

A Forrester Consulting
Thought Leadership Paper
Commissioned By Dataminr

January 2021

Risk In A Real-Time World

Unlocking The Power Of Real-Time Information
For Structured Response, Speed, And
Enhanced Business Resilience

Table Of Contents

- 3** Executive Summary
- 5** Inconsistent Perception Of Real-Time Information Hinders Strategy And Action
- 8** Inflexible Technologies And Siloed Processes Make Real-Time Information Less Accessible When Needed Most
- 10** Invest In A Real-Time Alerting Solution To Efficiently Manage Risks
- 13** Key Recommendations
- 14** Appendix

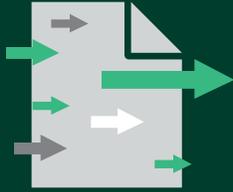
Project Director:
Cynthia Hicks,
Market Impact Consultant

Contributing Research:
Forrester's Security & Risk
research group

ABOUT FORRESTER CONSULTING

Forrester Consulting provides independent and objective research-based consulting to help leaders succeed in their organizations. Ranging in scope from a short strategy session to custom projects, Forrester's Consulting services connect you directly with research analysts who apply expert insight to your specific business challenges. For more information, visit forrester.com/consulting.

© 2021, Forrester Research, Inc. All rights reserved. Unauthorized reproduction is strictly prohibited. Information is based on best available resources. Opinions reflect judgment at the time and are subject to change. Forrester®, Technographics®, Forrester Wave, RoleView, TechRadar, and Total Economic Impact are trademarks of Forrester Research, Inc. All other trademarks are the property of their respective companies. For additional information, go to forrester.com.
[E-49505]



To survive and thrive in the face of uncertainty and disruption, risk management professionals must harness the power of public, real-time information.

Executive Summary

Businesses and societies of today face extreme levels of uncertainty in regard to the threats toward safety, growth, and continuity. This increasingly complex and interconnected landscape of risk spans public health, global financial markets, trade policies, cyberattacks, political unrest, social movements, and climate risk. The COVID-19 pandemic has solely exposed how organizations are challenged when anticipating and responding to the unforeseen cascade of short- and long-term market impacts.

Due to these myriad shocks, enterprises around the world have renewed their attention to proactive risk management. When facing these levels of uncertainty, professionals who are responsible for mitigating and managing enterprise risk must harness the power of public, real-time information (RTI). And while some events simply cannot be predicted, using RTI to better anticipate systemic risk can enhance organizational agility in workflows and enable effective response to drive business resiliency.

Dataminr commissioned Forrester Consulting to evaluate current risk management priorities and practices and how RTI can be utilized for decision-making in risk management and crisis response among leading enterprises. In order to explore this topic, Forrester conducted an online survey with 410 global risk and compliance decision-makers who are responsible for identifying and managing enterprise risk and crisis response. We found enterprises recognize that in a world of increasing risks and business complexity, the ability to proactively identify and mitigate risks as they unfold is critical for business resiliency. Yet 42% of surveyed decision-makers are currently improvising when it comes to their risk management function, and the majority of them lack a holistic understanding of what real-time information really offers.

Our world is changing. Companies cannot afford to simply maintain the status quo and respond with ad hoc risk management processes. But by unlocking and harnessing the power of RTI, risk management organizations can be empowered to effectively identify, communicate, and respond to risk events now and in the future.

42% of surveyed decision-makers currently improvise their risk management functions.

