LRMI 4th Quarter 2025
All Comments

1 Cybersecurity and Data Risk Comments
This is the most risky of any function due to the expanding digital age.
This will continue to increase due to AI enabling bad actors.
With more utilization of AI & ML the potential threats are still unknown.
It's already at the highest levels seen, and we believe it will continue to get worse.
I believe that we are beginning to see instability in the Gen-AI business.
AI has increased the amount of cold (spam) calls and e-mails to try and gather information.
Geopolitical forces will increase cybersecurity and data risk.
This is a constant game of cat and mouse between the criminals, scammers, and the enforcement agencies.
You never know how they are going to strike. We expect this risk to remain constant.
The digital age has enhanced this risk across all industries and applications.
This risk is always increasing, especially regarding the unknowns surrounding "artificial intelligence," including what AI truly is and what is out there.
AI tools and technologies have increased the number of attempts to hack into our systems. The threat is getting more frequent, more sophisticated and more challenging to detect.
This continues to be a problem both from domestic and foreign actors. It is happening far more than anyone will admit.
This risk increases as Nation-State actors and APT continue to scale, especially by leveraging AI.
We expect cyber issues to increase. We have dealt with DDOS already this year and see traffic from spoofed areas related to our website we do not like.
Foreign intrusion into data systems will increase risk.
2 Government Intervention Risk Comments
Deregulation should be a benefit, but interference at the presidential level may provide a headwind.
This risk remains very high with the U.S. Executive Branch intervening in all sorts of areas normally outside their responsibilities.
As stated in a previous response, tariffs can and will have an impact on risk to both raw goods and finished products.
Risk is expected to increase because of Trump.
This is the biggest concern right now. The tariff volatility has already caused issues this year and given the uncertain tariff policies it is likely to continue to be an issue.
Tariffs are killing us! We need to get back to a free market!
Geopolitical tensions define the current age! We are trying to get used to the consistent turmoil (building agility) recognizing that there might not ever be a "new normal."
The administration is killing small businesses. They do NOT care.
Tariffs are causing an unforeseen nature to the future of sales and raw material pricing.
Having a moron in the White House increases risk.
Contract Manufacturing is well positioned globally, but the U.S. market is uncertain.
Interest rates remain high - another example of a financial organization becoming a political one. Hiding behind the tariffs as a creator of uncertainty was lame. An organization whose main strategy is 'wait and see' is useless.
We expect no change in risk.
Washington D.C. is, by itself, an uncertainty.
We expect this risk to decrease. The effects of tariffs should level, and we expect no business interference from GOV.
Governmental unreliability is a big issue.
As stated - while the tariffs have been implemented in the second and third quarters, the uncertainty of actions by the U.S. government and the response from foreign governments continue to make operating difficult. Furthermore, tariffs are one data point. Tariffs at 50% or 145% levels are not logical and make navigating financial planning and business stability quite difficult.
Primarily the increased costs and uncertainty of the impact from tariffs.
Just look at the chaos in the current administration and the inability to portray a viable economic plan considering international supply chains. They had to redefine "made in America" at some point to include being assembled here, rescinding the qualification of how much truly U.S. materials are utilized. "U.S. Made" does not mean U.S. made. Plus, they threw on tariffs which penalize the users of foreign materials in spite of the lack of availability in the U.S.. There could be huge negative implications.
All the changes currently taking place, I have waited 35 years for. This is going to increase my sales revenue by 30% in the 4th Quarter of 2025.
Risk is expected to increase due to uncertainty in U.S. government legislation, and executive orders day-to-day.
We are required to be Cybersecurity Maturity Model Certification 2.0 compliant, but the regulation keeps changing, is expensive, and no one seems to be able to readily tell us what to do.

New federal regulations and tariffs on imported supplies will increase risk.
3 Supplier Risk Comments
Supplier risk is expected to remain the same. There are price increases due to tariffs, but ample supply.
Supplier risk will remain at a high level due to high global tariff/trade instability.
As stated in a previous response, tariffs can and will have an impact on risk to both raw goods and finished products.
Tariffs will increase risk.
We're working around tariff threats, but, so far, we haven't been affected.
The tariff situation cannot be underestimated. It's a mess.
I believe that businesses have adjusted to the shifts in the global market of this year.
Due to tariff increases, pricing is quite volatile.
Suppliers are changing their manufacturing in response to tariffs.
Global tariffs and growing uncertainty is driving shifts in the worldwide supply chain.
There has recently been an increase in activity with expedited shipments. I'm not sure what this means, other than that suppliers were holding tight and demand has crept up.
