

The (R)Evolution of Risk Management

Finding Opportunity for Modern Finance in a Universe of Risk

Dun & Bradstreet's global survey of financial professionals reveals a huge opportunity for the future of finance to deliver value through innovation as the very definition of risk changes. Creating a bright future for business means rejecting the ideas of modern tools and technologies such as artificial intelligence or automation as dystopian disruptors, as well as countering notions that tools alone are the keys to business utopia.

The Risk Landscape: 3 Findings

The nature of business risk is shifting and expanding on an almost daily basis.

Shifting Risk

<10%

Those who think that key industry risks had decreased.

External Risk

65%

Finance leaders identifying supply chain disruption and a decline in customer viability as their top two industry risks, rating them as "moderate" or "high."

Internal Risk

72%

Those who report that the inability to properly monitor risk within the customer, supplier, or partner base is a top risk they face, calling it a "moderate" or "high" risk.

Data is Locked in Silos

Data woes are common among finance leaders, most of whom claim that data and insights to manage risk are still collected in silos and not shared fully.



60%

Finance leaders who report that their data currently exists in silos.



20%

Those reporting that their data is fully integrated and leveraged across the company.

Troubling Signs for Modern Tool Adoption

Most finance leaders are not using the most sophisticated tools for managing risk.

<20%

Respondents using tools such as blockchain, artificial intelligence, machine learning, and automation.

How Finance Leaders are using Data today

Although finance leaders are grappling with the implications of the emerging risk landscape, most are using data in some fashion to navigate risk. Here are the top five data uses:

31%

Economic data

32%

Customer master files

32%

Third-party data

51%

Credit reports

58%

Self-created analysis

Transforming your Risk Management Approach

Finance leaders must begin to lay the foundation for data-inspired risk management.



Reimagine Your Approach to Risk Management

Sit down with business partners, align with internal stakeholders, and conduct outside research to identify pivotal areas to address.



Automate or Stagnate

When fueled by insight, automation can reduce operational costs and help open new avenues of growth for finance teams by scaling and pulling in data from multiple sources at once.



Empower Your Team from Within

Finance teams need to make data insights readily available across teams. The simplest way to find the straightest path from your vision to your outcome is to look at your entire organization from an outside-in perspective.

Conclusion

The time to make time for the future is now. Finance teams have the ability to lead the charge on both the front and the back ends of the business, guiding their organizations toward profitable growth. It doesn't pay to invest in technology, tools, or talent without first imagining what the future should look like.

