Navigating the New Risk Landscape:

The ROI of Proactive, AI-Powered Risk Intelligence

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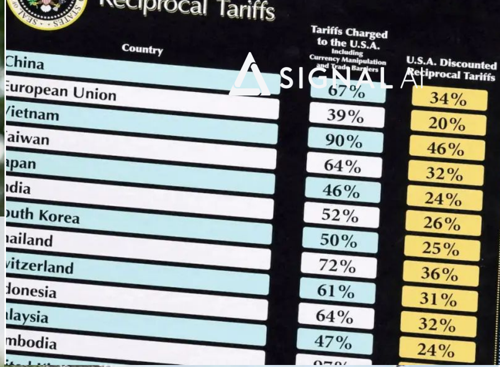
The old playbook for managing risk is **broken.**

With global volatility accelerating, threats now cascade across a company's operating markets with alarming velocity.

The traditional, siloed approach to enterprise risk management is broken, leaving boards exposed and investors uncertain.

AI-powered platforms offer continuous surveillance and dynamic assessments of the external risk landscape, transforming risk sensing from an ad-hoc tactic into a strategic competitive advantage.



External Intelligence Matters Now More Than Ever.

Hardik Mehta

Head of Risk and Statutory Compliance at
J.P. Morgan Chase

We lean a lot on these external signals. We are redesigning a critical infrastructure escalation protocol. Initially, this was very process-oriented, with a bi-weekly meeting for the Risk Committees and once a month going to CEOs, CIOs, and CTOs to show them the emerging risks. Now, the signals are nonstop. The need of the hour, especially in this geopolitical environment, is that companies need to first separate the wheat from the chaff. Then, answer how that impacts our business, assets, or portfolios. Finally, which lines of business need to be alerted immediately?

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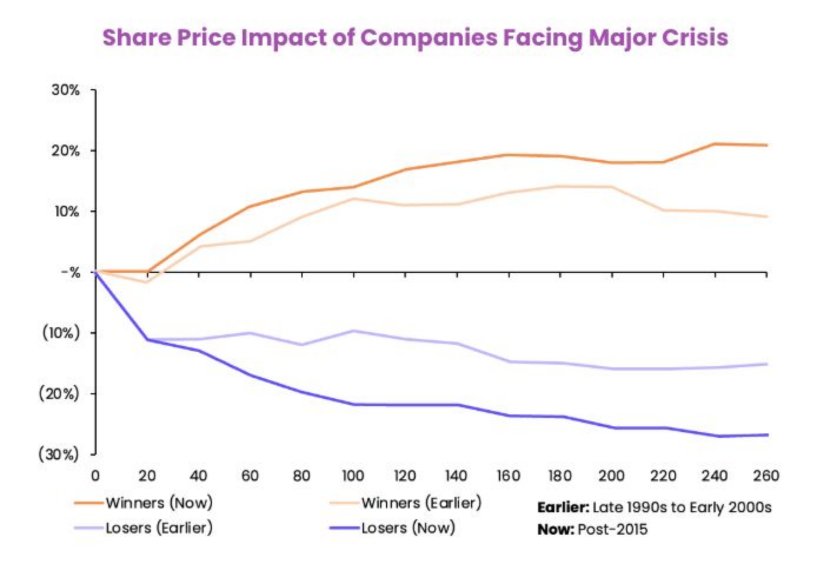
Transforming risk management starts with quantifying the impact

The ultimate impact of external risk management is seen in the stock price movement of public companies. Investors react to news that could impact their future earnings. These reactions are expressed in the daily volatility of a company's stock price.

Not all emerging risks are of equal size or severity. In this new world of global volatility, understanding the cost significance across all risk categories is the first step in aligning mitigation investment and strategies to the external threat.

The Signal AI Risk Intelligence platform measures emerging risks across 15 pillars. This paper explores the market impact of each risk pillar.



Risk crises have a material and growing impact on companies' share price - creating substantial "winners" and "losers"

Quantifying Risk

Is your external surveillance focused on the risks that matter most?

Bubble size represents the magnitude of the financial impact

Cyber Risk

If it were measured as a country, cybercrime — which is predicted to inflict damages totaling $10.5 trillion USD globally in 2025[1] — would be the world's third-largest economy after the U.S. and China[2].

