keep track and maintain oversight, the Board must set priorities that ensure it keeps an eye on the ball, identify opportunities and support Management to deliver stakeholder value.
- DCSL undertook a survey with participants drawn from the C-Suite, Non-Executive Directors and Board Secretaries to get a sense of those matters that should top the Board's agenda over the next twelve months. Our findings are highlighted in this report.



DCSL - Who We Are

- Core Competencies in Governance, Immigration, Training & Company Secretarial Services
- Operating from our Head Office in Lagos, with an operational branch in Abuja

Vision

- To be the preferred corporate services provider in Nigeria

Mission

- The pursuit of excellence in service delivery

Core Values

- Integrity
- Professionalism
- Teamwork
- Accountability
- Respect for self and others



About the Survey

Sixty-five respondents drawn from a cross-section of business sectors participated in the Survey to determine Front Burner Issues for Corporate Boards in 2019. We sought perspectives on the following issues:

1. Corporate Strategy
2. Executive Compensation and Link to Corporate Performance
3. Defining Non-Financial Metrics for the Chief Executive Officer and Annual Performance Evaluation
4. Board Composition
5. Oversight of Internal and External Audit
6. Privacy and Cybersecurity
7. Sustainability Issues and Reporting
8. Corporate Culture
9. Human Resources and Talent Management
10. Succession Planning for Board of Directors

11. Succession Planning for the Chief Executive Officer and Senior Management
12. Risk Management within the context of Digital Disruption
13. Compliance
14. Crisis Management and Planning

Our findings have been summarized and presented in this report.



Methodology

Survey participants are made up of business executives comprising: Chief Executive Officers (CEOs), Chief Operating Officers (COOs), Chief Finance Officers (CFOs), Independent Directors (IDs), Executive Directors (Eds), Non-Executive Directors (NEDs), Board Chairmen and Company Secretaries (CSs) of publicly and privately owned companies across industries including Insurance, Banking, Manufacturing, Consulting, Retail and Oil & Gas Sectors.

The opinion of respondents on the issues that should be of priority to the Board in 2019 was sought through a web based survey that was conducted between February and April 2019. Each respondent was requested to indicate to what extent the fourteen key issues should be of priority to the Board in 2019, using a 5-point rating scale:

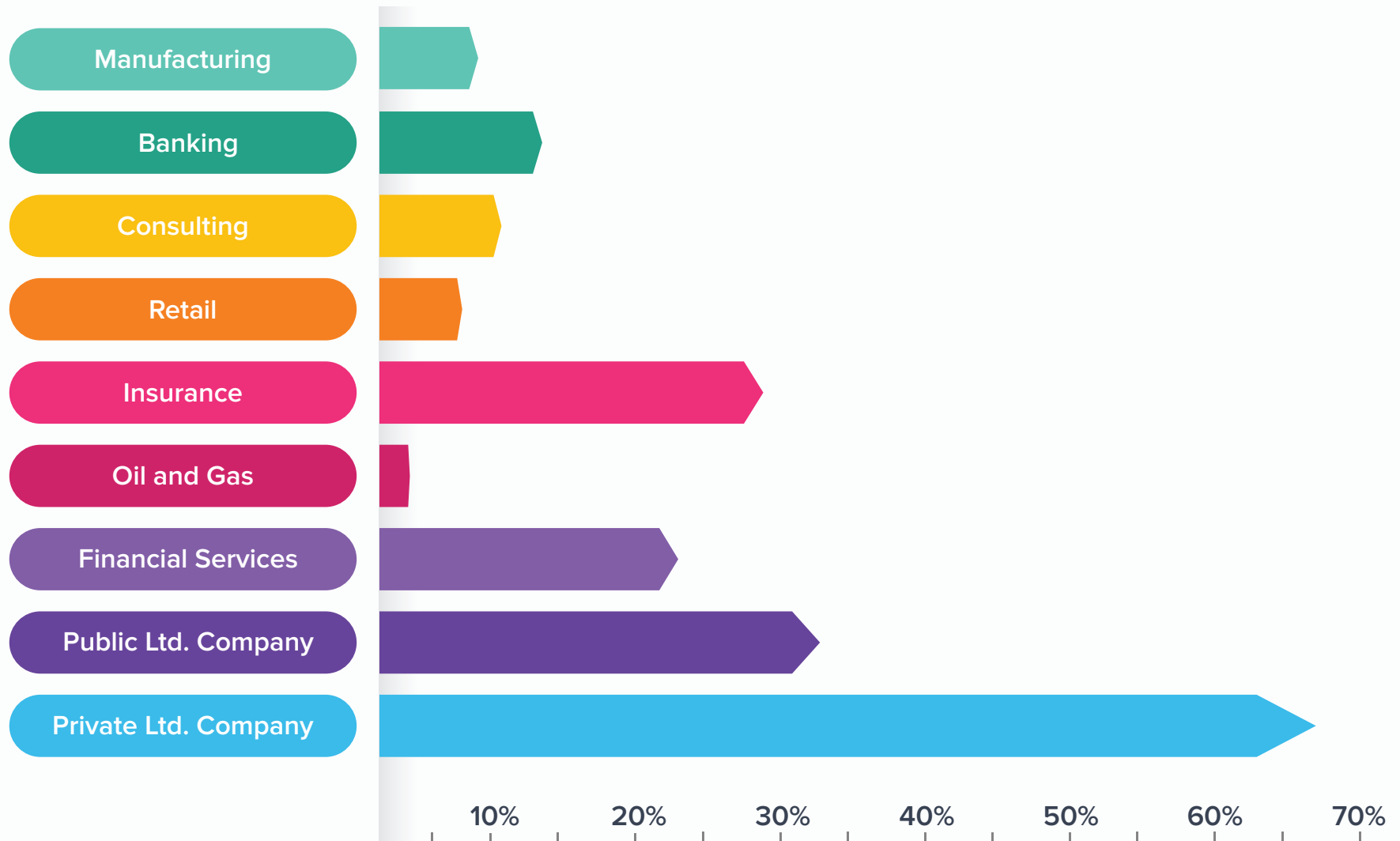
- 1. Strongly Agree**
- 2. Agree**
- 3. Not Sure**
- 4. Disagree**
- 5. Strongly Disagree**

For each of the 14 issues, we computed the average scores reported by all the respondents and ranked from the highest to the lowest score. The issues were then grouped as high, medium or low on the basis of their average scores.

