

PRESS RELEASE

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Transportation Risk Threatens Supply Chain in the 2nd Quarter

Supply chain managers are concerned about fuel prices, driver shortages and demand volatility.

According to the [Lehigh Business Supply Chain Risk Management Index](#) for the second quarter of 2022, Transportation Disruption Risk is the top concern among supply chain professionals, who participated in the LRMI survey.

Transportation Disruption Risk include fuel prices, driver shortage, infrastructure and demand volatility. With a score of 89.5, Transportation Disruption Risk has the highest score across all categories since the creation of the LRMI in the third quarter of 2020.



Transportation Disruption Risk has been the top concern in three of the previous four quarters. “Supply chain professionals are seeing not only spiking fuel prices, but also a rise in delivery prices, and a decrease in product supply leading to lower payloads and increased expenses,” said [Zach G. Zacharia, Ph.D.](#), associate professor of supply chain management and director of the Center for Supply Chain Research at Lehigh. “And they are still concerned over what the next phase of the pandemic is going to look like.”

The total average risk index for the second quarter of 2022 is 69.95, almost three points lower than last quarter. This is the first quarter the total has gone down in the last four quarters.

The LRMI identified the same top four risk categories as the previous two quarters, just in different rank order, for the second quarter of 2022 when compared head-to-head. They are transportation, economic, cybersecurity and supplier risks. The other six categories are government intervention, customer, operational, environmental, quality and technological risk.

“Economic Risks dropped from the top spot, falling a little more than one point as supply chain professionals are still concerned about inflation and the scarcity of raw materials leading to a recession,” said Zacharia. “Increasing energy prices, the inability to get qualified labor and the unknown global impact of the war in Ukraine are concerns for the second quarter.”

According to Zacharia, the LRMI allows executives and supply chain managers to look ahead and prepare for risks that will become important in planning for the next quarter.

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 takes you beyond the numbers. Comments from the second quarter report include:

- I’ve seen a pronounced up-tick in the amount of malevolent content making it past our first-layer firewalls.
- Lost several suppliers over the last two years, forcing us to rely on a single source.
- Digital and 3D printing has improved supply.
- Sanctions on Russian anthracite coal have increased customer demand.
- Geopolitical positioning will drive many changes in 2022 including foreign financial powers leveraging their capital and control.
- Priority is to push product out the door. Less concern over quality than 2 years ago.

- [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](#) in order to rank 10 broad categories of supply chain risks.

LRMI reports are available every quarter in March, June, Sept. and Dec.

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.](#)

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