$10 trillion

Cyber Risk: An Accelerating Threat

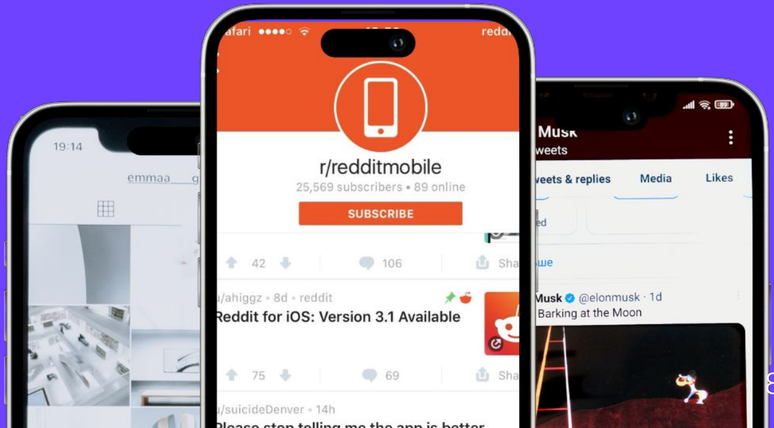
In Q1 2025, the average number of weekly **cyber attacks** per organization was **up by 47%** compared to Q1 2024, reaching 1,925 weekly incidents per organization[3].

By Q2 2025, the **global average rose to 1,984 weekly attacks** per organization, a 21% year-over-year increase, and **58% higher than in 2023**[4].

Ransomware attacks experienced a **126% surge**, with North America accounting for 62% of incidents in early 2025[3].

Combating Rising Cyber Attacks with Media Intelligence

According to an IDC report, **organizations adopting Social Media Intelligence detected up to 90% of zero-day cyber attacks, compared to only 50% for those not leveraging social feeds,** demonstrating a material improvement in detection capabilities[5].



Natural Disaster

The global cost of disasters is growing:
While the direct costs of disasters averaged $70–80 billion a year between 1970 and 2000, between 2001 and 2020 these annual costs grew significantly to $180–200 billion. When cascading and ecosystem costs are taken into account, disaster costs can exceed over $2.3 trillion annually[6].

So What?

During a natural disaster, media and social media monitoring provides *critical, real-time situational awareness.* This allows a business to track the cascading impacts on its supply chains, infrastructure, and operations, enabling a faster and more informed response.

URGENT: Tsunami Warning! Coastal areas of Japan. Seek higher ground **IMMEDIATELY.**

EARTHQUAKE ALERT: Magnitude 7.2 strikes central Mexico. Expect aftershocks. Check local emergency advisories.

FLASH FLOOD ADVISORY: Heavy rainfall across Northern Europe. Avoid low-lying areas and follow evacuation orders.

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How Monitoring External Intelligence Using AI Can Help With Risk Mitigation During Natural Disasters

Detection

When news of the earthquake broke in March 2011, Cisco's supply chain risk team immediately activated its crisis protocols to track the unfolding situation and its effects on suppliers, sub-tier vendors, and logistics partners across Japan[7].

Assessment

Within 12 hours, Cisco identified disruption impacts for over 300 suppliers—including sub-tiers that previously would have taken days or weeks to assess using manual methods—by monitoring online news bulletins, supplier social posts, and transport alerts [7].

Response

By rapidly rerouting orders and adjusting logistics, the company prevented production shutdowns and inventory shortages. This agile approach meant they suffered negligible financial impact from supply disruptions, giving them a significant advantage over competitors who relied on slower, traditional methods[7].

Governance & Regulatory Risk

70% of respondent organisations were involved in at least one regulatory proceeding in 2024, up from 61% in 2023[9].

45% expect investigations or proceedings to increase in the next 12 months[9].

Many regulatory proceedings involve oversight of executive actions or board oversight — so this suggests **more opportunities or pressure for executive/board level scrutiny**.

$300 Billion

US businesses spend roughly $300 billion annually on regulatory compliance[8].

Companies report that internal investigations are "on the rise" in the UK / Europe due to stronger regulation and more compliance expectations[10].

Higher regulatory expectations often mean board / senior exec involvement.

Whistleblower reports are at record highs. Substantiation of these reports has reached a median "all-time high" (46%) in 2024[11].

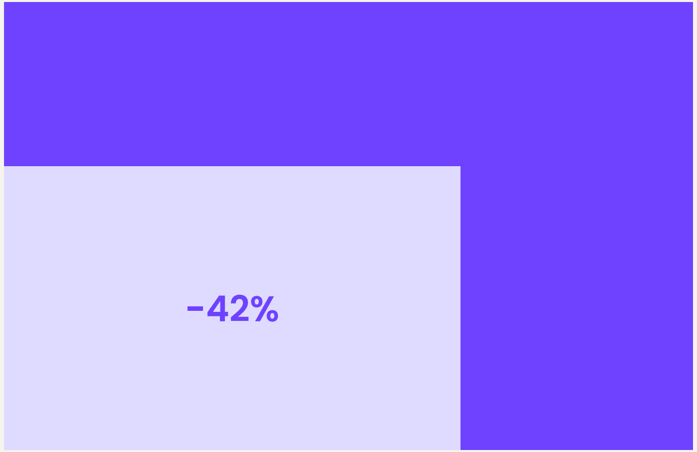
Environmental Risk

€268 - €428B

The economic externalities of industrial pollution, including spills, remain high, with air pollution costs from top European plants alone reaching €268 to €428 billion annually and similar costs from hazardous spills adding to these figures [12].