KEY FINDINGS

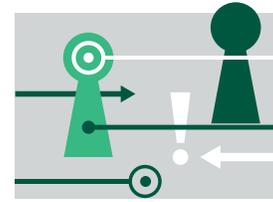
- › **Inconsistent perception of RTI hinders strategy and action.** Our study found that RTI is not a universally understood term. In our study, we define RTI as data which has been received within minutes or sooner. Our study found that 75% of survey respondents use the term to describe data that has been received either in the span of a day or longer. Though most organizations truly believe they are leveraging RTI to effectively identify and monitor events, they lack sufficient processes which are required to deliver timely responses to critical events. Our research shows that there is room for organizations to grow more confident in their use of RTI through a more complete understanding of its potential.
- › **Inflexible technologies and siloed processes make real-time information less accessible when needed most.** Nearly seven in 10 decision-makers find that access to RTI is siloed. Inflexible tooling as well as a lack of cross-functional collaboration pose challenges for organizations. Only 29% of surveyed respondents are very confident in the technologies they presently have to accurately obtain an early view of unexpected events.
- › **Invest in a real-time alerting solution to manage risks quickly, effectively, and proactively.** To overcome these challenges, 44% of surveyed decision-makers plan to either implement or expand the implementation of a real-time alerting platform solution in the next year. Decision-makers specifically seek a real-time alerting platform solution that includes capabilities which highlight ease-of-use and flexibility. Additionally, this platform will need to deliver on response speed, operational efficiency, and business continuity.

Inconsistent Perception Of Real-Time Information Hinders Strategy And Action

Risk is a dynamic reflection of global policy, financial markets, and the sophistication of external adversaries and insider threats.¹ Crises are dynamic events or shocks that unfold over short to long periods of time. It is no easy feat for risk professionals, who are responsible for managing a diverse set of risks, to simultaneously and effectively respond to crises with speed — especially in a world that is slowly putting itself back together after the pandemic’s disruption. Publicly available, RTI, which comes from a variety of sources including social media posts, local news stories, deep/dark web, internet-of-things (IoT) sensors, etc., offers enterprises a rich window into relevant and timely insights.

As an event unfolds, real-time alert updates provide enterprises with the clarity they need to form, adapt, and manage their response. But exactly how do risk professionals leverage RTI in their workflows? And perhaps most importantly, how is the term real-time information used within organizations? We found:

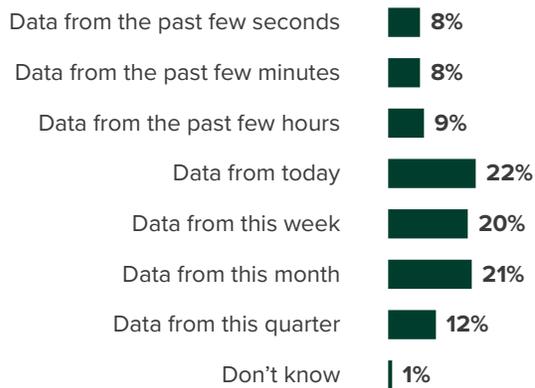
- › **Harnessing the power of RTI is critical for effective risk detection and response.** Firstly, enterprises recognize that given these changeable and uncertain times, speed in response to these risks is not a luxury; it is a necessity. In turn, we found that 82% of enterprise risk professionals believe having visibility and insights around RTI is more necessary today than ever before. In addition, nearly eight in 10 (77%) risk decision-makers plan to leverage more risk management solutions.
- › **There’s no commonly agreed upon definition of what constitutes RTI.** Before we supplied respondents with questions about how they utilized RTI in their current risk workflows, we wanted to understand how the term is currently understood within their organizations. We found there is a fundamental misunderstanding when it comes to what RTI is: 75% believe that RTI is data that’s received in either the span of a day or longer (Figure 1). While only 16% believe that RTI is data that’s been received within the past few seconds or minutes. These responses show a clear disconnect from those that have an *accurate understanding* of RTI vs. those that have an *inaccurate understanding* of RTI. And the results clearly show that a significant portion of our survey respondents have an inaccurate understanding of RTI. We will explore key distinctions between these two groups further below.



Our definition of **real-time information (RTI)** is the alerting on events in the seconds or minutes after they happen. This provides decision-makers with context and clarity as an event unfolds so they can respond quickly.

Figure 1

“Think about how ‘real-time information’ is referred to in your organization in particular, which of the following comes closest to the definition within your organization?”



