

STEP-BY-STEP GUIDE TO
**HORIZON SCANNING
FOR EMERGING RISK**



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Step-by-Step Guide to

HORIZON SCANNING FOR EMERGING RISK

01

Set Up an Environmental Scanning Process

Objective: To systematically monitor the external environment for signs of emerging risks.

1. Identify sectors relevant to your organisation, such as technological, economic, political, environmental, etc. (see appendix 1)
2. Gather information from a wide range of sources, including industry reports, academic journals, news outlets, market research, and government publications (see appendix 2)
3. Use software tools and platforms that can track relevant keywords, industry trends, and competitor activities across various channels (see appendix 3)
4. Designate team members to monitor specific areas or sources, ensuring comprehensive coverage.

02

Develop a Trend Analysis Framework

Objective: To evaluate identified information for patterns, trends, or changes that could shifting or developing emerging risks.

1. Define what constitutes a significant trend or change that could impact your organisation (see appendix 4)
2. Look for patterns or shifts in the data collected from environmental scanning. Utilise analytical tools for quantitative data and expert judgment for qualitative insights.
3. Based on trend analysis, pinpoint new or evolving risks that could affect the organisation.
4. Regularly update stakeholders on identified trends and potential risks, ensuring information is accessible for decision-making.

03

Engage Stakeholders for Risk Identification

Objective: To leverage the insights of internal and external stakeholders in identifying emerging risks.

1. Include employees, customers, suppliers, industry experts, and regulatory bodies who can provide diverse perspectives on potential risks.
2. Set up forums, surveys, interviews, and workshops to gather stakeholder inputs. Consider using digital platforms for broader reach and engagement.
3. Create an environment where stakeholders feel valued and are encouraged to share their observations, concerns, and predictions.
4. Combine stakeholder feedback with findings from environmental scanning and trend analysis for a comprehensive view of potential risks.

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04

Prioritise Identified Risks

Objective: To systematically and consistently prioritise identified risks based on their potential impact on organisational strategic objectives and their likelihood of occurrence.

1. Use or create a risk matrix that categorises risks based on their impact (high, medium, low) and likelihood (high, medium, low). This visual tool can help in quickly identifying which risks require immediate attention.
2. Define clear criteria for what constitutes high, medium, and low impact and likelihood, ensuring consistency in risk evaluation.
3. Utilise a scoring system to assign values to the impact and likelihood of each risk. This quantifies the risks, making it easier to compare them.
4. Use the scores to rank the risks, identifying top priorities for the organisation.
5. Guide decision-making on resource allocation to address the most critical risks first.

05

Regularly Review and Update Scanning Processes

Objective: To ensure the continuous relevance and effectiveness of the scanning mechanisms.

1. Establish a regular timetable for reviewing the scanning, analysis, and engagement processes.
2. Be prepared to adjust the focus of scanning activities, sources of information, and analytical criteria based on changing business contexts and emerging risks.
3. Continuously seek out and integrate new tools and technologies that can enhance the efficiency and scope of your scanning processes.
4. Provide ongoing training for team members involved in risk scanning activities to keep them abreast of best practices and analytical techniques.

06

Establish a Feedback Loop

Objective: To refine risk identification processes based on feedback and outcomes.

1. Gather input from stakeholders involved in or affected by the scanning processes regarding its effectiveness and areas for improvement.
2. Review the success of identified risks in terms of predictions made, responses implemented, and impacts on the organisation.
3. Adjust the scanning processes based on feedback and outcome analysis to enhance future risk identification efforts.

APPENDIX 1



Areas to Consider for Horizon Scanning by Sector

The areas to consider for environmental scanning will vary significantly depending on the sector in which your organisation operates. Different sectors face unique external factors and challenges, making it crucial to tailor the environmental scanning process to the specific context of each sector.

Below is a long list of areas to consider, organised by sector, to guide you in your environmental scanning efforts:

