1 Cybersecurity and Data Risk Comments
More systems, interfaces and reliance on e-commerce will be a significant stress area.
More data risk is imposed due to further modernization and migrating data to the cloud.
I'm not convinced that my company is subject to as high an amount of risk as many others. Cyber attacks will still happen, but aligning with the right software systems provides added protection. Our systems are supported by Salesforce and Google, which go to extreme measures to protect their users.
Cyber warfare is at an all-time high and is suspected to increase.
The 'bad guys' continue to view on-line, remote/virtual workers who are less than adequately protected as easy pickings; they continue to innovate ways of infiltrating business and supply chain accounts.
Future impact of AI.
Always a threat. Phishers and scammers keep increasing. Precautions are in place.
I believe cybersecurity is an ever increasing risk; as our political environment becomes more unstable, we become a bigger target.
Slight increase in cyber attacks, theft attempts.
Bad economy equals more bad actors.
More scams are popping up.
Seems to be more activity lately.
Seems that something new appears every day/week.
Just a guess on my part; I don't have tangible information that it will increase, but I fear that it will. Lots of bad actors out there working on this. And supply chain orgs have been attacked in the past.
Hackers and "bad guys" continue to find ways to interrupt and cause havoc on companies.
Seems like the onslaught is growing.
Introducing a new software product will always have bugs. Some of the unknown bugs could present cybersecurity risks.
We constantly go through monthly cybersecurity risk training.
Just seems so. I do not have actual numbers.
AI misalignment, misjudgment or similar disruption.
There has been an increase in cyber-attacks and/or attempts. There has been a notable increase in both phishing and cyber.
Desperation from Russian and Chinese players expected to expand.
Cyber issues have been on the rise. More hits, different methods - hacking is an innovative business; supply chains have been shown to be vulnerable.
DoD measures are working to promote cybersecurity.
This is a risk which will never go away. The cost to keep it in the background, however, is eating into margins.
China and Russa are becoming bolder with the ransomware attacks and more expansive.
2 Economic Risk Comments
Inflation, bank failure, and a continually out-of-touch Fed continue to drive economic risk.
Resource scarcity, particularly of qualified labor.
Energy policy, supply, and reliability.
COVID has imposed a huge labor crunch.
In the short term, I feel the economic risk will remain the same. If a deeper recession occurs, all buying behavior, both indidvidual and commercial, will decline...having an effect on all businesses, specifically small business.
All of the listed bullets have upward pressure on them.
Expecting a recession in Q3, 2023.
Increasing probability of US debt default.
It is hard to predict this with an election coming up.

The world is increasingly unstable.
Labor has been and remains a challenge since COVID began. Workers have experienced new work environments (work from home), higher rate increases with incentives, and more benefits. This is now the new norm and any company not adjusting will have difficulty retaining.
Good candidates continue to be a struggle.
Most of our growth is tied to price increases which isn't sustainable. Holding too much inventory and could see large amounts of salvage.
Energy up tremendously.
The risk of recession is generating uncertainty for demand in the second half of the calendar year.
Expect some moderation on commodity prices.
Provided #1 is solved for timely.
Most of our suppliers increased prices in 2022.
Increase. Just read the newspapers.
Post-COVID labor is more costly to find and retain, and less dependable.
As noted, decreasing customer demand is critical. This is driven by overall market risk.
There is a growing concern regarding increased energy costs due to changing regulations.
The disruptor is increased competition for the same resources, causing uncertainty in the work flow.
Increasing energy costs, price volatility, and lack of skilled labor availability.
Major challenge continues to be availability of quality labor to support distribution center/warehousing needs.
3 Customer Risk Comments
Changing behavior and demographics provide a challenge for marketers.
As a freight broker, an excess of available capacity commoditizes the value-added service providers. Trucks are easier to find, thus undermining the high levels of service and communication a company like ours provides. Additionally, continued risks exist with respect to buyers changing companies and losing relationships, etc.
Provided inflation doesn't get any worse - it should remain the same. However, consumer credit card debt is setting new high watermarks and that will be troublesome.
