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December 2024

Risk Management Survey 2024

Insights Report

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SURVEY METHODOLOGY

Audiences	Sample Size	Methodology	Timing
Small Business Owners *Owners of small businesses, defined as 1-50 employees and less than $10M in annual revenue*	**N=400**	**15-Minute Online Survey**	**Survey Fielded November 7th – 27th, 2024**
Mid-Market Business Owners *Owners of middle-market businesses, defined as 50-500 employees or $10M-$500M in annual revenue*	**N=400**		
Construction Business Decision Makers *Business owners/part-owners OR Director+ with risk management-related responsibilities operating in the construction sector*	**N=100**		
Manufacturing Business Decision Makers *Business owners/part-owners OR Director+ with risk management-related responsibilities operating in the manufacturing sector*	**N=100**		

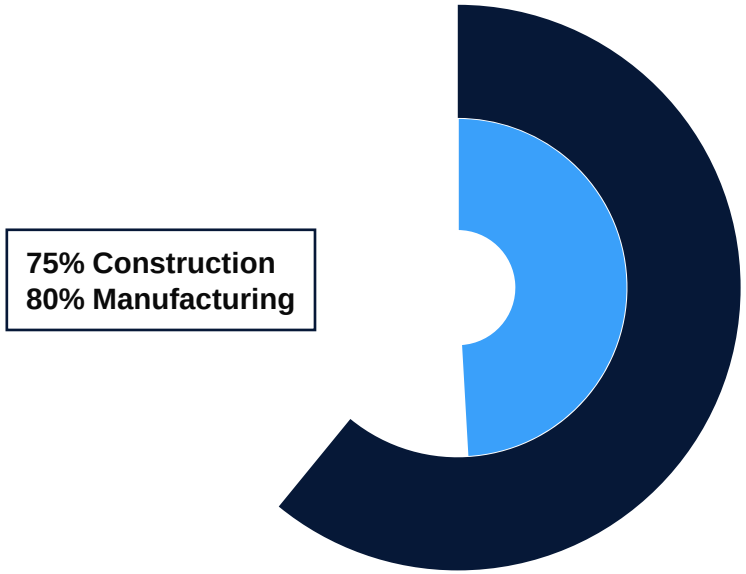
Section 1: Overall Risk Management

Mid-Market businesses feel less protected from risks – with top concerns surrounding finances and economic / regulatory factors

Manufacturing (80%) and Construction (75%) Decision Makers report higher levels of confidence in their risk protection than Small (67%) or Mid-Market (54%) Business Owners. And while finances are cited as the top risk across all Business Owners surveyed, Manufacturing Decision Makers uniquely struggle with labor issues.

Perception of Business Risk Protection Level

(Shown: % T2B 'Very/Extremely Protected')



67% Small Business Owners

54% Mid-Market Business Owners

Top Business Risks Over Next 2 Years

(Shown: coded open-end responses)

Small Business Owners

1. **Costs / Finances (40%)**
2. **Economic / Regulatory Factors (31%)**
3. **Demand / Market Conditions (31%)**
4. **Inflation / Rising Costs (20%)**
5. **Labor / Productivity Disruption (17%)**

Construction Decision Makers are more likely to cite inflation / rising costs as a top business risk **(30% vs. 15% Total BOs)**

Mid-Market Business Owners

1. **Costs / Finances (42%)**
2. **Economic / Regulatory Factors (40%)**
3. **Technological Disruption (26%)**
4. **Market / Demand Instability (19%)**
5. **Labor / Productivity Disruption (19%)**

Manufacturing Decision Makers are more likely to cite productivity / labor issues as a top business risk **(31% vs. 19% Total BOs)**

Q1. How protected from risks do you believe your business is today? Q2a: What do you see as the top risk(s) to your business achieving target margins in the next 24 months? Base: Total (n=1001); Small Business Owners (n=401); Mid-Market Business Owners (n=400)

Managing economic downturns and supply chain disruptions are the top risk management priorities for Business Owners today

Mid-Market Business Owners are significantly more likely to cite cybersecurity and regulatory changes as top priorities for their businesses, while Manufacturing Decision Makers are more likely than others to be focused on supply chain disruptions.

Q2b. What are the top risk management priorities for your business? Base: Total (n=1001); Small Business Owners (n=401); Mid-Market Business Owners (n=400)

Small Business Owners dedicate more of their budget to risk management and safety than Mid-Market Business Owners

As far as top areas of investment to mitigate risk, both Small and Mid-Market Business Owners are prioritizing technology and security solutions.

Estimated Percentage of Budget Dedicated to Risk Management and Safety Policies

(Shown: Mean)

18% Small Business Owners

6% Mid-Market Business Owners

19% Construction Decision Makers

13% Manufacturing Decision Makers

Top Areas of Investment Over Next 2 Years to Mitigate Risk

(Shown: coded open-end responses)

Small Business Owners

1. **Technology / Security (24%)**
2. **Offerings / Growth (21%)**
3. **Costs / Revenue (20%)**
4. **Recruitment / Employee Retention (17%)**
5. **Supply chain / Supplier Stability (14%)**

Construction Decision Makers are more likely to cite recruitment as a top risk investment **(12% vs. 5% Total BOs)**

Mid-Market Business Owners

1. **Technology / Security (40%)**
2. **Security / Cybersecurity Enhancement (24%)**
3. **Labor / Staffing (19%)**
4. **Supply Chain / Supplier Stability (17%)**
5. **Training Programs (11%)**

Manufacturing Decision Makers are more likely to cite labor / staffing as a risk investment **(29% vs. 19% Total BOs)**

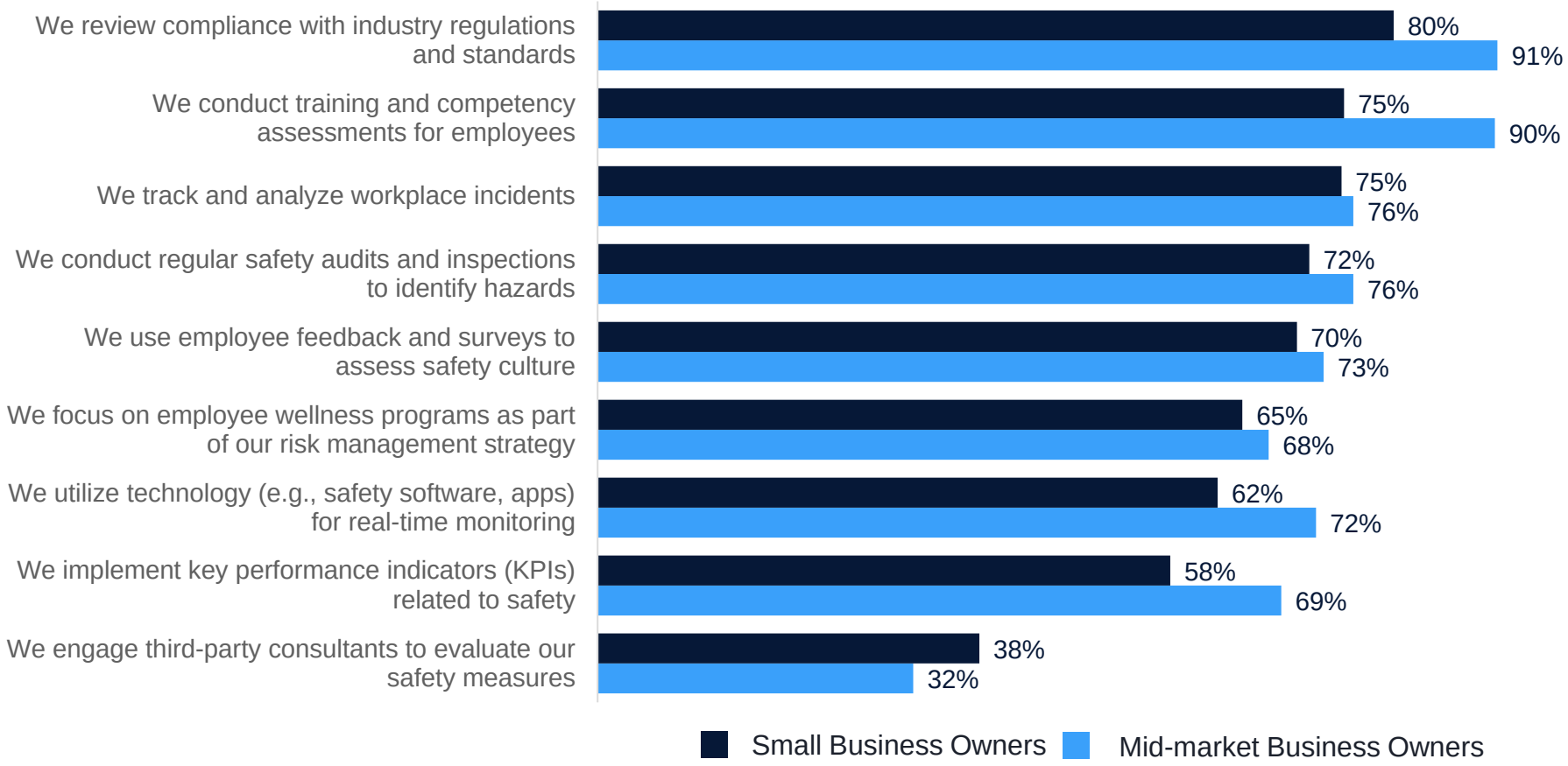
Q3: Thinking about your answers to the previous questions, what are you considering investing in to address the top risk(s) to your business in the next 24 months? Q4. About what percent of your business's overall budget is dedicated to risk management and safety policies? Base: Total (n=1001); Small Business Owners (n=401); Mid-Market Business Owners (n=400)

Most businesses are taking key actions to ensure safety and risk management – like complying with regulations and conducting training

Mid-Market Business Owners are more likely to be taking these actions, as well as utilizing technology (72% vs. 62% SBOs) and implementing KPIs (69% vs. 58% SBOs). Additionally, Construction businesses are more likely than others to be conducting regular safety audits and inspections (88% vs. 76% Total BOs).