Base: 410 risk and compliance decision-makers at companies with \$500M+ annual revenue in the US, UK, or ANZ
Source: A commissioned study conducted by Forrester Consulting on behalf of Dataminr, November 2020

› **Most respondents leverage RTI to understand and interpret events, rather than to act on them.** Our surveyed risk professionals report that they are using RTI to primarily identify and monitor risks. About half of enterprises (52%) use RTI to identify high-impact events or emerging risks, and 48% use it to continuously monitor existing risks (see Figure 2). While most organizations use RTI to understand and contextualize, only about 30% of respondents use it to take action. While crisis events and RTI are dynamic, Figure 2 shows that decision-makers’ responses often are not. When it comes to important response activities such as informing crisis communications (31%), impacting response plans as events unfold (30%), and assessing impact (30%), RTI is not reaching everyone who most needs it. This suggests that enterprises may be taking an approach to their responses that is either too static or too linear. Though all enterprises underutilize RTI when responding, we found that more mature risk organizations outpace low maturity enterprises when it comes to certain workflows, including informing crisis communications (37% vs. 21%, respectively) and impacting response plan as events unfold (32% vs. 17%, respectively).²

75% believe real-time information (RTI) is data that’s been received within a day or longer.

Figure 2

“In general, how does your organization use real-time information within your risk and security processes and workflows?”



Base: 410 risk and compliance decision-makers at companies with \$500M+ annual revenue in the US, UK, or ANZ
Source: A commissioned study conducted by Forrester Consulting on behalf of Dataminr, November 2020

DID YOU KNOW?

WHAT FIRMS CONSIDER “REAL-TIME” INFORMATION DIFFERS BY ORGANIZATION

Along with operational maturity, an enterprise’s usage and understanding of the term *real-time information* serves as a good indicator of outcomes. Those who define the term in their organization as data being received within minutes or seconds are determined to have an accurate understanding. And as such, they have more confidence in their use of RTI and expect more business benefits from a real-time risk management solution than their counterparts do. Enterprises with an inaccurate view of the term (i.e., those that believe RTI is defined by data that’s received within hours or longer) are more likely to experience challenges with absorbing, using, and scaling RTI to respond to risks. For more information on these groupings and their differences see Figure 3 below.

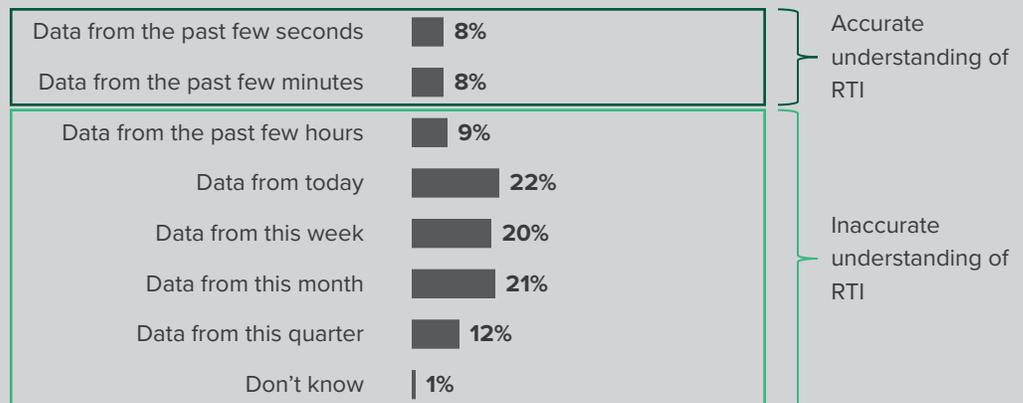
Figure 3

Enterprises With An Accurate Understanding Of RTI Outpace Those With An Inaccurate Understanding



Accurate Vs. Inaccurate Understanding Of RTI: Defined

“Think about how ‘real-time information’ is referred to in your organization in particular, which of the following comes closest to the definition within your organization?”