Some customers are attempting to buy at a better cost. Our company lets them go by the wayside, and continues to pursue profitable accounts.
Impact of continued inflation on customer purchases.
Price compression and more competition make keeping existing customers and customer volumes more
Although candy has been recession proof over the years, the possibility of customer demand decreasing is always present since candy is not a necessity item. This is difficult to predict since we rely heavily on lagging
Competition isn't increasing price at same levels.
Pricing is becoming more of an issue to keep customers.
Customer behavior has been a challenge to predict as more consumers are diversifying their spending dollars due to more choices. The pandemic generated SKU rationalization and empty shelves which pushed consumers to available products. We are also seeing customers more consciously spending their money due to recession
Customer risk is always pretty high. Large amount of competition and competing brands in the garden industry are always a large risk.
Uncertainty is high, creating risk.
New products are always a mixed bag. We have potential to anger existing or new customers if our product isn't ready in time or doesn't perform well.
Our delivery times have increased by a day or two at the most. I tell our customers straight up it is because there are not enough drivers and labor for UPS, USPS, and FedEx.
All true. Accelerated by internet purchasing.
Increasingly political and sociological concerns are impacting customer purchasing choices.

Demand continues to drop with little to no new business to mitigate it. Demand is getting lower and lower. Inventory is becoming a problem, either due to lack of storage space or high 3PL storage costs.
We have not heard any concerns regarding increased or decreased customer risk.
Financial uncertainty.
Customer service is already in the tank and will become worse as computers and AI functionality replace human-to-human interaction.
Customer demand quickly changes in response to OEM shortages.
Warehousing customers becoming even more cost sensitive.
Without a more affordable EV, this will remain an increasing risk with economic uncertainty.
Right now, as a tier 2 or 3 supplier to a manufacturer, there is a huge reduction in demand for many items as the Mfgs over-purchased during COVID.
These issues have been around for a while. Customers either shop based on quality so long as the price is reasonable and quality high, or simply shop on price, in which case many move to China or India. Customer loyalty only exists through the next shipment or next contract cycle. I believe some customers will start to look more internally at the US, as China has proven to be unreliable over the past couple of years.
Customer demand, although normally tied to housing starts, is hard to predict in a recovering economy.
4 Government Intervention Risk Comments
Government tariffs have been a disaster. Steel and aluminum tariffs have done nothing but raise prices for producers and consumers. Domestic companies are not reinvesting or attempting to grow; rather, they are making money grabs. Strategic defense benefits have been gained.
Regulation has potential for being a growth constraint, coupled with isolationist views by countries.
Energy policy, supply, and reliability.
With the 2024 election cycle starting, government will be stalled. Other countries are not likely to do anything significant either.
In the freight brokerage world, the potential of rate transparency and the AB5 independent contractor law could have significant impact on us. The government doesn't realize the full scope of the effects these could have on the freight business and the trucking industry.
US Govt debt default talks are happening now.
What are all the IRS agents doing? Just reported today regarding the increase in tax ID fraud.
Our government is out of control, led by excessive spending.
It is hard to predict this with an election coming up.
Poor US-China relations means that global trade could become more difficult.
99.9% of our sales are domestic. Other than making trade easier, it is doubtful there is an impact.
More regulation would benefit my company.
Remains at an elevated risk due to global tensions (Russia's war in Ukraine, etc.) and a move toward more nationalistic policies.
Always a concern.
#1 applies here as well as other geopolitical pressures, if they flare.
Geopolitics and war will continue to reshape the "global" supply chain.
Potential for new FDA guidance on Biologics to affect processes and overall drug delivery timeframes.
Given 2024 is an election year, potential political/regulation changes may rise.
With DOT approval of our lab-based oral fluid drug test, we are more secure.
Unknown regarding the effect(s) of intervention(s).
The liberal, socialist government in office poses a threat to all hard-working businesses.
There is a growing concern regarding increased regulations across various industries.

US policy expected to remain unchanged for the foreseeable future. Biden administration officially "lame duck" after the debt ceiling increase passed.
Current administration thinks that every time something happens they have to step in and regulate. This increases cost and lengthens service time.
More Government Regulations interference.