Safety and Risk Management Business Actions

(Shown: % Selected "Yes")



88%

of Construction Decision Makers say they conduct regular safety audits and inspections (+12 ppts vs. Total BOs)

81%

of Manufacturing Decision Makers say they implement KPIs related to safety (+15 ppts vs. Total BOs)

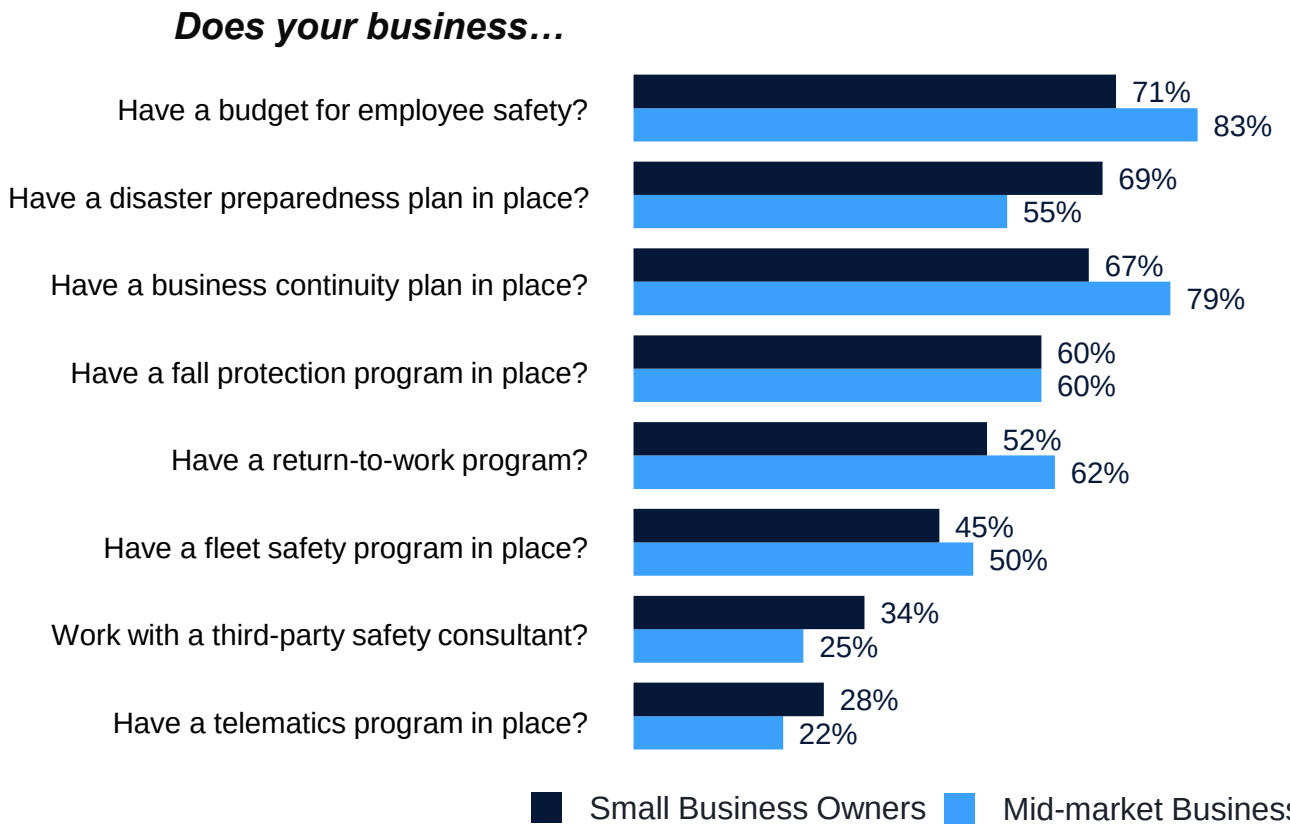
Q5. Does your business take the following actions to measure safety and risk management? Base: Total (n=1001); Small Business Owners (n=401); Mid-Market Business Owners (n=400)

While most businesses report having a budget for employee safety, many do not have key risk management plans in place

For example, only 55% of Mid-Market business owners report having a disaster preparedness plan, and only 6 in 10 Small and Mid-Market BOs currently have a fall protection program in place. Manufacturing Decision Makers are significantly more likely than others to have a telematics program, while Construction Decision Makers are more likely to have fall protection programs in place.

Risk Management Programs and Policies

(Shown: % Selected "Yes")



61%

of Manufacturing Decision Makers say they have a telematics program in place (+31 ppts compared to total)

78%

of Construction Decision Makers say they have a fall protection program in place (+16 ppts compared to total)

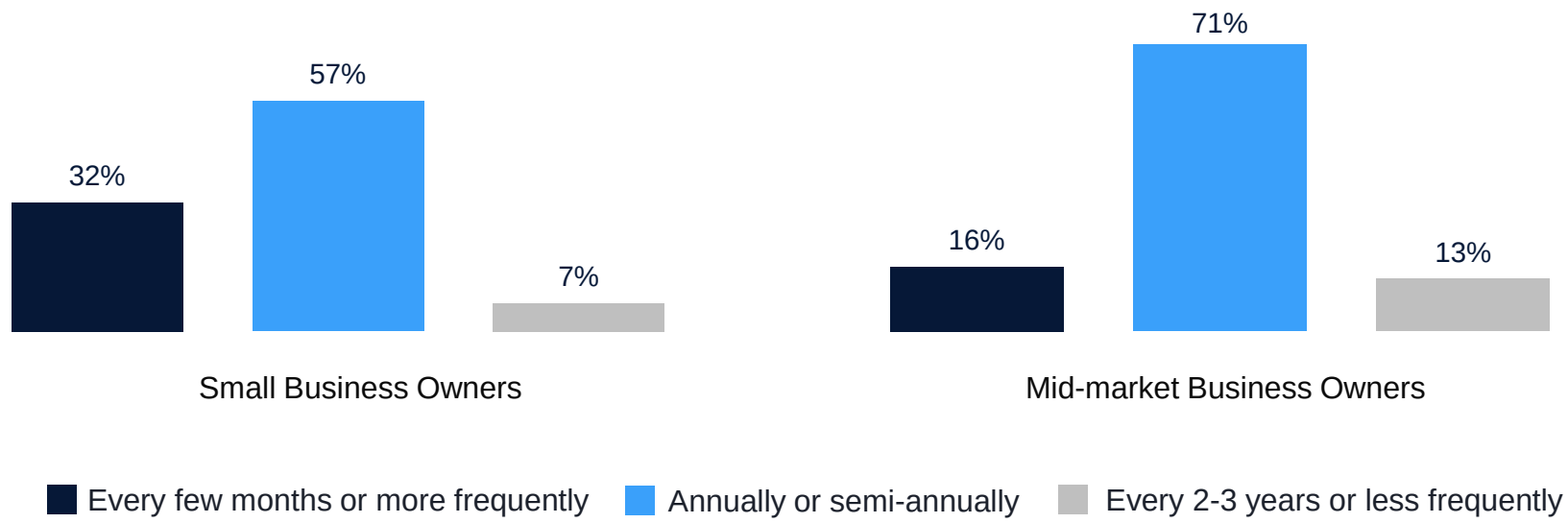
Q6. Thinking about its risk managements policies and programs, does your business... Base: Total (n=1001); Small Business Owners (n=401); Mid-Market Business Owners (n=400)

Most Business Owners are reviewing or updating their risk management policies at least once a year

Construction Decision Makers are doing this most often – with roughly half (52%) saying they review / update their risk management policies every few months or more often.

Frequency of Reviewing / Updating Risk Management Policies

(Shown: % Selected)



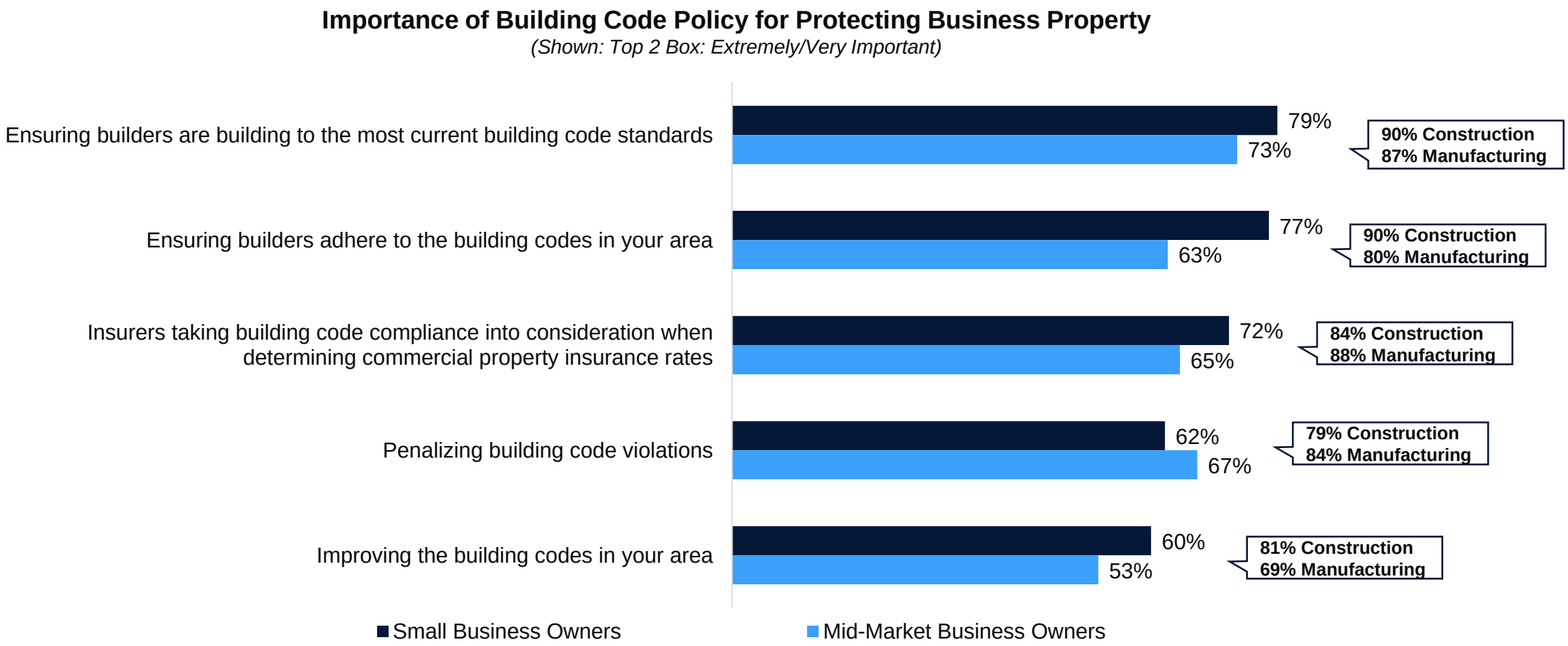
52%

of Construction Decision Makers say they review / update their risk management policies every few months or more frequently (+24 ppts compared to total)

