

Gartner®

2Q23

# Emerging Risks Report

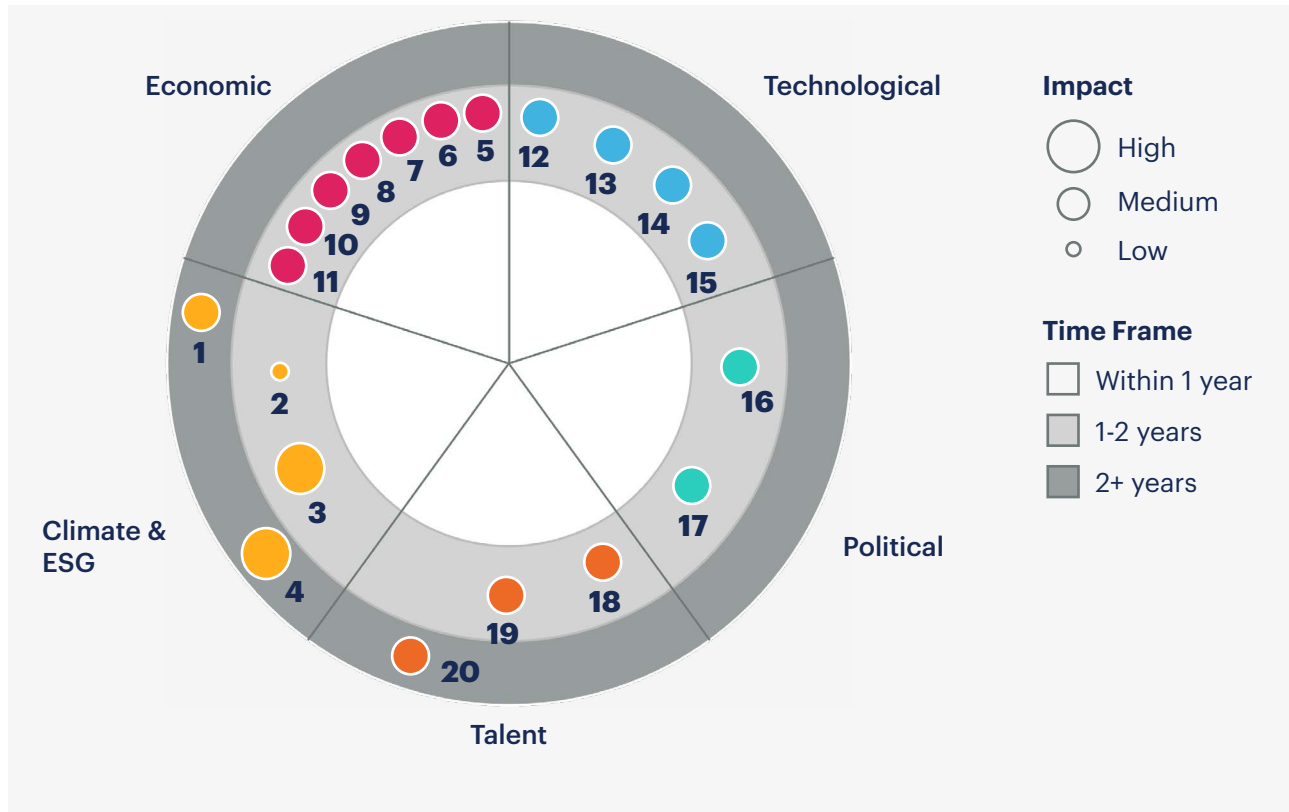


# How We Create This Report

- **Emerging risks** are those whose effects have not yet been substantially realized in the enterprise.
- Their evolution is **highly uncertain** because it is rapid, nonlinear or both.
- Our Quarterly Emerging Risk Report **captures senior executives' and risk managers' views** on emerging risks and provides insight on identifying and mitigating them.



