

**Forbes**  
**INSIGHTS**

# The Volatility Strategy: How Leaders Are Seizing Opportunities In Both Calm And Turbulent Times

IN ASSOCIATION WITH



# Table Of Contents

3	Executive Summary
5	SECTION I Volatility Sparks Financial And Strategic Advantages
7	SECTION II Old Waves Recede As New Tides Build
8	SECTION III Keys To Running An Evolving Playbook
10	SECTION IV (a) Acting On Volatility: Disruptive Innovation And AI
12	SECTION IV (b) Acting On Volatility: A Focus On People
13	SECTION V Collaboration Drives Change
15	SECTION VI Building For Today And Tomorrow
17	CONCLUSION Creating A Permanent Culture Of Change

# Executive Summary

In a preceding report, *The Unlikely New Frontier Of Enterprise Growth*, Forbes Insights in collaboration with audit, tax, advisory and consulting firm Crowe LLP published the findings of a study which surveyed success factors among business leaders across industries.

That research, conducted October to December of 2022, revealed that organizations with executives who identify volatility as an opportunity, rather than a hindrance, pull ahead of rivals at challenging times.

To build on the findings of that previous study's findings, and better understand its implications in an ever-evolving business landscape, Forbes Insights in collaboration with Crowe LLP conducted a new survey of 500 industry leaders of companies with \$500 million or more in yearly revenues.

**The results reinforce findings first established in the preceding study that attitude to volatility remains a key indicator of enterprise success across several metrics—even as most respondents view uncertainty as less of a threat.**

Compared to those surveyed in the previous report, respondents now see lower levels of volatility today in their customer and prospect base, within their organization, the economy, geopolitics and their supply chains. AI and the federal elections were identified as major volatility sources not measured in Wave 1.

**This new analysis explores how embracing volatility and seeking opportunities to innovate in the face of risk can make organizations more responsive, more capable and more likely to meet or exceed revenue growth targets—in both stable and uncertain times.**

Once again, volatility emerges as a valuable litmus test clearly separating today's enterprise Leaders, Followers and Laggards. The attitudes towards volatility among respondents in this new, second-wave study are represented in near identical proportions across these three categories as in the first wave.

**As in the previous study, executives in the Leaders category report greater tangible enterprise successes than their peers, reporting higher revenue growth rates as well as greater success in both reducing risks and deriving value from volatility.**

Those in the Leaders cohort, who come relatively more frequently from the insurance, banking and tech/media/telecommunications industries, are making stronger investments in workforce skills and workplace diversity. They also more frequently say their organization is well equipped to benefit from volatility.

To better illuminate the mindset of the Leader segment, and enterprise executives overall, the study also asked respondents about trends impacting their organizations and where they see strategic value.

**Read on to explore their insights.**

FIGURE 1.



FIGURE 2.

**Estimated Organizational Revenue Growth Rate For Most Recent Fiscal Year**

	15% or more	10%—14.9%	5%—9.9%	Negative/0%—4.9%
Leaders	26%	24%	34%	15%
Followers	15%	21%	39%	21%
Laggards	14%	11%	21%	45%

\*Totals may differ due to rounding

# Volatility Sparks Financial And Strategic Advantages

Leaders who embrace volatility clearly say they exceed more cautious peers in delivering top-line success for their organizations.

Half of organizations with executives that fell into the Leaders category enjoyed at least 10% revenue growth over the most recent fiscal year, compared to only 24% of organizations with Laggards.

Most respondents (65%) agree that their organization is well-equipped to benefit from volatility. But Leaders are seven times likelier than Laggards to see organizational benefits in volatility, and Laggards are more likely to say that such disruption weakens the organization.

True to the label, Leaders also demonstrate more ability to overcome unknowns. A little more than half (53%) of Laggards believe uncertainty about the future is impeding their organization's efforts to benefit from volatility, while just 36% of Leaders feel the same. Additionally, 72% of the Leaders cohort agrees volatility has forced their organization to reimagine its foundational business model, compared to only 48% of Laggards.