Q7: How often does your business review and/or update its risk management policies? Base: Total (n=1001); Small Business Owners (n=401); Mid-Market Business Owners (n=400)

Section 2: Building Codes & Regulatory Changes

Most Business Owners, Construction and Manufacturing Decision Makers agree on the importance of adhering to and improving area building codes



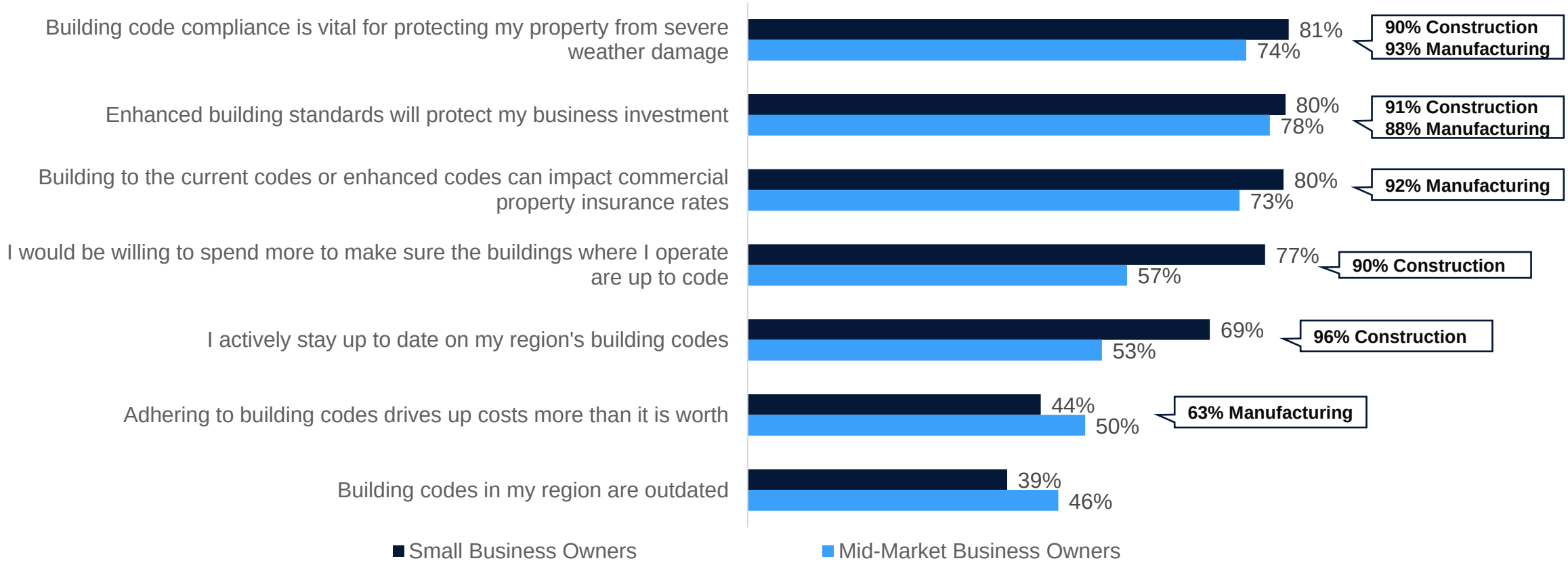
Q8: How important do you feel the following are for the protection of the business property you own, or where your business operates? Base: Total (n=1001); Small Business Owners (n=401); Mid-Market Business Owners (n=400)

There is high agreement that building code compliance is vital for protecting property from severe weather damage

This is especially true among Construction and Manufacturing Decision Makers. On the other hand, Mid-Market Business Owners are less likely to say they would be willing to spend more to make sure the buildings where they operate are up to code or that they actively stay up to date on their region's building codes.

Perceptions of Building Code Compliance

(Shown: Selected Top 3 Box 'Agree')



Q10: To what extent do you agree or disagree with the following statements about building codes or standards? Base: Total (n=1001); Small Business Owners (n=401); Mid-Market Business Owners (n=400)

Costs and disruption to business are the greatest barriers to upgrading existing buildings to a higher standard than required

Small Business Owners are more likely to cite costs as the biggest obstacle while Mid-Market Business Owners are more likely to cite business disruption.

Property Owners: Biggest Obstacles to Upgrading Existing Buildings to Protect Against Severe Weather

(Shown: % Selected, among property owners)

	Property Owners	
	SBOs	MMBOs
Construction costs	48%	26%
Disruption to my business operations	25%	48%
Access to trusted advice	16%	10%
Time to research options	9%	16%

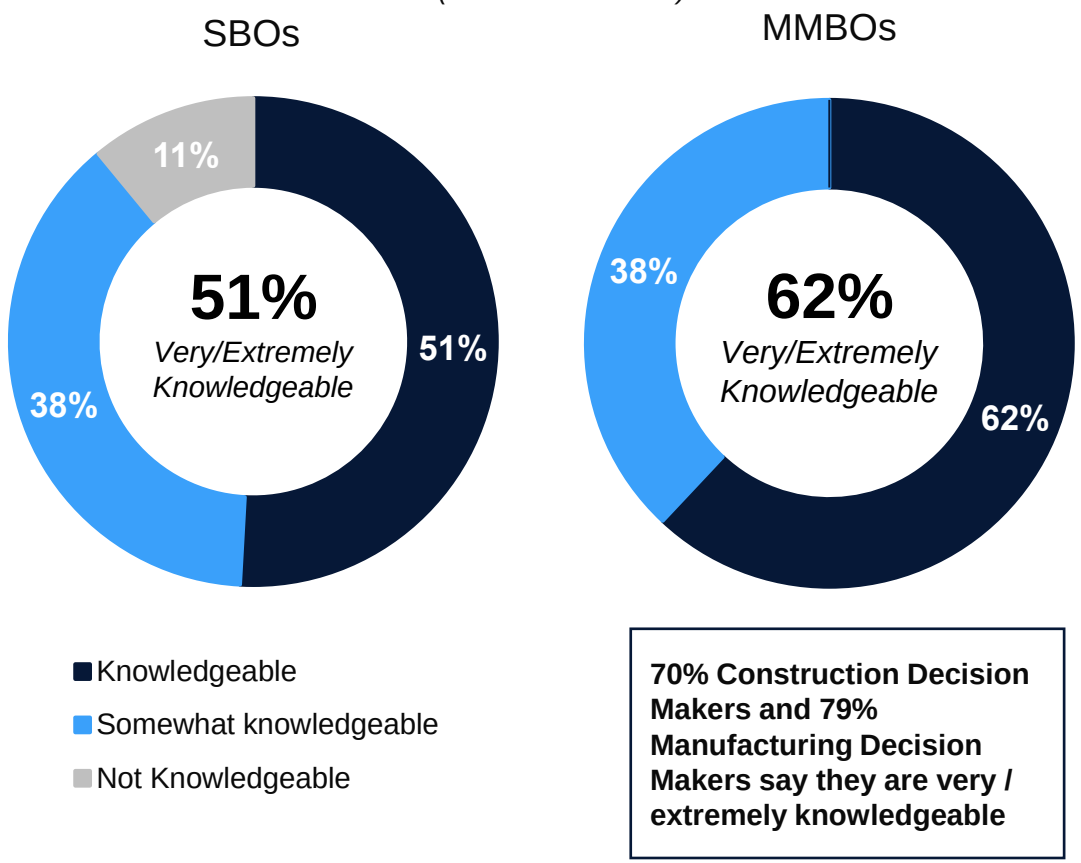
Q9: What is the single biggest obstacle that would prevent you from upgrading existing buildings to a higher standard - such as the FORTIFIED standard developed by the Insurance Institute for Business and Home Safety - to protect against severe weather? Base: (Small Business Owners who are property owners n=277, Mid-Market Business Owners who are property owners n=298)

There is opportunity for further education around regulations – especially among Small Business Owners

Most Business Owners are familiar with OSHA standards, HIPAA, and EPA regulations, however less than half report familiarity with the GDPR or Sarbanes–Oxley Act.