# 2Q23 Emerging Risk Universe Map



#	Risk category	Risk Name
1	Climate & ESG	Climate Activism
2	Climate & ESG	ESG Third-party Risk
3	Climate & ESG	New Extreme Weather Events
4	Climate & ESG	Water Scarcity
5	Economic	Bank Crisis-Driven Inflation
6	Economic	Credit Crunch Widens
7	Economic	Financial Planning Uncertainty
8	Economic	Market Effects From Higher Borrowing Costs
9	Economic	Overzealous Cost Cutting
10	Economic	Stagflation Expectations
11	Economic	Wage-Price Spiral

#	Risk category	Risk Name
12	Technological	Third-Party Viability
13	Technological	Cloud Concentration Risk
14	Technological	Mass Generative AI Availability
15	Technological	Personal Data Regulatory Fragmentation
16	Political	China Trade Tensions
17	Political	Evolving Sociopolitical Expectations
18	Talent	Decline in Employee Proactivity
19	Talent	Workforce Planning Uncertainty
20	Talent	Working Population Decline

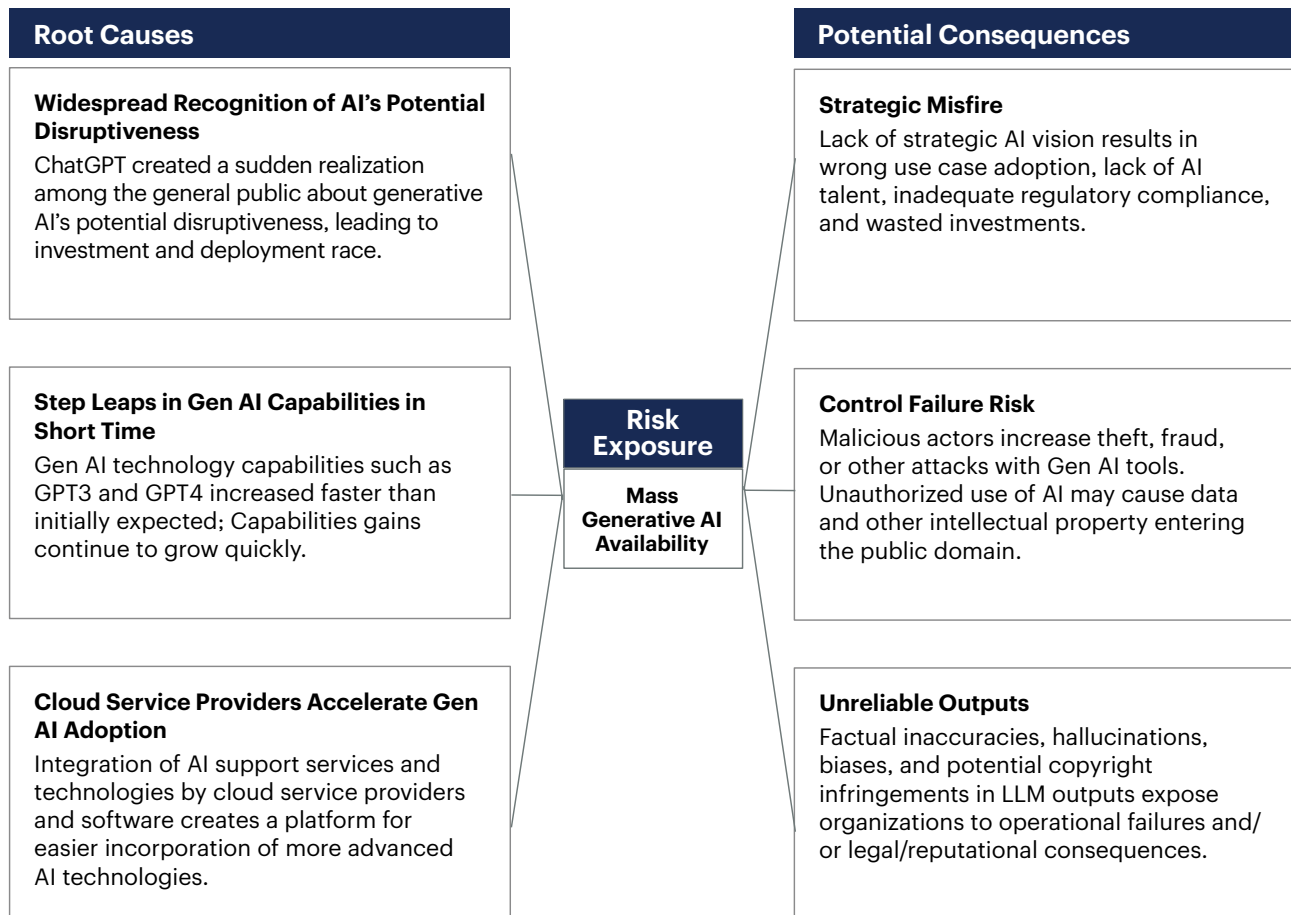
Source: 2Q23 Gartner Emerging Risks Survey, n = 249