Price volatility from suppliers is an issue, as well as the global effects of American protectionism.
Tariffs are forcing a shift away from high tariff countries and proven suppliers in those markets. Suppliers will fail, and I expect that shortages of labor and infrastructure shortages will occur in the markets of lower tariff exposure.
International providers are of concern, due to price yin and yang with threats of tariffs on and off. Some foreign providers do not even want to ship to the USA.
For myself, we have continually increased our sources of supply for 35 years, vetted by me. At the moment, I am expanding product lines, bringing on more suppliers nationally and internationally, and short lead times are important. We are filling the gaps that have left end users without a source of supply as well.
Global economic uncertainty and tariffs will increase risk.
Wait times are increasing for steel and similar items. We are a manufacturer and our suppliers are not able to get what we need.
Onshoring is causing some supply capacity limitations while getting up to speed.
4 Economic Risk Comments
NJ energy costs are increasing drastically.
Watch out for declining labor force due to deportation and slowing birth rates.
Economic risk remains high.
As stated in a previous response, tariffs can and will have an impact on risk to both raw goods and finished products.
Risk is expected to increase because of Trump.
The labor market is favorable to business, but we still have problems finding the right skillsets in the current labor pool.
Commodity price volatility is greatly affected by tariffs at this moment.
Inflation and disruption will increase risk.
No potential change foreseen.
All of the aforementioned (e.g., increasing energy costs, commodity price volatility, labor shortages, sudden demand shocks, global energy shortages, and border delays) are on managers' minds.
Border delays, as the current administration fights with neighboring countries, will increase risk.
My company will not be affected at all. In fact, energy has lowered and will stay low. We have already brought in the appropriate sources of supply because this has been the plan for a year, and we are expanding currently. There will be no border delays unless there is a force majeure event, which you can never prepare for.
Uncertainty is impacting global consumers and suppliers.
Skilled labor is difficult to find.
Energy cost, and material and labor cost escalation, will increase risk.
5 Customer Risk Comments
As stated in a previous response, tariffs can and will have an impact on risk to both raw goods and finished products.
Customers have indicated that they will not pay for tariff increases, resulting in cancellation of contracts.
The decrease in interest rates, while positive, will see a rapid heating of the market.
Customer risk will increase because our company raised pricing with a 2 week warning, which caused a spike in sales. Since a segment of our business is high residential, it is insulated from price increases.
Uncertainty impacting capital expense plans will increase risk.
Tariff and economic uncertainty will lead to a decrease in customer demand for manufacturing.
Changing customer base demographics will lead to an increase in risk.
Customers in my industry that are heavily invested in China supply chains will be challenged to execute their holiday 2025 business. They likely have not ordered sufficiently for the demand that will occur for the holiday business. They will also take pricing actions that lower their unit velocity. Customers will be challenged, and some may fail.

Tariffs and reshoring have changed the dynamic of our customer base in recent months.
Our slowing economy reduces demand, thereby increasing risk.
There are always force majeure events or disruptions to any market, so you have to forecast daily. There will be no change; that is why my company has adapted and evolved over 35 years to foresee what the consumer requires, so that the manufacturer can be informed. It is important to be aware of financial, technical, and cultural changes because they drive all markets.
The U.S. economy is 70% consumer spending. Consumer sentiment is slowing. Economic uncertainty will increase risk.
Customers continue to demand more for the same price, putting intense pressure on margins.
Customers in the EU are nervous and looking beyond the USA for suppliers. Too much change in tariffs and general policies will increase risk.
Risk will increase due to customer consolidation, causing a reduction in the marketplace.
6 Transportation Disruption Risk Comments
This is expected to remain at a relatively high risk level due to unpredictable/fluid global tariffs and trade driven by Trump administration policies.
Demand risk, as stated, will increase due to the potential threat from U.S. and reciprocal tariffs.
The crackdown on poor speaking/understanding ESL drivers will have a detrimental effect on capacity. To be clear, I am very happy the crackdown is happening.
Using foreign suppliers is becoming untenable due to the tariff situation. It would possibly be tenable if tariffs were being used to reduce the government debt, but the debt is growing even faster under Trump.
Threats of a 200% tariff on Chinese goods will absolutely have a major effect on risk, even if it is never implemented.
I am currently experiencing container shortages from China into Costa Rica.
We expect no increase in risk.
Yes, we expect risk to increase. Folks are worried about fuel prices going up as well as deteriorating roads.
As many of today's truck drivers are immigrants, or of international descent, it is becoming increasing difficult to find carriers for certain lanes, driving increased cost. No one is talking about it, but some drivers are beginning to fear being stopped, detained and deported, even if they are U.S. citizens, because of ICE determinations based on skin color or verbal ability.