Knowledge of Regulations Impacting Operations

(Shown: % Selected)



70% Construction Decision Makers and 79% Manufacturing Decision Makers say they are very / extremely knowledgeable

Familiarity with State and Federal Regulations

(Shown: % Selected)

	SBOs	MMBOs	Manufacturing	Construction
Occupational Safety and Health Administration (OSHA) standards	71%	62%	82%	68%
Health Insurance Portability and Accountability Act (HIPAA)	61%	66%	71%	77%
Americans with Disabilities Act (ADA)	60%	53%	68%	77%
Environmental Protection Agency (EPA) regulations	58%	75%	75%	79%
Family and Medical Leave Act (FMLA)	58%	62%	68%	72%
National Fire Protection Association (NFPA) Codes and Standards	53%	61%	62%	85%
Federal Trade Commission (FTC) regulations	48%	67%	60%	80%
General Data Protection Regulation (GDPR)	41%	27%	58%	54%
Sarbanes-Oxley Act (SOX)	32%	41%	30%	60%

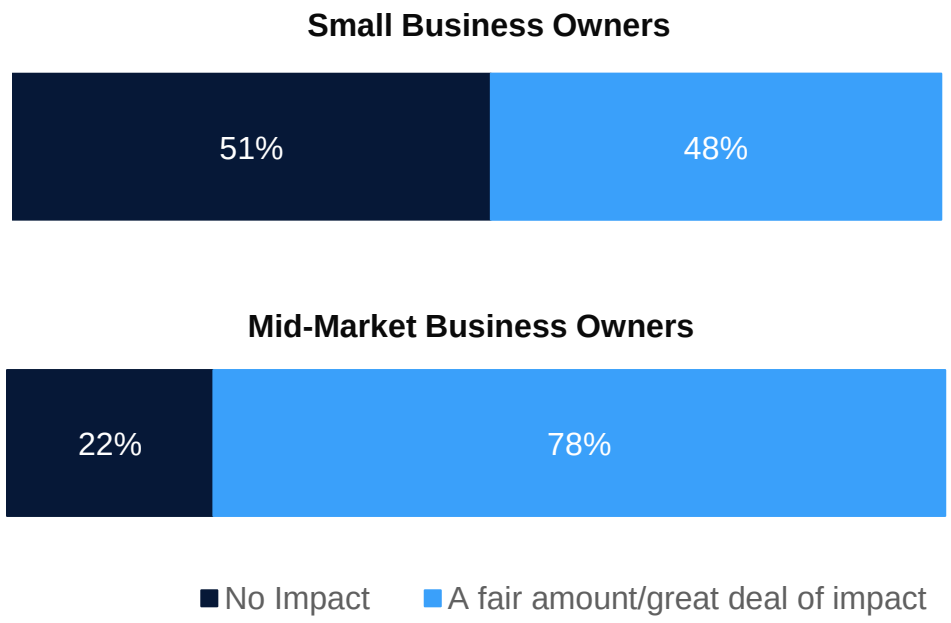
Q11: How knowledgeable would you say you are about federal or state government regulations that impact your business operations?
Q12: How familiar would you say you are with the following regulations? Base: Total (n=1001); Small Business Owners (n=401); Mid-Market Business Owners (n=400)

Mid-Market Business Owners are more likely to report regulatory changes have impacted their risk management practices

As a result, more than half of Mid-Market BOs have invested in new technologies or equipment to meet regulatory standards.

Impact of Regulatory Changes on Risk Management Practices

(Shown: % B2B "None at all/Not too much" and T2B "A fair amount/great deal")



Ways Regulatory Changes Have Impacted Risk Management Practices

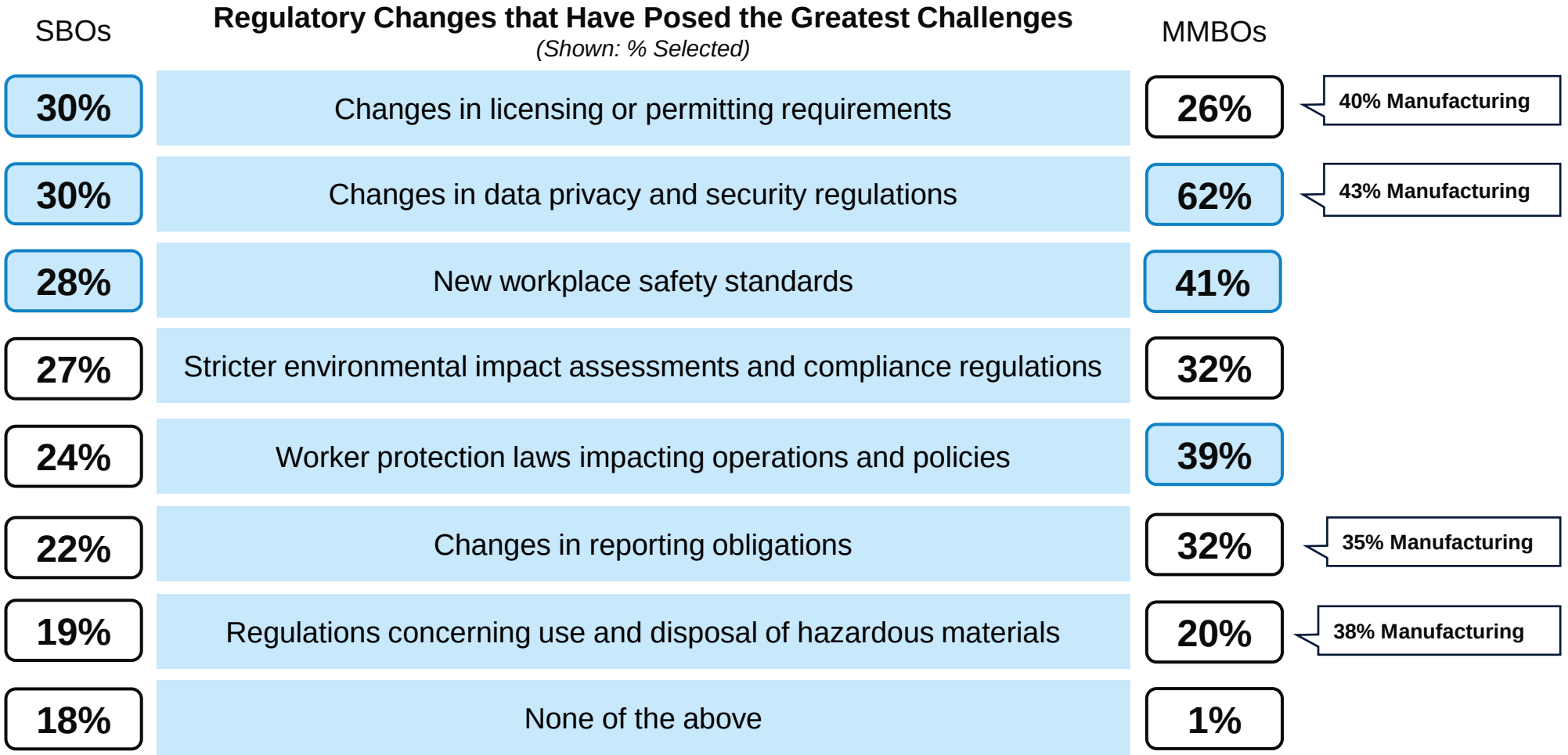
(Shown: % Selected, among those who been impacted)

	SBOs	MMBOs
Our risk assessment processes have been updated to account for new regulations	42%	49%
We have developed or improved training programs to ensure employees understand new safety and environmental protocols	39%	47%
Our insurance costs have increased or decreased due to changes in risk assessment related to regulations	36%	20%
We have invested in new technologies or equipment to meet regulatory standards	32%	55%
We have implemented or enhanced systems for reporting safety and environmental incidents	30%	42%
We have had to allocate more resources for compliance with new regulations	30%	46%
We have established or strengthened relationships with regulatory agencies to ensure compliance	29%	37%
We have altered our business strategy or operations in response to new regulations	29%	40%

Q13: To what extent have recent changes in regulations impacted your business's risk management practices? Base: Total (n=1001); Small Business Owners (n=401); Mid-Market Business Owners (n=400)

Q14: In what ways have recent changes in regulations impacted your business's risk management practices? Base: (Small Business Owners who have been impacted n=332, Mid-Market Business Owners who have been impacted n=360)

Small Business Owners struggle most with licensing and permitting changes, while Mid-Market Business Owners cite data privacy and security regulations as their largest challenge



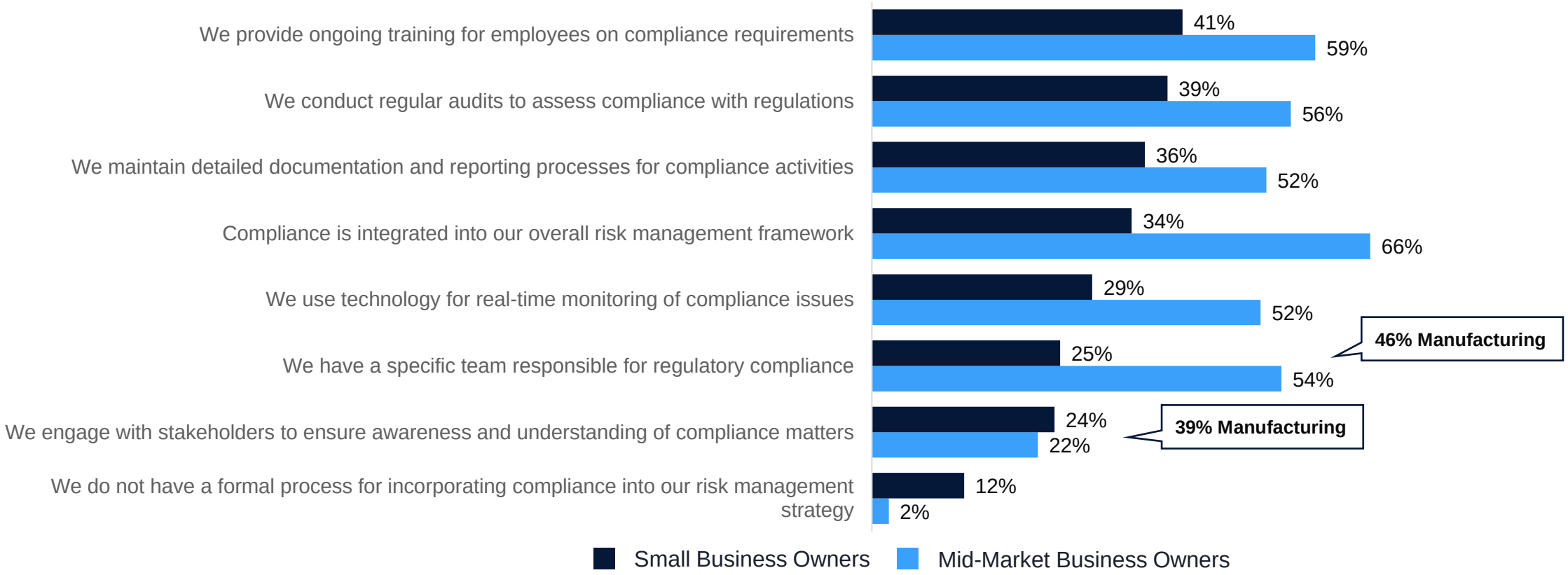
Q15: What specific regulatory changes have posed the greatest challenges to your business over the past year? Base: Total (n=1001); Small Business Owners (n=401), Mid-Market Business Owners (n=400)

Employee training and regular audits are key strategies for regulatory compliance – especially for Mid-Market Business Owners

Over half of MMBOs also report compliance is integrated into their risk management framework and that they have a team responsible for regulatory compliance.