Supply **Chain**

Companies can lose up to 42% of a year's EBITDA due to a single major disruption—particularly those without diversified sourcing or agile production strategies[13].



Global supply chain disruptions cost multinational businesses approximately $184 billion annually, driven by raw material volatility, shipping delays, and rising logistics costs[14].

Activism & Boycotts

Goldman Sachs estimates that foreign boycotts could shave 0.1% to 0.3% off US GDP in 2025, registering a hit between $28 billion and $83 billion based on current growth estimates of $27.7 trillion[15].

External intelligence helps companies mitigate the risks of activism and boycotts by:

- Providing an **early warning** of brewing boycotts by detecting negative narratives and activist chatter *before* a campaign goes viral.
- Offering **real-time awareness** of a boycott's momentum, scale, and the specific grievances driving public sentiment.
- Informing a **smarter response**, allowing you to address the core issues and measure the impact of your actions in real time.

The ripple effect of Bud Light's influencer partnership gone awry:

01

Boycott

Bud Light agreed a partnership with media influencer Dylan Mulvaney. It didn't go down well with their customer base, causing a brand boycott.

02

Governance Issue

Executives faced criticism from multiple sides—alienated core consumers, frustrated stakeholders, and advocacy groups pushing for more inclusive representation.

03

Human Rights Issue

Executives fired staff and left Dylan Mulvaney to fend for themselves. The Human Rights Campaign suspended its Corporate Equality Index score - a tool that scores companies on their policies transgender and queer employees.

04

Security Issue

Bomb threat made to Budweiser's Van Nuys factory.

05

Finance Issue

Bud Light parent Anheuser-Busch's stock lost $27B over Dylan Mulvaney. WIth lasting long term effect on their reputation.

Industrial Accidents

US companies spend $50.87 billion per year on the top ten causes of serious workplace injuries, which include overexertion ($13.7B), falls on same level ($10.5B), struck by objects/equipment ($11.6B), and other industrial accidents[16].

$50.87B

per year

How Can External Intelligence Help?

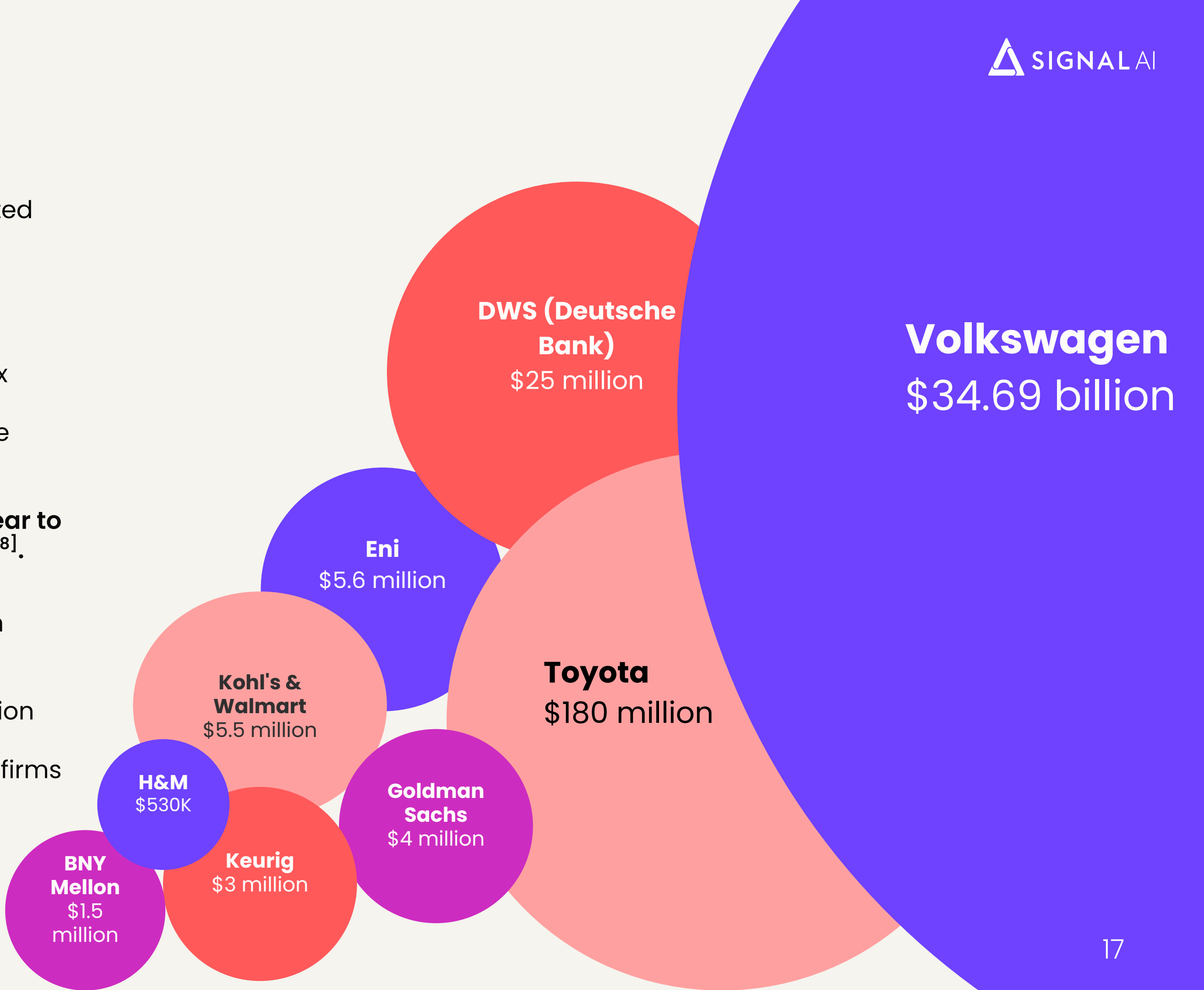
Reputational Impact: We quantify the reputational damage by tracking the volume of negative news, the spread of social media conversations, and the shift in public sentiment.