Executives like those in the Leaders category appear to capitalize on volatility in ways that provide ongoing business advantages for their organizations in both stable and uncertain times. But industry-specific challenges may hinder some organizations from seizing opportunities to pivot.

For instance, responses from healthcare executives indicate they appear to be failing to perceive and detect, or perhaps acknowledge, the importance of investing in measures to address sources of volatility like talent shortages and workforce concerns. As the industry with the highest percentage of Laggards, only 39% of healthcare respondents agree their organization has primarily benefited from disruptions and market volatility, compared to 46% overall. The industry also has the lowest level of extensive

investment in AI.

The industry with the largest proportion of executives in the Leaders category is insurance, which tracks with the industry's forerunning position in several measures of organizational success. For example, insurance executives report the highest proportion of organizations enjoying revenue growth rates of 15% or more. The industry is particularly sensitive to inflation, suggesting a potential opportunity to enhance value through improved measures to address that source of volatility.

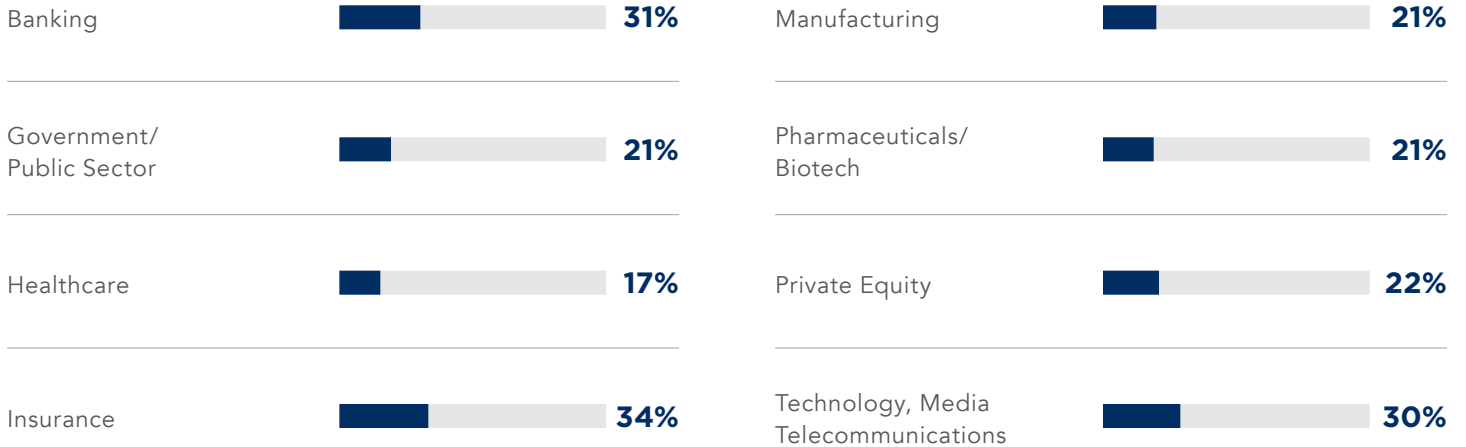
“

History has shown us that the companies that embrace the concept of perpetual evolution are the ones that are fastest to adapt to market dynamics, and are thereby ultimately best positioned to thrive in changing market conditions with dynamic client expectations.”

**MARK BAER**  
CEO, CROWE LLP

FIGURE 3.

Percent Of Executives Categorized As Leaders, By Industry



\*Percentages represent the respondents in each industry that strongly agreed with the statement “Your organization generally views volatility as an opportunity” by selecting 5 on a 5-point scale.



# Old Waves Recede As New Tides Build

Respondents in this second wave survey describe a somewhat more stable market than those in the first wave, with fewer business transformations and mergers seen as imminent.

In the earlier study, 40% of respondents believed their organization was an acquisition or merger target within the next three years, compared to just 26% of those in the current wave.