# 2Q23 Top Risks



## Mass Generative AI Availability

Impact Score: 2.92 / Time Frame: 2.20 / Frequency Selected: 66%



**Risk Description:** The risk that massively available, generative AI rapidly surpasses organizational ability to understand associated risks and opportunities.

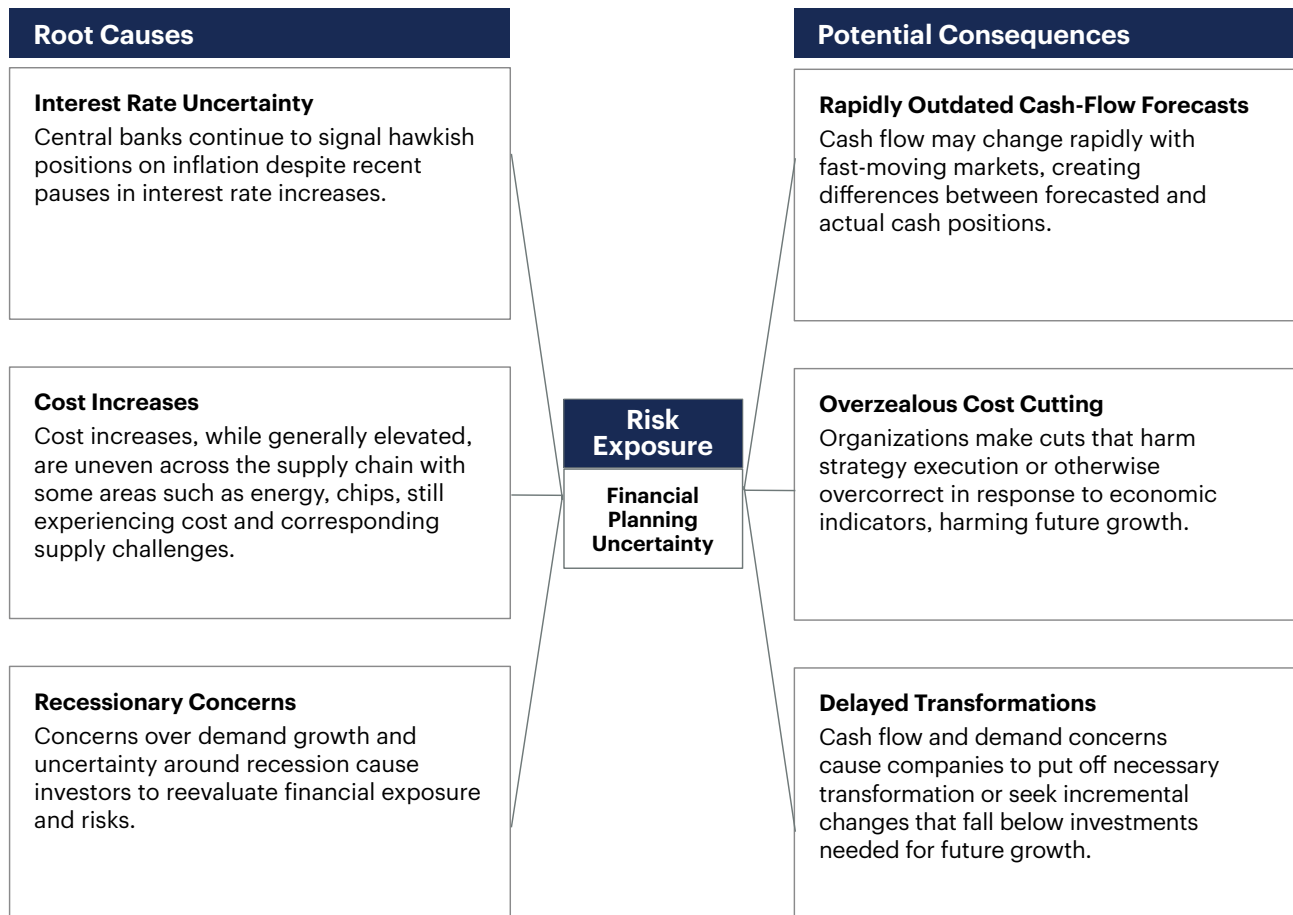
Source: 2Q23 Gartner Emerging Risks Survey, n = 249

