

Get a new perspective on risk

BSI Connected Risk Outlook Report 2026

Why static, siloed risk models are constraining growth – and how connected risk turns uncertainty into strategic choice



Your biggest risk may be the connection you cannot see

Organizations are under pressure to grow, but rising complexity and interconnectedness are slowing decisions and making disruption harder to contain. Decisions about new markets, AI, suppliers, and transformation increasingly cut across cyber, sustainability, regulation and operations – yet the evidence needed to make them remains divided between functions, systems, and periodic reporting cycles.

The business has become connected faster than the way risk is organized.

Leaders are struggling to keep pace with the volume, volatility and interconnectedness of change. When risks are assessed in isolation, organizations can remain trapped in reactive cycles: restoring business as usual while the dependencies that caused the disruption remain unresolved.

54%

say their supply-chain risk management is reactive vs proactive

38%

say organizational silos have impeded decision-making during disruption

44%

say slow or unclear approval processes have impeded decision-making during disruption

A technology exposure can interrupt operations, a supplier weakness can break customer commitments, and an unclear decision can delay a launch, expose revenue or surrender an opportunity to a faster competitor.

Organizations that connect evidence across the enterprise can identify which risks are worth taking, act sooner and pursue growth with a clearer understanding of the commercial trade-offs. In practice, that can mean quicker supplier onboarding, simpler assurance and faster AI adoption, giving leaders decisions they can explain and defend.

Hidden connections can also become leadership exposure. When consequences reach customers, regulators, investors or the public, leaders are judged on whether they saw the connections, understood the wider implications and acted early enough.

Risk management therefore shifts from a reactive constraint to a strategic enabler of growth, giving leaders a stronger basis for decisions they can explain and defend.



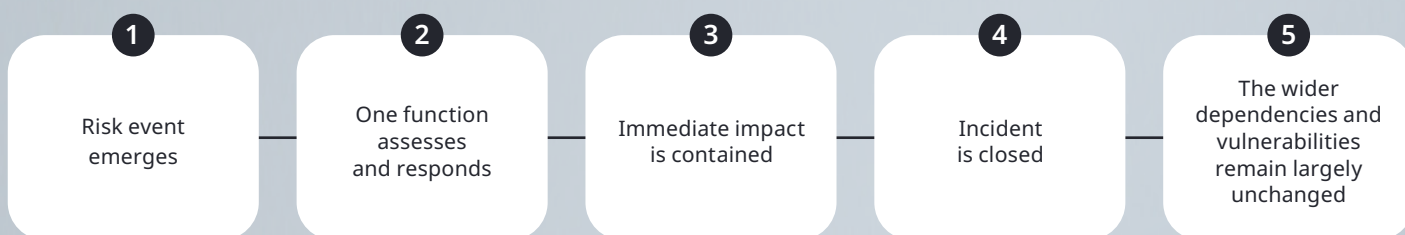
Source: BSI Research, September 2026

“The biggest risks occur at the interconnections between silos.”

