



## Americas

### BDO's Global Risk Landscape Report 2024



#### Taking the plunge: balancing innovation and risk in AI adoption

In an era of constant crises and overlapping challenges, businesses can't simply hide away from risk. To thrive in a world where there is little time to recover between one chaotic event and the next, companies must take an 'antifragile' approach to risk, seeking opportunities in disruption – and emerging stronger for it.

This lesson seems to be well-understood in the Americas. Some 40% of business leaders in the region describe their organisations as risk-welcoming or risk-taking when necessary. Leaders in the Americas were also the most likely of any region (30%) to say their companies focus on seizing opportunities in times of external crisis and disruption.

"That is a cultural response in North America," says Dawn Williford, head of the internal audit risk and controls practice at BDO USA. "In the US we have less regulation around business in general, so when times are good, businesses are willing to dive in and take more risk."

North American companies also have access to more capital during strong economic times, which they can invest in growth. They tend to accept more risk when they are in that mode, Williford says. Business leaders in the Americas were also the most likely of any region (37%) to say they would be more risk-welcoming if global economic conditions improve.

"Our clients see greater flexibility when times are good to take calculated risks that come along with pursuing growth," Williford says. "They're willing to take risks like expanding into new markets or introducing new products, so when they have a window of opportunity, they'll take those chances in order to achieve larger growth: the risk is worth the payoff."

US companies also tend to be more innovative than businesses located in other large economies, which means risk-taking is usually inherent to how they function.

"A lot of the major tech companies all have deep roots in North America because they are willing to take risks," says Ziad Akkaoui, national practice leader at BDO Canada. "That's just embedded within the culture of corporate America."

Given this risk-taking culture, it's little surprise the region is leading the way on AI innovation. Some 64% of business leaders in the Americas see AI as an opportunity for their business compared to just 27% who see it as a risk.

# 40%

of business leaders in the Americas describe their firms as risk welcoming or risk taking when necessary.

Business leaders in the Americas were the **most likely (30%)** to say their firm focuses on seizing opportunities in times of external crisis and disruption.

# 64%

of leaders in the Americas say they see AI as an opportunity for their business vs. only 27% who see it as a risk

Business leaders in the Americas were the **most likely of any region (37%)** to say that if global economic conditions improve their firm would become more risk welcoming.



“I can’t go to a conference or a business meeting of any kind where we’re not talking about AI and the risk that it poses”

“Those who embrace it while still managing that risk at the same time, are the ones that will probably end up being very successful in achieving their objectives.”

**Dawn Williford**  
Head of the internal audit risk and controls practice, BDO USA

“US firms are not inclined to dip a toe in the water, they’re inclined to dive in,” says Williford. “But how can they do this safely? People see the power of it, they want to use and harness the technology, but they don’t want to open themselves to undue risk either.”

The promise of AI means the focus is usually first and foremost on the technology and its benefits.

“AI is the single best innovation since the advent of the internet,” says Akkaoui. “Just as the internet revolutionised communication, information access and e-commerce, AI is poised to transform our lives and businesses in equally profound ways. However, we must proceed responsibly and with due care.”

Risk professionals are already grappling with the potential challenges AI might create and how to deal with them within their existing risk frameworks.

“I can’t go to a conference or a business meeting of any kind where we’re not talking about AI and the risk that it poses,” says Williford. “Everybody wants to know how risk professionals ensure their companies manage the risks of AI. How do you report on that risk? How do you give assurance to the audit committee or the board?”

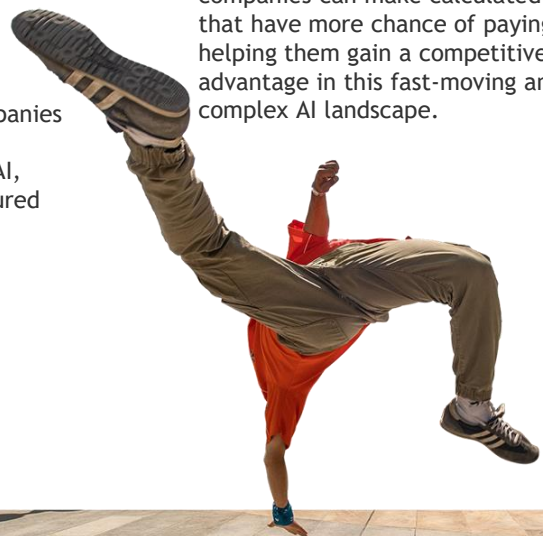
Against this backdrop, companies need to understand the risk and reward trade-off with AI, which nobody has quite figured out yet, says Williford.

“I think that it’s a huge risk, but it’s also a huge opportunity for companies,” she says. “Those who embrace it while still managing that risk at the same time, are the ones that will probably end up being very successful in achieving their objectives.”

The hype around AI means getting that balance right can sometimes get overlooked even as businesses place significant bets on the technology.

“Sometimes companies are going in there blind thinking about the benefits of AI adoption, but not necessarily being proactive and thinking about some of the risks that they’re going to be confronted by with the adoption of AI,” says Akkaoui.

An antifragile mindset can help companies better navigate such emerging opportunities by recognising potential risk and balancing that with the benefits of being a first mover. This approach means companies can get an edge not only over peers who take a more cautious view, but also those who charge into adopting new technology without properly assessing the risks. By taking an antifragile approach, companies can make calculated bets that have more chance of paying off, helping them gain a competitive advantage in this fast-moving and complex AI landscape.



## Practical steps for developing an AI strategy

# 1

### Appoint an AI leader

Companies should ensure the person heading their AI adoption has appropriate strategic and technical expertise. This reduces the risk of wasting time and money on the wrong tools and increases the chance that AI is used to solve key challenges.

# 2

### Establish KPIs for AI innovation and projects

Using metrics reduces the risk that businesses persevere with AI tools that have a low return on investment while helping business leaders focus investment on the right projects.

# 3

### Develop an AI governance structure

Companies should establish a steering committee with relevant expertise and authority to track AI projects and ensure they are being implemented safely and ethically. This will make sure systems do not target or exploit potential human vulnerabilities such as age or disability and guarantee a joined-up approach that avoids individual departments using unapproved vendors or public AI systems.

# 4

### Invest in AI training and education

Ensuring staff know how to use AI systems reduces the risk of errors and means that expensive tools are more likely to be used. It also improves the efficiency, productivity and effectiveness of users.

# 5

### 5. Create space for AI innovation

Having a culture that embraces AI experimentation enables organisations to try and test new tools, helping catch problems in a controlled environment. It also increases the chance of finding use cases that can drive competitive advantage.

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