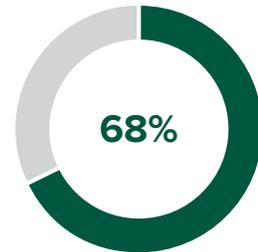
Base: 410 risk and compliance decision-makers at companies with \$500M+ annual revenue in the US, UK, or ANZ
 Source: A commissioned study conducted by Forrester Consulting on behalf of Dataminr, November 2020

Inflexible Technologies And Siloed Processes Make Real-Time Information Less Accessible When Needed Most

Organizations realize that RTI and its insights are integral to a world that's emerging from the pandemic. Most leverage RTI to understand and contextualize their data, but deriving actionable insights and accessing those insights is often a different story. Many of the teams across an enterprise responsible for managing risk still lack the organizational structures, processes, and technologies they need to most efficiently gather information and effectively interpret insights. Challenges in these areas lead to costly vulnerabilities for enterprise risk management organizations. We found:

- **Most enterprises find RTI access to be siloed.** Sixty-eight percent of risk decision-makers find RTI access to be generally siloed in their organizations, and 73% of high maturity enterprises also find this to be true (see Figure 4). We see two important reasons why this might be the case. First, Figure 2 shows us how RTI is less likely to be utilized to inform response, yet it is leveraged when it comes to earlier parts of the risk workflow, i.e., the identification, preparation, etc. This points to a breakdown in information access at different points of the workflow. Second, the silos might be caused by those departments that have (or do not have) a seat at the table. We found that only 33% of risk decision-makers included the corporate communications department, and 43% included human resources/ employee experience (HR/EX) in their crisis response teams.
- **Breakdowns in teams and processes highlight culture issues.** Risk management is a team sport. Modern, culture-driven teams and practices must prioritize collaborative communication, visibility, and investment in process and technology innovation to make better, faster decisions. Instead, our study found that 50% of enterprises currently find their company culture to be a challenge when it comes to operationalizing RTI. With culture serving as a challenge, it is no surprise that teams and processes follow suit. Inflexible teams and a lack of cross-functional collaboration pose costly challenges when it comes to operationalizing RTI: Over half (55%) find cross-functional collaboration challenging, and 50% find process efficiency challenging. In addition, only 30% feel very confident that their organization has suitable processes in place to accurately obtain an early view of unexpected events (see Figure 5).
- **Inflexible technologies make it difficult to obtain an early view of unexpected events.** Risk leaders are also less confident that they currently have the necessary technologies to accurately obtain an early view of unexpected events, with only 29% who feel very confident in this matter. Inflexible technologies pose a costly challenge to low and moderate maturity firms. We found that 24% of low and moderate maturity firms are very confident in their technologies, versus 38% of high maturity firms. Inflexible tooling is the top challenge to operationalizing RTI (52%). Again, maturity serves as a helpful predictor here: Low maturity firms are even more burdened by inflexible tooling (59% vs. 47% of high maturity organizations).

Figure 4
Access To RTI Is Siloed



Agree/strongly agree that access to RTI is generally siloed (where one team is gatekeeper and forwards information selectively)

Base: 410 risk and compliance decision-makers at companies with \$500M+ annual revenue in the US, UK, or ANZ
Source: A commissioned study conducted by Forrester Consulting on behalf of Dataminr, November 2020

Only 29% of firms feel very confident that they have the technologies to accurately obtain an early view of unexpected events.

› **Enterprises are less confident in their ability to prepare and derive insights from RTI.** It is perhaps the lack of confidence in processes and technologies that makes it difficult for firms to derive insights to make an effective response. Only 24% feel very confident they can derive insights from RTI to effectively respond. Full confidence is also lacking when it comes to identifying both an emerging risk (28%) and RTI (30%). Again, risk decision-makers demonstrate how confident they are in relation to where they spend their efforts: namely, identifying, collecting, and monitoring information. Meanwhile, they are less confident with deriving insights, and they struggle with assessing and interpreting what the RTI really means. Truly unlocking the power of RTI means enterprises can leverage technology to increase the quantity, frequency, and breadth of events covered, so decision-makers have better information and, in the end, can make better decisions.

