



Businesses Adapt To Shifting Supply Chain Risks

New report finds that less than 8% of businesses believe they have full control over their supply chain risks.

Supply chain disruptions have become the “new normal” for organizations navigating global uncertainty on a daily basis. From geopolitical issues to emerging cyber threats to the ongoing tariff situation, companies are facing new risks that can impact their operations, revenue streams and long-term viability.

In *Global Supply Chain Risk Report 2025*, professional services firm WTW unveils the key issues that are keeping supply chain managers and their C-suites up at night in 2025, with a focus on the key risks that these professionals are facing in the current market landscape. The organization surveyed more than 1,000 senior executives, including risk managers, supply chain managers, logistics managers and CEOs for its report.

According to WTW, the last two years have seen companies taking proactive measures, enhancing cross-functional collaboration and deploying technology tools like supply chain mapping. Cybersecurity has emerged as a central pillar of enterprise risk management, it says, with growing focus on securing supplier relationships and contracts.

Despite this progress, WTW says fewer than 8% of businesses believe they have full control over their supply chain risks, and 63% report higher-than-expected losses—evidence of the ongoing unpredictability and complexity of the global supply chain. The company also found that:

- Geopolitical risk is now the top concern for 19% of businesses, reflecting the impact of global instability, trade tensions and regulatory uncertainty.
- Inflation follows closely at 18%, driven by rising procurement and transport costs.
- Cybersecurity risk has surged from 5% in 2023 to 16% in 2025.
- Raw material shortages and regulatory changes have each doubled in significance, both now cited by 14% of respondents.
- Pandemic and health risks have declined in priority (from 23% in 2023 to 13% in 2025), suggesting a shift in focus toward geopolitical and economic challenges.

- Environmental risks remain important, WTW says, but have seen a slight dip in urgency over the last two years.
- In response to evolving market conditions, organizations are making continuous adjustments to their supply chain strategies. The number of businesses reporting complete overhauls has decreased slightly, while the number of those implementing significant changes has grown.
- While investments in resilience are growing, fewer businesses report transformational improvements. “Instead, the focus is shifting toward executive oversight, dedicated risk management teams, and the development of internal risk tools,” WTW says.

How Companies are Addressing Heightened Risk

The risk of widespread business interruptions continues to be a significant concern for companies across industries, as evidenced by the WTW, the 2025 findings and the comparisons against the company’s 2023 survey results.

“In response to these growing challenges, organizations are actively reevaluating their risk management strategies to address systemic vulnerabilities and strengthen organizational resilience,” the company says. “A particular focus has been placed on preparing for extreme events that can cause prolonged delays, disrupt production lines, and result in significant financial and operational losses.”

Companies are also seeking the “right balance” between efficiency and resilience by assessing the trade-offs associated with lean supply chains and the elevated risk of supply chain interruptions. They’re also reconfiguring and redesigning supply chain networks to reduce exposure to risks and deploying other risk mitigation strategies.

“Successfully navigating these challenges requires a comprehensive understanding of supply chain exposure and vulnerabilities, specifically focusing on network effects — interconnected risks that can magnify the impact of initial disruptions and lead to cascading failures,” WTW recommends.

“These network effects highlight supply chains’ growing complexity and fragility in an increasingly volatile and uncertain global environment,” it continues. “As supply chains continue to face mounting pressure, the urgency for collaboration, innovation and strategic foresight has never been greater.”