Ways Businesses are Incorporating Regulatory Compliance Risk Management Strategies

(Shown: % Selected)



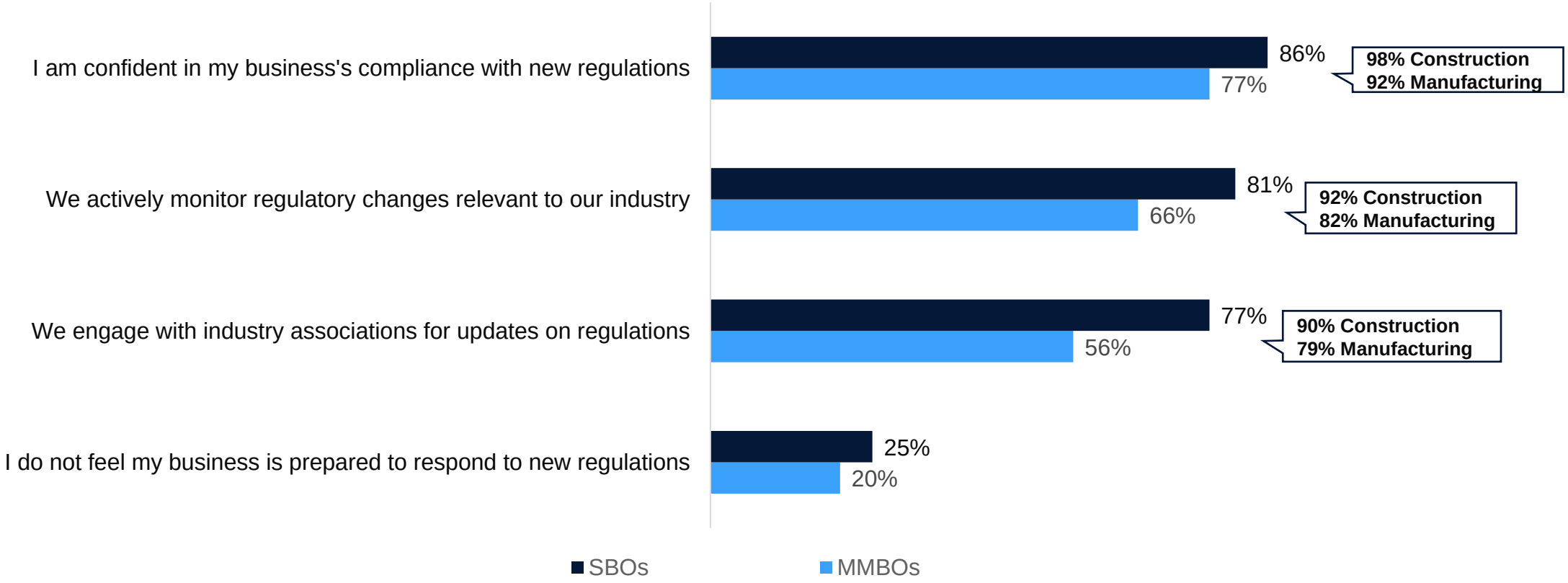
Q16: Which of the following describe how your business is incorporating regulatory compliance into its risk management strategy? Base: Total (n=1001); Small Business Owners (n=401); Mid-Market Business Owners (n=400)

Despite high levels of confidence, a quarter of SBOs and a fifth of MMBOs do not feel their business is prepared to respond to new regulations

Mid-Market Business Owners are least likely to be actively monitoring regulatory changes or engaging with industry experts on regulatory updates.

Perceptions Around How Businesses Keep Up with New Regulations and Ensure Compliance

(Shown: % Selected – T3B 'Agree')

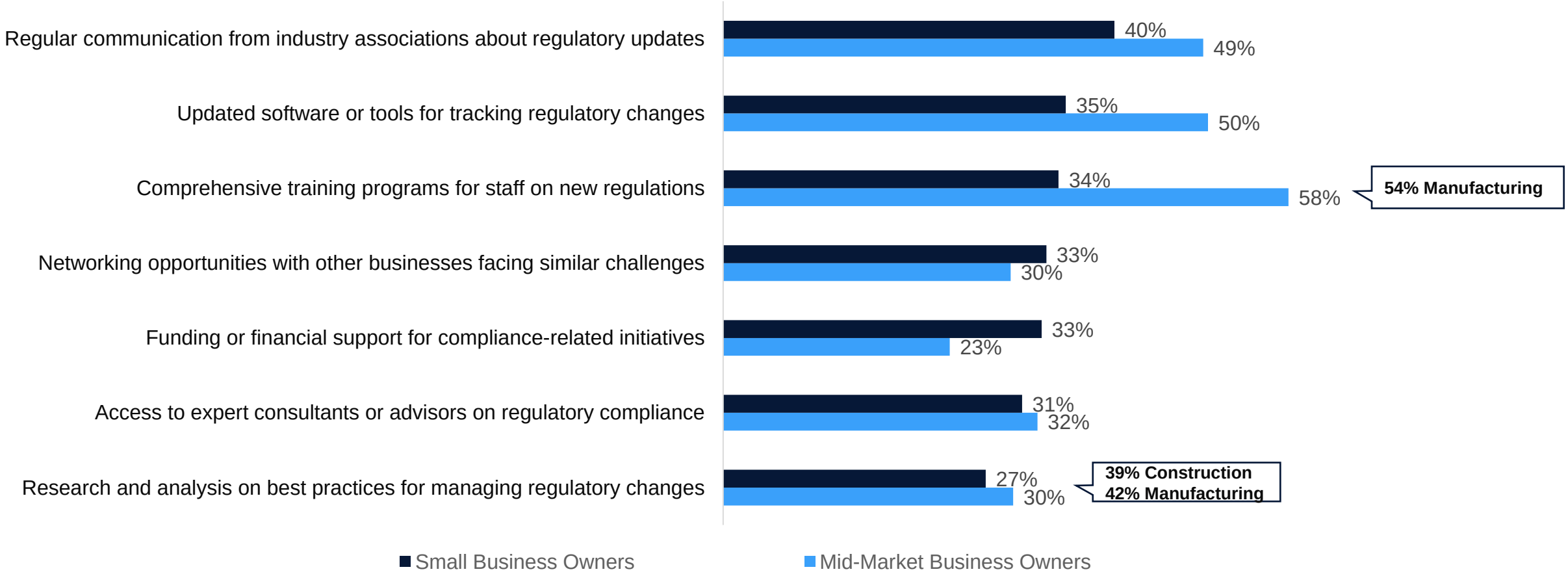


Q17: To what extent do you agree or disagree with the following statements about how your business keeps up with new regulations and ensures compliance? Base: Total (n=1001); Small Business Owners (n=401); Mid-Market Business Owners (n=400)

Businesses are looking for communication from industry associations, updated tracking tools, and training to better manage regulatory changes

Resources that Would Best Support Businesses in Managing Regulatory Changes

(Shown: % Selected)



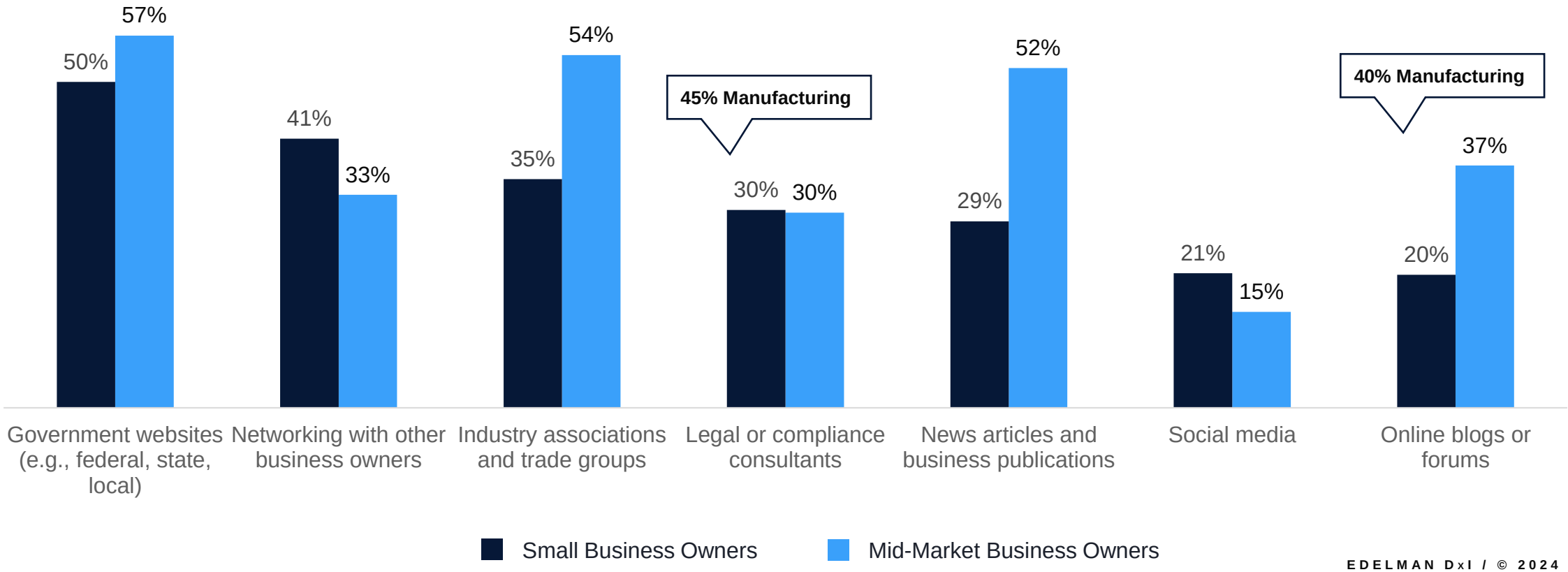
Q18: Which of the following resources would best support your business in managing regulatory changes more effectively? Base: Total (n=1001); Small Business Owners (n=401); Mid-Market Business Owners (n=400)

Business Owners are most often leveraging government websites to learn about new and existing regulations

Over half of Mid-Market Business Owners also look to industry associations and trade groups as well as news articles / business publications.