As the next election cycle in the United States get closer, the turbulence of governmental impacts will only grow. Right now, the debt game is a problem that many are ignoring. When the deal was verbally approved, it got quiet when, in reality, there are lots of behind-the-scenes things which could ruin forward progression.
5 Environmental Risk Comments
Natural disasters seem to be increasing.
Increasing transportation accidents.
Summer hurricane season combined with El Niño.
Unpredictable, but always a potential that is difficult to prepare for.
Global warming.
With the effects of climate change and more extreme weather, the risk is always increasing until we take the challenges of our environment seriously.
Global warming continues every year, with increasingly more extreme weather in the last few years, resulting in increased risk.
Climate change continues to impact here.
Transportation is disrupted across the country after every major hurricane, snow storm, rain storm, wind storm, etc. Supply chain shortages will be exacerbated as more trucks are displaced due to weather disruptions.
Lack of rain, too much rain, high or low temperatures greatly affect point of sale with our customers, which directly influences our volume.
I don't see any environmental risks down the road.
Again, things are changing rapidly, and our ability to "keep tabs" on those changes is insufficient.
My company prioritizes environmental friendliness over running a successful business. As new requirements get implemented, they will significantly impact our performance.
We have not heard any concerns regarding increased or decreased environmental risk.
Next six months are hurricane season - there is always something rolling out there.
Hurricane season in US just started :)
Storms, volcanos, earth quakes, and fires are all on the rise.
6 Supplier Risk Comments
Resilience is a key opportunity area.
Supplier has similar concerns.
Slight increase on supplier response time.
Unlike during COVID, suppliers are now better equipped to meet their time commitments. Excess inventory is still on hand after raw materials were over-ordered in anticipation of high sales volume continuing.
Suppliers are attempting to push through exorbitant price escalations. Our purchasing team is busy trying to combat these increases by seeking out alternative suppliers.
The economic downturn makes suppliers more reliant on keeping the business that they already have.
Supply chains are becoming more stable in our industry. Believe risks will decrease.
Slight increase, mainly due to heightened geopolitical tensions (Russia in Ukraine - as most of world continues to provide assistance to Ukraine, increase sanctions on Russia, and Russia's outlook deteriorates further and Putin's desperation increases.)
A significant effort is underway to qualify secondary sources. We are also seeing easing of product tightness, especially in packaging.

Supplier inventories have calmed down and inflation is more stable.
Also dependent on #1, the outcomes could impact this area.
Suppliers have continued to become more and more reliable as we exit the pandemic.
Inflation is still a thing as everyone is trying to figure out where the breakpoint is on pricing before business volumes are impacted.
We have had steady, secure support from our suppliers for 15 years. Most of our products are made in the USA and I can access the suppliers at any time. I'm not worried about counterfeit products.
Recent struggles with suppliers appear to be increasing. There is risk of them dropping out of the market or increasing prices. Increasing prices is common across all suppliers.
We have had several clients that are looking into building a more robust supply chain with additional options for suppliers.
Prices are fluctuating up and down but overall trend is up.
Manpower and hiring continues to be a prevalent problem.
Tesla is bringing some mining efforts in-house, as well as continuing to mitigate different supplier tiers.
As the US does a lot with China supply risk is always an issue, as has been seen with the chip industry during the pandemic. The US is incentivizing some companies to make products domestically, however, so much capacity has been shut down that it will take a couple of years to get this back. China sources should NEVER be single sources. Other sources from Europe, US or India should be readied to take up the capacity. Of course, Taiwan and Ukraine are out there and there is always a risk with these issues for supply disruption, price volatility. Minimum wage discussions have the potential to cause lower profits, and thus layoffs of some lower paid workers in an attempt to maintain profitability. Raises in minimum wages will ripple upward to higher paid workers and the delta will be smaller, and these workers will demand more.
Larger companies that I deal with (3M, Dupont, Dow) are increasing their minimum order quantities for certain materials due to dwindling customer demand.
7 Technological or Competitive Risk Comments
Technology and productivity advancements are key to productivity gains.
International companies may be under different circumstances.