Operational Awareness: Local news and trade publications often report on facility shutdowns or union responses faster than official channels. This is crucial real-time intelligence for competitors and supply chain partners.

Early Warning System: Chatter among employees on social media about unsafe conditions or a small story in a local paper about a near-miss can be faint signals of a much larger impending risk.

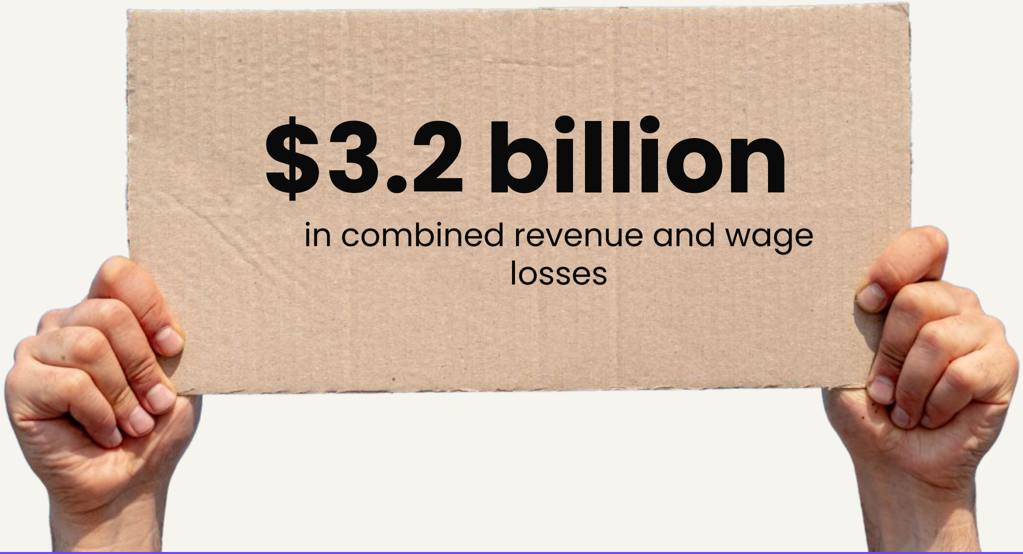
Greenwashing

- The number of climate change-related court cases worldwide more than doubled between 2017 and 2023[17].
- Between 2015 and 2024, 276 climate-related cases reached apex courts – such as supreme and constitutional courts – globally. More than 80% of these cases involve government defendants, but **cases against corporate defendants appear to have a higher overall success rate[18].**
- Around **20% of climate cases filed in 2024 targeted companies, or their directors and officers**. The range of targets of corporate strategic litigation continues to expand, including new cases against professional services firms for facilitated emissions, and the agricultural sector for climate disinformation[18].



People & HR

In 2024, manufacturing industry strikes involving 38,000 workers resulted in $3.2 billion in combined revenue and wage losses, reducing the industry's economic output by 0.04%[19].



In 2023, auto workers from the UAW launched a historic "stand-up" strike against Ford, General Motors, and Stellantis...

How External Intelligence Monitoring Could Help:

Early Warning System: By tracking online conversations in employee forums and social media, companies could have detected rising worker discontent and the new union leadership's strategy long before the strike, allowing for earlier, more proactive negotiations.

Real-Time Sentiment Analysis: Monitoring public and media sentiment would have immediately shown that the automakers' arguments about corporate finances were failing and that public sympathy was overwhelmingly with the workers. This would have enabled a rapid pivot in communication strategy.

Counter-Narrative Development: Understanding the specific UAW talking points that resonated most with the public (e.g., "corporate greed," "record profits") would have allowed the companies to craft a more empathetic and effective response that addressed these points directly, rather than simply reacting.