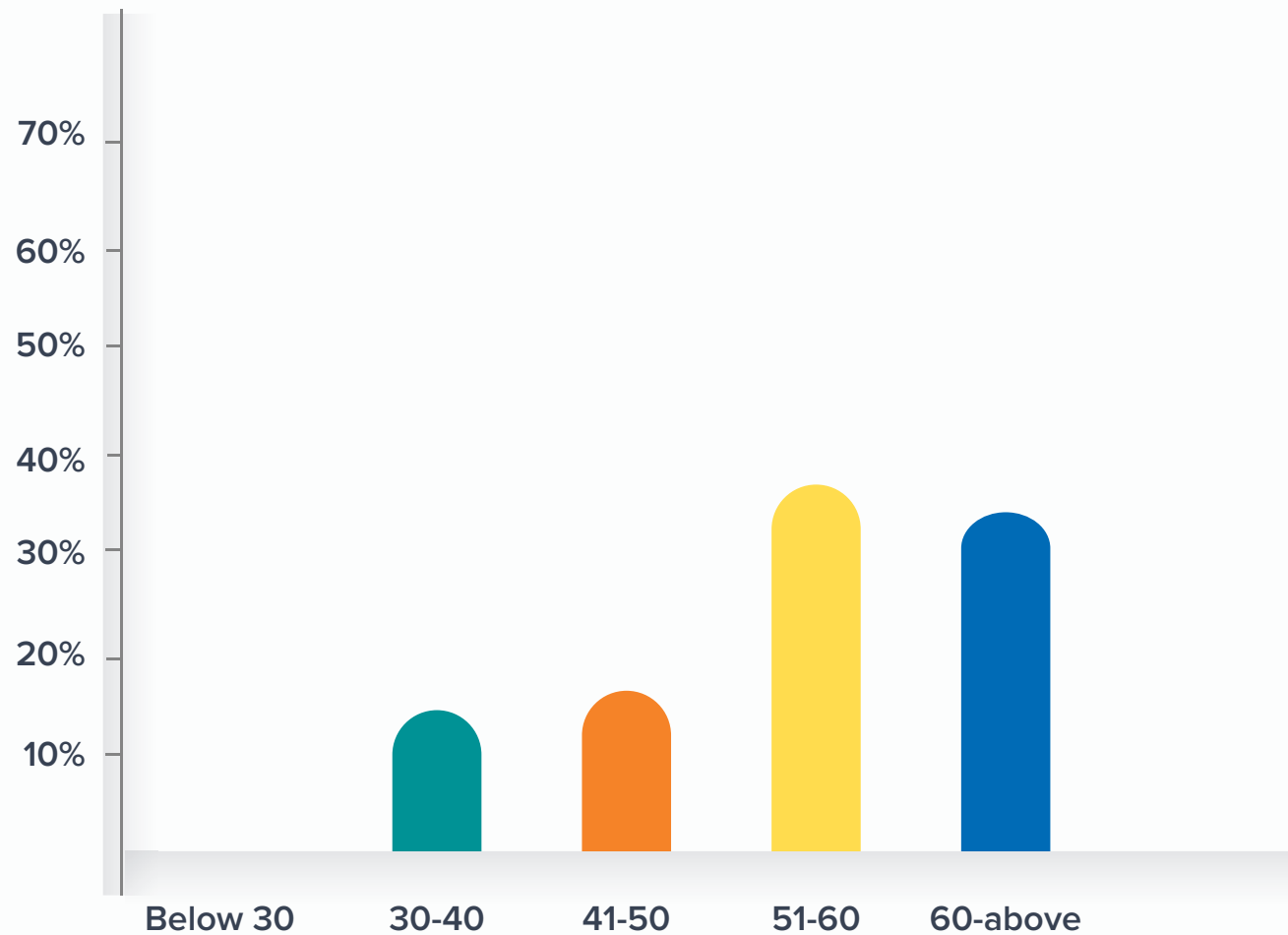
About the Survey



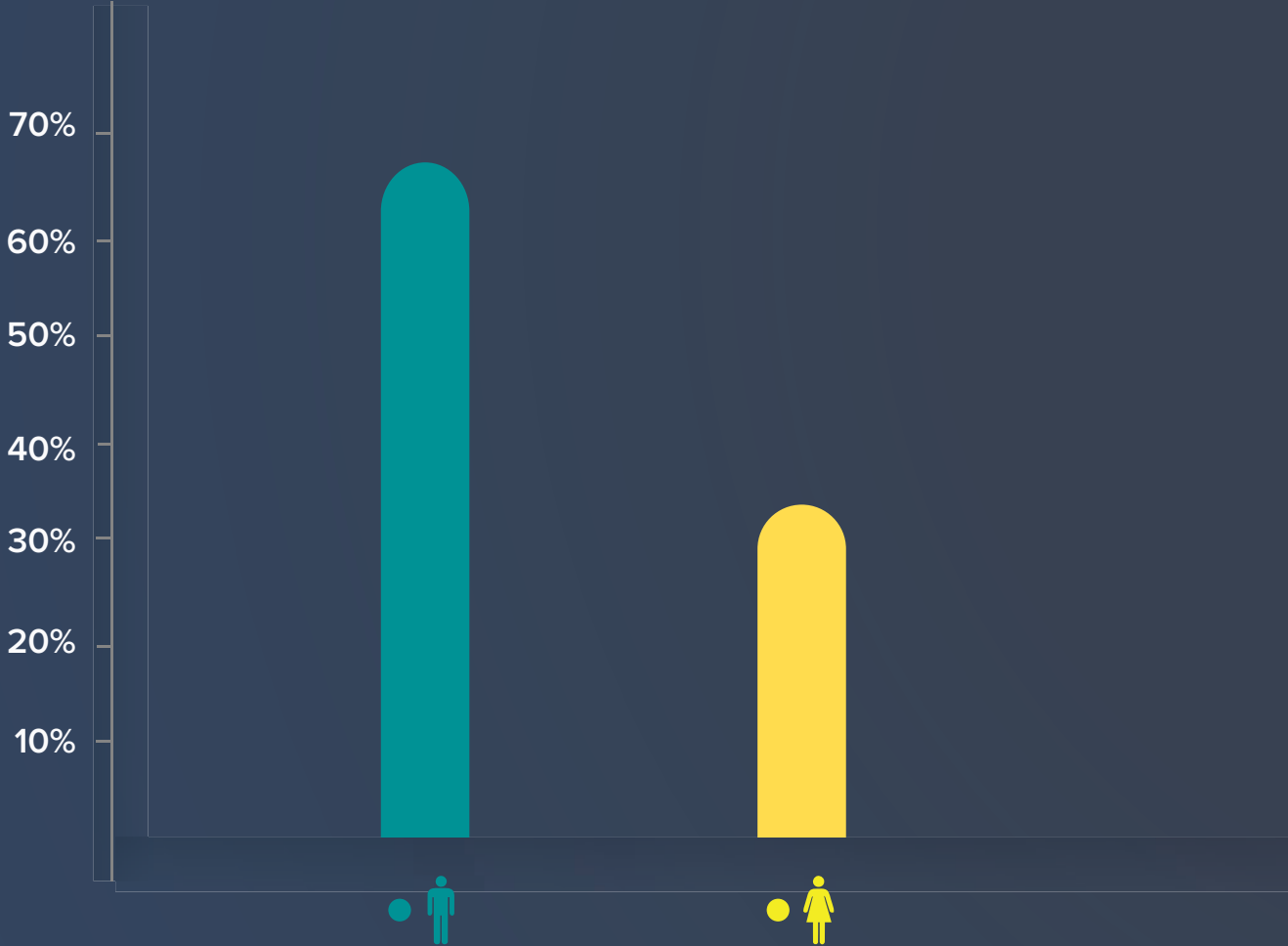
Participants Profile By Industry



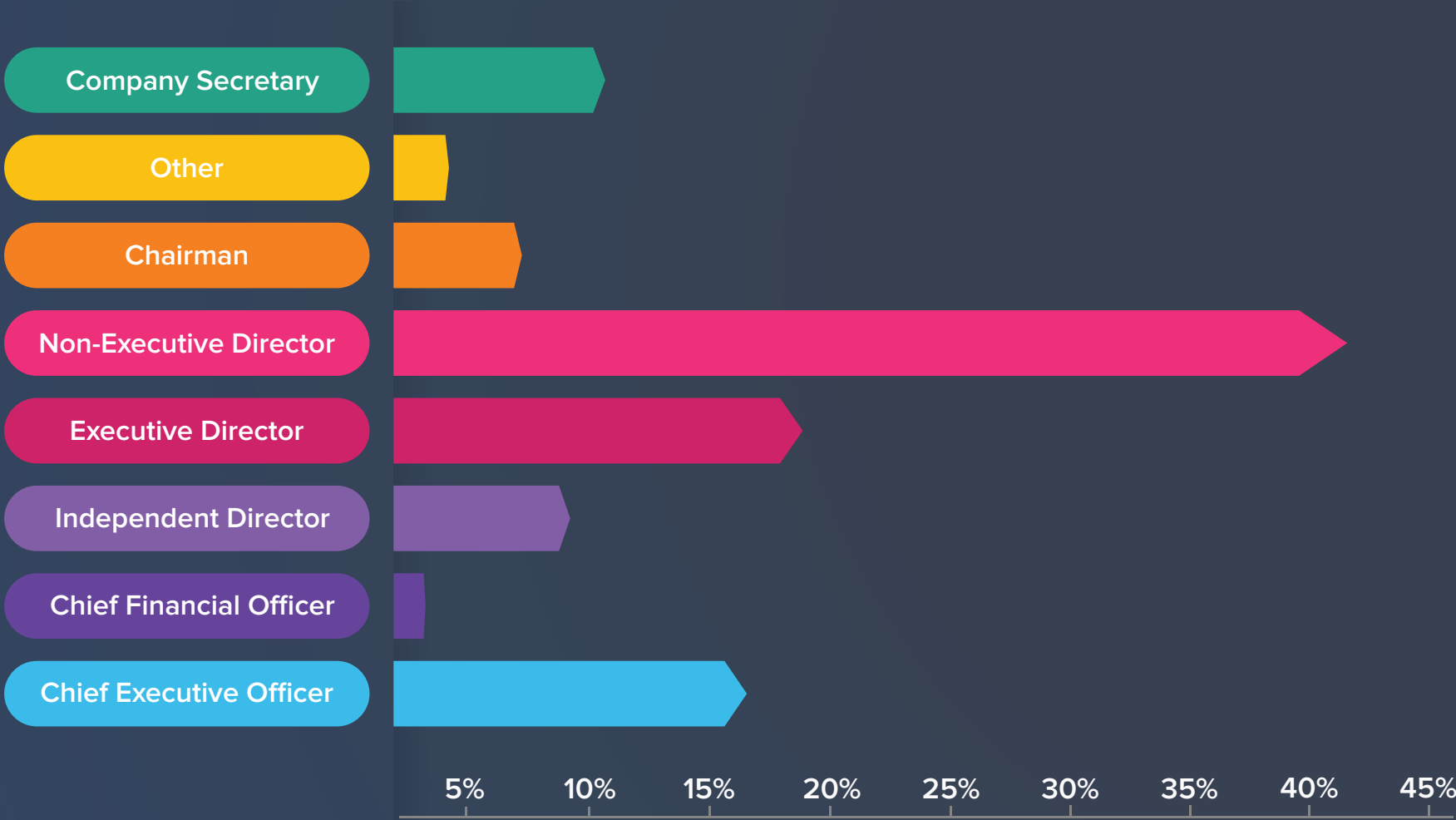
Participants Profile By Age-Group



Participants Profile By Gender



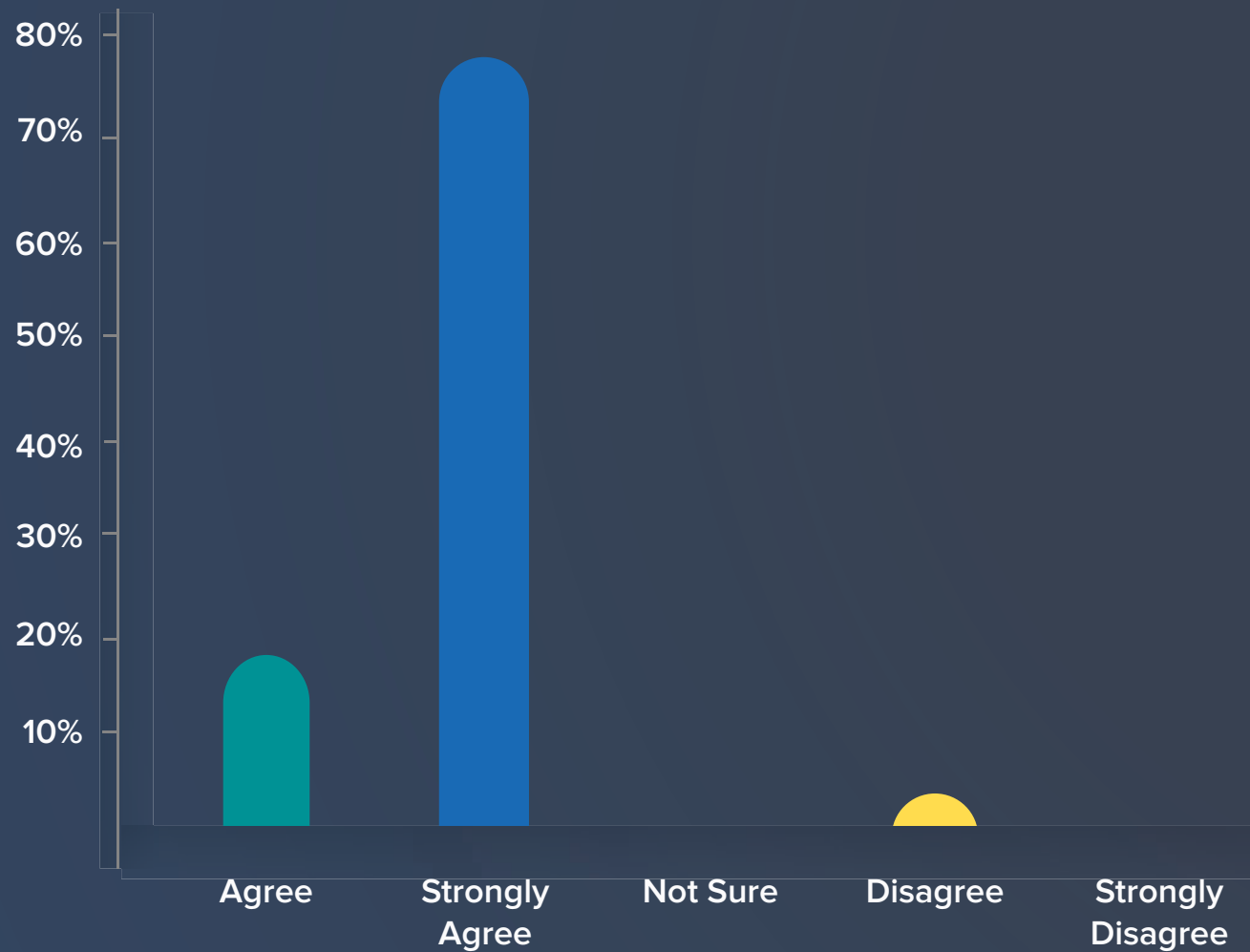
Participants Profile By Board Role



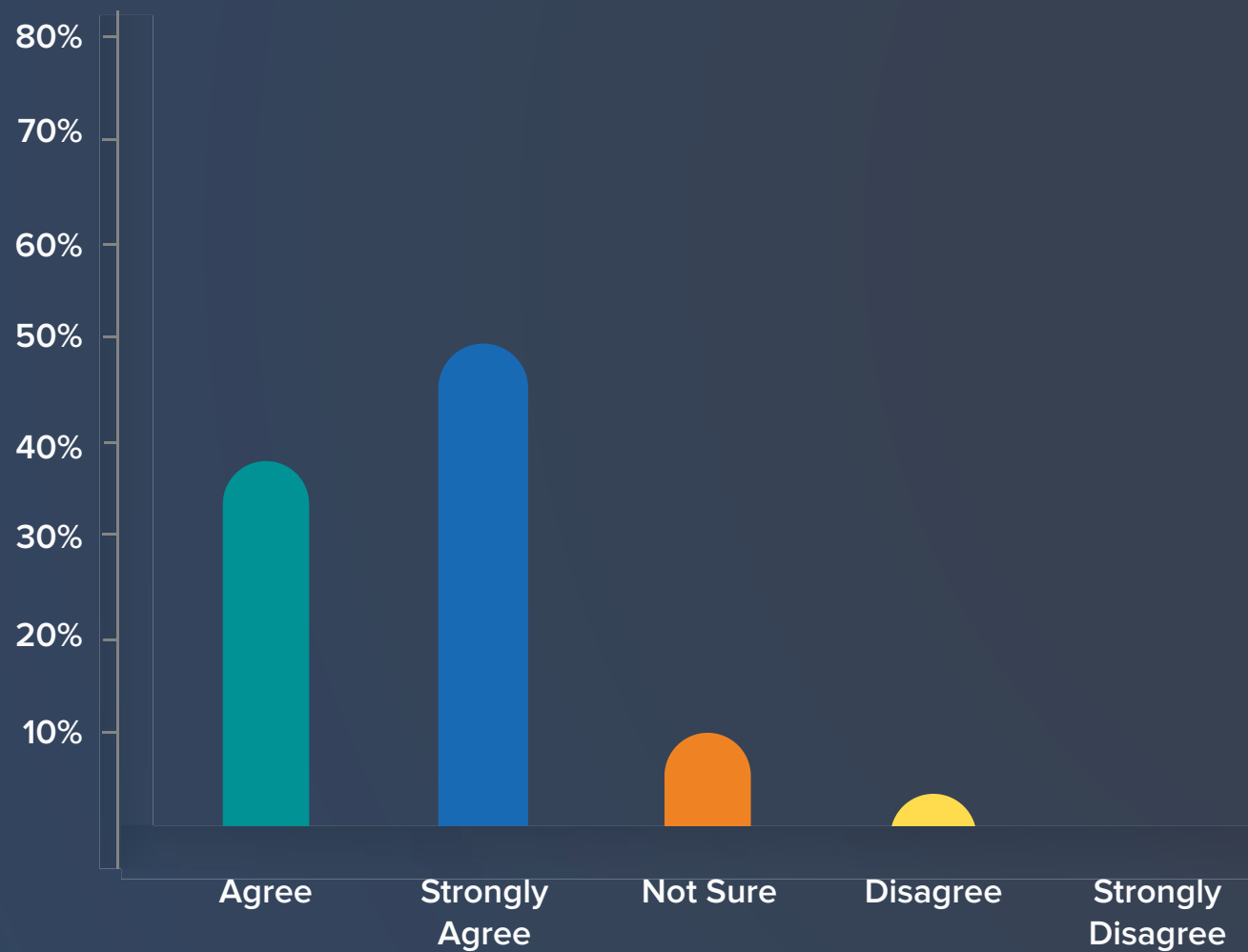
A top-down view of a desk with a laptop, a cup of coffee, a notebook, glasses, and a succulent. The desk is dark grey. On the left, there is a spiral-bound notebook with a wooden cover and a pair of black-rimmed glasses. A small green succulent in a white pot sits