



## 5x5 series: Insights and actions

# The connection between threat intelligence and risk management

Financial services leaders are rethinking their approach to risk to be broader by including outside-the-box approaches to identify, adapt, and respond to risk, including the development of a global strategic risk intelligence function.



### 5 insights you should know

**Risks are interconnected and emerging from diverse areas** (e.g., cyber, geopolitical, regulatory, health, climate, social media, physical, internal) beyond those traditionally considered risks to financial services firms. Traditional approaches to risk management may focus on risks in isolation without focusing on how they may be connected.

**New challenges require new initiatives**, so risk management needs to evolve to be proactive. A strategic intelligence function can help the organization reboot or rethink risk management operations.

**Outlier events (e.g., COVID-19) create openings** – the pandemic has increased opportunities for threat actors to disrupt business as usual. This dynamic landscape opens new opportunities for threat actors to attack.

**Board expectations are increasing** – shareholders and board members may hold risk functions accountable for responding to emerging risks, no matter how unforeseeable the event.

**Equip leaders with effective risk intelligence** – traditional approaches to risk management are inadequate to meet today's risks. Business leaders can make better decisions when equipped with strategic intelligence to understand how risk may impact products, employees, business lines, customers, and other key functions.

### 5 actions you can take

1

**Assess current risk capabilities across the risk function** to understand if it is capable of contemplating potential new areas of risk and whether it can facilitate an understanding of how a risk in one area may impact other risk areas (e.g., an organization pays hackers to unlock sensitive information; later it is discovered the payment funded terrorist activity causing reputational damage and potentially violating the PATRIOT Act).

2

**Reboot risk management** – consider expanding existing risk functions or create a new strategic intelligence function. The function should be armed with the ability to identify cross functional and interconnected risks and take proactive steps to address known risks, identify new potential risks, and plan for unexpected risks.

3

**Prepare for the unexpected** – one-time events are now occurring more than once (e.g., financial crises, natural disasters) and organizations need to determine whether they can respond by being agile and adjust to a shifting risk landscape.

4

**Continue to evolve** – risk functions must not only be forward looking but also continuously evolving to address the risks of the future before they materialize. Organizational leaders should be actively engaged with the organization's approach to risk.

5

**Consider building a strategic risk intelligence function** supported by data and technology to help leaders become more proactive by understanding what's coming and the potential impact of their decisions before they are made so they can make better, faster, and more informed risk response decisions.

### Learn more from these additional resources

- Strategic intelligence video series
- Rebooting risk management

### Connect with us

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