# 2Q23 Top Risks



## Financial Planning Uncertainty

Impact Score: 2.71 / Time Frame: 1.73 / Frequency Selected: 62%



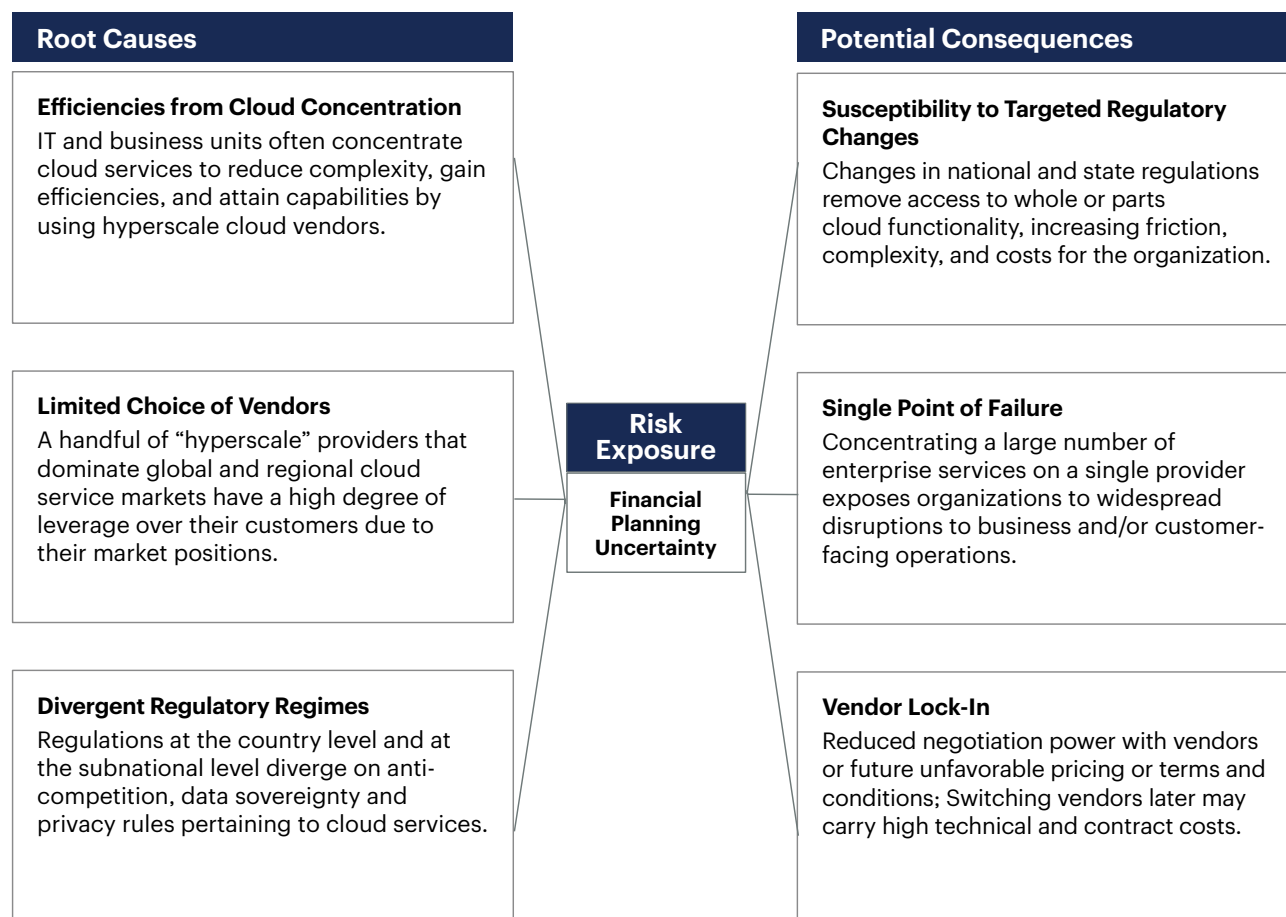
**Risk Description:** The risk of financial planning being ineffective due to a high degree of macroeconomic uncertainty.