Our customers receive an abundance of solicitation calls from competitors when the market is down. We need to continue building relationships and lean on those and customer loyalty in order to maintain our expected business levels.
The caveat at this moment being the installation of adequate safeguards of AI errors and malicious use.
Implementing a new AI routing tool which we plan to utilize to reduce costs and drive route efficiency.
The expense of technology is a prohibiting factor in remaining competitive with the largest manufacturers. Customers expect the same levels and types of communications from us and we do not have the same tools/technology.
These risks increasing with huge growth and advancements in AI. Companies that leverage it may perform better than others (more output per employee, etc.).
Digitization is on the rise, so many companies will be forced to innovate or risk losing market share to more efficient companies who are using strategic automation.
Uncertainty creates erratic behavior from competitors.
Our lab-based oral fluid drug test was just DOT approved. This will give us an edge, so we don't have to worry about competitive risk.
Here the unknown plays a significant role. What will new technologies do? How will they be deployed? Who (if anyone) will operate them? How will they be helpful (if at all)? The questions are numerous (TNTC). Until answers and solutions are validated and trusted, the risk will increase at quite a pace and volume.

We have always offered higher quality product at a higher price. Recent trends show customers willing to accept lower quality for a more affordable price. This trend continues as customers seek cost reductions.
We have not heard any concerns regarding increased or decreased technological or competitive risk.
Partnerships like the recent one with Ford CEO, Jim Farley, will become more common. As competitors improve, so does the EV to ICE ratio and, therefore, the infrastructure to support more of the products Tesla produces.
Technology is a financial leach. It is almost necessary to have it, but it will increase in need and expectation which will just cause more money to be bled away from the provider's business. At some point, we will see a substantial change in how technology costs are passed through to customers.
AI is the biggest question mark on the horizon. In some areas it is a boom, but others may be a bust, especially for workers' job security.
8 Transportation Disruption Risk Comments
Slowing economic activity will reduce stress in this area.
Fuel and driver concerns.
Labor situation with teamsters and ILWU will come to a head in Q3.
Truckers' expenses continue to increase. Driver pay, purchase cost of equipment, maintenance, fuel prices, insurance, etc. Yet rates are moving back to extreme lows in the last 3 years. Not sustainable for smaller companies with lack of capital and/or cash flow.
Drivers now seem to be readily available. Biden Administration policies are aggravating a sensible approach to diesel fuel costs and pricing.
More transportation capacity available.
More capacity, lower prices, less risk.
With the economic uncertainty, we anticipate demand will change.
This one is difficult. All it takes is one natural disaster in the US to shift the demand of trucks, affecting pricing. Hoping we stay steady more than a strategy outlook.
Heading into Peak Season.
Things have been much more stable and we expect to stay that way.
Depending on #1, this could be in great flux.
Fraud and double brokering in the transportation space is becoming a national crisis. Fraudulent carriers are registering for MC numbers by the thousands every day and stealing commodifies wages, which forces smaller companies out of business.
I think fuel prices will stay the same or increase. Driver shortage will remain. Cargo transportation infrastructure is not getting any better.
Summer tends to tighten the transportation market and transportation costs increase.
Weather results in shipping delays - increasing summer after summer.
Drivers seem to be more available as the market tightens and churn decreases.
See the answer in #1.
Here, all four examples become riskier. Fuel prices are labile and seem to be rising. Workforce shortages exist throughout many economies. Infrastructure is deteriorating. Demand is more volatile as more people require goods and services.
Raw materials and subassemblies shipped from foreign countries, especially China, are at greater practical (transportation system) and political risk.
Transportation risk from Asian suppliers to the US has gotten much better. It is easy to get bookings and they are more reliable, as in they are rarely cancelled. Since COVID they had been cancelled frequently.
Fuel prices are beginning to increase as we move into summer. Many clients are anticipating higher-than-average costs for freight and delivery.
If the ILWU goes on strike it would be a huge disruption.

