

PRESS RELEASE

RELEASE DATE – April 6, 2021

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Average Supply Chain Risk at Highest Level Since 3rd Quarter 2020

Lehigh Business Supply Chain Risk Management Index shows 6 out of 10 risk factors increasing as supply chain managers are still cautious despite vaccine rollout.

The [Lehigh Business Supply Chain Risk Management Index](#) for the second quarter of 2021 is the highest it has been, at 67.12, since the LRMI was created in the third quarter of 2020 when it was 69.49.

The LRMI identified the top four risk categories in rank order for the third quarter of 2021 when compared head-to-head as economics, transportation, cybersecurity and supplier risk. The other six categories are government intervention, environmental, operational, technological, customer and quality risk.



“There is an increased sense of risk coming from the supply chain managers,” said [Zach G. Zacharia, Ph.D.](#), associate professor of Supply Chain Management and director of the Center for Supply Chain Research at Lehigh. “Not only is the overall risk index up, but six out of ten of the risk factors are up with the economy being the number one concern.”

Supply chain managers see the potential for labor shortages and workers who are unwilling to work in warehouse positions. “There is concern that capital costs will increase,” said Zacharia. “Managers are watching labor demands, health issues, the cost of real estate and commodity pricing.”

Customer risk is at a low point over the last four quarters according to the LRMI. “Supply chain managers are thinking that vaccine distribution will bolster consumer spending and unleash consumers’ savings from the last year,” said Zacharia.

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 second quarter report include:

- Fuel prices are steadily rising, the driver shortage remains acute and infrastructure is in decline throughout the U.S.
- A number of transport firms in the U.S. and Canada were targeted and hit with ransomware in Q4, and there is no reason to think it will stop.
- We're having more difficulties obtaining supplies in a quantity and quality expected and delivered when expected.
- Tolls, tariffs, taxes are all on the increase.
- [Read more comments.](#)

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 that will become important to manage in the future,” said Zacharia.

LRMI reports is 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.](#)