on the notebook. In the center, a dark blue laptop is open. To the right, a white laptop keyboard is visible. A white mug of black coffee sits on a brown cork coaster. A white sheet of paper with a bar chart and a flowchart is spread out. The bar chart has bars in shades of green, yellow, and orange. The flowchart has lines connecting various points. Two gold paper clips are on the paper. A small grey hexagonal object and a small pink hexagonal object are also on the paper.

Key Findings

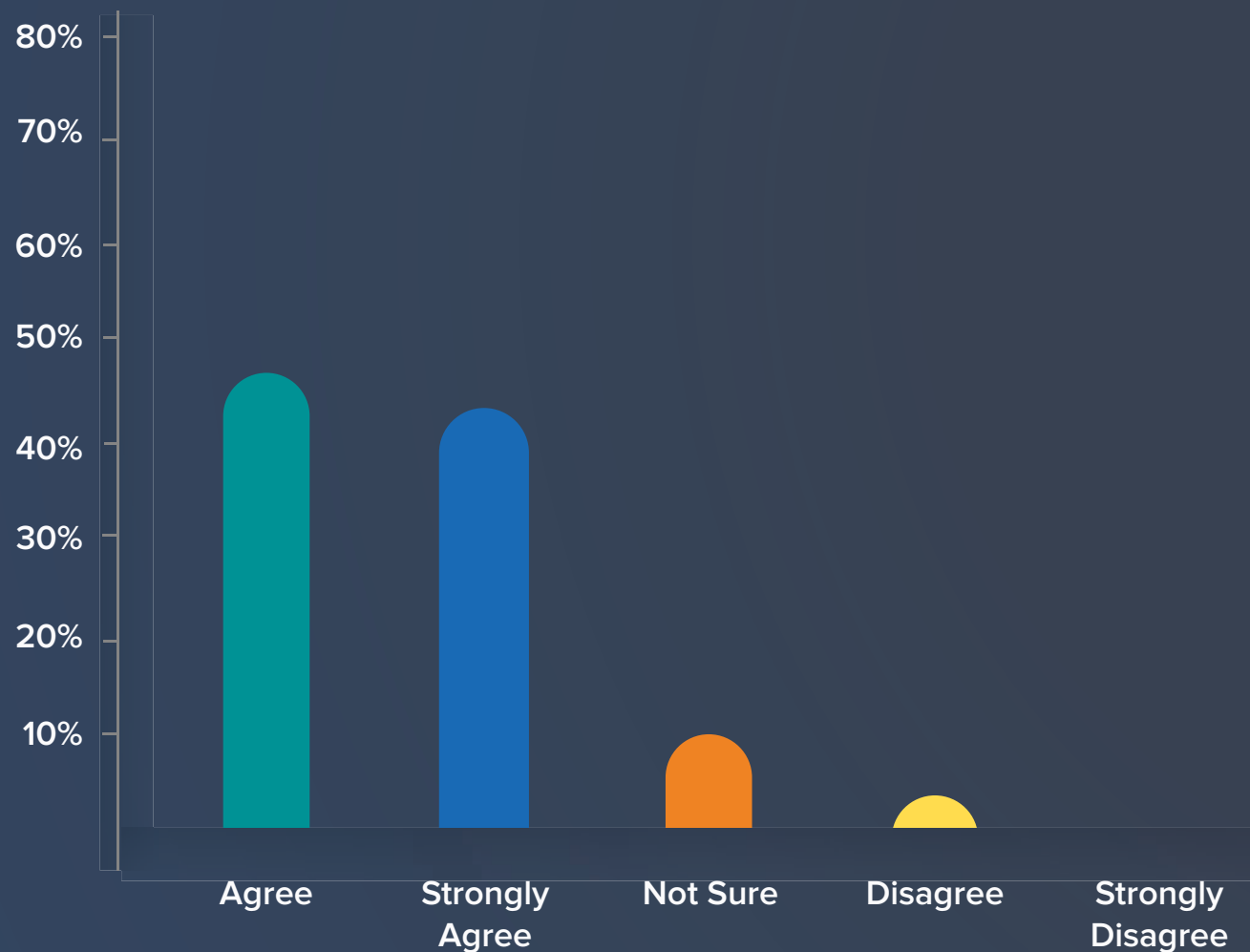
Developing Corporate Strategy & periodically reviewing level of Implementation and Execution