Figure 5

Inflexible Tools and Processes Pose Challenges

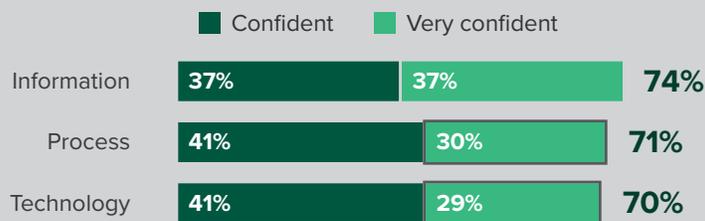
“How challenging are the following when it comes to operationalizing real-time information in your organization, if at all?”

(Showing % Challenging and Very Challenging)



Only **24%** are very confident they can **derive insights from RTI** to make an effective response.

“How confident are you that your organization has the technologies, processes, and information to accurately obtain an early view of unexpected events?”



Base: 410 risk and compliance decision-makers at companies with \$500M+ annual revenue in the US, UK, or ANZ
 Source: A commissioned study conducted by Forrester Consulting on behalf of Dataminr, November 2020

Invest In A Real-Time Alerting Solution To Efficiently Manage Risks

Risk management professionals are tasked with not only the development of robust strategies, but also with ensuring that they have the expertise, processes, and technology in place to keep people, assets, and businesses safe. Risk-resilient organizations should look for solutions that meet their organization's unique challenges, while freeing up time to spend on analysis, response, and proactive decision-making. Enterprises are prepared to make necessary investments for a real-time risk management solution that meets their needs. We found:

- › **Firms are prioritizing real-time risk management solutions.** Over four in 10 (44%) risk professionals plan to either implement or expand the implementation of a real-time alerting platform solution that helps them to do their job. Moreover, another 44% already have a platform in place. We can clearly see the value that the overwhelming majority of risk professionals place on this type of solution.
- › **Accessibility, ease-of-use, and technology flexibility are key.** Enterprise risk leaders seek ease-of-use and flexibility in a real-time risk management solution (see Figure 6). Risk leaders are interested in leveraging and scaling a solution that is easy to use and works well with their current technologies and workflows. Due to the challenges which are faced by many enterprises, simplicity, intuitiveness, and flexibility are key in a real-time solution. An ideal solution should enable RTI to be accessed and operationalized by the departments across the company that are responsible for managing the specific risks involved.
- › **Risk leaders seek speed, response, and resilience from a solution.** Most leaders expect specific business and technical outcomes that might sound familiar: speed, response, operational efficiency, and business continuity from scaling a real-time risk management solution across the enterprise (see Figure 6). The most important technical benefits that leaders seek center on enabling an effective response with speed, including access to the most advanced AI for real-time alerting (41% overall and 55% among high maturity organizations). In addition, focus on business continuity and operational efficiency increases with maturity; 63% of high maturity enterprises expect business continuity, and 61% expect operational efficiency, as opposed to low maturity organizations with 29% and 38%, respectively.

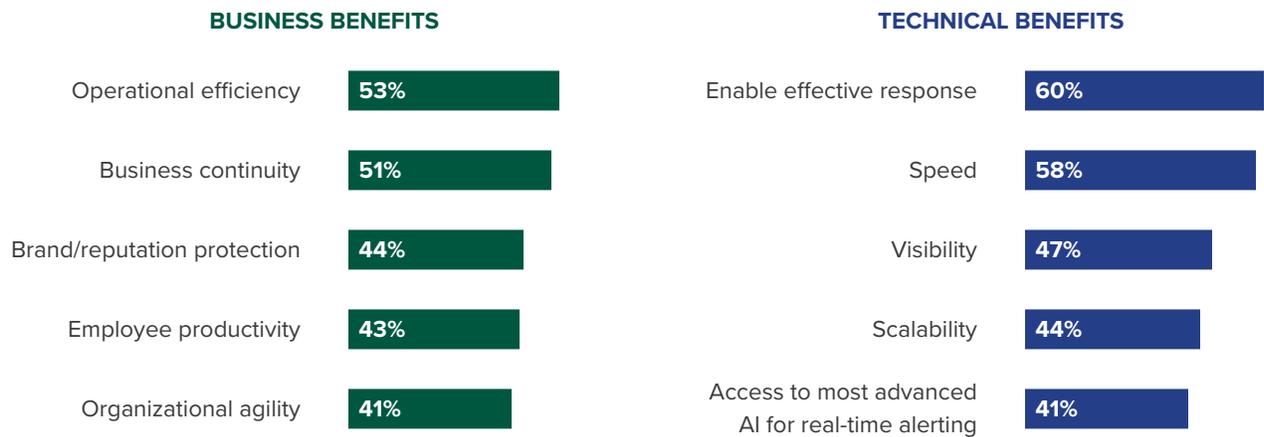
41% of risk decision-makers expect access to the most advanced AI for real-time alerting as a technical benefit of a real-time alerting platform solution; this increases to 55% amongst decision-makers in high maturity organizations.