But these trends are not the end of volatility. Leaders see more present and near-term volatility from the 2024 Federal election cycle. Forty-three percent of Leaders say they are currently facing volatility from the upcoming Federal elections inside their organizations, compared to 21% of Laggards. (Crowe LLP offers [ongoing coverage](#) of pending legislative issues.)

**FIGURE 4.**

**Compared To Wave 1, Respondents Overall Say Their Organizations Are Facing Less Volatility From:**

---

Within their organization

---



---

Their customer and prospect base

---



---

Supply chain

---



---

Geopolitical change

---



---

Overall economic change

Leaders also were ahead of peers in identifying artificial intelligence (AI) as the single greatest current and three-year horizon impact on their organizations. In fact, Leaders perceive higher levels of volatility than the average respondent in every area of risk, disruption or uncertainty in the poll. Compared to Wave 1, respondents overall saw lower volatility today in five key areas that Leaders maintain is a growing disruption (Figure 5).

When asked to consider volatility faced over the next three years, Leaders view AI, ESG and industry competition as increasingly volatile.

**FIGURE 5.**

**Compared To Wave 1, The Leaders Category Says Their Organizations Are Facing More Volatility From:**

---

Within their industry

---



---

Regulation and taxation

---



---

Overall economic change

---



---

Supply chain

---



---

ESG

# Keys To Running An Evolving Playbook

Regardless of appetite for risk, no organization can truly thrive amidst challenges without a cohesive strategy that pairs a coherent playbook (process) with a team (people) ready to execute.

“Today’s business environment, coupled with a highly diverse, multi-generational workforce, creates both challenges and opportunities,” says Katie Hamada, chief people officer at Crowe LLP. “Disruption is significantly altering the way we work, how we define and what we expect from a career, and the perceived responsibilities of an employer.”

Respondents were asked to pick which among fourteen potential sources of volatility their organizations are addressing, both today and within the next three years.

Although the persistent challenge of responsible financial management looms large in both periods and AI takes an unchallenged spot at the top of the slate in the second half of the 2020s, the significant turnover in top concerns between now and just three years from now demonstrates that volatility is as unpredictable as it is inevitable.





FIGURE 6.

## Which Sources Of Volatility Are Organizations *Choosing* To Address?

### Percent Of Organizations Addressing Each Volatility Source **Today**

Customer and prospect base  **57%**

Financial risk  **55%**

Overall economic change  **54%**

Regulation and taxation  **54%**

Within their organization  **53%**

Talent shortages/costs  **53%**

Artificial Intelligence  **52%**

### Percent Of Organizations Addressing Each Volatility Source **Within Three Years**

Artificial Intelligence  **61%**

Geopolitical change  **55%**

Financial risk  **54%**

Existing technology footprint and future roadmap  **54%**

ESG  **54%**

Overall economic change  **53%**

Within their industry  **52%**

# Acting On Volatility: Disruptive Innovation And AI

The implications of generative AI and subsequent widespread proliferation of AI tools across all markets has propelled artificial intelligence to the forefront of leadership considerations at a level the first survey respondents did not anticipate.

Since then, AI has clearly become a top and durable source of volatility as well as open market investment, with 58% of all respondents evaluating or investing in AI to address volatility.

“The narrative around AI has reached fever pitch, considering its proliferation is, by the minute, rewriting the book on jobs to be done and how those jobs get done,” says Brenda Torres, Crowe COO. “Many companies have efforts underway to understand how AI will impact their business, but much of that is from a wait and see posture.”

As AI becomes a top source of volatility, the Leaders cohort appears best positioned to benefit. In a broader trend of Leaders exploring tech-focused R&D at a higher rate than others, nearly one-quarter of Leaders already consider AI the single greatest area of impact on their organization today, compared to just 11% for Laggards. Leaders who already run toward opportunity, challenge or change can make strides in generative AI.

