About BDO Technology & Life Sciences Practice

BDO has been a valued business advisor to technology and life sciences companies for over 100 years. The firm works with a wide variety of technology clients, ranging from multinational Fortune 500 corporations to more entrepreneurial businesses, on myriad accounting, tax and other financial issues.

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2016 BDO TECHNOLOGY RISK FACTOR REPORT:
RISK BY THE NUMBERS

WHAT’S KEEPING TECH EXECS UP AT NIGHT?

Here’s a look at the most frequently cited risk factors across the industry.

Financial Uncertainty Sounds the Alarm

- Risk related to uncertain financial performance: 69% in 2015, 76% in 2016 (+7%)
- Access to capital and liquidity risk: 69%
- Loss of a major customer: 61% in 2016, 44% in 2015 (+17%)

The Cyber Nightmare Gets Worse

- Cyber risk through the years:
  - 2009: 30%
  - 2015: 96%
  - 2016: 100%
- Risk related to the ability to maintain operational infrastructure, including IT: 81%
- Cyber regulatory risk: 51%

Who’s Afraid of the Regulatory Bogeyman?

- Accounting, internal controls and compliance risk: 83%
- Goodwill impairment concerns: 67% in 2015, 73% in 2016
- Foreign Corrupt Practices Act & other anti-bribery compliance risks: 58%

The 2016 BDO Technology Risk Factor Report examines the risk factors listed in the most recent SEC 10-K filings of the 100 largest (by revenue) publicly traded U.S. tech companies; the factors were analyzed and ranked by order of frequency cited.

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