



POLL: TOP EIGHT RISKS FACING BUSINESSES IN 2025

ONE OF the keys to running a successful business is having in place a robust risk management system to ensure your company can guard against a growing number of threats that can derail operations or cause significant losses.

While each industry and company have different risks they face, a recent survey collected responses from risk managers around the world to identify the top risks facing businesses.

The “Allianz Risk Barometer 2025” highlights the key threats for organizations in an increasingly interconnected and volatile environment. Below are the top eight risks in 2025 and what you can do to protect against them.

1. Cyber incidents

Cyber risks — ransomware attacks, data breaches and IT outages — remain the top threat globally. With AI accelerating the sophistication of attacks, businesses have to double down on protection.

What you can do – Invest in robust cyber-security measures and train employees on how to detect threats. Regularly update systems and conduct penetration testing.

2. Business interruption

Supply chain disruptions, often triggered by cyberattacks or natural disasters, have consistently ranked high. If one of your suppliers suddenly can’t provide you with goods your firm needs or a cyberattack affects your ability to function, you will lose money.

What you can do – Diversify suppliers, explore local sourcing and implement business continuity plans that include how to respond to each possible issue that could result in disruption to operations or sales.

3. Natural catastrophes

Events like hurricanes, wildfires, convective storms and flooding can cause physical damage and interrupt business operations.

What you can do – Put in place a disaster recovery plan that includes how members of your staff will communicate, possible alternative locations for operations, and how to protect your facilities.

4. Changes in laws, regulations

Regulatory shifts, especially around sustainability and emerging technologies like AI, are creating compliance challenges. Businesses will be faced with plenty of uncertainty under the new Trump presidency, considering his plans to pursue deregulation.

What you can do – It’s important that you stay on top of regulatory and legal changes to avoid penalties or lawsuits.

5. Climate change

The physical and operational impacts of climate change, such as extreme weather and resource scarcity, are intensifying and businesses need to harden their operations to cope.

What you can do – How you harden your operations and facilities against climate change will depend on what natural catastrophes your firm may be exposed to. If you are in a wildfire area, that may include using fireproof siding and roofs and creating a defensible space around your facilities.

6. Fire and explosion

Fires remain a leading cause of business interruption, especially with the rise of lithium-ion battery incidents. It can take longer to recover from fires or explosions compared to many other perils.

What you can do – Ensure that you conduct regular fire safety audits and training to staff, particularly if you store flammable materials on-site. Regularly update your fire prevention protocols and provide emergency response training.

7. Macroeconomic developments

Economic uncertainties, including inflation and fluctuating monetary policies, pose challenges for budgeting and forecasting. This will be especially true under the Trump administration as he sets out to reverse Biden’s policies and pursues tariffs that could lead to trade wars.

What you can do – Keep abreast of market trends and adapt to macroeconomic changes with flexible planning. Staying agile and diversifying revenue streams can mitigate risks.

8. Market developments

Many experts believe it is unlikely that there will be a major stock market slide in 2025. Recovering earnings and strong fundamentals should support continued growth.

What you can do – Strategic planning and market analysis are critical if your organization is reliant on stock market gains.

The takeaway

The above list of risks was gleaned from a survey of companies around the world, but most of the risks also apply to U.S. firms.

It’s important that businesses take a structured approach to managing their risks and creating plans for all eventualities that may affect them. That requires buy-in from management and a focus on protecting the company’s revenue stream, physical and digital assets, employees and supply chains. ❖