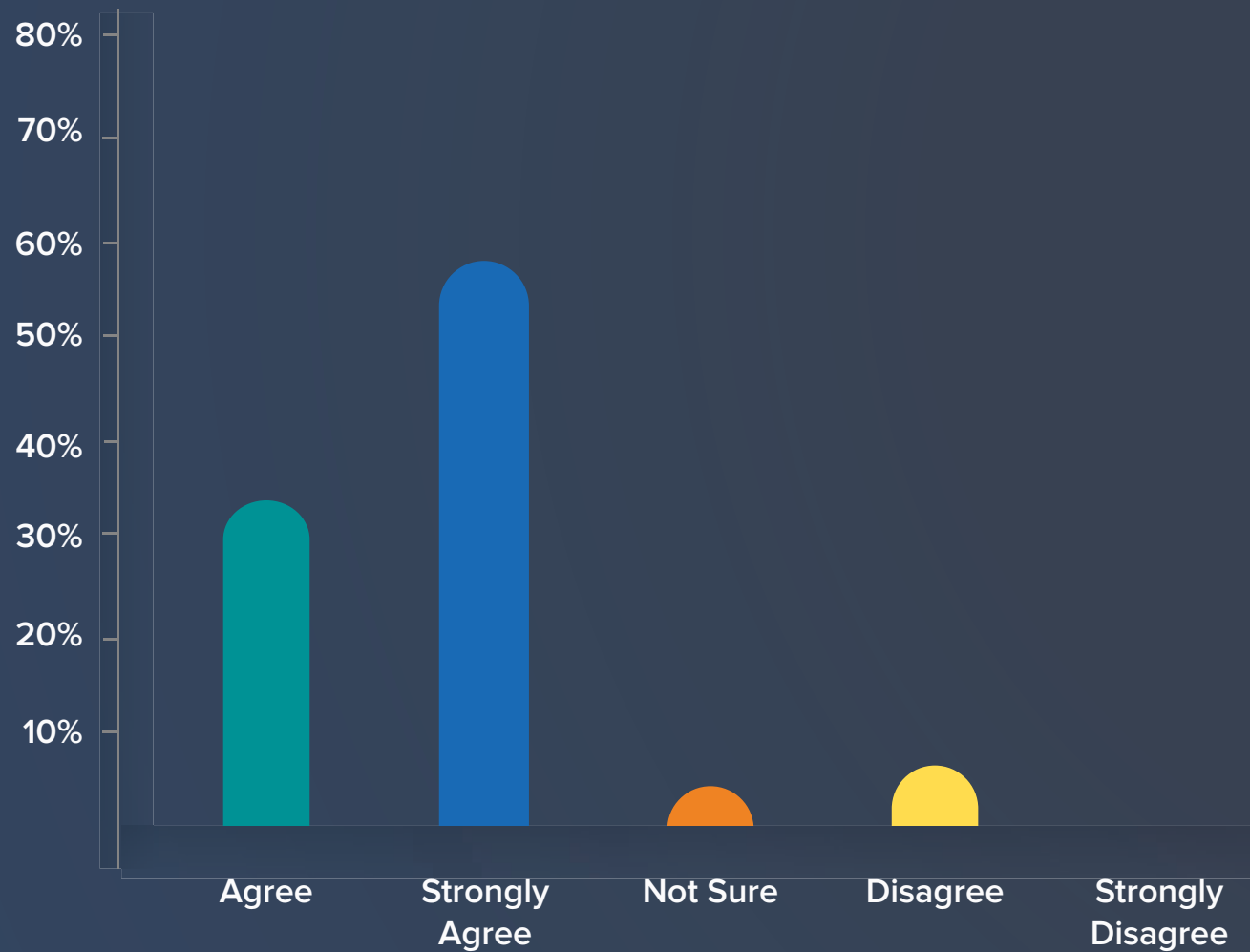
Discussions around Executive Compensation and link to Corporate Performance



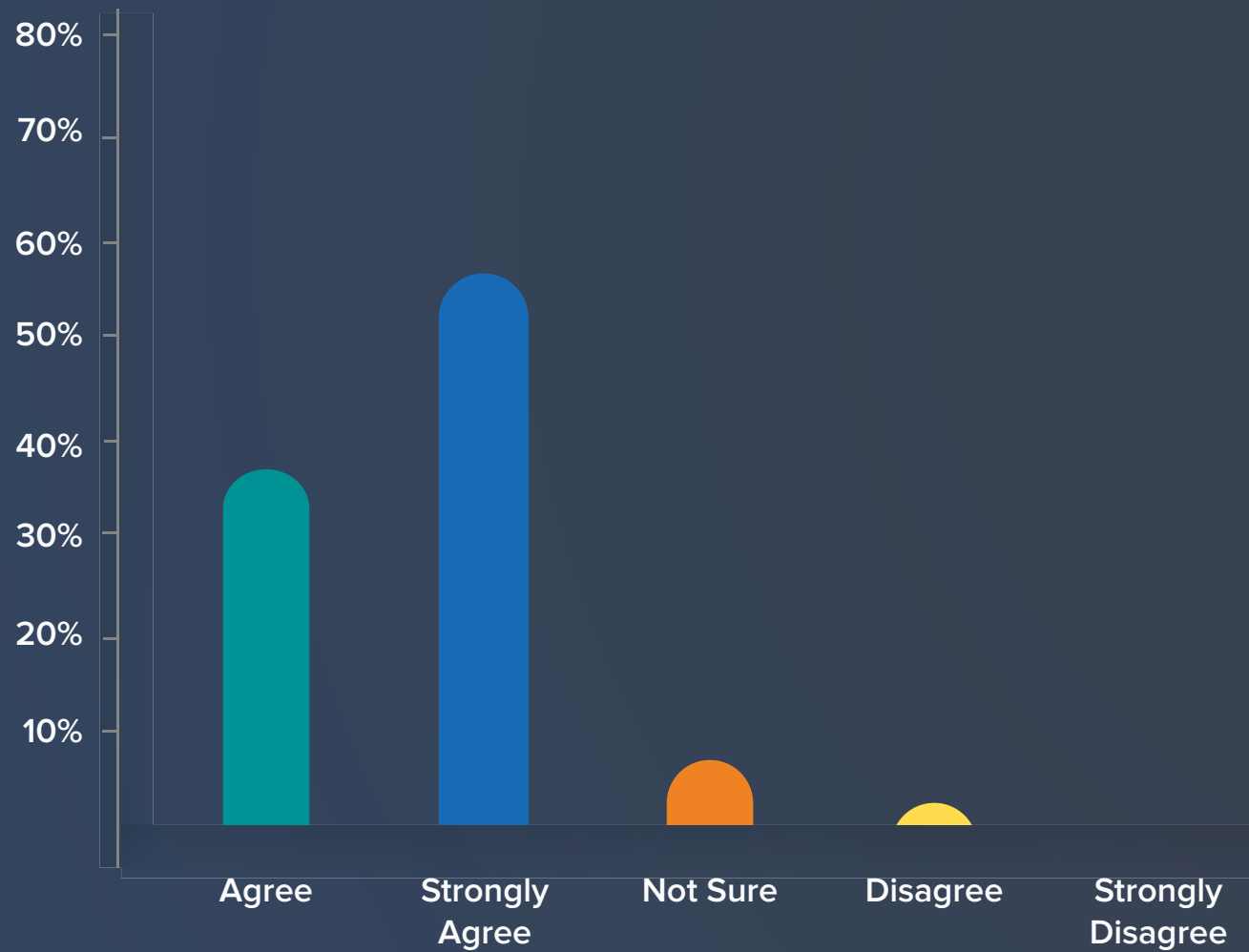
Defining Non-Financial Performance Metrics for the Chief Executive Officer and undertaking an Annual Performance Evaluation



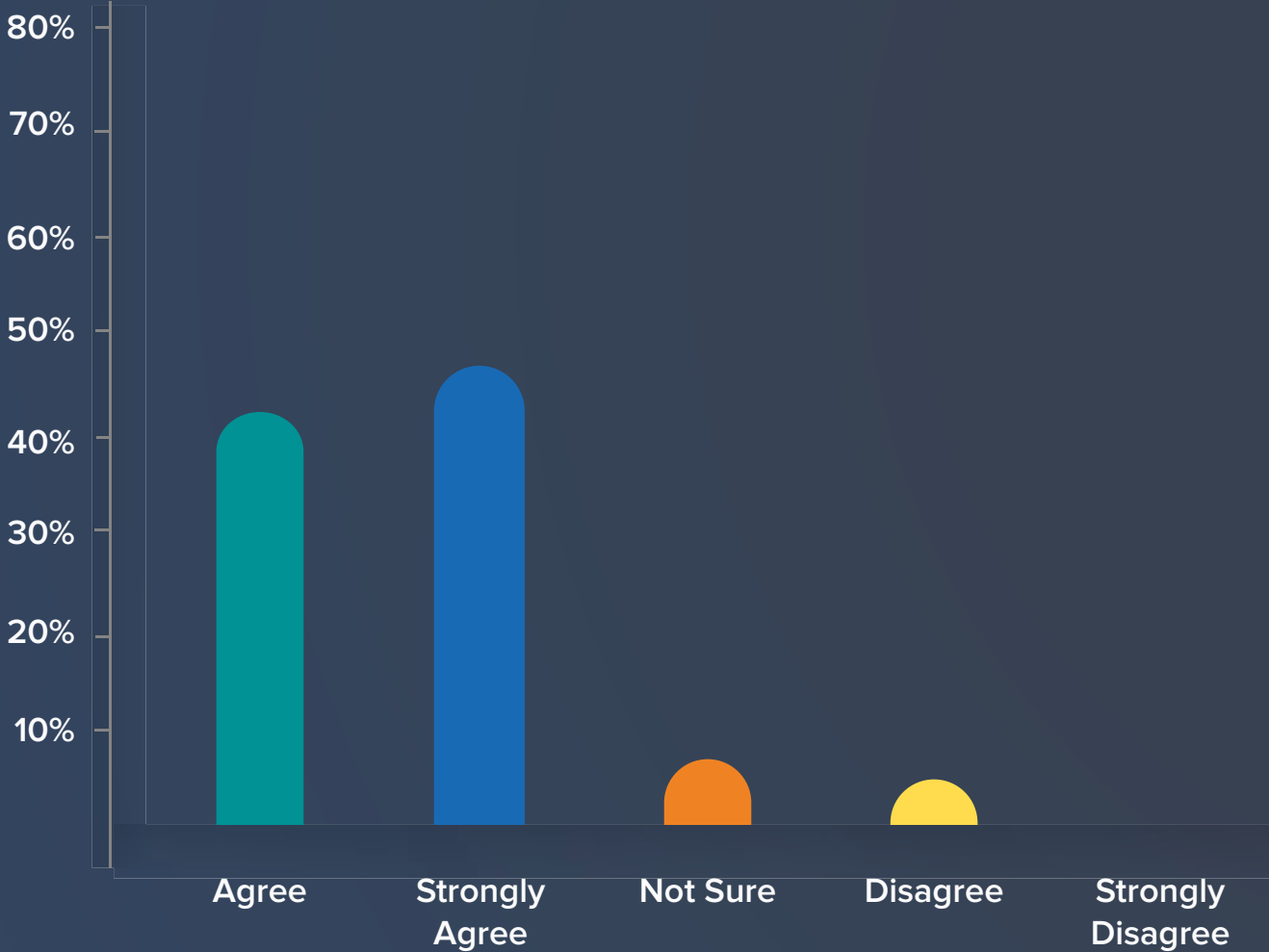
Board Composition - Director Skill Sets and Diversity within the context of Corporate Strategy