Constant battle to secure short(er)-term leases or partnership agreements as many major transportation suppliers are in longer term deals with companies in the retail space; and with more reliable forecasting tools. While this allows smaller transportation suppliers to live in the space, quality is compromised, limiting the viability of a relationship. Could be interesting to see if non-traditional companies vertically integrate and bring
Transportation has been turbulent and does not see signs of diminishing. From Internationals services, to port issues, to rail issues there are consistent challenges. The crash of freight rates is a problem growing on the horizon, as there may be issues for many carriers to be able to make cash flow and stay in business.
Ukraine has been dominating fuel prices and supply. While we have not seen this here, Europe is largely dependent on Russa for fuel, and shortages from the Middle East and other sources may be stretched. Better situation in the US, but, as other parts of the world demand fuel, the availability for US may be strained, unless produced here. Natural gas is being exported to supplement supply in Europe. UTC has changed the driver requirements, so I do not see this as an issue. However, containers from China and elsewhere may be somewhat of an issue as time goes on and US / China relations are strained.
Less demand for my company's product means less shipments and less drivers required.
9 Operational Risk Comments
Qualified labor availability to adapt to technology advances.
Energy supply concerns.
All signs point to recession. Significant decline in International shipping. Continued lack of demand for trucking, which will lead to smaller owner operators being forced to close their doors.
The current wars are escalating and all of these things are targets.
Double brokering of US TL Freight. Load Phishing of brokered truckload freight.
Improvement in the global logistics markets have added capacity and made transportation easier and less risky.
We continuously work to minimize our risks, but they will always exist where product is concerned. Popular national brands are always a target for counterfeit.
Heading into Peak Season.
Unknown state of the Federal Government's plan to address the present debt ceiling.
Uncertainty in economics and consumer behavior has increased risks in competitive activities and supply.
Maybe worth adding cyber security risk to the question. That might be an area where we have increasing
We are still impacted by COVID-related problems with UPS and FedEx....packages are not being delivered on time because they don't have the labor power. Right now, I'm waiting for a package from FedEx that was sent "overnight" on Tuesday. Supposedly, it is "on the truck" for delivery today.
Site disasters create operational risk as there are fewer sites. The chance of a significant disruption of supply chain logistics actually has decreased. However, should an untoward event occur, logic dictates that there would be an increase in disruption. This is a downside to consolidation. Product counterfeiting is always a problem. Again, as supply falls, the chance of "knock offs" increases.
Distribution system and supply chains risk.
Slight increase indicated, but not realized yet.
Machine breakdowns are a constant issue, although some parts are becoming easier to get than they have been over the last several months.
Increasingly, we have seen stabilization in this area.
No change expected.
Not a big concern.
support said growth is likely not at sustainable levels, thus requiring more resources and increasing failure modes.
Major risk for European operations is war in Ukraine vs. energy supply and product shortages. Europe is the largest sales area for the company with the US being second.

10 Quality Risk Comments
Complication of product design provides a potential issue.
With buying behavior down, companies must focus on their quality to set themselves apart from the
Bad quality due to bad raw materials.
The software/Tech sector seems complacent and happy about releases of product under the heading of agile development that aren't completely vetted and reliability tested. As such, we wind up with weekly updates to software. As it pertains to apps and computer programs, it's annoying. As it pertains to things AI, it's dangerous, and increases risk.
Customers are trying to cut corners with regards to safety - not willing to pay for extra men for deliveries.
We are putting a full court press on improving the quality of our product.
Heading into Peak Season.
We are changing the system mechanically and within our WMS.
Supply chain disruptions have subsided for the most part.
We are rolling out a new product. Our core quality team will be focusing on the new product, and the quality of our legacy product could potentially suffer.
Component quality has remained at a consistent level for our clients.
New products, new buildings, new tech, and newly created software will lead to higher barriers to clear as it relates to quality. Additionally, those leaders specifically assigned to quality will need to deal with the ebbs and flows that come with growth; one specific example is the hiring plan/ramp is typically behind the product's growth plan which allows things breaking before introducing countermeasures and appropriate resources.
Quality hit a low during COVID with having to find emergency replacements of primary vendors, but is once again stabilizing.
Very tied into supply chain from China. Quality and supply interruption based on Chinese government industrial park shutdowns for inspection. Taiwan will be a major issue if China invades.