# 2Q23 Top Risks



## Cloud Concentration Risk

Impact Score: 2.90 / Time Frame: 2.23 / Frequency Selected: 62%



**Risk Description:** The risk associated with dependence on a particular cloud provider for multiple business capabilities, such that a single failure can result in a disruption to multiple aspects of the business.

# 2Q23 Risk Dashboards



## Regional Emerging Risks

### Top 5 Emerging Risks By Risk Score<sup>1</sup>

Canada
1. Third-Party Viability
2. New Extreme Weather Events
3. Market Effects from Higher Borrowing Costs
4. Mass Generative AI Availability
5. Financial Planning Uncertainty

United Kingdom
1. Credit Crunch Widens
2. ESG Third-party Risk
3. Overzealous Cost Cutting
4. Stagflation Expectations
5. Workforce Planning Uncertainty

Asia/Pacific (excl. Australia and NZ)
1. Personal Data Regulatory Fragmentation
2. Financial Planning Uncertainty
3. Third-Party Viability

United States
1. Third-Party Viability
2. Mass Generative AI Availability
3. Financial Planning Uncertainty
4. Cloud Concentration Risk
5. Bank Crisis-Driven Inflation

Europe (excl. U.K.)
1. China Trade Tensions
2. Bank Crisis-Driven Inflation
3. Financial Planning Uncertainty
4. Third-Party Viability
5. Stagflation Expectations

Australia and New Zealand
1. Third-Party Viability
2. Workforce Planning Uncertainty
3. New Extreme Weather Events
4. Mass Generative AI Availability
5. Personal Data Regulatory Fragmentation

n = 17 (Canada); 151 (United States); 20 (United Kingdom); 25 (Europe, excl. U.K.); 9 (Asia/Pacific, excl. Australia and New Zealand); 19 (Australia and New Zealand)

Note: Only three Asia Pacific risks are presented due to n size.

Source: 2Q23 Gartner Emerging Risks Survey

<sup>1</sup> Risk Score: Risk Score = Cube Root (Impact x Inverse Time Frame x Frequency Selected as a Top 10 Emerging Risk Rescaled)

# Emerging Risk Misalignment and Blind Spots

## Emerging Risks by Level of Attention and Risk Score

◆ Top 5 Risk     ● Other Risk




Source: 2Q23 Gartner Emerging Risks Survey  
n = 249; quadrant alignment based on median scores (exact median scores rounded down)



# Actionable, objective insight

Position your Risk organization for success. Explore these additional complimentary resources and tools:



**Template**  
Strategic Planning Guide for Risk Leaders

Put your risk strategic plan on one page with this template.

[Download Now](#)



**Guide**  
3 ERM Strategies for Effective Third-Party Risk Management

Discover three key strategies to better manage third-party risk.

[Download Now](#)



**Report**  
Leadership Vision for 2023: Head of ERM

Set and execute a winning vision for 2023.

[Download Now](#)



**Webinar**  
Enterprise Third-Party Risk Management

Learn how ERM can provide unique value to the third-party risk management process.

[Watch Now](#)

Already a client?  
Get access to even more resources in your client portal. [Log In](#)

# Connect With Us

Get actionable, objective insight to deliver on your mission-critical priorities. Our expert guidance and tools enable faster, smarter decisions and stronger performance. Contact us to become a client:

**U.S.:** 1 855 811 7593

**International:** +44 (0) 3330 607 044

[Become a Client](#)

**Learn more about Gartner for Risk Leaders**

[gartner.com/en/audit-risk](https://gartner.com/en/audit-risk)

**Stay connected to the latest insights**

