
Resilience

A journal of strategy and risk

*The surprising
truth about the
C-suite star of
2025*



“When I get my MBA, I want to build a career as a Chief Compliance Officer.”

Just imagine if that were one of the top ambitions of the top students at the world's top MBA programmes and business schools. Not the CEO, not the VP of marketing, not the Finance Director or the IT Leader, but the CCO.

The one who enables sustainable growth. The one who champions organisational ethics for the betterment not only of the company but also of society. The one who steers the business clear of future problems. The one who helps business managers take the right risks.

As PwC's [State of Compliance 2014 survey](#) suggests, that could be the bright future of the Chief Compliance Officer a decade from now. And in some highly regulated sectors, such as pharmaceuticals and life sciences, that future is already materialising.

In the year 2025, business ethics will be front and centre, fuelled by public intolerance of past corporate scandals. Investors, customers, NGOs and employees alike, enabled by technological advances such as big data analytics and social media, will be able to monitor and judge corporate conscience — and will

have greater power to effect the rise or fall of corporate reputation.

Business growth will require taking greater, but smarter, risks as the pace of change accelerates, and knowing what lies ahead gets trickier. But growth at all costs will not be accepted. It will require accountability and responsibility, respect and consideration of all stakeholders. This will be a time when businesses are under pressure to use scarce natural resources sparingly, and are heavily penalised by governments for acts of environmental or social damage.

It will be a more complex time, a riskier time — but consequently a promising time for those who manage the risks to their advantage.

In this future, the Chief Compliance Officer will sit right at the very centre of the seismic shifts reshaping business. Across all sectors, this role, which barely existed 15 years ago, will be a much closer confidant to the CEO, a permanent member of the leadership team and a sought-out risk advisor when strategies are being set. Their voice will hold sway, and their wisdom will contribute to the resilience of the organisation.

Here then, is a jump forward to look at the Chief Compliance Officer role of 2025. How are CCOs spending their time? What issues are they tackling?

Why is it just as likely that they could be an MBA graduate as a law graduate? And can a CEO be effective without a CCO?

It will still be compliance, but not as you know it today

Come 2025, many components of today's compliance function will be largely embedded into the organisation, as elements of finance are today. **But far from making the function redundant, this will actually free it up to focus on enabling success through better risk management — as opposed to better framework management.**

Indeed, PwC's [State of Compliance 2014 survey](#) suggests that some organisations are already heading down this path, although the level of progress varies according to industry and size.

State of Compliance 2025 – embedded, evolved, invaluable

CCOs have embedded compliance throughout the organisation:

- *Regulatory & compliance processes more automated and built into daily organisational life*
- *Ethics are an overt part of everyday business discussions*
- *Frameworks in place to manage inherent risks that continue to confound organisations*
- *Compliance skills embedded in every function*
- *Employees see compliance as part of what they do*

CCOs have evolved the compliance function:

- *Adoption of data analytics and technology to see across the organisation*
- *Metrics focussed on impact rather than activity, delivered with easy-to-understand reporting*
- *Innovative function using social media and apps in new ways for compliance*
- *Compliance performance captured centrally enables simplified reporting*

A valued chief in times of change

And here's why CEOs — as well CIOs, CMOs and CFOs — will need their CCOs close by their sides in 2025. The business environment is not going to get less risky or less complex. Global megatrends — such as technological breakthroughs, accelerating urbanisation, resource scarcity and climate change, shifts in global economic power, and demographic shifts — will continue to bring massive surprises and disruption.

Not planning for these surprises when setting strategy will only make running the business more challenging later.

The Chief Compliance Officer of 2025 will be closer to the front end of strategy setting, keeping their eyes on how the strategies on the table might impact resilience. They will be more focussed on the strategic risks — those that threaten the sustained growth of the business. They'll be equipped with technology and metrics to see the potential problems ahead and be there to help mitigate them, early.

With an eye on the substantial risk and opportunities which these global megatrends will create, here's a preview of the increasingly valuable role the CCO of 2025 will play across a number of industry sectors:

- [Energy, Utilities, Power](#)
- [Industrial manufacturing](#)
- [Insurance](#)
- [Pharmaceuticals](#)
- [Retail & Consumer](#)
- [Technology](#)

A look at the CCO of 2025

While most CEOs today would not recognise the Chief Compliance Officer described above, they would surely appreciate having a C-Suite partner who could see the big picture and could help the business shift course as outside circumstances change — such as new leadership in an emerging market, changing legislation, or changing public perception of the company.

