

PRESS RELEASE

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Cybersecurity #1 on Supply Chain Managers' List of Biggest Risks for 4th Straight Quarter
Lehigh Business Supply Chain Risk Management Index show customer risk moves to #2.

BETHLEHEM, PA, December 18, 2023 | The results of the [Lehigh Business Supply Chain Risk Management Index](#) for the first quarter of 2024 show cybersecurity is the biggest risk on supply chain managers' minds for the fourth straight quarter. Cybersecurity -- cyber-attacks, data corruption, data theft and system viruses -- increased slightly from last quarter.



Customer risk has jumped up to second. “This suggests it’s getting harder to predict customer demand and customer loyalty,” said [Zach G. Zacharia, Ph.D.](#), associate professor of supply chain management and director of the Center for Supply Chain Research at Lehigh. Economic risk, even though 3rd highest risk overall, has gone down and is now the lowest it has been in the past 3 years. “There seems to be less worry about increasing energy costs and labor shortages,” said Zacharia.

Government intervention risk is fourth overall, has also gone down, and is also the lowest it has been in the past 3 years. According to Zacharia, that may mean supply chain professionals are less worried about new regulations and government restrictions.

“Notably, technological risk has become a top five risk for the first time, and this is the highest value for technological risk in the past three years,” said Zacharia. “There is a concern among executives about disruptive and replacement technologies, introduction of new competitor firms and ineffective or non-existent regulation for competitors going forward.”

The average risk index has decreased slightly to 64.61 compared to last quarter which is still low compared to the average risk historically.

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 for the first quarter of 2024 are economics, cybersecurity, customer risk and government intervention.

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 first quarter report include:

- New hacking and phishing methods keep challenging us.
- There is an increased focus on transportation companies by cybercriminals.

- All the risks are going to go up as the inventory imbalance post-holiday season and markdowns are realized.
- Still emerging from COVID, our customer models may prove to be invalid.
- Prices are improving, labor remains an issue, cost of capital is driving issues.
- Election year will likely increase government risk.
- Sustainability is a great thing. Piecemeal, unrealistic state-level laws are not.
- [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

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.](#)