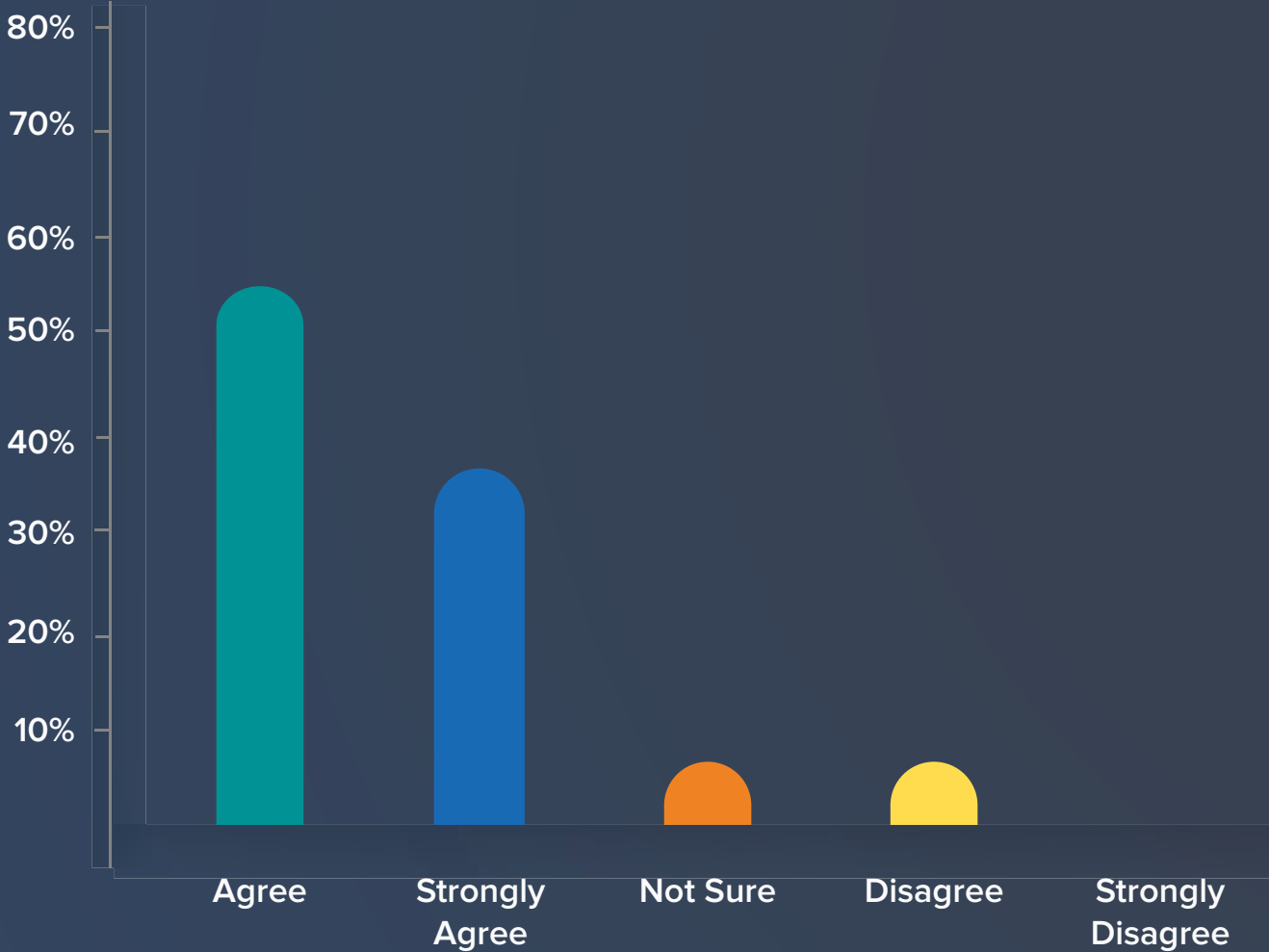
Greater Oversight of External and Internal Audit



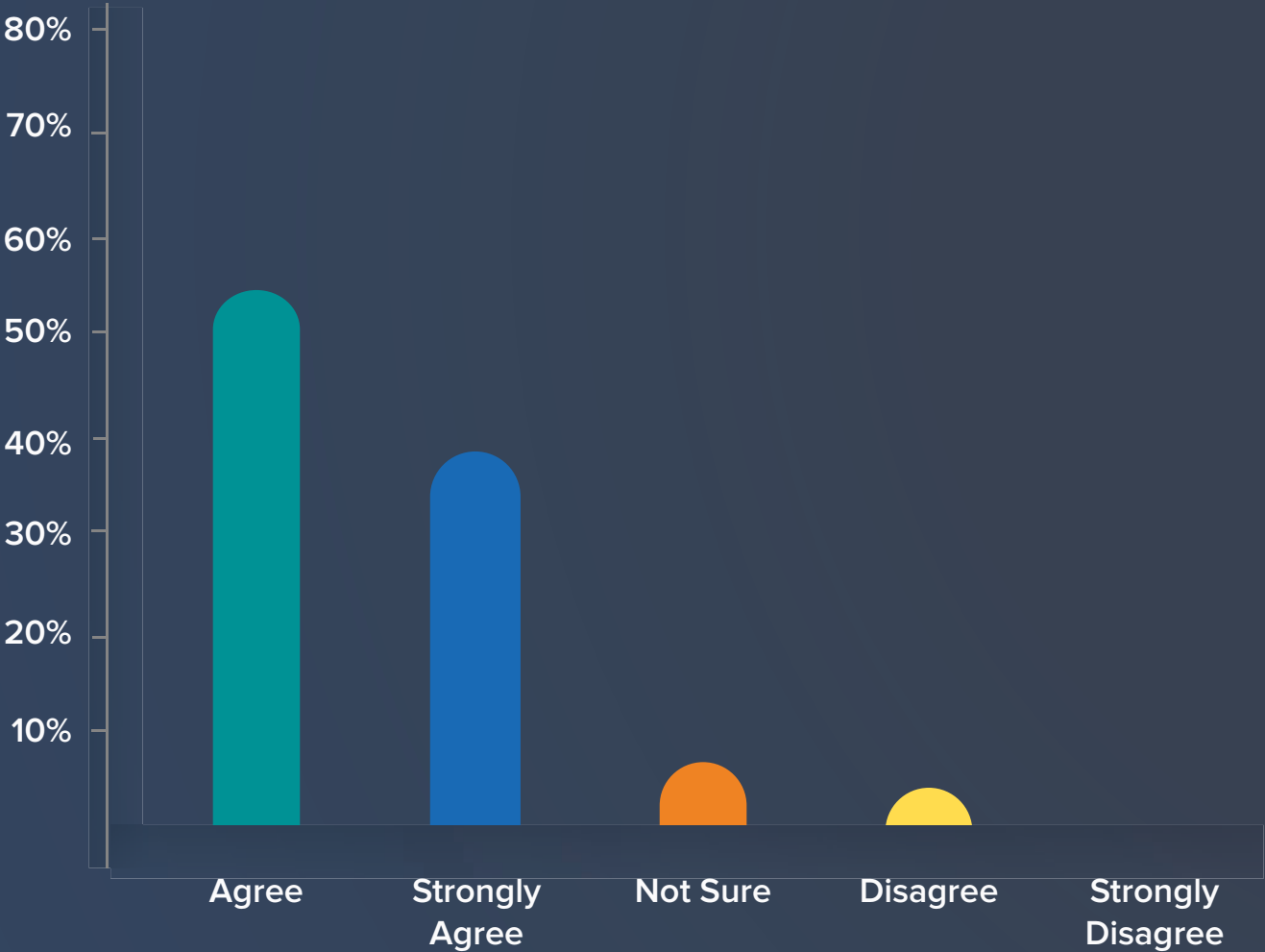
Monitor rapidly changing Privacy and Cybersecurity Requirements



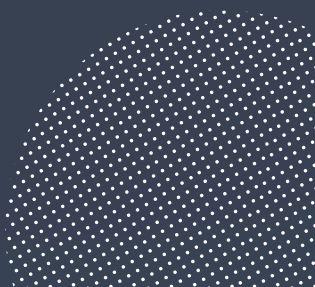
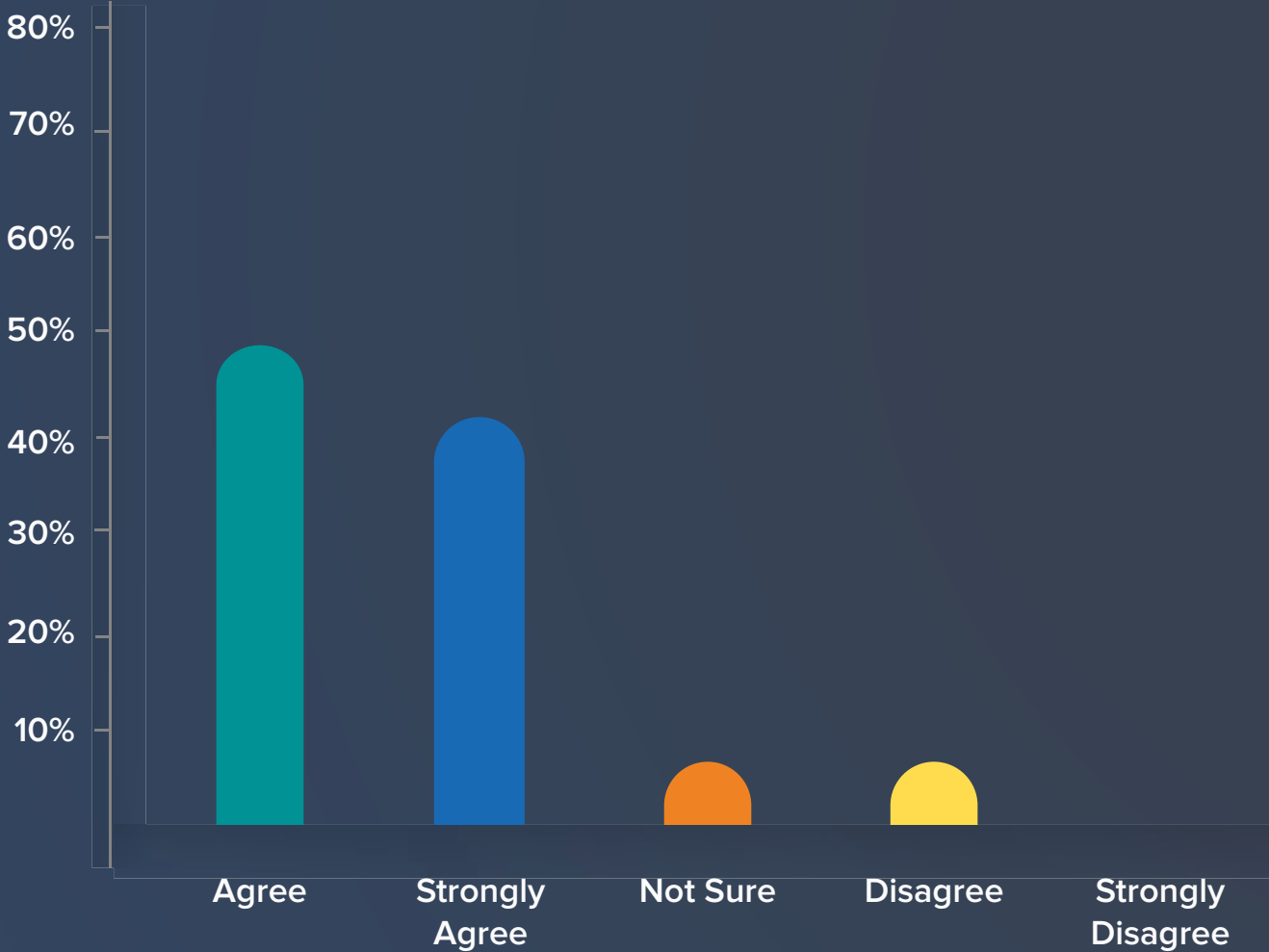
Focus on Sustainability Issues and Reporting