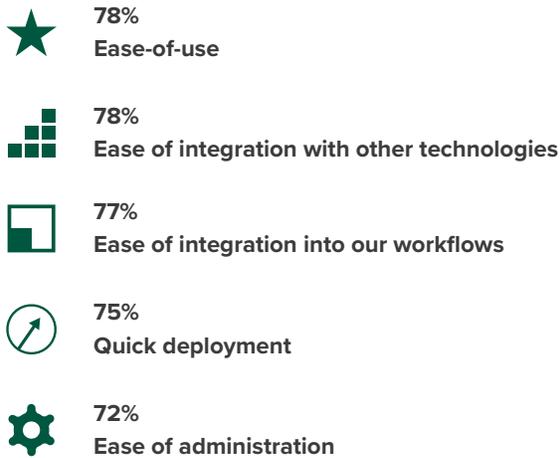
44% of risk decision-makers plan to either implement or expand the implementation of a real-time alerting platform solution.

Figure 6

Expected Benefits From Scaling A Real-Time Alerting Platform Solution



“How interested would you be in the following capabilities/functionalities in a potential integrated, real-time risk management solution?”



Base: 410 risk and compliance decision-makers at companies with \$500M+ annual revenue in the US, UK, or ANZ
Source: A commissioned study conducted by Forrester Consulting on behalf of Dataminr, November 2020

EXPECTED BENEFITS DIFFER BY ORGANIZATIONS' UNDERSTANDING OF REAL-TIME INFORMATION

Expected benefits that risk leaders seek also vary by their understanding of RTI. Our study found that those with an accurate understanding of RTI expect enhanced value from a real-time alerting platform solution, including:

- › **Competitive advantage.** Those with an accurate understanding expect a competitive advantage from a real-time alerting solution (48% vs. 34% who misunderstand RTI).
- › **Visibility.** Fifty-eight percent of those with an accurate understanding expect enhanced visibility, as opposed to the 44% who have an inaccurate understanding of RTI.
- › **Scalability.** Those with an accurate understanding RTI outpace their counterparts when it comes to expecting scalability (57% vs. 42%, respectively).
- › **Access to most advanced AI for real-time alerting.** Besides high maturity organizations, we also have seen a focus on access to the most advanced AI for real-time alerting among those with accurate understandings of RTI (55% vs. 39% of those who misunderstand RTI).

Key Recommendations

Forrester's in-depth survey of professionals responsible for mitigating and managing enterprise risk across the risk management workflows in their organizations yielded several important recommendations:



Firms must anticipate the unknown, and not just respond to it. Global uncertainty, ecosystem complexity, and digital transformation shape new business conditions. RTI allows firms to proactively respond to events as they unfold, as opposed to reactively taking action. Firms that maintain the status quo and reactively respond will struggle to keep up with the proliferation of new and evolving threats to their business.



Wide-ranging disruption requires timely, contextual crisis response. Unanticipated events come in many forms, and they can adversely affect people, assets, and operations. Firms' abilities to access, and quickly respond to, real-time, relevant information will make the difference between disruption and resilience.



