Businesses have always been aware of risk, but that doesn't mean they've always been adept at mitigating it.

Large organizations have traditionally treated risk as a compliance issue that can be managed through consultants, internal policies, and gut instinct. While this approach may be useful in mitigating some strategic and human error-related risks, it's not enough to guard against the ever-shifting and technologically sophisticated risk environment that characterizes today's world.

Businesses need to fight fire with fire. As the types of risks proliferate and catch the unprepared off guard, we see industry leaders prioritizing risk management and using technology to stay on top of it all.

Today, companies across the board face risks they could not have anticipated even one year ago. And these risks are mostly from outside of their organization (external risks). With no rules or policies to mitigate, or even respond to, crises resulting from those risks, companies can suffer significant losses in stock value, potential partnerships, and revenue.

Whether it's supply chain disruptions, geopolitical tensions, or constant threats to corporate reputation, modern businesses are continually blindsided. And it's not because they didn't implement risk management but due to their limited, traditional approach.

To stay ahead of such risks, companies need to tailor their processes to the current landscape and their own objectives and concerns. Essentially, modern risk management depends on having a real-time view of both the market and consumers and addressing risks by prioritizing them – since no organization is facing just one risk at a given time.

Using AI-powered market and consumer intelligence technology, companies can stay ahead of potential risks by continuously analyzing the vast amount of relevant data across news & blogs, social media, company websites, etc. – to analyze risk signals. This requires adopting advanced reporting methods, as manual processes such as spreadsheets are no longer sufficient.
With NetBase Quid® Intelligence Connector, you have a robust and scalable solution to identify risks, monitor them, prioritize and rank them, and create insightful reports. Through continuous data-driven intelligence, risk management teams can act with precision to protect their business.

Business leaders are increasingly focusing on risk as an area that requires continuous monitoring rather than a periodic review. In fact, the term “prioritizing risk” was the highest rated in a NetBase Quid® analysis of online conversations by business leaders, as seen in the infographic below.

Based on the analysis, business leaders are also concerned with risk in the context of their competition, and they want to know more about effective risk management, which indicates that they are questioning traditional approaches.

The topic of risk is widely discussed online

According to Statista, the biggest business risks from 2018 to 2023 include cyber incidents, business interruption, and macroeconomic developments. Companies must understand such risks in terms of their scope and the full consequences, including other (secondary) risks attached to them.
For instance, under cyber incidents, Statista analyzed ransomware, data breaches, fines and penalties to determine their threat level. Unauthorized access to corporate networks was the most common cyber incident for U.S.-based companies in 2021. This is an area to investigate further, especially since many large organizations outsource their data storage to third parties.

When large, visible organizations experience cyber incidents, it rarely goes unnoticed. And thus, there is a standing threat of damage to corporate reputation that is always present when these crises hit. An extension of this is misinformation during crises when companies don’t provide enough information to pacify their stakeholders.

Research indicates that such accompanying risks may be overlooked when conducting risk assessment, the traditional way. In fact, a report by global consulting firm Protiviti labeled 2023 as the “riskiest year” in over a decade and ranks people and culture as the biggest risks to business.

As shown in the chart/table below, this is supported by themes such as the difficulty of talent acquisition and retention, rising labor costs, resistance to change when the environment is constantly disrupted, upskilling, company culture, and workplace evolution – all directly influenced by the risks noted in Statista’s report.
Top risks to business in 2023

Notably, some of the higher-ranking risks today have entries missing from previous years, possibly because they were too far below the threshold to attract significant attention. The threat of a pandemic, for instance, was virtually nonexistent until it happened.

To properly address enduring and emerging threats, modern businesses must not only identify risks in the broad sense, but also understand them on a deeper level to determine their ranking and their potential impact to the business/industry. This is where traditional methods fall short and pave the way for advanced AI-powered continuous risk monitoring and prioritization.