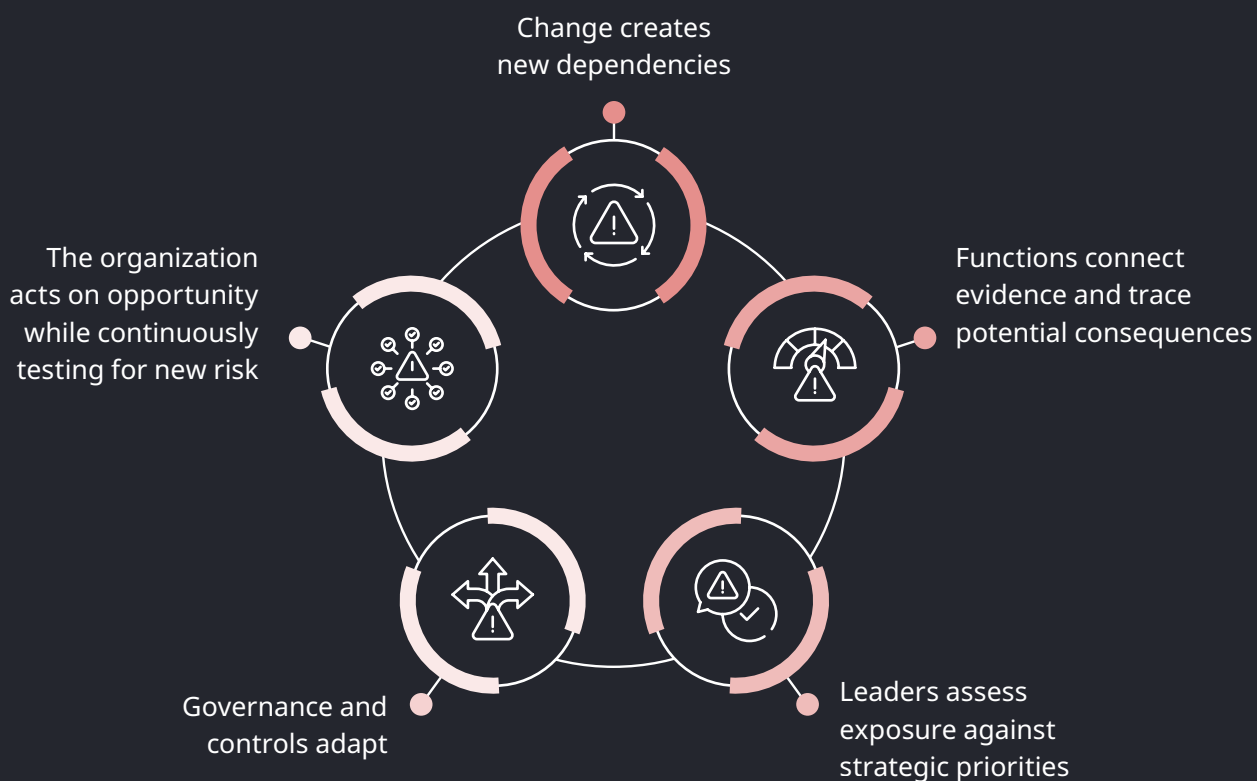
David Mudd,
Global Head of Digital Trust
Assurance, BSI

Risks can no longer be treated as isolated events. They intersect and compound, allowing one exposure to amplify another and create consequences far beyond where the risk is owned.

The traditional ‘reactive’ risk model



The new ‘enabling’ risk model



Continuous change exposes governance drift

Risk frameworks rarely announce when they become obsolete. AI adoption, acquisitions, suppliers, new markets, and transformation create new dependencies faster than ownership, reporting, and review cycles adapt. This creates governance drift: controls remain in place while their assumptions expire – slowing decisions and leaving leaders exposed to risks the existing model no longer reflects.

An AI tool approved to draft summaries may soon process customer data, create external communications, and inform operational decisions. AI has not introduced one standalone risk; it has amplified exposure across cyber, compliance, legal, operations and reputation.

If evidence remains fragmented, AI can accelerate a flawed decision before its wider consequences are understood. Leaders must be able to trace the evidence, assumptions, and human oversight behind that decision, and show how competing views were resolved.

If challenged later, leaders must show how evidence was connected, how competing views were resolved, and why the organization acted.

When governance keeps pace with the business, leaders can enter new markets, onboard suppliers, and scale technology without restarting assurance or debating ownership each time. Static controls cannot govern a continuously changing business.

Your risk model may no longer reflect your business if you have recently:

- ✓ Acquired other companies or entered new markets
- ✓ Adopted AI or migrated critical technology
- ✓ Changed suppliers, structures or operating models



Executive ask:

When did you last test if your risk model reflects the business you operate today?





Risk does not stay where it starts

The first impact is rarely the whole impact. In a connected organization, an operational issue can quickly affect customer commitments, contracts, revenue, market expansion, and reputation.

The strategic question isn't just "Where did the risk start?" but "What does the business depend on, and what could be affected next?"

Accountability follows the consequences – not the organizational chart.

83%

of organizations expect AI to improve supply-chain risk management

79%

also expect it to introduce new supply-chain risks

Source: BSI Research, September 2026

An example of how risk travels rapidly through the connected enterprise



**The first impact may be operational.
The next may be strategic.**

Restoring operations does not end the exposure. The more material consequence may appear later as a cancelled transaction, delayed expansion, lost customer or change in sourcing strategy. Connected risk means tracing the impact far enough to understand what it changes for the wider business – and giving leaders enough evidence to decide where they can proceed, invest or adapt before the opportunity passes.

Where do common risks intersect?

1. AI amplifies disconnected risk

AI increases the speed and reach of existing dependencies. When evidence and ownership are fragmented, it can accelerate a flawed decision, and multiply its consequences across cyber, compliance, legal, operations, and reputation.