So what roles does this person play?

- **A strategic enabler.** The CCO's role is to help make strategic planning as future-proof as possible. They help the rest of the leadership team understand the growing compliance and other risks related to strategic goals.
- **A business partner.** The CCO has an enterprise-wide focus, is integrated with business operations — and is often called upon by the other C's for advice. They know the CCO enables the resilience and durability of their projects as Compliance reports on the impact of their work on business progress.
- **An efficient operator.** The CCO understands that budgets are tight, and seeks to enable synergies across functional areas. So in addition to being linked in with business strategy, the CCO also makes sure that Compliance team members are working closely and continuously with related functions, such as crisis management, risk management and internal audit.
- **An information source.** The CCO leverages innovative tools to collect and analyse risk data across the organisation and connect dots. Looking for opportunities and challenges brought on by multiple risk events, or a confluence of changing market conditions, they highlight these with the leadership team to allow for a proactive response.
- **A conscience.** The CCO is keenly aware of his or her responsibility to prevent the organisation's people from getting on the wrong side of any stakeholders. They proactively communicate the strategic importance of good business ethics to all employees — and act as a role model by always doing the right thing, even when it's the most difficult.

Chief Compliance Resilience Officer required

Job Description

As a member of the company's leadership team, you will be responsible for resilience. As a key risk adviser, you will play a proactive role in major decision making to help our organisation stay ahead of future problems. On an ongoing basis, you will be expected to demonstrate the impact of compliance investments on the business. You will manage a dedicated compliance budget.

Your experience

- *Experience in at least two emerging markets*
- *Led a business function of a listed global company*
- *Used to running a multi-functional team*
- *Good level of technological literacy*
- *Familiarity with interpreting data analytics*
- *MBA, with significant ethics and legal knowledge a plus*

Your characteristics

- *Agile*
- *Trustworthy*
- *Respected*
- *A good team player, and leader*

These are large responsibilities. Do today's compliance officers have the right blend of strategic thinking and risk management skills to fill these shoes? Some do, but many do not.

And what if the CCO is a very important role that nobody wants?

Then again, going back some years, who would have thought the Chief Bookkeeper would become the CFO of today? It's not that much of a stretch.

So where is this function headed? Is Chief Compliance Officer even the

right name for it? Aren't we actually describing a Chief Resilience Officer, or a Chief Enabling Officer? After all, that will be the value of this person's work come 2025 — greater resilience and enablement. In a fast-changing world, can a CEO be truly effective without one?

Author Bios



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Sally is a partner in our advisory practice. With over 25 years of diverse experience in manufacturing, risk management and project management, Sally brings a unique blend of skills, knowledge and experience to a wide range of clients – helping them improve their processes, better manage process risk, and enhance information available for decision making, to support achievement of their strategic objectives.

Sally co-leads and co-writes our *PwC State of Compliance Survey* and is frequently quoted in media outlets such as *The Wall Street Journal*, *CFO Journal*, *CFO.com*, *Investors Business Daily*, *Thomson Reuters Compliance Complete*, and *Big4.com* on building risk and compliance programs.



Andrea Falcione, Managing Director, Performance GRC practice

Andrea Falcione is the Northeast Market leader in PwC's Performance GRC practice, specialising in compliance services. She regularly assists clients in designing, developing, implementing and assessing corporate compliance and ethics programmes, including policies and procedures, risk culture surveys, corporate compliance risk assessments, education and communication programmes and reporting best practices.

Prior to joining PwC, Andrea served as Chief Ethics Officer and Senior Vice President for a leading provider of ethics and compliance products, services, and solutions. She also practiced law for nine years. Andrea is a member of the Society of Corporate Compliance and Ethics (SCCE), and a Certified Compliance & Ethics Professional. She is admitted to practice law in Massachusetts and Connecticut.

Andrea is a graduate of Bucknell University and Boston University School of Law. A frequent speaker at industry conferences and events, she is also a co-author of PwC's preeminent *State of Compliance 2014* study. Several of her articles have been published in *Directors and Boards*, *Compliance Week*, *Compliance & Ethics Magazine* and *Compliance & Ethics Professional*.

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