Geopolitical & International Trade Risk

$1B

The US government has levied over $1 billion in fines in recent years for export control and sanctions violations, indicating high financial penalties for noncompliance[20].

0.5%

US real GDP growth was projected to be 0.5 percentage points lower in both 2025 and 2026 because of tariffs and retaliatory measures, equating to a persistent long-run reduction of 0.4% in GDP, or roughly $115 billion annually[21].

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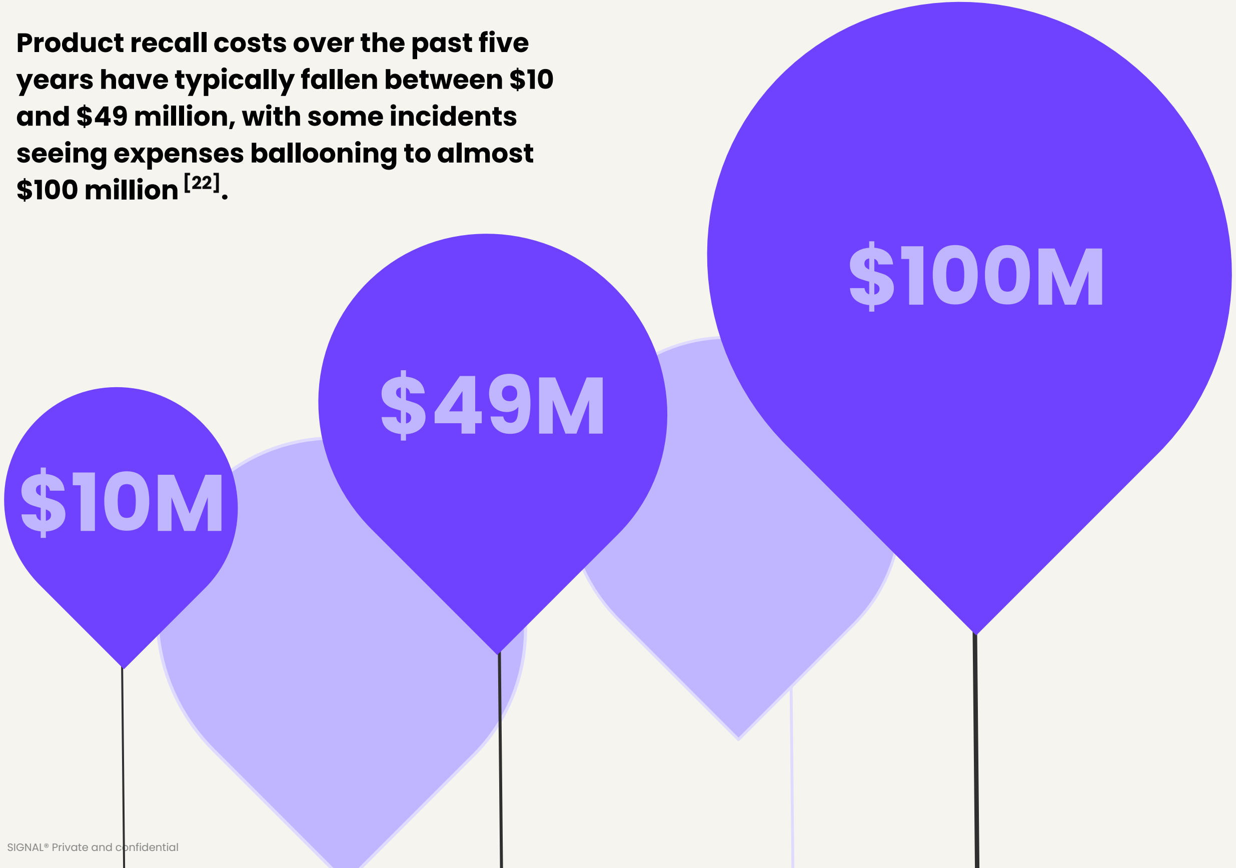
Product Incidents

Product recall costs over the past five years have typically fallen between $10 and $49 million, with some incidents seeing expenses ballooning to almost $100 million [22].



Case in Point

The recall of two million Cosori air fryers is a classic example of a predictable crisis. Long before the official announcement, customer complaints about melting plastic and smoke were already surfacing in product reviews and on social media - clear, early signals of a widespread defect.

By catching these trends, the company could have launched a proactive investigation months earlier, contained the recall to a smaller batch, and managed the crisis before it escalated publicly. **This is how external risk intelligence turns scattered online chatter into actionable, preventative intelligence.**

Financial Distress

Business insolvencies rose +10% in 2024 and expects a further +6% in 2025 (and +3% in 2026)[23].