Sources Used for Information on New and Existing Regulations

(Shown: % Selected)



Q19: Where do you most often go for information about new and existing regulations that may impact your business operations? Base: Total (n=1001); Small Business Owners (n=401); Mid-Market Business Owners (n=400)

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Section 3: Technological Advancements

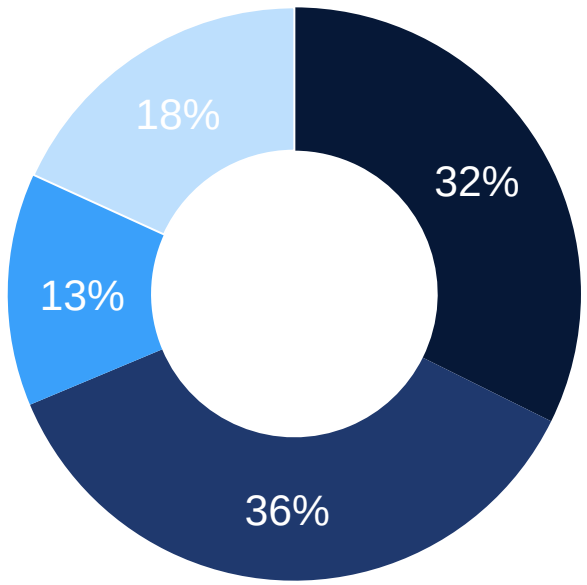
While Small Business Owners are more likely to say technology is central to all risk management activities, nearly 1 in 5 report relying on traditional, non-tech methods for risk management

Construction Decision Makers are also more likely to say technology is central to all risk management activities. Most Mid-Market Business Owners say they use technology in specific areas but not comprehensively.

Technology Integration into Risk Management Practices

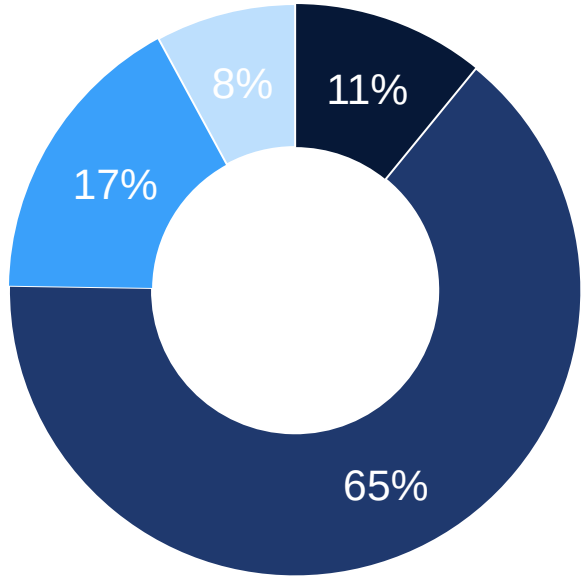
(Shown: % Selected)

Small Business Owners



43%
of **Construction Decision Makers** say technology is central to all risk management activities

Mid-Market Business Owners



- Technology is central to all our risk management activities
- We use technology in specific areas but not comprehensively
- We are currently testing or evaluating various technological solutions
- We rely on traditional, non-technological methods for risk management

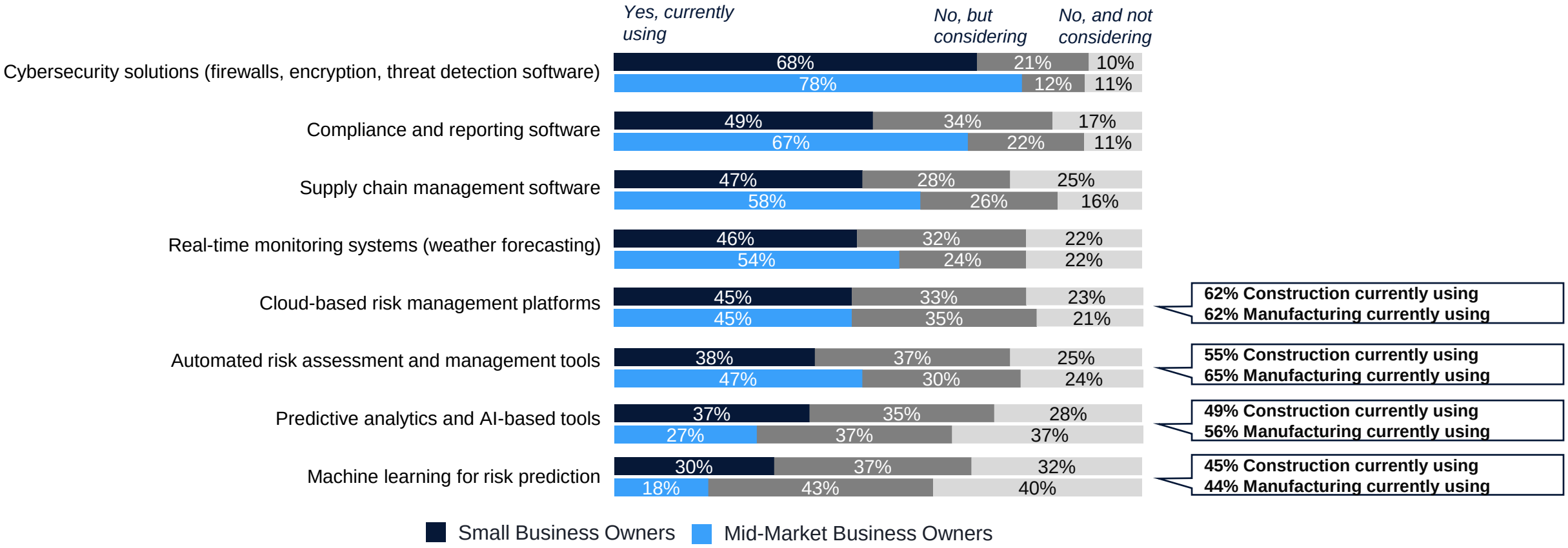
Q20. Which of the following best describes how your business integrates technology into its risk management practices?
Base: Total (n=1001); Small Business Owners (n=401); Mid-Market Business Owners (n=400)

While most Business Owners have cybersecurity solutions in place, less than half are currently using tools that leverage automation, AI, or ML

However, Construction and Manufacturing Decision Makers are significantly more likely to be utilizing automation, AI, and machine learning for risk management.

Digital Tools and Technologies Used for Risk Management

(Shown: % Selected)



Q21. Does your business currently utilize any of the following digital tools or technologies for risk management purposes? Base: Total (n=1001); Small Business Owners (n=401); Mid-Market Business Owners (n=400)

Mid-Market Business Owners are significantly more likely to report benefits on digital tools and technologies – like improved efficiency, compliance, and data analysis / reporting capabilities

Benefits Experienced as a Result of Digital Technologies *(Shown: % Selected)*	SBOs	MMBOs	Construction Decision Makers	Manufacturing Decision Makers
Improved efficiency in operations and processes	43%	68%	50%	56%
Improved customer engagement and satisfaction	37%	46%	34%	37%
Greater ability to monitor and manage risks in real-time	37%	55%	45%	50%
Enhanced employee safety	33%	53%	44%	51%
Improved compliance to evolving regulations	32%	61%	44%	61%
Improved product quality	31%	39%	40%	54%
Enhanced data analysis and reporting capabilities	30%	61%	32%	44%
Cost savings through automation and streamlined workflows	29%	55%	38%	49%
Better communication and collaboration among teams	29%	55%	42%	53%
Improved hiring / employee retention	22%	30%	40%	39%

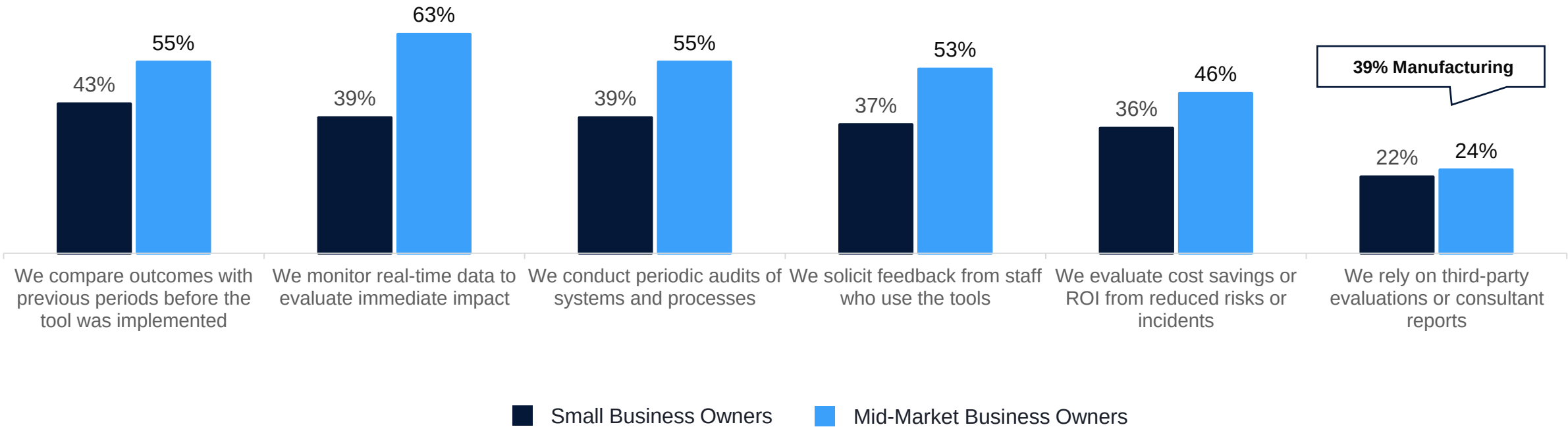
Q22. Which of the following benefits, if any, has your business experienced as a result of its use of digital tools or technologies? Base: Total (n=1001); Small Business Owners (n=401); Mid-Market Business Owners (n=400)

Mid-Market Business Owners are also more actively assessing the effectiveness of their tech investments

Over half of MMBOs are monitoring real time data, comparing outcomes with previous periods, conducting audits, and soliciting employee feedback to assess the effectiveness of the digital tools or technologies they have invested in.