“The Leaders and true innovators are the ones that are proactively experimenting to separate hype from real opportunities and exploring practical applications in which they can educate and upskill their people, refine their operations and embed AI-enabled tools into their everyday work routines to gain efficiency, scale, and capacity,” Torres says. “Those same leaders are also embracing and defining how the power of AI can disrupt and evolve their own businesses.”

Beyond AI, 72% of overall respondents focus people, processes and technology on the mission of turning volatility into opportunity. This polarizes sharply along risk-attitude lines: 92% of Leaders, but just 55% of Laggards, agree that turning volatility into opportunity is an important goal.

FIGURE 7.

## Top Industries Extensively Evaluating And investing In AI

1. Banking
2. Private Equity
3. Technology, Media, Telecommunications

FIGURE 8.

## Leaders Strongly Outpace Laggards In Tech Investment

	Leaders	Laggards
Extensively expanding technology-focused R&D investments	43%	6%
Extensively migrating to the cloud to enable greater data sharing and collaboration	39%	8%
Extensively adopting agile/DevOps/low code development	34%	5%

\*Percent of respondents who said they are pursuing each action to an extensive degree (5 on a 5 pt scale).



# Acting On Volatility: A Focus on People

In the wake of significant changes to the workforce landscape, executives may find it challenging to find and keep the right people doing the right work with the highest degree of efficiency.

Many respondents say they are short-staffed in crucial areas around risk and change. More than one-quarter (28%) of executives surveyed say a lack of appropriate staff with necessary skills is impeding their organization's efforts to benefit from volatility.

The Leaders cohort appears to recognize that investing in workforce development, culture and employee experience is an essential part of successful business transformation.

"It's no longer a job, it's about equipping our people with an ever-expanding skillset and empowering them to navigate their personal career journeys," Hamada says.

Those in the Leaders cohort are more likely to extensively increase investment in workforce training compared to Laggards (46% vs. 18%). They are also more likely than Laggards (50% vs. 18%) to extensively expand employee skills and their use of emerging technology. Leaders are also extensively increasing efforts around diversity, equity and inclusion (DEI) efforts at a higher rate than Laggards (41% vs. 15%).

“

Leading companies are doubling down on tech enablement, career mobility, learning and development, DEI and well-being initiatives that help create a nimbler and more dynamic workforce that can deliver value in a multitude of ways.”

**KATIE HAMADA**

CHIEF PEOPLE OFFICER, CROWE LLP

# Collaboration Drives Change

There are times when independence is strength: a single expert machinist can likely repair an engine faster than two novices, no matter how quickly they work.

But in the face of multidimensional and constant global pressures, it appears that teamwork—and not the lone-wolf approach—sees organizations through.

Across every survey question related to collaboration—with customers, partners, advisors and employees—the Leaders cohort was consistently more likely than others to invest in a collaborative solution. That includes a greater commitment to joint efforts to share data, improve communication, and strengthen the supply chain.

Leaders may also value the force multiplier of outside advisory and specialty consulting firms more so than their Laggard counterparts. Slightly over half in the Leaders category (53%) will work with a consulting or advisory firm over the next three years, compared to just 33% of Laggards.

Considering that, along with Leaders' greater willingness to use mergers and acquisitions to expand access to talent and innovation (61% of Leaders vs. 35% of Laggards), the Leaders cohort appears eager to put the right skills to work on enterprise issues.



FIGURE 9.

## Executives In Leaders Category Overwhelmingly Favor Collaboration

Percent of respondents agreeing that they will extensively pursue the following actions to address volatility:

	Overall	Leaders	Laggards
Improving collaboration between supply chain and marketing/sales	22%	43%	20%
Creating closer collaboration with customers	23%	43%	18%
Increasing data sharing and collaboration with suppliers, partners, advisors	17%	36%	14%
Visibly promoting a culture of collaboration, innovation and risk-taking	20%	41%	12%
Migrating to the cloud to enable greater data sharing and collaboration	21%	39%	8%

\*Percent of respondents who said they are pursuing each action to an extensive degree (5 on a 5 pt scale).