That is a multiyear acceleration consistent with **higher rates** and **geopolitical friction driving corporate stress.**

How External Intelligence Helps Mitigate Financial Risk:

- **Monitor Counterparty Health:** Track news on key suppliers and customers for early warnings of financial distress like layoffs or credit downgrades.
- **Anticipate Market Shocks:** Analyze real-time media coverage of geopolitical and economic shifts to preemptively address market volatility and supply chain risks.
- **Control the Narrative:** Manage investor and creditor confidence by tracking sentiment and responding to speculation during periods of financial stress.

Tax Risk

Change is the only constant.

Global Minimum Tax

Creates a *minimum effective tax rate* regime (15%) that will raise tax bills for multinationals operating in low-tax jurisdictions and reduces benefits from aggressive profit-shifting. The OECD's model rules and commentary have been published and many jurisdictions are implementing related legislation[24].

Wider Digital/Local-Revenue Taxes and VAT on Digital Services

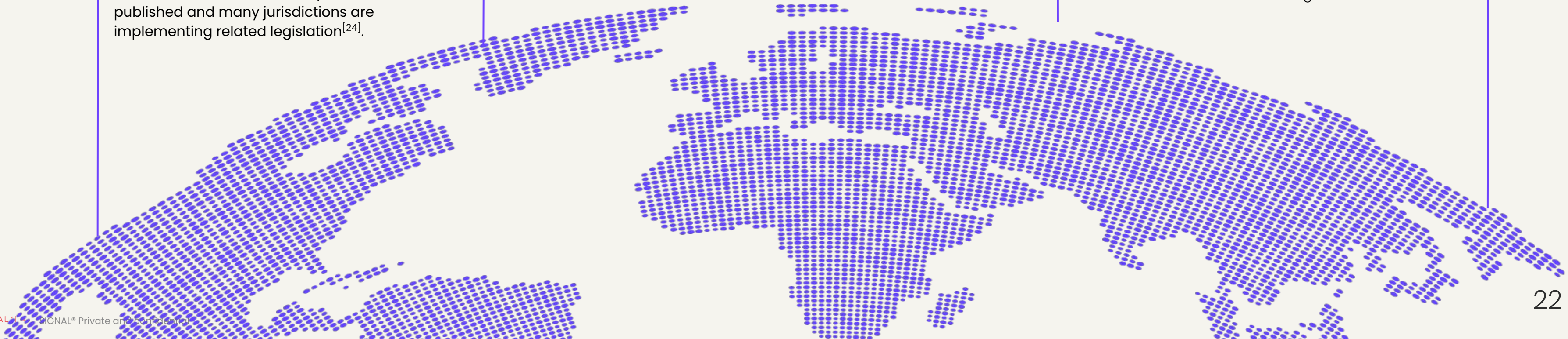
Many countries continue to introduce or renew DSTs, local digital VATs and other levies aimed at big digital players — these impose extra compliance and cash-tax burdens on multi-jurisdictional businesses. Examples include recent laws in the Philippines, proposals or laws in Australia, and multiple EU member plans[25].

Greater Enforcement and Transfer-Pricing Scrutiny

OECD and national administrations have stepped up exchange of information, audits and dispute activity as BEPS 2.0 is implemented; that raises audit-risk and the prospect of retrospective tax adjustments[26].

Domestic Law Changes that Raise Foreign-Income Taxation

Several important jurisdictions (notably the U.S. in 2025 legislation) have changed their international tax regimes (e.g., GILTI / renamed NCTI, BEAT changes) which effectively increase the tax on foreign earnings of resident MNEs[27].



Unexpected tax liabilities from legal or compliance failures can inflict severe financial, reputational, and regulatory damage.

