

PRESS RELEASE

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Cybersecurity Tops Supply Chain Managers' List of Biggest Risks in 3rd Quarter

Lehigh Business Supply Chain Risk Management Index emphasizes concern over data theft and viruses.

BETHLEHEM, PA, June 20, 2023 | The results of the [Lehigh Business Supply Chain Risk Management Index](#) show cybersecurity is the biggest risk on supply chain managers' minds for this coming 3rd quarter. Cybersecurity tops the LRMI for the second quarter in a row.



Economic Risk holds steady as the second largest concern, while the overall risk score is a little more than one point over last quarter's, which was the lowest in the last three years. The next two risks have dropped slightly, but they are the same risks identified in the 2nd quarter, namely Customer Risk and Government Intervention Risk.

"Interestingly, Environmental Risk has become a top 5 concern for the first time," said [Zach G. Zacharia, Ph.D.](#), associate professor of supply chain management and director of the Center for Supply Chain Research at Lehigh, "which suggests natural disasters and extreme weather have become more worrisome for supply chain managers going forward."

The LRMI was launched in 2020 by the [Center for Supply Chain Research at Lehigh](#) and the [Council of Supply Chain Management Professionals](#) in order to rank 10 broad categories of supply chain risks. "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," said Zacharia. The risk categories are cybersecurity and data, economic, transportation disruption, supplier, government intervention, operational, quality, customer, technological and environmental.

A unique feature of the LRMI is the opportunity to compare across all 10 risk categories directly against each other, instead of scoring each risk individually. When supply chain professionals take that approach, the top four risks are cybersecurity, transportation, technological and operational. Transportation disruption is the only risk that stayed on the list from last quarter.

Another important 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 new 3rd quarter report include:

- More systems, interfaces and reliance on e-commerce will be significant stress areas.
- Worried about AI misalignment, misjudgment or similar disruption.
- Most of our growth is tied to price increases which isn't sustainable. Holding too much inventory, could see large amounts of salvage.
- Customer service will become even worse as computers and AI functionality replace human-to-human interaction
- Regulation has potential for being a growth constraint, coupled with isolationist views by countries.
- 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.
- [Read more comments.](#)

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.](#)

About the Council of Supply Chain Management Professionals

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