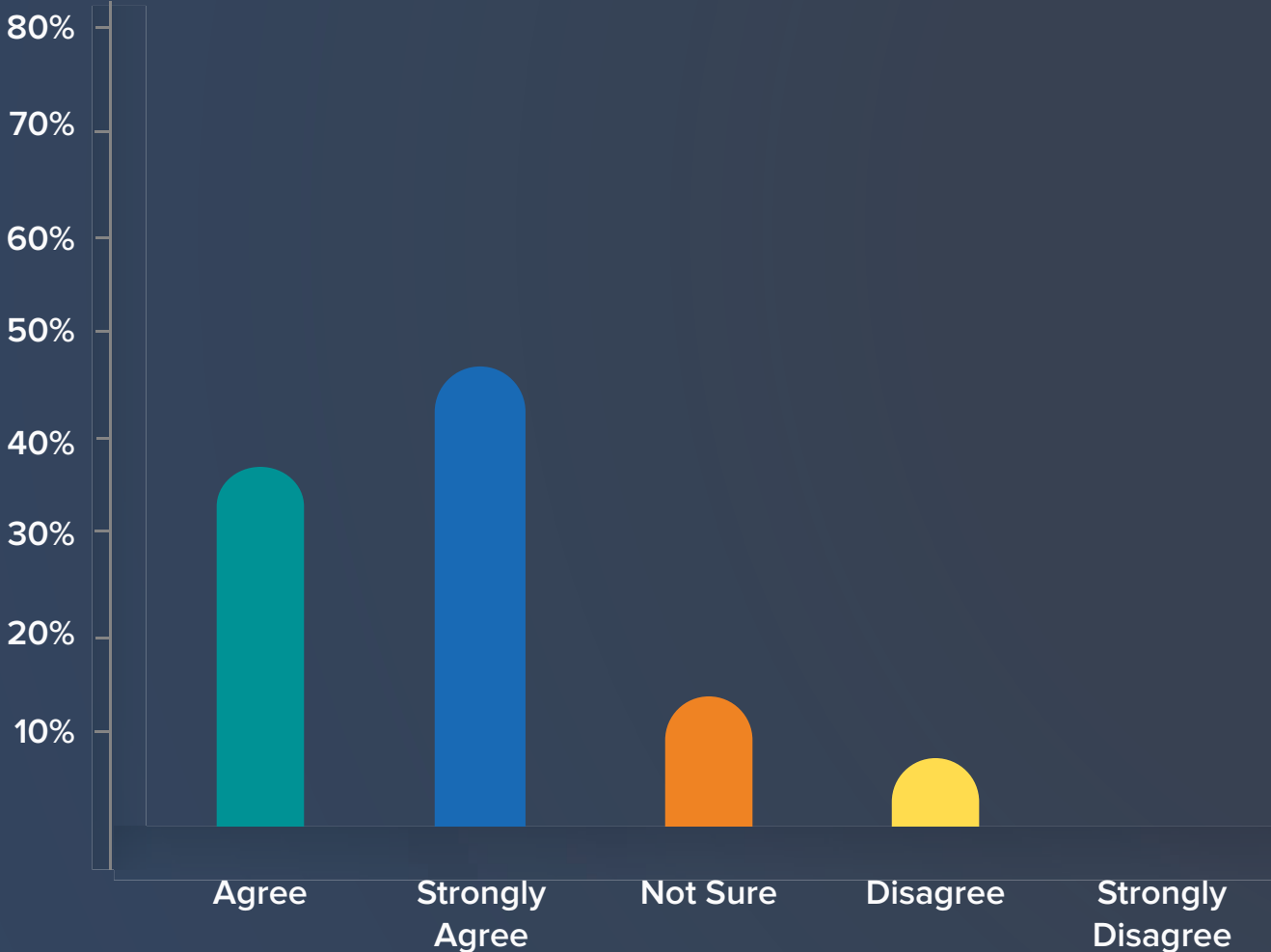
Oversight of Corporate Culture



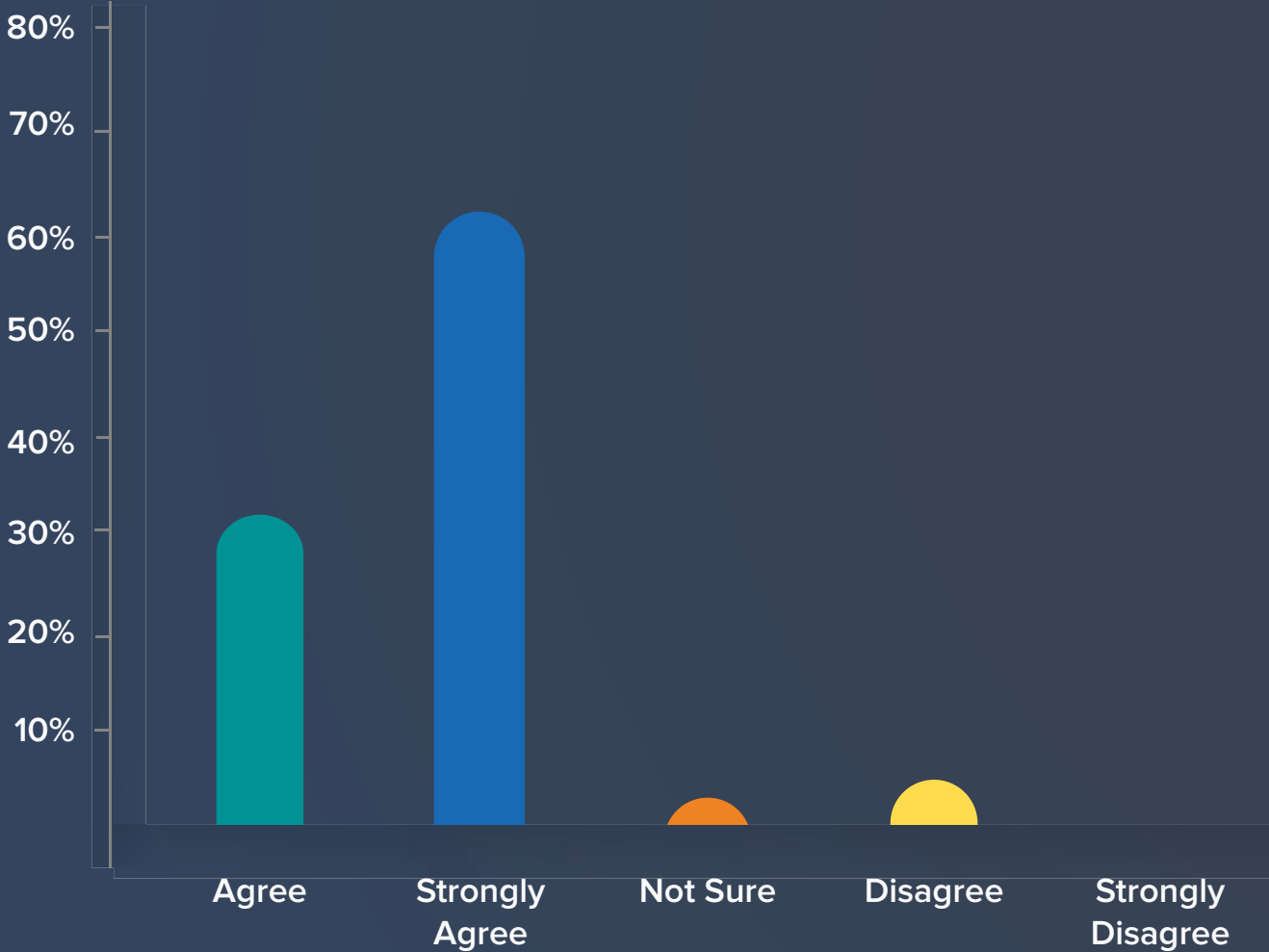
Oversight of Human Resources and Talent Management



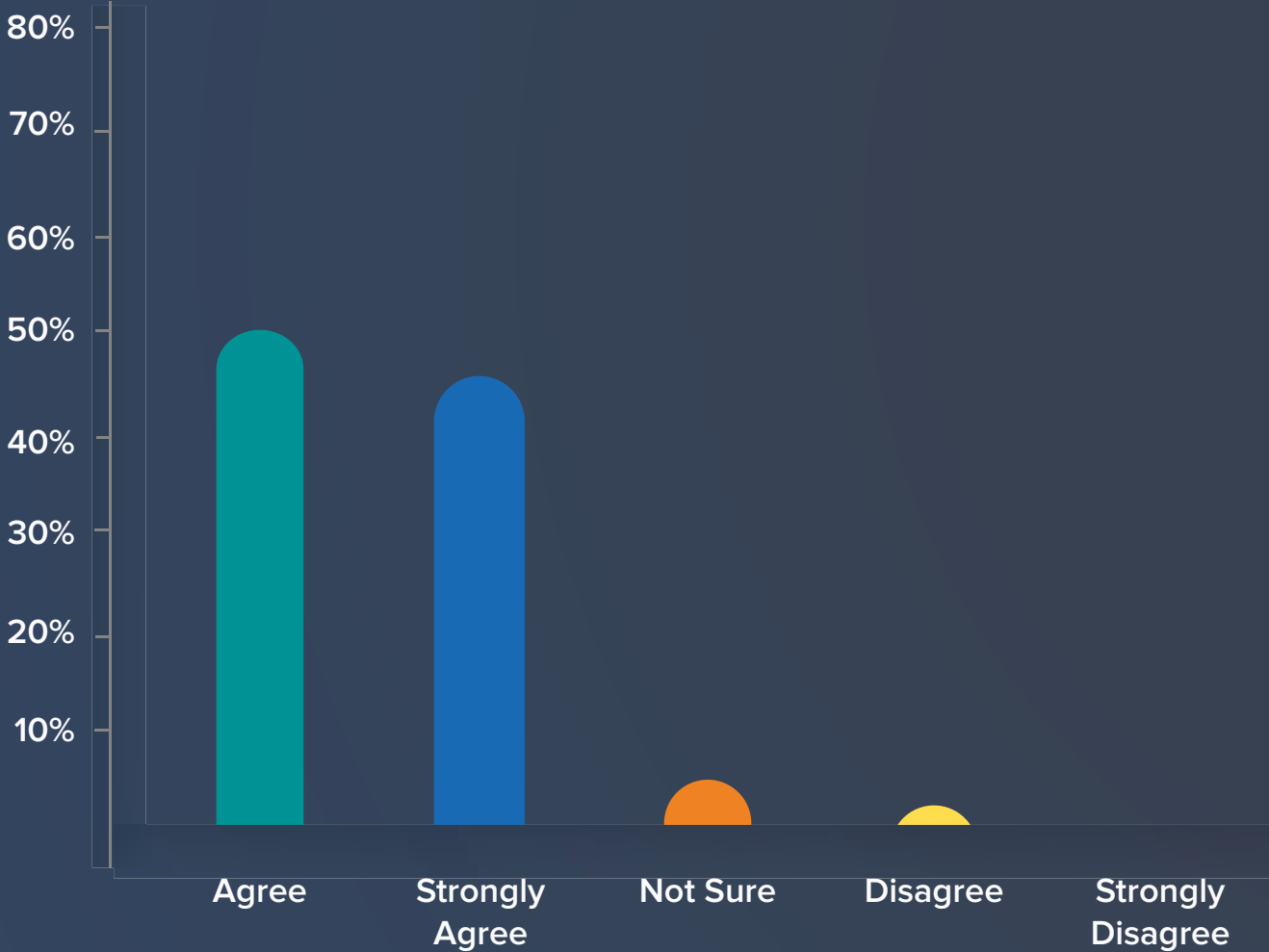
Succession Planning for the Board of Directors



