



2023

OnSolve Global Risk Impact Report

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Introduction

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Up to 10
physical threats
can occur
every minute.”

— 2023 OnSolve Global Risk Impact Report

A **tropical storm's high winds** cause power outages that bring operations to a sudden halt. Dips in voltage damage a manufacturing plant's controllers and work in progress, which creates a faulty product. Work-from-home employees face internet outages from the storm and customer support goes offline.

A **blizzard** on a major national highway halts traffic, stranding drivers in freezing temperatures for more than 20 hours. Travelers are unable to reach their destinations, many are at risk of hypothermia and medical emergencies as they run out of fuel and rescue teams are unable to reach them.

A **protest** a few blocks from a bank's headquarters worries onsite HR teams and employees feel unsafe leaving the office.

Physical threats such as these are becoming more common and more interconnected, according to the latest OnSolve® research.

Physical threats also cost many organizations millions of dollars. According to the [National Oceanic and Atmospheric Administration](#), damage from weather and climate disasters rose nearly 10 percent, from \$156 billion in 2021 to over \$171 billion in 2022, with numbers continuing to climb.

In support of this year's Global Risk Impact Report, data was analyzed from OnSolve Risk Intelligence stemming from more than nine million global events from January 1, 2021, to December 31, 2022, that had the potential to impact customers worldwide. The analysis illustrates trends and identifies both known and emerging issues organizations face from physical threats.

Our risk intelligence data reveals a significant increase in infrastructure and technology failures, transportation accidents and extreme weather events in 2022 compared to 2021.

The growing frequency of physical threats and their devastating impact creates a renewed sense of urgency for every organization — but urgency alone isn't enough. Our report reveals how finance, staffing and operations are all negatively impacted when hit with a crisis. Getting ahead of the increasing ripple effect from these risks requires a proactive approach to planning, mitigation and response.

This proactive approach must be a C-suite conversation. In the same way senior executives were involved in responding to the COVID-19 pandemic, which impacted all aspects of the business, leaders are now

asking for more insight into, and involvement in, crisis mitigation for other physical threats.

Despite the renewed sense of urgency, our data highlights that most organizations remain unprepared. To better understand how business leaders are dealing with increasing volatility uncovered by the risk data, OnSolve, in partnership with Censuswide, a leading global research company, surveyed 250 CEOs in the United States.

The survey found that even though nearly every participating CEO has dealt with a recent physical threat, most lack the knowledge, budget or strategic approach to manage them. Despite lessons of the past, evidence of the impact and pressure from a range of stakeholders, including boards of directors, most organizations are struggling to prioritize risk mitigation and crisis response.

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