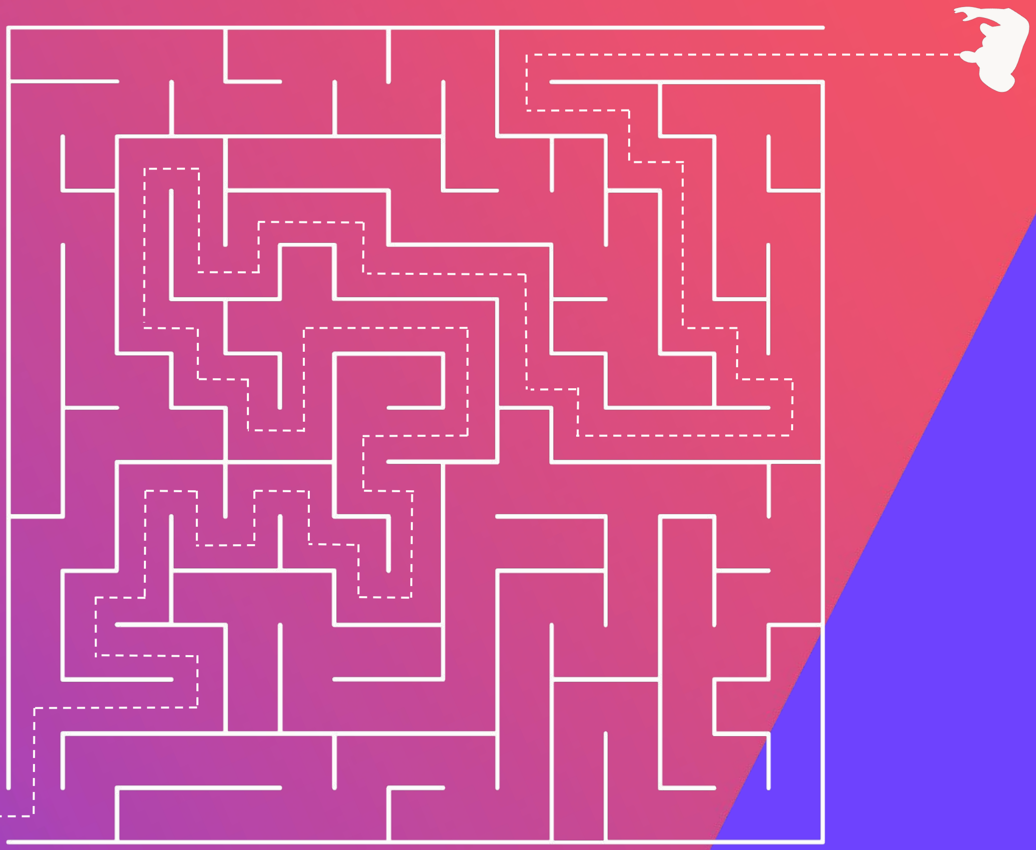
In 2016, the European Commission ruled that Apple owed Ireland €13 billion (approximately $14.5 billion) in back taxes, stating that Apple had received illegal state aid through preferential tax treatment[28].

This dispute arose due to transfer pricing arrangements, where Apple allocated profits to subsidiaries in Ireland taxed at unusually low rates, a practice the EU deemed to distort competition[28].

The risk materialized into enormous financial liability for Apple, with possible fines, back payments, and interest charges significantly impacting its financial statements[28].

Beyond direct costs, Apple faced reputational risk, increased scrutiny from tax regulators globally, and had to revise its tax strategies and provisions, affecting investor confidence.

~~So What?~~
What Now?



A new risk playbook.

The era of predictable, siloed risk is over. Today's business landscape is defined by a new velocity of interconnected threats, where a supply chain disruption in one continent can trigger a reputational crisis in another overnight. As this report has demonstrated, the financial and operational consequences are not abstract—they are measured in the billions and trillions of dollars.

The reliance on manual processes, outdated data, and under-resourced teams guarantees that an organization will always be one step behind.

The solution is a strategic shift from a defensive posture to one of proactive, AI-powered external intelligence. This is a fundamental transformation in how organizations see, interpret, and act on the world around them. By leveraging AI to continuously scan the horizon, separate critical signals from the noise, and align external threats with internal priorities, businesses can do more than just protect value—they can create it.

Ultimately, the ability to anticipate and navigate volatility is the new competitive advantage. The future of resilient, successful enterprise belongs to those who can see what's next, and AI-powered intelligence provides the vision to do so.

Signal AI's Risk Framework

Horizon Scanning for Emerging Risks using AI

Risk, Planning & Reporting

Gain a real-time understanding of your risk profile by aligning external threats with your internal risk register. Benchmark your position against competitors to effectively re-prioritize your focus, allowing you to quickly report a complete 360-degree view to the Risk Committee.

Industrial Accidents	**Natural Disasters**	**Tech & Cyber**	**Supply Chain**	**Environment**
Equipment failed Unplanned Shutdown Workplace Accidents Workplace Fires or Explosions	Natural Disaster - Floods - Hurricanes - Droughts - Landslides	Cyber Attack Cybersecurity Data Leak Technology Disruption	IT System Outage Strikes & disputes Supply Chain Disruption Unplanned Shutdown	Environmental Spill Air pollution incident Greenwashing Claims
Product Incident	**Trade Risks**	**Activism**	**HR Risks**	**Geopolitical Risks**
Product Recalled Product Safety Investigation Product safety warning	Trade Sanctions Trade Policy Change	Consumer/NGO launch petition Consumer /NGO launch boycott Shareholder file class action	DEI policy/initiative elimination* Labour Exploitation People Diversity Issue Labour Strike Whistleblower Report Workplace Malpractice	Border Disputes Civil Protest Military Conflict or Escalation Political Instability Terrorism Threat Trade Agreement Change
Financial Risk	**Legal Risk**	**Governance Risks**	**Regulatory Risk**	**Tax Risk**
Credit Rating Downgrade Company Restructure	Investigation by Authorities Lawsuit Lost Patent Litigation Company Sued	AI misuse/ethics investigation Executive Insider Trading Executive Investigation Governance Reform Internal Investigation	Antitrust Investigation Company Failed Regulator Clearance Regulatory Fines Company Fined or Charged	Tax Evasion Allegation Tax Reform Change Tax Reform Review

Alerting & Response

Identify sudden increases in the likelihood of a risk occurring and get notified about emerging or evolving threats for an immediate response, which automatically re-prioritizes your Risk Matrix to the new risk.