2. Supplier dependencies turn commitments into commercial exposure

Corporate commitments increasingly depend on suppliers beyond the organization's direct control. One supplier issue can become a sourcing, disclosure and compliance failure – delaying production, and exposing revenue, customers, and reputation.

3. Transformation can leave controls without capability

Controls may remain while the knowledge needed to operate them disappears. When experienced people leave or move roles, teams can lose the judgement needed to challenge an output, assumption or escalation route, allowing issues to surface later, and weakening the value of transformation.

4. Fragmented regulation turns local requirements into enterprise complexity

Organizations must navigate compliance requirements that vary by market, industry and technology. When evidence and ownership are connected, leaders can compare obligations, avoid repeated assurance, and enter markets with a clearer view of exposure.



Executive ask:

When modelling disruptions, how far across the business do you trace the consequences?

Everyone can be right and the organization can still make the wrong decision

Procurement, cyber, operations, sustainability, and enterprise risk may each hold valuable information about the same supplier or decision. The problem is that individually reasonable assessments may never be reconciled into one enterprise view.

The risk of a new supplier may be assessed in several different ways:

- > Procurement: cost, capacity, and reliability
- > Cybersecurity: systems, data, and third-party technology
- > Sustainability and compliance: environmental, labour and regulatory requirements
- > Operations: continuity, quality, and delivery

Connected evidence shortens the path from assessment to action. It reduces repeated review and allows the business to approve suppliers, investments, and market moves with a clearer understanding of the trade-offs. Without it, each function can reach a defensible conclusion while the organization still misses how those conclusions interact. If the decision is later scrutinized, the test is whether leadership connected the evidence, resolved material differences, and reached a defensible enterprise decision.

85%

say supply-chain risk is treated as a shared responsibility and their organization acts in a coordinated way, yet

38%

report silos impede decision-making during disruption

83%

say they have timely, accurate data during a crisis, while

38%

have experienced lack of timely or accurate data as a decision-making barrier



Risk capability is not tested when information is plentiful and timelines are flexible. It is tested when there is a deal on the table, a customer waiting or an urgent deadline to decide.

Visibility is not alignment

Organizations have more dashboards and risk data than ever. But a shared platform cannot reconcile competing priorities, decide which commercial trade-offs are acceptable, or establish who has authority to act.

Organizations need decision architecture

Decision architecture defines who contributes evidence, who owns the final decision, how competing views are reconciled, how human judgement is recorded, and when an issue escalates. Establishing those rules early prevents the business from debating ownership and evidence requirements while a customer, deal or opportunity is at risk.

43%

of organizations rely on informal norms without a formal documented process when supply-chain risks arise, while

19%

say there is no defined approach, and individuals find their own way through the organization

That can mean:

- > Naming one accountable owner for cross-functional decisions
- > Bringing relevant evidence into a shared decision forum
- > Running reviews that test where risks and dependencies intersect
- > Recording material assumptions and disagreements, then retesting routes as the business changes

Decision friction is enterprise exposure.

Slow, repeated or untraceable decisions can deepen disruption, delay revenue, and allow opportunities to pass to faster competitors.



Executive ask:

If a major decision failed tomorrow, could we show what was known, where leaders disagreed, and why we chose to proceed?

Boards need to treat risk as a growth issue

Boards routinely ask where the business is taking too much risk. They should also ask where fragmented evidence and unclear authority are causing it to take too little – delaying technology adoption, market entry or supplier decisions.

In a connected enterprise, risk appetite cannot be separated from growth strategy.

Leaders need to distinguish between risks worth taking, those requiring stronger controls, and opportunities the business no longer needs to avoid. Many organizations already know where individual risks sit. The harder task is securing commitment and executing coordinated, long-term action across a complex enterprise.

Judgement matters when the answer changes

Leaders cannot wait for every uncertainty to disappear. Adaptive leadership requires both:

- Institutional memory with the willingness to challenge expired assumptions
- Clear accountability with cross-functional judgement
- Authority to act with the discipline to revisit decisions as conditions change

When business exposure becomes leadership exposure

When risk crosses functions, scrutiny crosses them too. Boards, investors, customers and regulators will ask what leadership knew, whether warning signs were connected, and why the organization acted – or did not. Leaders cannot predict every disruption, but they can ensure decisions draw on connected evidence, have clear ownership and can be explained and defended.