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cyber incidents (e.g. cyber crime, malware/ransomware causing system downtime, data breaches, fines and penalties)</td>
<td>40%</td>
<td>37%</td>
<td>35%</td>
<td>40%</td>
<td>44%</td>
<td>34%</td>
</tr>
<tr>
<td>Business interruption (incl supply chain disruption)</td>
<td>42%</td>
<td>37%</td>
<td>37%</td>
<td>41%</td>
<td>42%</td>
<td>34%</td>
</tr>
<tr>
<td>Macroeconomic developments (e.g. inflation, deflation, monetary policies, austerity programs)</td>
<td>-</td>
<td>-</td>
<td>11%</td>
<td>13%</td>
<td>11%</td>
<td>25%</td>
</tr>
<tr>
<td>Energy crisis (e.g. supply shortage/outage, price fluctuations)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>22%</td>
</tr>
<tr>
<td>Changes in legislation and regulation (e.g. trade wars and tariffs, economic sanctions, protectionism, Euro-zone disintegration)</td>
<td>21%</td>
<td>27%</td>
<td>27%</td>
<td>19%</td>
<td>19%</td>
<td>19%</td>
</tr>
<tr>
<td>Natural catastrophes (e.g. storm, flood, earthquake, wildfire, extreme weather events)</td>
<td>30%</td>
<td>28%</td>
<td>21%</td>
<td>17%</td>
<td>25%</td>
<td>19%</td>
</tr>
<tr>
<td>Climate change (e.g. physical, operational and financial risks as a result of global warming)</td>
<td>10%</td>
<td>13%</td>
<td>17%</td>
<td>13%</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>Fire/explosion</td>
<td>20%</td>
<td>19%</td>
<td>20%</td>
<td>16%</td>
<td>17%</td>
<td>14%</td>
</tr>
<tr>
<td>Shortage of skilled workforce</td>
<td>-</td>
<td>9%</td>
<td>9%</td>
<td>8%</td>
<td>13%</td>
<td>14%</td>
</tr>
<tr>
<td>Political risks and violence (e.g. political instability, war, terrorism, civil commotion, riots, looting)</td>
<td>-</td>
<td>-</td>
<td>9%</td>
<td>11%</td>
<td>9%</td>
<td>13%</td>
</tr>
<tr>
<td>Market developments (e.g. intensified competition/new entrants, M&amp;A, market stagnation, market fluctuation)</td>
<td>22%</td>
<td>23%</td>
<td>21%</td>
<td>19%</td>
<td>15%</td>
<td>11%</td>
</tr>
<tr>
<td>Critical infrastructure blackouts (e.g. power disruption) or failures (e.g. aging dams, bridges, rail trucks)</td>
<td>-</td>
<td>-</td>
<td>8%</td>
<td>5%</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>Pandemic outbreak (e.g. health and workforce issues, restrictions on movement)</td>
<td>-</td>
<td>-</td>
<td>3%</td>
<td>40%</td>
<td>22%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Source: Statista
While traditional approaches rely on historical data to study and attempt to anticipate risks, AI-powered continuous risk monitoring analyzes both historical and real-time data to determine the threat level. This allows organizations to prioritize risks more accurately, supporting their mitigation and response efforts with more precise and high-quality intelligence.

The process starts with compiling a list of notable risks. This could start with a list you already have. Next, you can use your research tools (e.g., NetBase Quid®) to query and analyze various datasets for potential/emerging risks and add them to the list.

The NetBase Quid® platform leverages the most extensive dataset, including structured and unstructured data. The NetBase product includes tools to help you gather all forms of consumer and market data available on the open web (namely, social media, mainstream media, blogs, reviews, forums, and company websites).

NetBase Quid® Intelligence Connector allows you to integrate all your data for a comprehensive analysis. Built with the same proprietary technology that supports the NetBase product, the Quid product, and Rival IQ, Intelligence Connector provides a powerful, flexible, and highly scalable solution for accessing large amounts of data.

It also supports the next step in continuous risk assessment: Selecting metrics to track against different risk categories. To get the most out of your data, you can create custom metrics so you can view the data in the context of your organization. Intelligence Connector analyzes and visualizes this data within your own BI environment.

Intelligence Connector streamlines your risk analysis process
Important standard metrics include brand mentions, sentiment, and passion intensity. You can also create custom metrics such as volatility, negative embroilment, and connectivity. For example, the following dashboard compares different QSR brands based on select risks and applies custom metrics for a more precise analysis:

Risks in Fast Food

Here is a similar risk breakdown for a cosmetics brand:

Risks in Cosmetics
Although both tables above are snapshots, the actual BI interface rankings may change from moment to moment as new data becomes available on the web. Intelligence Connector provides a real-time data stream and applies the defined metrics to rank and prioritize the risks, and even flag emerging fads that may become risks, so they can be added to the list.

The dashboard can be updated in real-time, and configured to generate automatic reports on a daily, weekly, monthly, or quarterly basis. The continuous and automated process allows the risk management team to remain alert and respond to threats before they impact the bottom line. For greater flexibility, the criteria can be adjusted, risks added, and removed as the team sees fit.

A continuous risk assessment solution gives organizations peace of mind and greater confidence to pursue emerging opportunities and mitigate risk. In one case, NetBase Quid® Intelligence Connector helped a global retailer track reputation and public policy risks. By analyzing three years of data onwards, the company identified and ranked risk severity based on volume, geographic distribution, embroilment, and volatility. This enabled the retailer to implement a proactive risk management solution.

In another case, a top consulting firm used NetBase Quid® Intelligence Connector to monitor risks to their client's supply chain by analyzing over 20,000 companies and ranking them across important risk areas and key performance metrics. This approach helped the company's analysts proactively advise their clients with sufficient time to identify and mitigate emerging risks.

If you'd like to empower your risk management team with higher levels of consumer and market intelligence, check out Intelligence Connector and reach out for a demo to see how the NetBase Quid® platform can be configured for your organization.
About Us

NetBase Quid® delivers AI-powered consumer and market intelligence to enable business reinvention in a noisy and unpredictable world.

Our platform uses advanced artificial intelligence to process billions of indexed resources across all forms of structured and unstructured data, empowering brand, agency, and consulting services customers to make smart, data-driven decisions accurately, quickly, and efficiently.

We are the trusted partner of Ogilvy, T-Mobile, Lufthansa, YUM! Brands, Walmart, Hyundai, Wunderman Thompson, Microsoft, BCG, Gopuff and Dotdash Meredith.

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