Technology Sector	<ul style="list-style-type: none">• Innovation and R&D Trends: Emerging technologies, patent filings, R&D investments.• Regulatory Changes: Data privacy laws, cybersecurity regulations, operational resilience.• Market Dynamics: Start-up and scale-up ecosystems, venture capital trends, M&A activities.• Competitive Landscape: New entrants, disruptive technologies, competitive strategies.• Consumer Behaviour: Adoption rates of new technologies, user preferences.
Healthcare Sector	<ul style="list-style-type: none">• Regulatory Changes: Healthcare laws, patient privacy regulations (HIPAA, GDPR in healthcare).• Medical Advances: Breakthrough treatments, clinical trials, pharmaceutical innovations.• Healthcare Policy: Government healthcare policies, insurance coverage changes.• Epidemiological Trends: Disease outbreaks, public health trends.• Technology Adoption: Telehealth, wearable devices, digital health records.
Financial Services	<ul style="list-style-type: none">• Regulatory Environment: Financial regulations, compliance requirements, anti-money laundering (AML) standards.• Economic Indicators: Interest rates, inflation rates, economic growth forecasts.• Fintech Innovations: Blockchain, mobile payments, robot-advisors.• Consumer Trends: Shifts in consumer financial behaviour, preferences for digital banking.• Global Markets: International trade dynamics, foreign exchange rates.



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Areas to Consider for Horizon Scanning by Sector



<p>Manufacturing Sector</p>	<ul style="list-style-type: none"> • Supply Chain Dynamics: Raw material availability, logistics trends, supplier risks. • Technological Advancements: Automation, Industry 4.0, smart manufacturing. • Environmental Regulations: Emissions standards, waste disposal regulations. • Market Demand: Consumer demand shifts, global market access changes. • Labour Market: Skilled labour availability, wage trends, labour regulations.
<p>Retail Sector</p>	<ul style="list-style-type: none"> • Consumer Trends: Changing shopping behaviours, e-commerce growth, omni-channel retailing. • Supply Chain Management: Vendor relations, inventory management innovations. • Competitive Landscape: New market entrants, price wars, brand loyalty. • Technological Developments: Retail technology, personalised shopping experiences. • Economic Factors: Disposable income levels, consumer confidence indexes.
<p>Energy Sector</p>	<ul style="list-style-type: none"> • Regulatory Policies: Environmental regulations, energy policies, subsidies. • Market Prices: Oil, gas, and renewable energy prices, energy demand forecasts. • Technological Innovations: Renewable energy technologies, energy storage solutions. • Environmental Concerns: Climate change impacts, sustainability initiatives. • Geopolitical Factors: Energy supply risks, international relations affecting energy access.
<p>Education Sector</p>	<ul style="list-style-type: none"> • Policy and Regulation: Government funding, educational standards, accreditation requirements. • Technological Integration: E-learning platforms, educational software, online courses. • Demographic Trends: Student populations, international student mobility. • Curriculum Advances: STEM education, vocational training trends, lifelong learning. • Societal Needs: Workforce development needs, societal demands for education



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<p>Real Estate Sector</p>	<ul style="list-style-type: none"> • Market Trends: Housing market dynamics, commercial real estate trends. • Regulatory Environment: Zoning laws, property taxes, building regulations. • Economic Indicators: Interest rates, employment rates, economic growth. • Urban Planning: Infrastructure projects, smart city initiatives. • Sustainability Trends: Green building practices, energy efficiency standards.
<p>Agriculture Sector</p>	<ul style="list-style-type: none"> • Climate Conditions: Weather patterns, climate change impacts on agriculture. • Technological Advances: Precision farming, agricultural drones, GMOs. • Market Prices: Commodity prices, supply and demand dynamics. • Regulatory Changes: Agricultural policies, food safety standards. • Sustainability Practices: Organic farming, water conservation techniques.
<p>Transportation and Logistics</p>	<ul style="list-style-type: none"> • Regulatory Changes: Transportation laws, safety standards, environmental regulations. • Technological Innovations: Autonomous vehicles, drone delivery, logistics platforms. • Consumer Preferences: Demand for faster delivery, sustainable transportation options. • Global Trade Dynamics: Trade agreements, tariffs, international logistics challenges. • Infrastructure Development: Transportation infrastructure projects, smart mobility solutions.
<p>Non-Profit Sector</p>	<p>Non-profit organisations operate in a unique context that blends mission-driven goals with operational challenges similar to those in the for-profit world. Here's a list of areas for environmental scanning tailored to the non-profit sector:</p> <ul style="list-style-type: none"> • Funding and Donation Trends: Shifts in grant availability, donor behaviour, crowdfunding, and alternative funding sources. • Regulatory and Legal Changes: Compliance with tax laws, charitable status regulations, and reporting requirements. • Economic Conditions: Economic factors that influence donor capacity and funding availability, including recession impacts and inflation rates. • Technological Advances: Digital fundraising platforms, social media for community engagement, data management and privacy concerns.



