Supplier risk is at the forefront of executives’ minds following the widespread disruption in 2020. We collaborated with Oxford Economics to survey 1,000 procurement and supply chain executives about it. Here’s what we found.

### Room for improvement

At first glance, it appears that executives have made progress in supplier risk management. However, when we dig deeper, the picture is less rosy.

- **Leaders** say their procurement function is adept at mitigating risks with suppliers.
- **Others** do more to mitigate risks, particularly with Tier 2 suppliers.

### Advanced analytics could help

Leaders are better at automatically interpreting and making recommendations based on third-party data about supplier risk.

- **Leaders**:
  - 70% shipping disruptions impacting Tier 1 suppliers
  - 53% shipping disruptions impacting Tier 2 suppliers

- **Others**:
  - 56% shipping disruptions impacting Tier 1 suppliers
  - 37% shipping disruptions impacting Tier 2 suppliers

### Supplier optimization has led to more risk

After years of supplier optimization, organizations are over-reliant on too few suppliers – which is risky.

- **For direct spend**
  - 53% say their organization has one or more products that it purchases from only one supplier
  - 1 in 2 execs can quickly find alternative sources of supply when needed

### Wider vision means narrower risk

Organizations have poor visibility into inventory levels both in their own facilities and at supplier sites.

- **Leaders** have near-real-time or real-time visibility into inventory levels in company facilities and near-real-time or real-time visibility into inventory levels at supplier facilities.
- 48% have near-real-time or real-time visibility into inventory levels in company facilities
- 46% have near-real-time or real-time visibility into inventory levels at supplier facilities

### How do you compare? In our Agile Procurement Insights Research, we identified a group of leaders who outshine others. But when it comes to supplier risk, even leaders have a long way to go.

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### Where are you on the road to ready?

To find out where leaders outperform others and where they must improve, read our new research report.