Ways Businesses Assess the Effectiveness of Digital Tools or Technologies

(Shown: % selected)



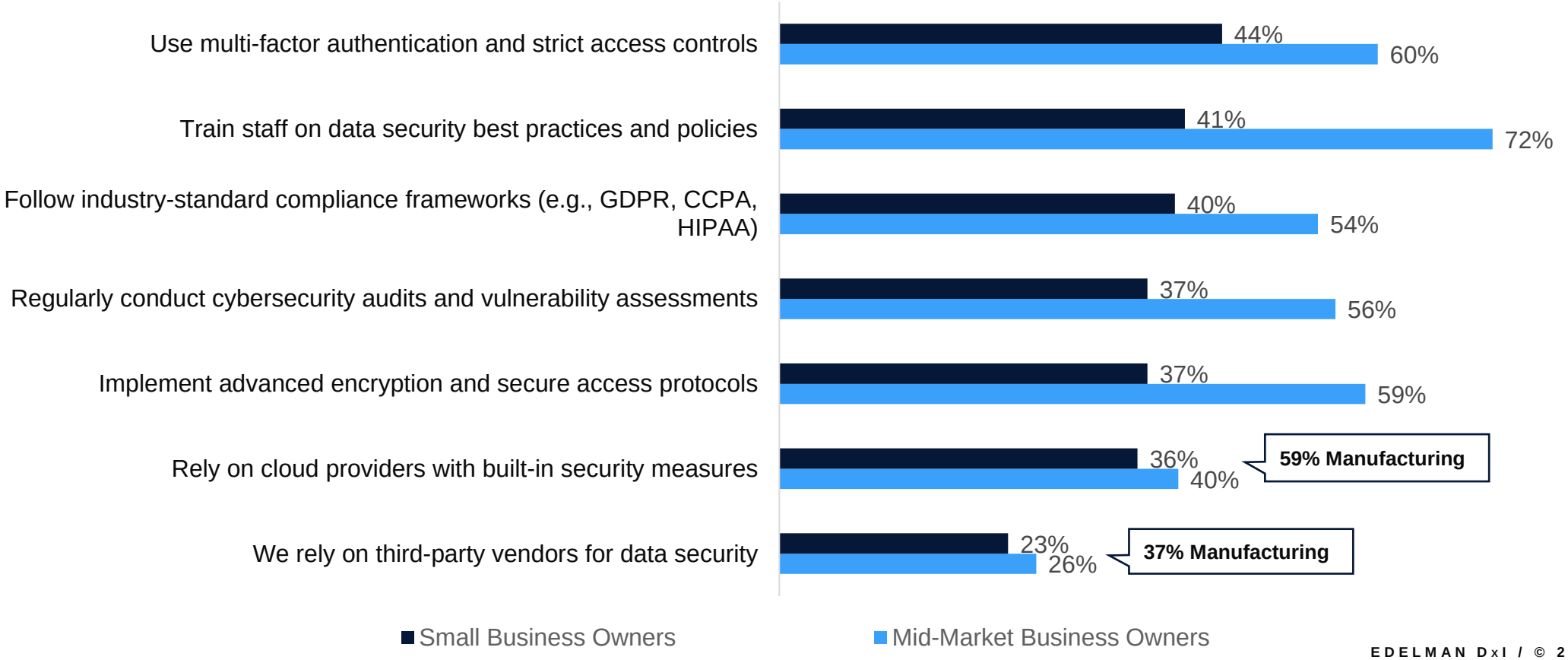
Q23. How does your business assess the effectiveness of the digital tools or technologies it has invested in? Base: Total (n=1001); Small Business Owners (n=401); Mid-Market Business Owners (n=400)

Most Mid-Market Business Owners are taking key actions to safeguard data security and privacy – while Small Business Owners have room to improve

The top actions taken include using multi-factor authentication and strict access controls and training staff on data security best practices and policies. Manufacturing Decision Makers are more likely than others to be relying on cloud providers with built-in security measures as well as third-party vendors.

Actions Taken to Safeguard Data Security and Privacy

(Shown: % Selected)



Q24. Which of the following actions, if any, does your business take to safeguard data security and privacy? Base: Total (n=1001); Small Business Owners (n=401); Mid-Market Business Owners (n=400)

Many Owners, along with Decision Makers in Construction or Manufacturing, agree on the importance of data analytics in risk management

However, less than 6 in 10 Mid-Market Business Owners feel confident in the accuracy of their data analytics for risk assessment.

Perceptions Around the Role of Data Analytics in Risk Management Decisions *(Shown: % Selected T3B 'Agree')*	**SBOs**	**MMBOs**	**Construction Decision Makers**	**Manufacturing Decision Makers**
We feel confident in the accuracy of our data analytics for risk assessment	76%	58%	90%	77%
Data analytics helps us predict and prepare for future risks	71%	65%	85%	81%
We regularly review analytics to adjust our risk management practices	71%	65%	88%	82%
Data analytics is essential for identifying potential risks in our operations	69%	72%	86%	88%
We rely on data-driven insights to inform our risk management strategies	67%	64%	85%	76%
Our team is trained to utilize data analytics tools effectively	67%	52%	83%	81%
Our organization prioritizes investment in data analytics capabilities for risk management	62%	49%	87%	78%

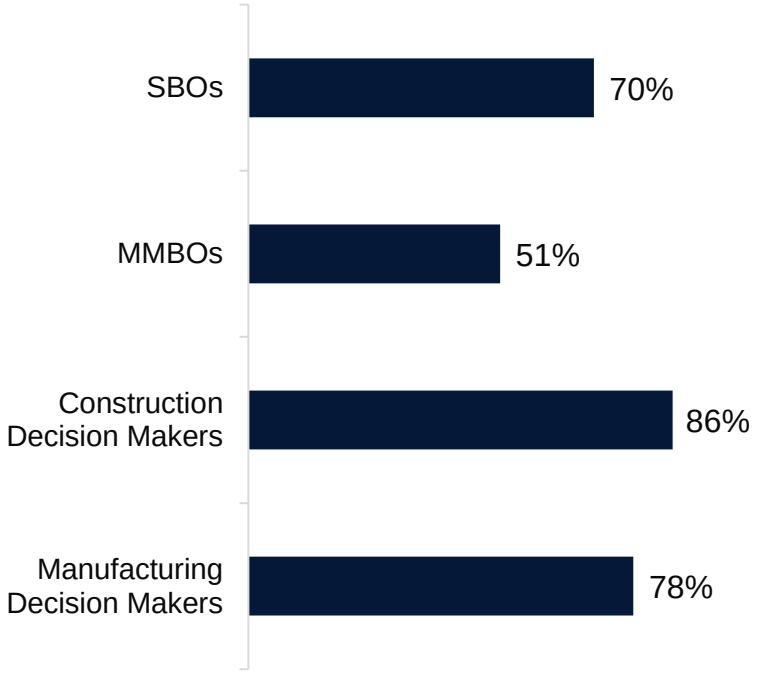
Q25. To what extent do you agree or disagree with the following statements about the role data analytics plays in your business's risk management decisions? Base: Total (n=1001); Small Business Owners (n=401); Mid-Market Business Owners (n=400)

Section 4: The Modern Workplace

Mid-Market Businesses are less likely than others to see their current safety measures as effective

However, Mid-Market Business Owners are more likely to have implemented key safety measures, like regular inspections and maintenance of equipment and tools and reporting systems for safety concerns.

Effectiveness of Current Safety Measures in Mitigating Risk and Ensuring Employee Safety
(Shown: % Selected T2B 'Very/Extremely effective')



Safety Measures Implemented to Address Specific Risks
(Shown: % Selected)

	SBOs	MMBOs	Construction	Manufacturing
Installed first aid kits and trained employees in basic first aid and CPR	50%	64%	56%	59%
Conducted regular inspections and maintenance of equipment and tools	50%	76%	58%	60%
Designed workspaces to minimize hazards and improve ergonomics	40%	48%	35%	37%
Established a reporting system for safety concerns	38%	77%	60%	63%
Installed non-slip flooring or surfaces in areas prone to slippery conditions	38%	43%	37%	55%
Provided training on safe lifting techniques and ergonomics	36%	54%	57%	50%
Conducted regular safety audits or risk assessments with third-party consultants	30%	43%	44%	38%
Designed safe access points and restricted entry to hazardous areas	28%	41%	44%	41%
Engaged with wellness consultants to support employee mental health	28%	51%	32%	33%
Implemented a comprehensive hazard communication program	25%	50%	29%	39%

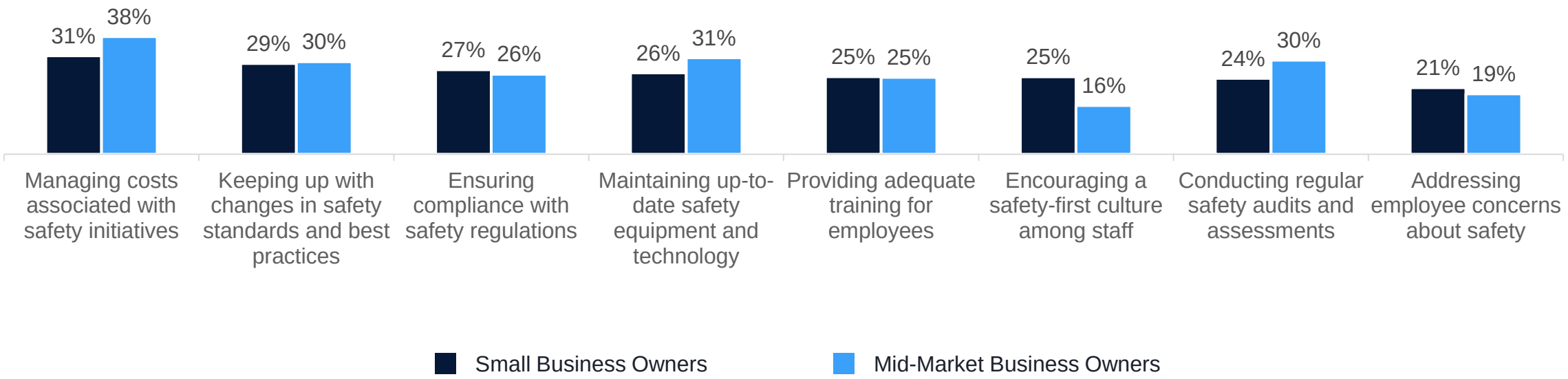
Q26. How effective do you believe your current safety measures are in mitigating risks and ensuring employee safety? Q27. Which of the following safety measures has your business implemented to address specific risks in the workplace? Base: Total (n=1001); Small Business Owners (n=401); Mid-Market Business Owners (n=400)

Managing costs is the top challenge for businesses when establishing and maintaining a safe workplace

Additional challenges include keeping up with changes in safety standards and best practices and maintaining up-to-date safety equipment and technology. Manufacturing Decision Makers are significantly more likely to cite each of the following as challenges – especially maintaining up-to-date safety equipment and technology (61% vs. 32% Total BOs) and ensuring compliance with safety regulations (56% vs. 30% Total BOs).

