EXECUTIVE SUMMARY
ICDM BOARD RISK MANAGEMENT COMMITTEE (BNRC)
DIALOGUE & NETWORKING
"Insights Across Borders (MY-SG): Navigating Technology, Risk and Talent"
1 August 2024

A Crowdstrike update on 19 July 2024 which caused millions of Windows systems to fail was described as the largest IT outage in history. Despite resolving the issue in 79 minutes, it is estimated to cost Fortune 500 companies more than $5 billion in direct losses and the affected companies' crisis management reputations will be heavily impacted, especially if they don't recover fast enough!

Our BRMC Dialogue shared insights on how Boards can effectively engage, direct and build technology resilience to futureproof their organisations. Here are the main key takeaways:

1 **Technology a Disruptor or Enabler:** Technology alone is not the true disruptor. The real disruption comes from the changes in consumer behaviours and expectations. A company's ability to quickly adapt and capitalise on these technological advantages is the key differentiator.

2 **Understanding and Detecting Risk:** The risk lies not only at being too slow but in staying aware of the evolving business landscape. It is not necessary to be the first to adopt new technologies, but we must be the first to know about them. As board members, being informed, educated and aware is important because an educated board can better guide the organisation.

3 **When Cyberattacks Are Inevitable, Focus on Cyber Resilience:** While preventing an attack is important, it is impossible to be completely protected from every vulnerability. Adopt a holistic view of cybersecurity and focus on implementing a comprehensive plan to minimise the impact on the business.

4 **Balancing Talent and Automation:** As automation through bots increases, think about reskilling and upskilling your workforce to keep pace with technological advancements. By prioritising talent development and innovative solutions, businesses can future proof themselves and gain a competitive advantage in a rapidly evolving technological landscape.

5 **ESG Agenda – Mind the Measurement Gaps:** The journey to 'green' is important but the measurement scope can vary in terms of what is being managed, measured and reported. The World Councils need to collaborate to establish an enforceable and reportable standard and provide tangible advice to help companies make sustainability an integral part of their technology investment decisions.

Key questions to consider

1. How well does the board understand the potential value of digital transformation and emerging technology can bring to the organisation?

2. How can boards assess and mitigate the risks associated with emerging technologies without stifling innovation?

3. What are the practical steps boards can take to strengthen the organisation's resilience against increasingly complex risks?

4. Do we have the necessary technological infrastructure and skilled talent to keep pace with evolving business landscape?

5. How often are our technology and cyber governance policies reviewed and updated to reflect the latest best practices especially in concerning risk related to intellectual property and human factors?

Special thanks to QED Changemakers and Forescout Technologies for the presentation and the panellists for this dialogue and networking session:

- Ryan Lim, Founding Partner of QED Changemakers
- Sukhbir Sandhu, Managing Director of Forescout Technologies
- Bill Chua, Independent Director of Amara Holdings Ltd, Citibank Singapore Ltd and Swan & Maclaren
- Kay Pang, Independent Director of Nera Telecommunications Ltd and Board Member & Honorary Legal Advisor of Singapore Heart Foundation
- Jasmine Ng, Independent Non-Executive Director of SMRT Holdings Berhard & Board Member of ICDM
- Jun Maria Tan Abdullah, Senior Director, Group CEO Office of PayNet AKAR

From L-R: Sukhbir Sandhu, Jackie Mah, Ryan Lim, Jasmine Ng, Kay Pang, Bill Chua and Jun Maria Tan Abdullah

Do reach out to advocacy@icdm.com.my for any enquiries on corporate governance, board leadership and director development.