“Effective risk management enables growth, innovation and opportunity.”

Tony Pelli,
Practice Director, Supply Chain Resilience, BSI



Executive ask:

Where is an incomplete understanding of risk causing us to delay investment or avoid opportunities we should be taking?



The best risk management creates more options, not more restrictions

Risk management should show the business what it can do: enter markets, adopt technology, choose partners or continue operating through disruption.

The better an organization understands its dependencies and trade-offs, the more strategic options it has. Connected risk becomes a competitive differentiator by protecting value while accelerating innovation, investment and growth.



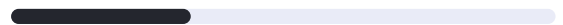
Executive ask:

What opportunity have we avoided because we could not understand the risk well enough?



Identifying an alternative is not the same as being able to act. If procurement, compliance, cyber, contracts and operations cannot reach a decision at the speed of disruption, the business may still miss customer commitments, lose revenue or surrender the opportunity to a more agile competitor.

Slow decisions create risk too



33%

of organizations say they can approve and onboard a new supplier or alternative route end-to-end in less than a week during disruption



44%

of organizations say slow or unclear approval processes have impeded decision-making

Governance is not a tax on speed

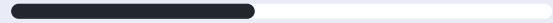
Governance becomes a constraint when functions add separate reviews, evidence requirements and escalation routes. The result is duplicated assurance and repeated debate whenever the business encounters something unfamiliar.

Effective governance does the opposite. It establishes boundaries, evidence requirements, decision rights, and escalation routes before pressure arrives. It removes ambiguity, not ambition.

It helps the business say yes – and creates an evidence trail leaders can stand behind.

What adaptive organizations do differently

- 1 **They look ahead and test assumptions**, using current signals to consider how exposure may change.
- 2 **They involve the right people early**, bringing risk expertise and shared evidence into strategic decisions.
- 3 **They treat risk as a board-level growth issue**, allocating resources according to the opportunity and value at stake.
- 4 **They change before pressure forces them to**, adapting governance or operations when new signals expose a dependency or opportunity.

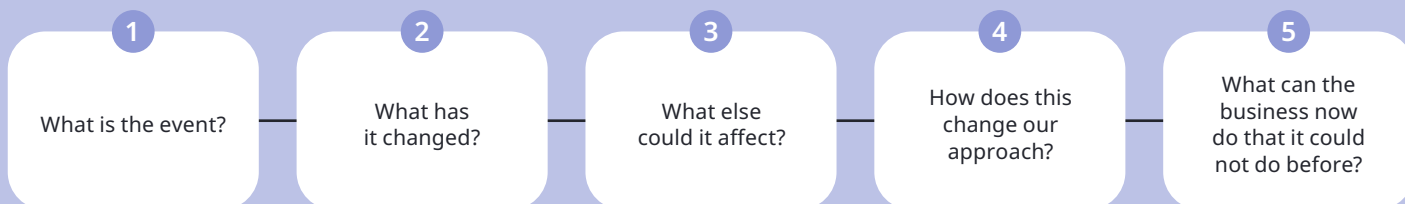


45%

of organizations say they intend to conduct cross-functional scenario planning, but this doesn't happen consistently

From risk management to decision intelligence

Connected risk insight is valuable only when it changes a strategic choice. Decision intelligence is about building a clear through-line from disruption to the impact on organizational strategy:



The question for leaders in 2026: “Can your risk model keep pace with the business?”

No organization can predict every disruption. AI, supply chains, regulation, and organizational change will continue to rewrite the assumptions beneath risk models.

The strategic advantage comes from recognizing how change alters exposure, tracing what could be affected next, and acting before uncertainty becomes commercial constraint.

For leaders, connected risk also provides a defensible basis for action: evidence they can trace, warning signs they can demonstrate were considered, and decisions they can explain to boards, investors, customers and regulators.

BSI works across standards, assurance, operational systems, and business improvement, connecting the structures organizations use to manage risk with how they perform in practice.

As an independent and impartial authority, BSI helps organizations test governance, connect evidence, and expose where fragmented approaches are hiding commercial risk. This enables leaders to protect value, act sooner and make decisions they can explain and defend.