Challenges in Establishing and Maintaining Safety

(Shown: % Selected Top 2 Box 'Challenging' on an 8-point scale)



Q28. How challenging are the following for your businesses when establishing and maintaining a safe workplace? Base: Total (n=1001); Small Business Owners (n=401); Mid-Market Business Owners (n=400)

Mid-Market Business Owners are more likely to have key safety and risk management training practices in place

Compared to Small Business Owners, more Mid-Market Owners have mandatory safety training for all new hires, safety drills, and interactive workshops or scenario-based training initiatives.

Safety and Risk Management Training Practices

(Shown: % Selected)

Q29. In which of the following ways, if any, does your business train employees on safety protocols and risk management practices? Base: Total (n=1001); Small Business Owners (n=401); Mid-Market Business Owners (n=400)

There is opportunity for Small Business Owners to better leverage employee feedback to enhance workplace safety measures

At a lower rate than other Business Owners, less than half of SBOs are collecting employee feedback on safety measures or involving employees in safety committees or teams.

Influence of Employee Feedback on Workplace Safety Measures *(Shown: % Selected)*	**SBOs**	**MMBOs**	**Construction Decision Makers**	**Manufacturing Decision Makers**
Employee concerns are prioritized in safety discussions	55%	76%	56%	65%
We regularly collect employee feedback on safety measures	48%	69%	68%	57%
We communicate changes made as a result of feedback	47%	65%	52%	56%
Employees are involved in safety committees or teams	41%	63%	47%	55%
Feedback directly leads to changes in safety protocols	41%	60%	42%	62%
We conduct surveys to gauge employee perceptions of safety	34%	55%	32%	45%

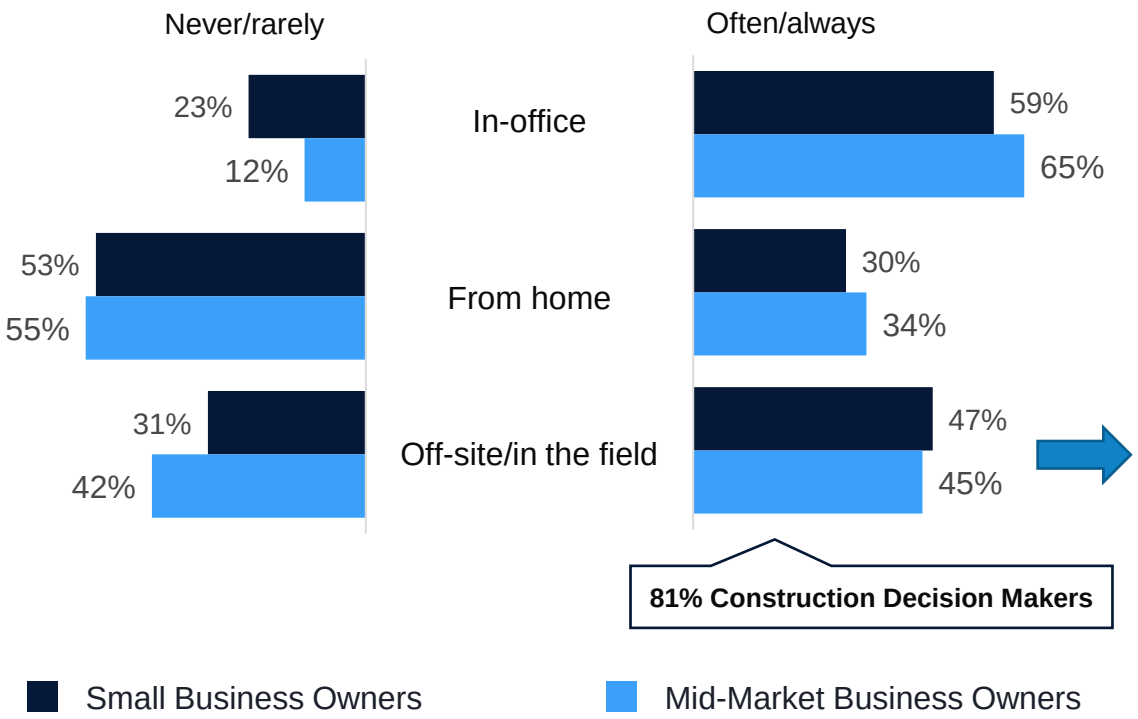
Q30. In what ways, if any, does employee feedback influence your workplace safety measures? Base: Total (n=1001); Small Business Owners (n=401); Mid-Market Business Owners (n=400)

Nearly half of Business Owners have employees that work off-site or in the field; Of these, most adjust their safety measures accordingly

For example, most Business Owners with employees working off-site or in the field equip them with the necessary gear, provide training and resources to ensure they are prepared for off-premise work conditions, and have clear communication channels for reporting safety concerns while working off-premise.

How Often Employees Work in the Following Environments

(Shown: % Selected)



Safety Measure Adjustments for Employees Working Off-Premise

(Shown: % Agree, 5-7 Summary)

	SBOs	MMBOs
We equip employees with the necessary gear for off-premise work	85%	75%
We provide training and resources to ensure employees are prepared for off-premise work conditions	85%	67%
We have clear communication channels for reporting safety concerns while working off-premise	85%	74%
We have established specific safety protocols for employees working off-premise	84%	65%
We have a process for evaluating the safety of job sites before work begins	78%	68%
We conduct regular risk assessments for off-premise work environments	77%	63%

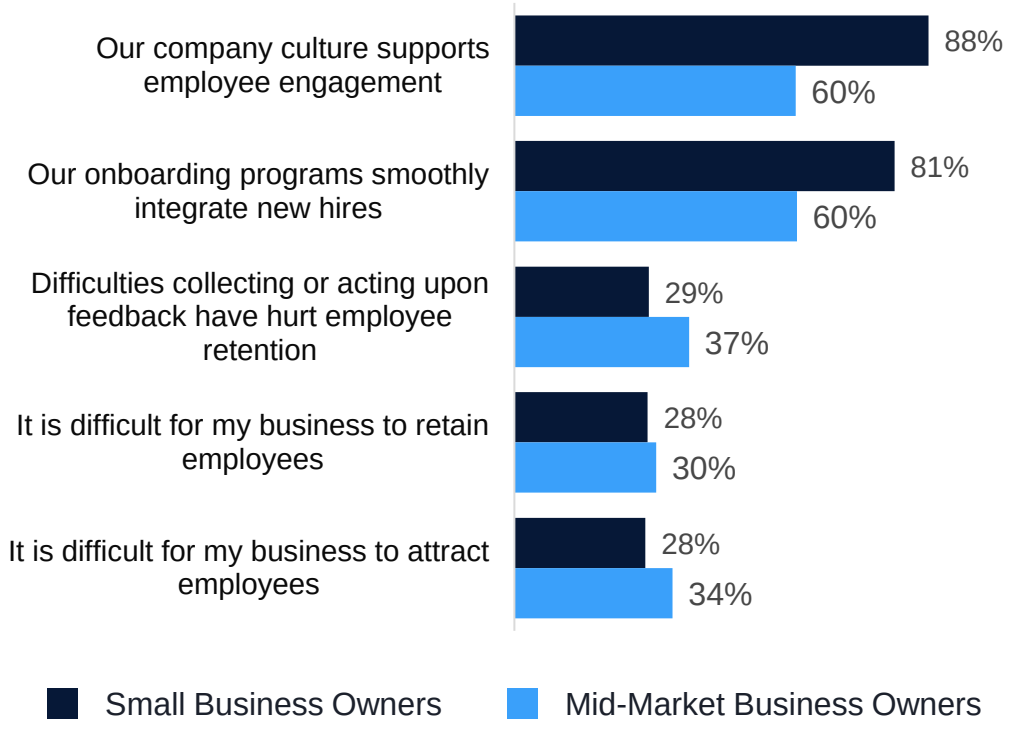
Q31a. How often do your employees work in the following environments? Q31b. To what extent do you agree or disagree with the following statements about how your business adjusts its safety measures for employees working off-premises (for example, in the field or at a job site)? Base: Total (n=1001); Small Business Owners (n=401); Mid-Market Business Owners (n=400)

Few Owners cite challenges around attracting and retaining employees, with most confident in their company culture and onboarding programs

However, nearly half od Mid-Market Business Owners cite difficulties competing with larger companies in offering attractive compensation packages.

Perceptions Around Attracting and Retaining Employees

(Shown: % T3B Agree)



Challenges Surrounding Attracting And Retaining Employees

(Shown: % Selected, T2B "Very/Extremely Difficult" Summary)

	Small Business Owners	Mid-Market Business Owners
Competing with larger companies in offering attractive compensation packages	32%	44%
Providing career development opportunities that meet employee expectations	21%	29%
Providing benefits and support systems for employee well-being	21%	19%
Attracting diverse talent to our organization	20%	25%

Q32. To what extent do you agree or disagree with the following statements related to attracting and retaining employees? Q33. How difficult are the following for your businesses when it comes to attracting and retaining employees? Base: Total (n=1001); Small Business Owners (n=401); Mid-Market Business Owners (n=400)