# Building For Today And Tomorrow

Knowing in advance what pitch has been thrown helps a baseball player make better contact with a ball, and being forewarned of impending flood conditions makes a sandbagging strategy more effective.

Little surprise, then, that uncertainty is the most-frequently cited (by 41% of respondents) factor holding back organizational efforts to benefit from volatility.

FIGURE 10.

## The Top Four Factors Impeding Organizations From Benefiting From Volatility

41%      Uncertainty about the future

29%      Complexity

28%      Lack of appropriate staff with necessary skills

26%      Time constraints

All of these four factors, cited by at least one-quarter of respondents, have a common thread: they represent the difficulty of focusing finite resources on multiple problems at once: in this case, the known and the unknown as well as the today and the tomorrow.

“The best companies and leaders are the ones who can truly balance the now while also maintaining a vision for what the future holds,” says Crowe CEO Mark Baer. “It’s not about predicting the future; it’s about a relentless commitment to building and enabling an agile organization that is willing to reimagine and disrupt itself.”

Although acquisition concerns subsided after the first wave (see Section II), change is still a common theme. Forty-five percent of all respondents say their organization will likely undergo significant transformation within three years, and that figure is at 59% for Leaders. With AI’s power and potential just starting to show itself, these transformation figures may end up looking understated in retrospect.

Those in the Leaders cohort do not speak with one voice on big picture economic issues: 37% of Leaders call a recession within three years extremely likely, more than their peers. But Leaders also see a higher ceiling, with almost as many (34%) saying it is extremely likely the economy will steadily expand over that same three-year period. The diamonds created by the top two persistent pressures of AI and an increasingly complex marketplace have yet to be seen, but this exploration of volatility shows that executives are bracing for a very wide range of potential outcomes.

FIGURE 11.

## Top Four Areas Of Greatest Impact From Volatility

### Today

1. Overall economic change

1. AI (tie)

3. Talent shortages/costs

3. Supply chain (tie)

### Within Three Years

1. AI

2. Overall economic change

3. Financial risk

4. Talent shortages/costs

4. Supply chain (tie)





# Creating A Permanent Culture Of Change

When in doubt about the most important disruptions on the horizon, research indicates it would be most prudent to listen to those in the Leaders segment.

Those in the Leaders category, who see volatility as fuel for opportunity, tend to be more acutely aware of its presence and more effectively detect its sources than do executives overall.

Sometimes, this means they are much more likely than their more cautious peers to identify major sources of long-term disruption. Such is the case for the *most* frequently cited source of disruption over the next three years: artificial intelligence.

Other times, their outlook directly contrasts with that of respondents overall. Compared to the first research wave, *more* Leaders expect their organizations will face rising volatility from government regulation, industry competition and ESG in the next three years—while respondents overall are *less* likely to predict volatility to rise in these categories.

Through their investments and focused organizational developments, Leaders show how to combine top-tier revenue performance with a rich culture of collaboration and innovation, the pursuit of complementary human and AI skills, and an ongoing hunt for new sources of talent and inspiration.

The implications of a cohort of enterprise leaders who use market swings and changing preferences to enable and to change are significant.

“The winners win because they evolve and adapt with urgency,” explains Baer. “They lead by example, and they can motivate and bring their clients and people along with them.”

The Leaders demonstrate that, rather than seeing the peaks

and valleys of the business cycle as a nuisance or simply survivable, unpredictable events including technological upheaval—shifts in both workplace and workforce and the constantly changing regulatory environment are themselves just more raw material for outsized success.

---

## JASON COMPTON

Report Author

## Methodology

In collaboration with Crowe LLP, Forbes surveyed 500 US-based executives from organizations with at least \$500 million or more in annual revenues.

Respondents represent companies across a range of sectors. A majority of respondents, 74%, are C-suite executives, board members, or partners. Seventy-eight percent of respondents are primary decision makers. Responses in Wave 2 were collected between August and September, 2023. The preceding study, as captured in the report *The Unlikely New Frontier Of Enterprise Growth*, collected responses between October and December of 2022.