Empower response teams with relevant RTI. Help enterprise risk teams to assess and prepare for crisis events by enabling access to RTI. The effectiveness of mitigation and response efforts hinge on the timeliness and relevance of insights.



Enhance communication of risks to avoid information silos. Make all business functions a part of the enterprise risk management process. Drive collaboration by removing silos to real-time intelligence and sharing information with a cross-functional task force.



Invest in AI-powered automation to increase business resilience. Mature enterprises leverage RTI to inform workflows at various stages of planning, monitoring, assessment, and response. Equip your risk teams to respond confidently with technology and automation to operationalize RTI.

Appendix A: Methodology

In this study, Forrester conducted an online survey of 410 risk and compliance decision-makers in the United States, United Kingdom, Australia, and New Zealand. This study evaluated current risk management priorities and practices, and how real-time information (RTI) is utilized for decision-making in risk management and crisis response. Survey participants included decision-makers responsible for identifying and managing enterprise risk and responding to crises at companies with \$500 million (USD) in annual revenue or above. Questions provided to the participants asked about current risk workflows, performance, and challenges when it comes to identifying and managing risks in their organizations. Respondents were offered a small incentive as a thank-you for time spent on the survey. The study began and was completed in November 2020.

Appendix B: Demographics

GEOGRAPHY



43% US
37% UK
20% ANZ

ANNUAL REVENUE



34% \$500M to \$999M
41% \$1B to \$5B
25% >\$5B

SENIORITY



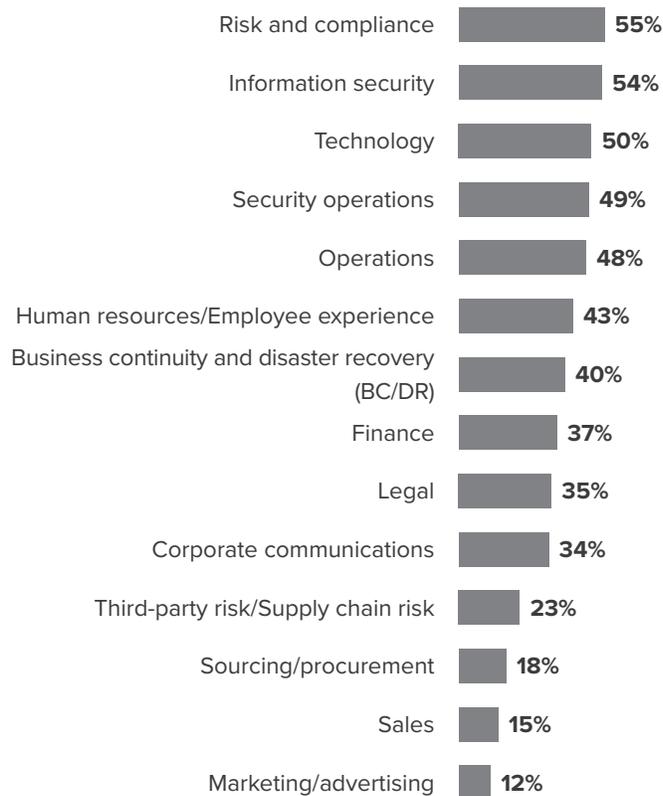
23% Manager
38% Director
23% Vice president
16% C-level executive