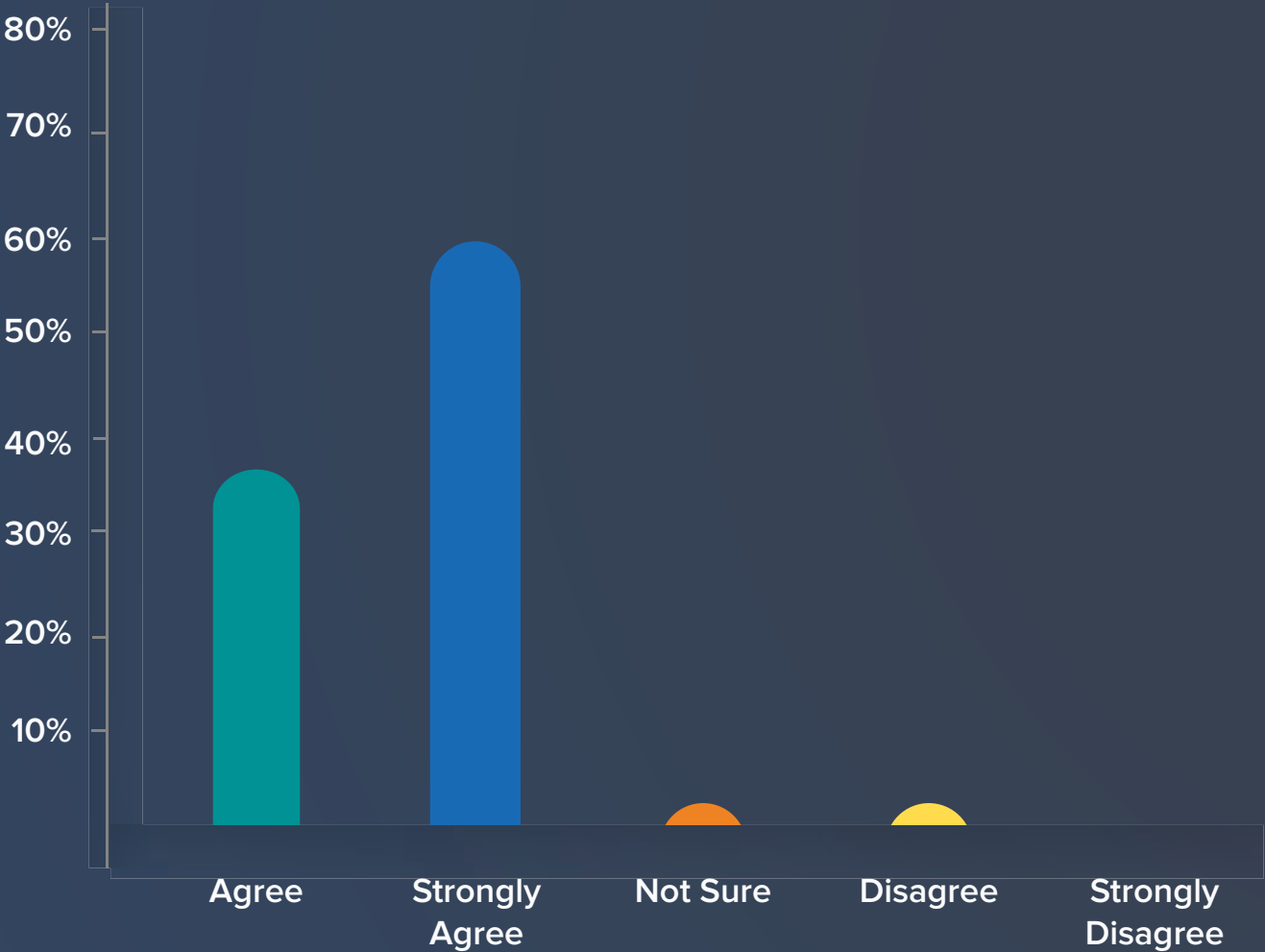
Succession Planning for the Chief Executive Officer and Senior Management



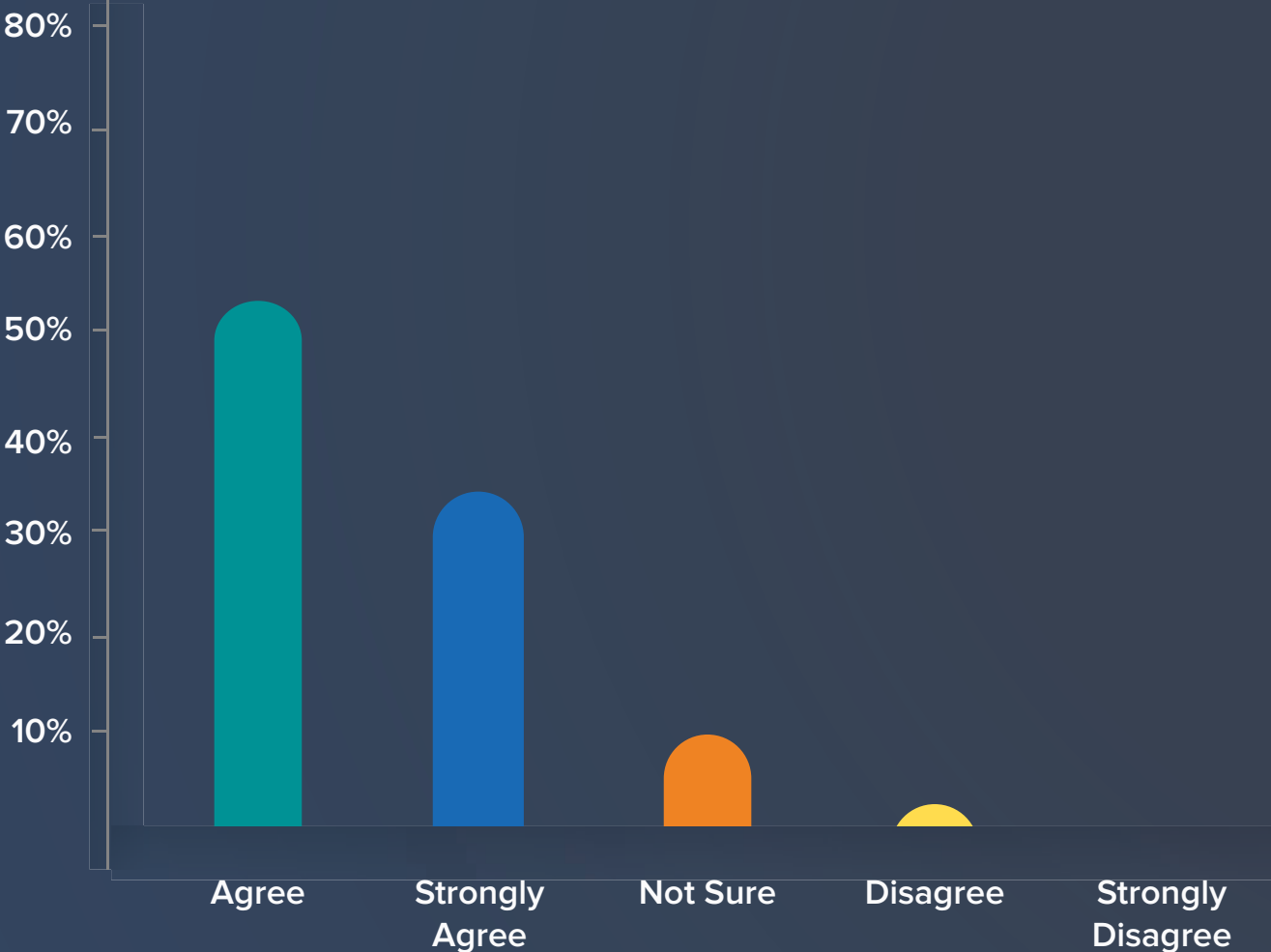
Oversight of Risk Management within the context of Digital Disruption