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Non-Profit Sector

- **Volunteerism Trends:** Patterns and preferences in volunteering, impact of social movements on volunteer engagement.
- **Policy and Advocacy Issues:** Changes in government policies affecting non-profit operations, advocacy opportunities, and challenges.
- **Social and Cultural Shifts:** Emerging social issues, public interest trends, and changes in community needs and priorities.
- **Partnerships and Collaboration:** Opportunities for collaboration with other non-profits, businesses, and government entities.
- **Demographic Changes:** Shifts in population demographics that affect target populations, service delivery, and community needs.
- **Environmental and Sustainability Concerns:** Environmental policies affecting non-profit operations, sustainability practices, and community impacts.
- **Global Issues and International Relations:** International crises that affect non-profit missions, such as refugee movements, global health issues, and international development trends.
- **Technological Disruptions:** Impact of new technologies on non-profit service delivery, communication, and fundraising efforts.
- **Public Perception and Trust:** Changes in public trust in institutions, including non-profits, and the impact of media on non-profit reputations.
- **Competition:** Competitive landscape, including the proliferation of non-profits in specific service areas and competition for funding.
- **Sector Innovation:** New models of non-profit management, social entrepreneurship, and impact measurement practices.



APPENDIX 2



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Updates and Future Trends in Risk Management and Horizon Scanning

Staying ahead in of the curve in risk management requires a commitment to continuous learning and adaptation. Here are strategies and resources to keep your organisation informed and on top of emerging risks:

Subscribe to Industry Publications and Journals

- Risk Management Magazines: Publications such as "Risk Management Magazine" or Risk.net offer insights into the latest trends, case studies, and best practices in risk management.
- Academic Journals: Journals like "The Journal of Risk and Insurance" and "Risk Analysis" publish research articles on the latest findings in risk management theory and practice.

Follow Thought Leaders and Organisations on Social Media

- LinkedIn and Twitter are excellent platforms to follow thought leaders, professional organisations, and industry groups dedicated to risk management and horizon scanning. This can include:
 - Professional Associations: Such as the Risk Management Society (RIMS) or the International Institute of Risk & Safety Management (IIRSM).
 - Industry Experts: Individuals known for their contributions to the field of risk management.

Participate in Webinars and Online Courses

- Many organisations and educational institutions offer (free) webinars and online courses on emerging trends in risk management. Platforms like Coursera, edX, and LinkedIn Learning provide courses developed by experts in the field.

Attend Conferences and Workshops

- Attending industry conferences, such as the Global Risk Management Conference, provides opportunities to hear from experts, network with peers, and learn about the latest technologies and methodologies in risk management.

Join Professional Networks and Forums

- Becoming a member of professional networks such as the Risk and Insurance Management Society (RIMS) or your local risk management association can offer valuable insights through forums, discussions, and networking events.

Utilise Risk Management Software Updates

- Stay updated with the latest features and updates of risk management software tools your organisation uses. Many vendors offer regular webinars and training sessions on how to make the most of their platforms.

Engage with Academic and Research Institutions

- Collaborate with universities or think tanks specialising in risk management and horizon scanning. These institutions often conduct cutting-edge research and can provide fresh perspectives on managing emerging risks.

Implement a Knowledge Sharing Culture

- Encourage a culture of knowledge sharing within your organisation where employees are motivated to share insights, learnings, and updates they come across in the field of risk management.

Regularly Review and Update Risk Management Frameworks

- Ensure your risk management frameworks and policies are regularly reviewed and updated to incorporate the latest best practices and insights from the field.

Monitor Legislative and Regulatory Changes

- Keep abreast of legislative and regulatory changes that could impact risk management practices. Government websites and legal analysis blogs are valuable resources for this information.



APPENDIX 3

Tracking Software Tools and Platforms

For tracking relevant keywords, industry trends, and competitor activities across various channels, there are several software tools and platforms available that cater to different needs and budget sizes. These tools can help your organisations systematically monitor their external environment as part of an effective environmental scanning process. Here's a selection of widely used tools:

Google Alerts	<ul style="list-style-type: none">• Description: A free tool that sends email alerts whenever it finds new results—such as web pages, newspaper articles, or blogs—that match your search term.• Best for: Basic monitoring of brand mentions, competitors, and industry terms.
SEMrush	<ul style="list-style-type: none">• Description: An all-in-one tool suite for improving online visibility and discovering marketing insights. SEMrush offers features for SEO, PPC, social media, and content marketing efforts.• Best for: Comprehensive SEO analysis, competitor research, and content marketing insights.
Mention	<ul style="list-style-type: none">• Description: A real-time media monitoring application that allows you to listen to what's being said online and on social media about your brand, competitors, and industry.• Best for: Social-media and web monitoring with an emphasis on real-time alerts.
Ahrefs	<ul style="list-style-type: none">• Description: An SEO tool for monitoring websites, analysing competitors, and conducting extensive keyword research. Ahrefs is particularly known for its backlink analysis capabilities.• Best for: In-depth SEO research and analysis, including backlink checking and competitor's SEO strategy analysis.
BuzzSumo	<ul style="list-style-type: none">• Description: A platform that combines content discovery, content research, media monitoring, and influencer identification tools. It's particularly useful for analysing which content performs best for any topic or competitor.• Best for: Content marketing research, identifying trending topics, and influencer collaboration.
Hootsuite	<ul style="list-style-type: none">• Description: A social media management platform that lets you curate, schedule, publish, and monitor your content across multiple social networks from one dashboard.• Best for: Social media monitoring, scheduling posts, and tracking social media analytics.



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Sprout Social	<ul style="list-style-type: none">• Description: An all-in-one social media management tool that enables brands to find, form, and deepen real connections with the people who love them. It offers social listening, publishing, engagement, and analytics features.• Best for: Engaging with audiences and analysing performance across multiple social media platforms.
Talkwalker	<ul style="list-style-type: none">• Description: A social listening and analytics platform that helps identify and analyse conversations about your brand, products, and competitors across social media and online.• Best for: Advanced social media analytics and insights, brand reputation monitoring.
Brandwatch	<ul style="list-style-type: none">• Description: A digital consumer intelligence platform that allows you to collect and analyse data from social media, news, and web sources to understand consumer insights, market trends, and competitive intelligence.• Best for: Large-scale data analysis for consumer insights and market trends.
Google Analytics	<ul style="list-style-type: none">• Description: A web analytics service offered by Google that tracks and reports website traffic, providing insights into user behaviour, acquisition sources, and content engagement.• Best for: Website performance analysis and understanding visitor behaviour.



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Updates and Future Trends in Risk Management and Horizon Scanning

Defining what constitutes a significant trend or change that could impact your organisation involves a structured approach to identify and assess external and internal factors that could influence your strategic objectives and operational efficiency.

Step 1: Understand your Organisation's Objectives and Vulnerabilities

- Understand your organisation's strategic objectives, mission, and vision. Knowing what you aim to achieve helps in identifying which trends or changes are most relevant.
- Identify areas where your organisation is most vulnerable to external and internal changes. This could include financial health, market position, supply chain dependencies, or regulatory compliance.

Step 2: Establish Criteria for Significance

- Consider how potential trends or changes could impact your ability to meet strategic objectives. Significant trends might accelerate, hinder, or divert your strategic goals.
- Assess the potential magnitude of the impact on your operations, finances, and reputation. Significant changes could result in substantial revenue shifts, cost implications, or affect brand perception.
- Evaluate the likelihood of each trend or change occurring. High-probability events with substantial impacts warrant more attention.
- Consider the timeframe in which a trend or change could impact your organisation. Immediate threats might require quick action, while long-term trends could allow for strategic planning adjustments.
- Assess whether the impact of a trend or change can be easily reversed or if it would lead to long-term consequences.

Step 3: Monitor External and Internal Environments

- Keep an eye on political, economic, social, technological, legal, and environmental (PESTLE) factors that could signal significant trends or changes.
- Regularly review internal performance metrics, employee feedback, and operational efficiency for signs of significant internal changes.

Step 4: Engage Stakeholders

- Regularly engage with stakeholders, including employees, customers, suppliers, and industry experts, to gain diverse perspectives on potential trends and changes.
- Establish mechanisms for stakeholders to provide insights into observed trends, potential impacts, and suggestions for response strategies.

Step 5: Use Analytical Tools and Techniques

- Utilise data analytics tools to gather and analyse data related to identified trends or changes. Look for patterns, correlations, and anomalies.
- Employ scenario planning to explore potential future states and assess the impact of various trends and changes on your organisation.
- Conduct risk assessments to evaluate the severity and likelihood of impacts from significant trends or changes.

Step 6: Review and Update Regularly

- Establish a routine for regularly reviewing identified trends and changes to assess their evolving nature and potential impact.
- Be prepared to update your criteria for significance as your organisational objectives, the external environment, and available data evolve.

Step 7: Documentation and Communication

- Document your criteria for significance and the rationale behind them. This documentation should be accessible to key decision-makers.
- Communicate your findings and assessments to relevant stakeholders, ensuring that there is a common understanding of what constitutes a significant trend or change and how the organisation plans to respond.