Demand volatility will increase risk.
Fuel prices, nationally and internationally, have had a major impact on decreasing my company's overhead. This also benefits my end-use Business-to-Business customers with lower pricing. Transportation is the largest cost to all of us. In 35 years, I have never found a disruption of driver shortage. Demand volatility is only based on offshoring, which is being relocated to the USA by warehousing and distribution currently being established in the USA by all manufacturers for minimum quantity orders and economic growth.
Tariffs, expenses, and pensions are impacting global shipping companies, causing risk to increase.
It is currently unknown if we can ship to some customers and if suppliers can ship to us. We need a more stable understanding of what is changing in order to do business.
There is a shortage of drivers. Loaded cargo trailers stand idle at trucking terminals causing supply chain delay.
7 Technological or Competitive Risk Comments
Firms need to adopt an artificial intelligence strategy.
More risk is forecasted due to major tech breakthroughs enabled by AI.
The threats posed by wide-scale adoption of ML and AI are still yet to be tested.
Figuring out how to further leverage AI will remain a focus area for the foreseeable future.
Tariffs, tariffs, tariffs.....will cause risk to increase.
AI is driving a new era of advancement. Processes will be broken to accommodate speed and information availability.
The rate of change is accelerating and the adoption of artificial intelligence is a challenge.
Similar to cybersecurity, there is uncertainty around what AI actually is and what it can do. "AI fear" is driving up reticence.
AI is a key differentiator for those firms that embrace speedy adoption and gain a competitive advantage.
There is an increase in demand for the use and deployment of AI technology across our business, as well as from our clients.
We supply power into the PJM electric grid (PJM is the regional grid operator and wholesale electricity market for 13 U.S. states and D.C.) and are competing to develop power solutions for AI enterprises. Competition in this area is increasing and expected to continue increasing.
We have been moving into more technically advanced products over the past year for the manufacturing industry to provide to the end-user customers.
U.S. leadership, and unique legislation and/or executive orders, will cause risk to increase. Use of AI, and not always with good results, also increases risk.
It has been hard to keep up and move forward when plans have had to change due to unavailable base materials. Competition is increasing from around the world. Tariffs have increased counterfeit issues, not removed them.

We've experienced an increase in customers taking vendored supply in-house.
8 Environmental Risk Comments
Environmental risk is increasing as climate change/global warming is driving major, severe weather, and this will continue.
Weather is playing an ever increasing role as an environmental risk factor - it's king tide season in Florida.
There is potential for a hurricane until November.
Environmental risk will increase due to climate uncertainty, and how it will be addressed.
There are concerns about the dismantling of FEMA, and it's unclear what the fall hurricane season will disrupt.
We're experiencing regulations compliance cost increases.
9 Operational Risk Comments
The threats of U.S. & reciprocal tariffs pose a potential systemic risk to operations.
The tariff situation is untenable. There is absolutely no way to plan projects more than six weeks in advance which means that business growth opportunities are at extreme risk, especially when new tooling and artwork for consumer packaging needs to be designed and implemented. There is absolutely no thought in Washington about how small manufacturers can deal with this dynamic situation, as they do not have the resources to bring work into the U.S. on a whim. As a result, we've seen our employment reduced by 50%.
The war in Ukraine will increase operational risk.
Hurricane season is at its peak right now. So far, so good; but the threat is always looming.
Operational risk is increased by the threat of a hurricane.
Risk from operational disruptions has never been mentioned.
The operational risks we face are consistent and generally known.
With tariffs, if you have a machine made overseas, your costs may go up as the access to repair parts may go down. Immigration/visa issues may also minimize the availability of technicians or specialized providers. Downtime issues could be an increasing problem.
My company has been more interrupted by the disruptions of wars and logistics for shipping than anything else. Additionally, the oil pricing has reduced, the current government realignment of fair trade is exceptional, and the government's decrease of regulations will continue the ability to expand and thrive for innovation.
The shortage of a skilled workforce increases operational risk.
10 Quality Risk Comments
The shifting of supply chains due to import tariffs may cause an increase in quality risk.
The need to utilize alternative vendors for raw goods can potentially cause a risk to operations.
Quality risk is not the issue. Tariffs are driving the risk.
We expect no increase in risk.
There is a shift of supply chains, from those that are stable and proven to those that that are new and untested.
The softening of federal Occupational Safety and Health Administration and general safety requirements among suppliers will increase quality risk.
We continually struggle with receiving forecasts from customers who expect the products on the shelf and are giving shorter lead-times when placing orders.