CRISIS RESPONSE PROGRAM RESPONSIBILITY



19% Decision-influencer
39% Part of team
42% Final decision-maker

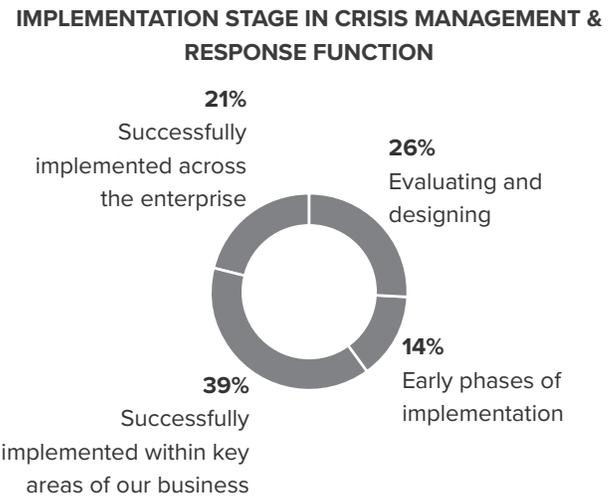
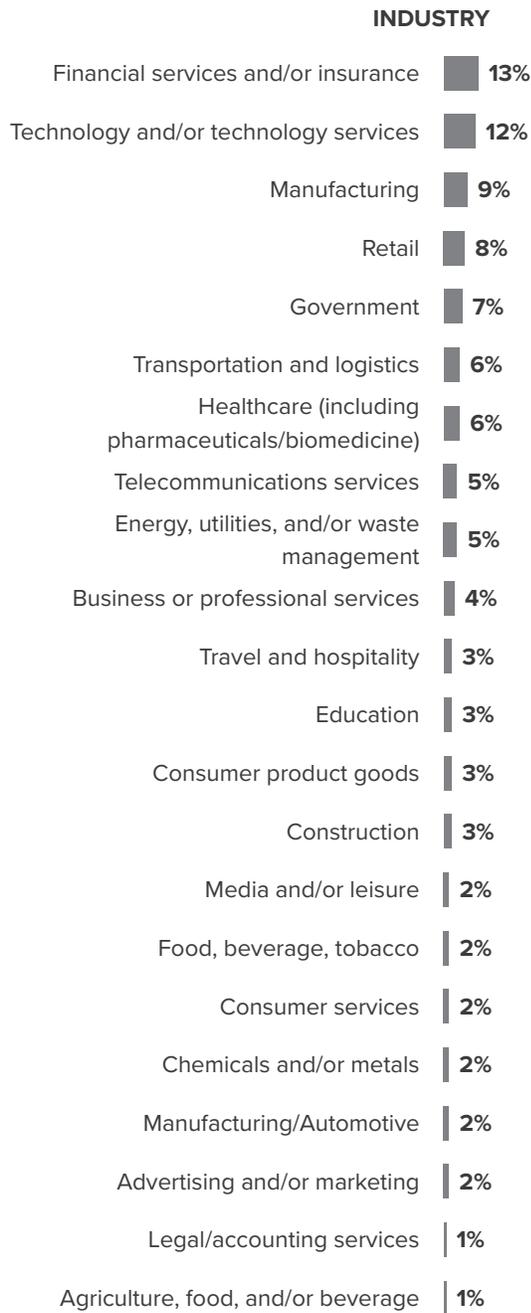
PARTICIPATION IN CRISIS RESPONSE TEAMS



BUSINESS AREA/DEPARTMENT



Base: 410 risk and compliance decision-makers at companies with \$500M+ annual revenue in the US, UK, or ANZ
 Source: A commissioned study conducted by Forrester Consulting on behalf of Dataminr, November 2020



Base: 410 risk and compliance decision-makers at companies with \$500M+ annual revenue in the US, UK, or ANZ
 Source: A commissioned study conducted by Forrester Consulting on behalf of Dataminr, November 2020

Appendix C: Supplemental Material

RELATED FORRESTER RESEARCH

“Gauge Your GRC Program Maturity,” Forrester Research, Inc., November 6, 2020.

“Now Tech: Third-Party Risk Management Technology, Q3 2020,” Forrester Research, Inc., August 5, 2020.

“The Top Security Technology Trends To Watch, 2020,” Forrester Research, Inc., June 30, 2020.

Appendix D: Endnotes

¹ Source: “Now Tech: Third-Party Risk Management Technology, Q3 2020,” Forrester Research, Inc., August 5, 2020.

² High maturity organizations are those that categorized themselves as having “optimized” or “measured” enterprise risk management (ERM) efforts. Low maturity organizations are those that categorized themselves as having “non-existent or “ad hoc” ERM efforts. Moderate maturity organizations are those that categorized themselves as having “repeatable” and “defined” ERM efforts. Almost half (49%) of all enterprises have moderate maturity.