Compliance



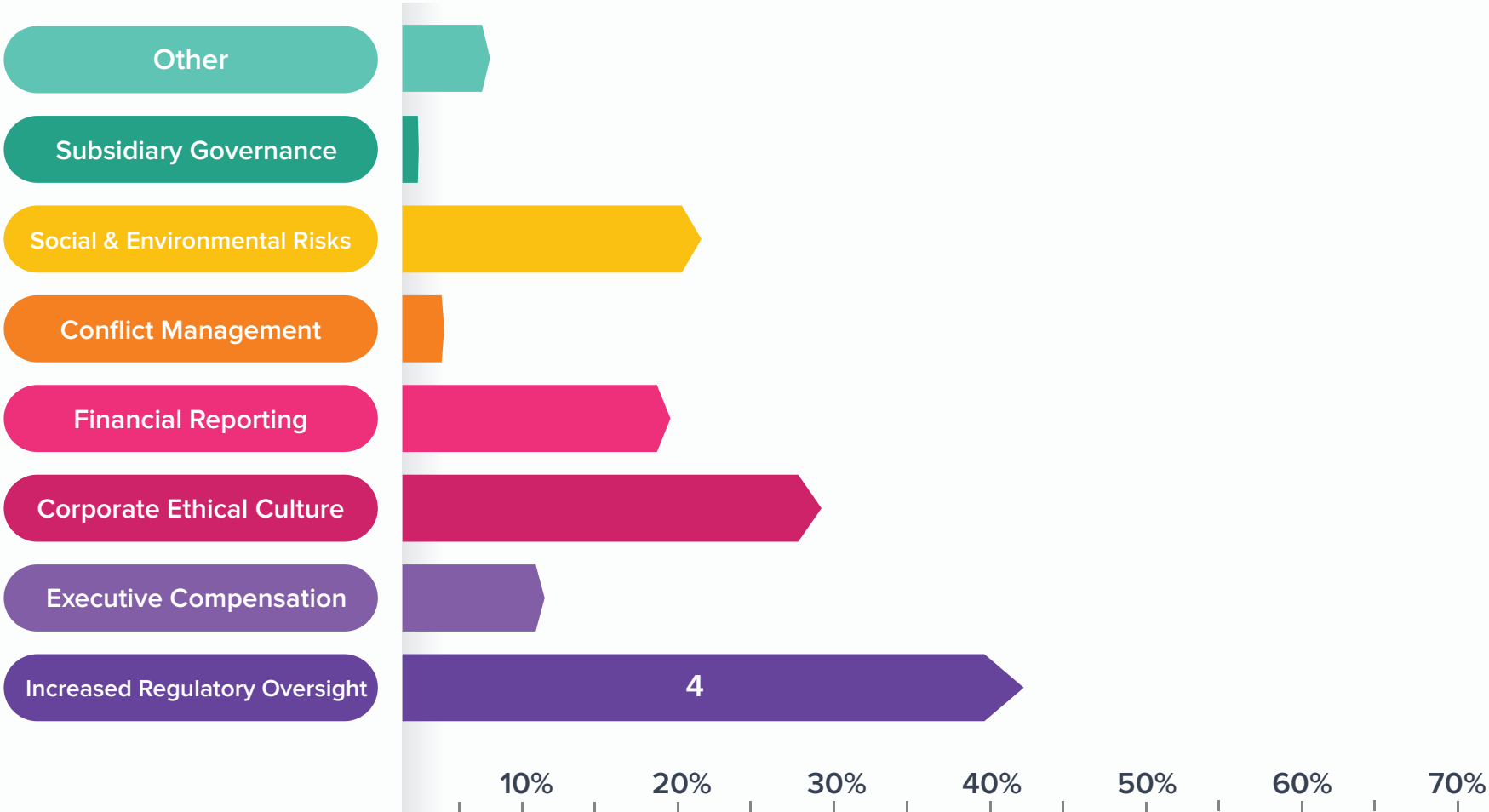
Crisis Management and Planning



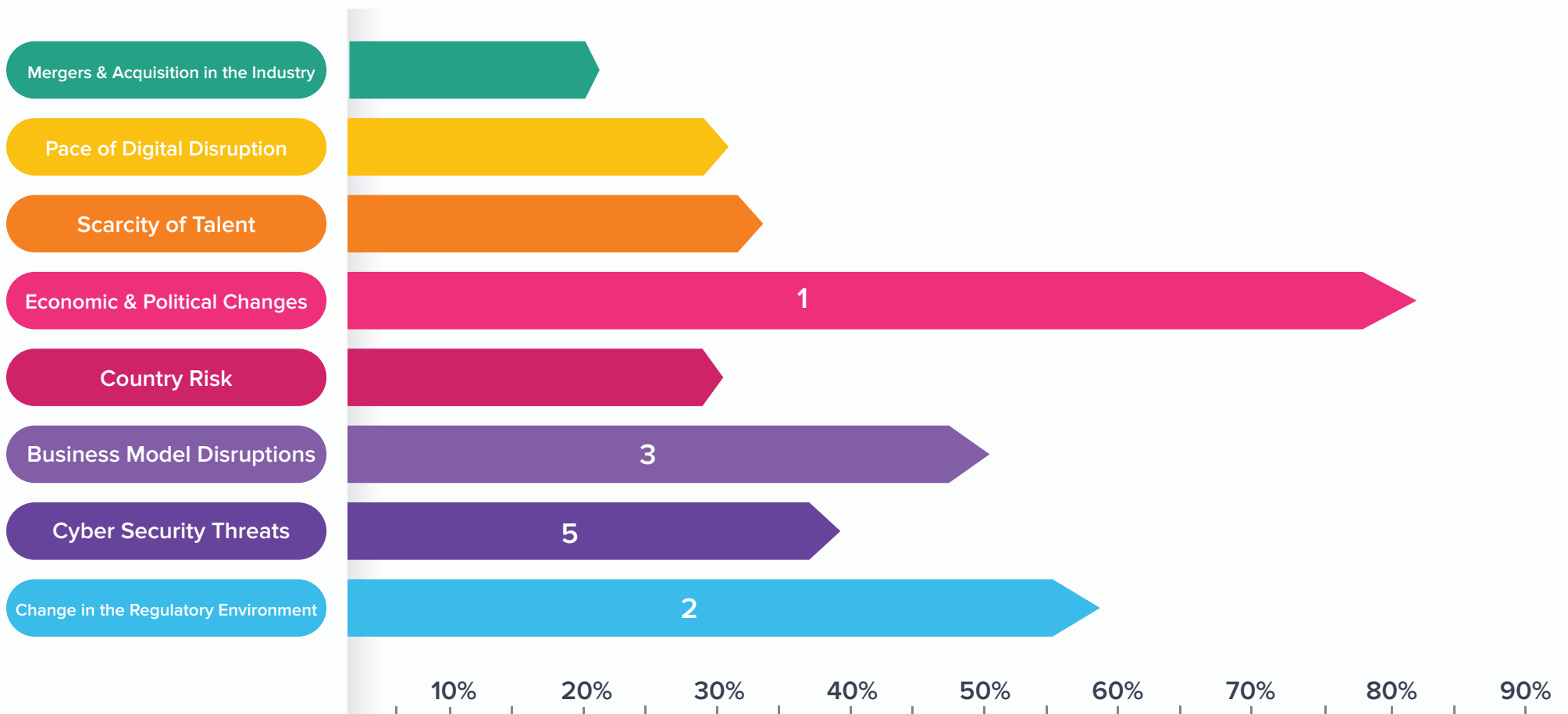
A photograph of a modern conference room. A long, dark grey table is set with several water bottles and green apples. Brown chairs are arranged around the table. The room has a red wall on the left and a large window on the right. A dark blue diagonal overlay covers the left side of the image, containing the title text.

Top 5 Trends for Boards Over the Next 12 Months

What five trends do you foresee will have the greatest impact on your company over the next 12 months?



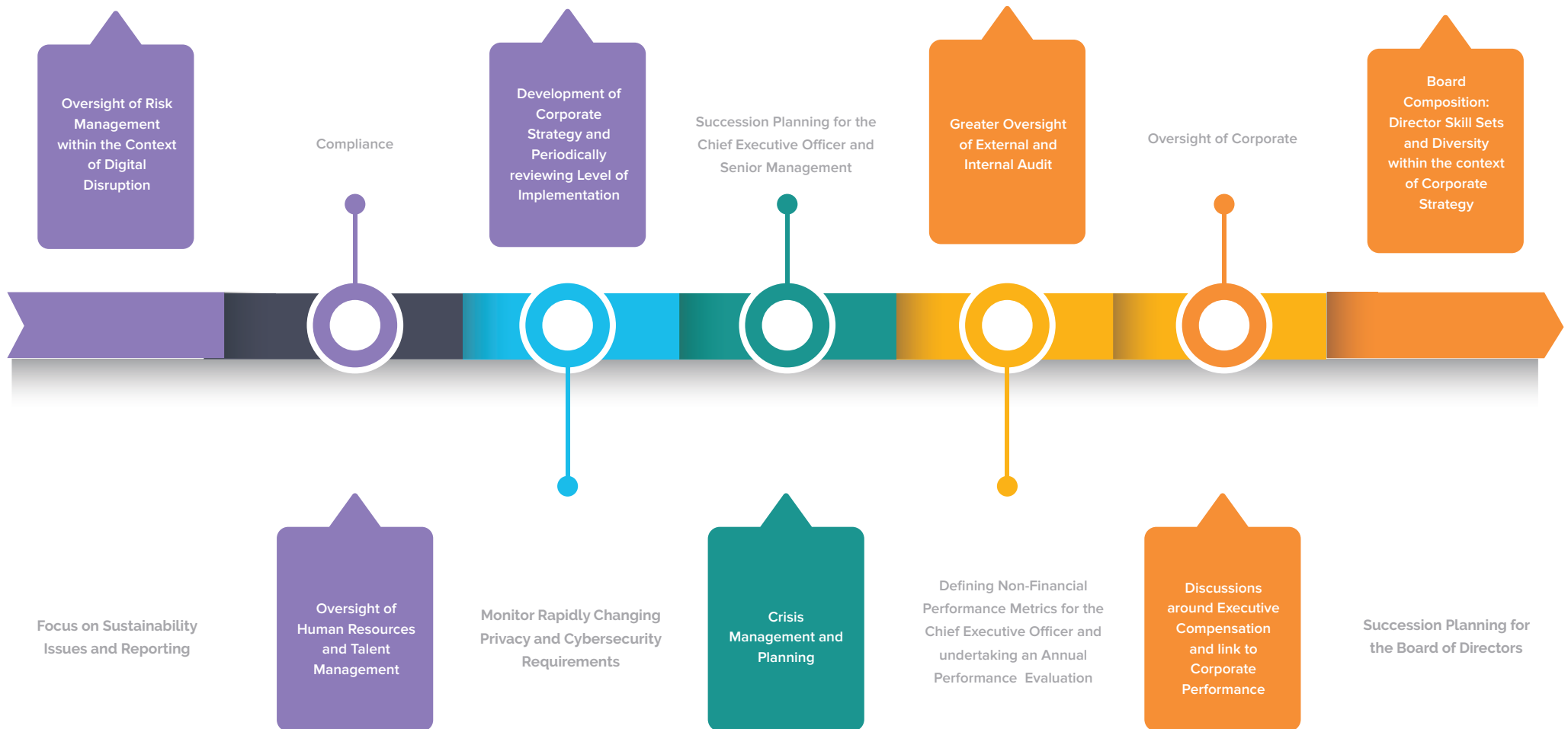
What five trends do you foresee will have the greatest impact on your company over the next 12 months?



Highlights



These are ranked as the most significant front burner topics that corporate Boards should keep on the agenda in 2019 and beyond.





June, 2019

© 2019 DCSL Corporate Services Limited. No part of this report may be used, reproduced or adapted without the prior written consent of the copyright owner. All rights reserved