Connected risk starts with understanding where these gaps exist

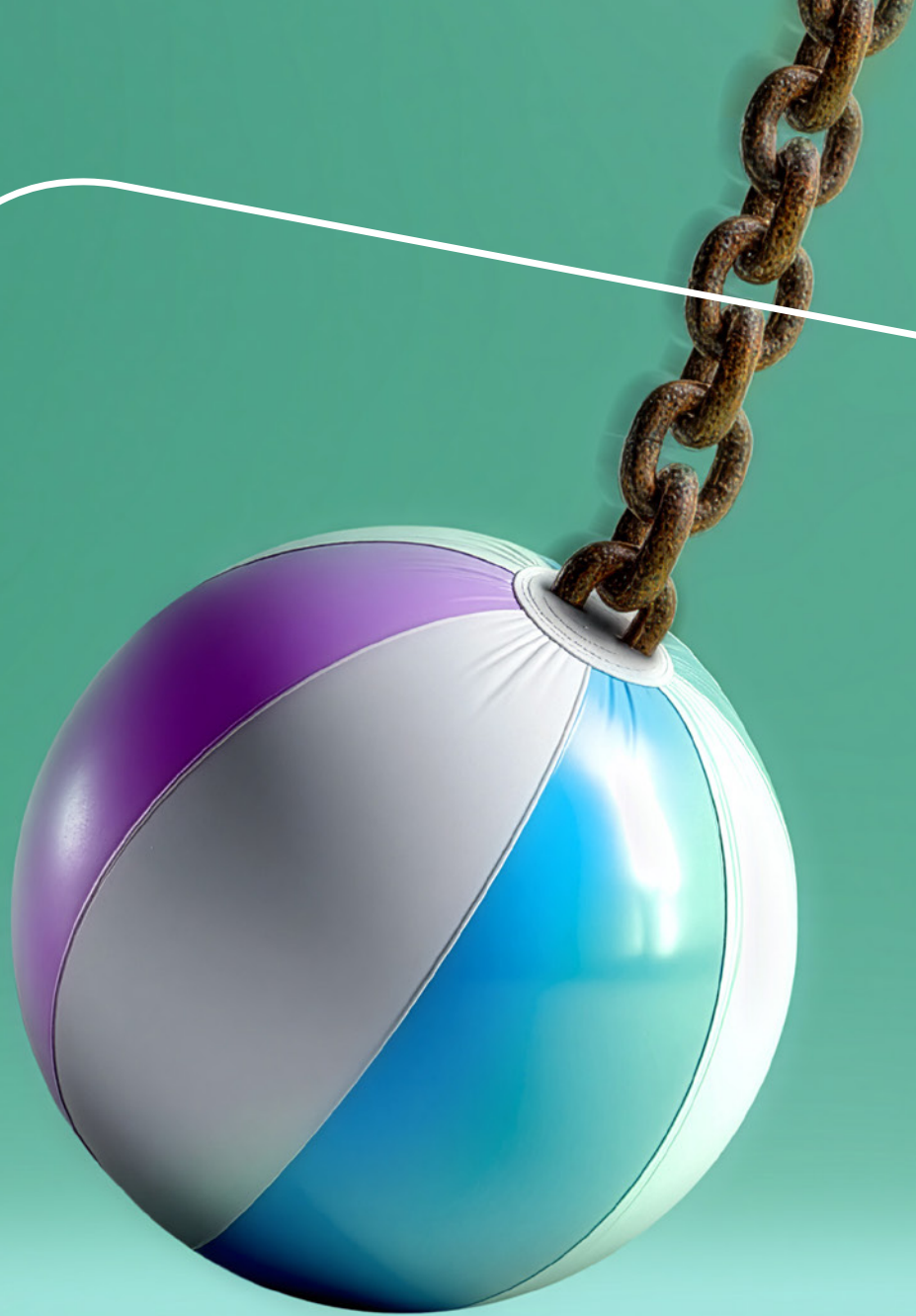
The strongest organizations will be those whose leaders can protect value, act on opportunity, and maintain stakeholder trust when decisions are tested. Use the BSI Connected Risk Framework to assess how effectively your organization connects risk, evidence, and decisions.

Five questions to shape your risk conversations:

- 1 Where are important decisions still being made through separate functional views?
- 2 Which risks could create legal, regulatory, customer or reputational consequences somewhere other than where they are currently owned?
- 3 If a significant decision failed tomorrow, could leaders demonstrate what was known, how conflicting views were resolved, and why the organization chose to act?
- 4 Which assumptions, controls or processes were designed for a business that has since changed?
- 5 Where are we limiting growth because we cannot understand the risk well enough to make a decision?

[Explore the framework](#)





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