Ongoing Risk Surveillance

Track known risks and monitor the occurrence of specific risk events in real time for your company and your competitors, while simultaneously detecting emerging new risks before they impact the business.

Implement the ROI Framework

Our risk intelligence tells you what could change overnight. From supply chain disruptions to regulatory shifts, product recalls to cybersecurity threats—**we monitor the risks that can transform market leaders into cautionary tales.**

DEFINE APPROPRIATE KPIs

Our AI engine processes massive amounts of data from **226 markets** in **75+ languages**.

This provides a comprehensive, real-time view of the global risk landscape as it emerges.

30+ AI-TRAINED RISK CATEGORIES

Our AI models are trained to identify threats across **Geopolitical, Operational, Financial, Cyber, and Regulatory** events.

This industry-specific mapping ensures the analysis is always relevant to your unique vulnerabilities.

PREDICTIVE RISK SCORING

Our proprietary algorithm delivers predictive insights by scoring risks as they develop.

Scores are dynamically weighted based on **Frequency, Impact Severity, and Velocity** to let you act before a crisis hits.

Business ROI of AI External Risk Intelligence Solutions is Driven Multiple Factors:

Category	ROI driver	KPI	Metric	ROI impact
Process Efficiencies	**Improved situational awareness**	30% improvement in detection rates	Number of new relevant entities/trends surfaced through AI monitoring that weren't caught via manual methods.	Client discovered 20+ high-impact stakeholders and NGOs in ESG discourse they had no prior visibility on.
	Reduction in time to escalate	47% reduction in incident response times	Tracking of time taken for internal/cross-functional teams to coordinate and implement mitigation/response plans	Large fmcg company reduced its time to implement a mitigation & communication plan by 2 weeks, in response to an emerging consumer boycott
Decision Making	**Faster decision-making**	Up to 50% time reduction in decision-making	Tracking of time taken to respond to key issues using manual methods vs. AI	A global bank reduced ESG policy monitoring lag from 5 days to 2 hours, resulting in a 60% faster escalation process.
	Accelerated mitigation	Costs reduced by about 30% in the first year	Breath of regulations, policies, risks and 3rd parties Signal can monitor	A global packaging business relies on Signal to track over 2000 regulators across 10 markets keeping them ahead of changes, rumours and consultations ensuring compliance
Business Impact	**Decrease in unplanned downtime**	40% decrease in unplanned downtime	Competition benchmarking before/after	A large industrial firm used Signal AI to detect early signs of a supplier scandal, allowing them to reallocate production earlier than competitors.
	Higher quality share price returns	20% decrease in # days > +/- 2 σ share price volatility	Reduction of number of days of elevated risk media coverage that results in violent share price volatility	Large cap reduces number of high volatility trading days, resulting in lower share price standard deviation than director competitors

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External Intelligence Matters Now More Than Ever.

Michael Rasmussen

Known as the "Father of GRC," Michael Rasmussen is an internationally recognized expert with over 30 years of experience. He developed the foundational GRC concept in 2002 while at Forrester Research. As a sought-after advisor, speaker, and author, he helps organizations worldwide design and implement GRC strategies to improve efficiency and resilience, influencing global best practices and regulations.

External risk intelligence like what Signal AI offers is definitely on my radar because we just can't keep up - there's so much out there coming at us from geopolitical risks, economic uncertainty, and climate issues, to third-party risk and reputation brand negative news, that we just can't sift through at all, we need AI for that external risk intelligence. I'm really seeing a lot of interest in the use of AI with digital twins to go through scenarios and modeling on risk impact on the business and its objectives.

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About Signal AI

Signal AI is a leading reputation and risk intelligence company helping business leaders make sense of the outside world. Our AI-driven technology provides real-time insights, from tracking sentiment to identifying emerging topics, to help you navigate industry trends, manage reputational shifts, and mitigate risks.

Signal AI's curated solutions empower C-suite leaders to spot critical signals in the external noise, allowing them to get ahead of risk and opportunity and make more confident decisions. Powered by Signal AI's proprietary AIQ, our platform analyzes external data across 226 markets and in 75 languages.

Signal AI is trusted by business leaders of the Fortune 500 with the vision to build an innovative, inclusive, and enduring company transforming how businesses make decisions. Learn more at signal-ai.com.

How Can Signal AI Help?

In an era of systemic volatility, static risk management is a liability. Signal AI provides the continuous, intelligence-driven monitoring you need to navigate this new landscape. While you're tracking geopolitical threats, we're identifying the financial fragility of your supplier's supplier and alerting you to the cyber vulnerabilities you can't see.

Request a demo →