

PRESS RELEASE

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Supply Chain Risks Drop Slightly in 4th Quarter

LRMI says to be prepared for potential operational disruptions.

The Lehigh Business Supply Chain Risk Management Index for the fourth quarter is down 2.5 points from the third quarter. The LRMI identified the top four risk categories in rank order for the fourth quarter when compared head-to-head are economic, operational, customer and supplier risk. The other six categories are cybersecurity and data, government intervention, transportation, environmental, technological and quality risk.



“The decrease of two-and-a-half points is a signal that most supply chain managers believe that the fourth quarter is somewhat less risky than the third quarter,” says [Zach G. Zacharia, Ph.D.](#), associate professor of Supply Chain Management and director of the Center for Supply Chain Research at Lehigh.

“While operation risk has dropped in the overall index it has increased significantly in comparison to transportation risk, moving up to the number two concern when the risks are compared head-to-head by supply chain managers,” said Zacharia. “That means companies should be reviewing their protocols for site disasters, product counterfeiting and damage to physical assets.”

The LRMI reports quarterly on how supply chain managers rank 10 broad areas of supply chain risk. A unique aspect of the LRMI is that the quarterly reports include a sampling of candid comments from supply chain managers about each risk category that take you beyond the numbers.

Comments from the fourth quarter report include:

- Concern about the November elections and the disruption to supply chains if violence in major cities increases. Trucking companies may become reluctant to deliver to hot spots.
- Availability of temporary labor is the wild card in Q4.
- Many of our clients are struggling to respond and are in a higher degree of 'survival mode' which can be navigated but it requires additional creative thinking.
- Economic disruption increases private equity buyouts of our customers; this decreases customer loyalty, increases management change at customers, and can change the product and service mix they buy.

The LRMI was developed by the [Center for Supply Chain Research at Lehigh University](#) and the [Council of Supply Chain Management Professionals](#) to help rank 10 broad categories of supply chain risks.

“This report allows executives, not just supply chain managers, to look ahead and prepare for risks the experts are saying may become important to manage,” said Zacharia.

LRMI reports will be available every quarter on September 15, December 15, March 15 and June 15.

To get the latest report for free and to find out how supply chain managers can take the LRMI survey for the next quarter go to: business.lehigh.edu/LRMI.

About the Center for Supply Chain Research at Lehigh

CSCRL bridges theory and practice to promote a collaborative exchange of ideas on critical issues affecting supply chain management. By leveraging Lehigh's faculty, students, alumni and industry partners, the Center brings the latest developments in research and best practices together to generate new ideas for education and future knowledge in the field of supply chain management. [Learn more.](#)

About the Council of Supply Chain Management Professionals

CSCMP's mission is to connect, educate and develop the world's supply chain management professionals throughout their careers. No matter where you are in your career development, CSCMP has the resources and network to help you achieve your goals. [Learn more.](#)