AI-Powered Supplier Risk Management Survey 2025

A SURVEY OF 200 CPOS AND CSCOS ACROSS THE US AND UK

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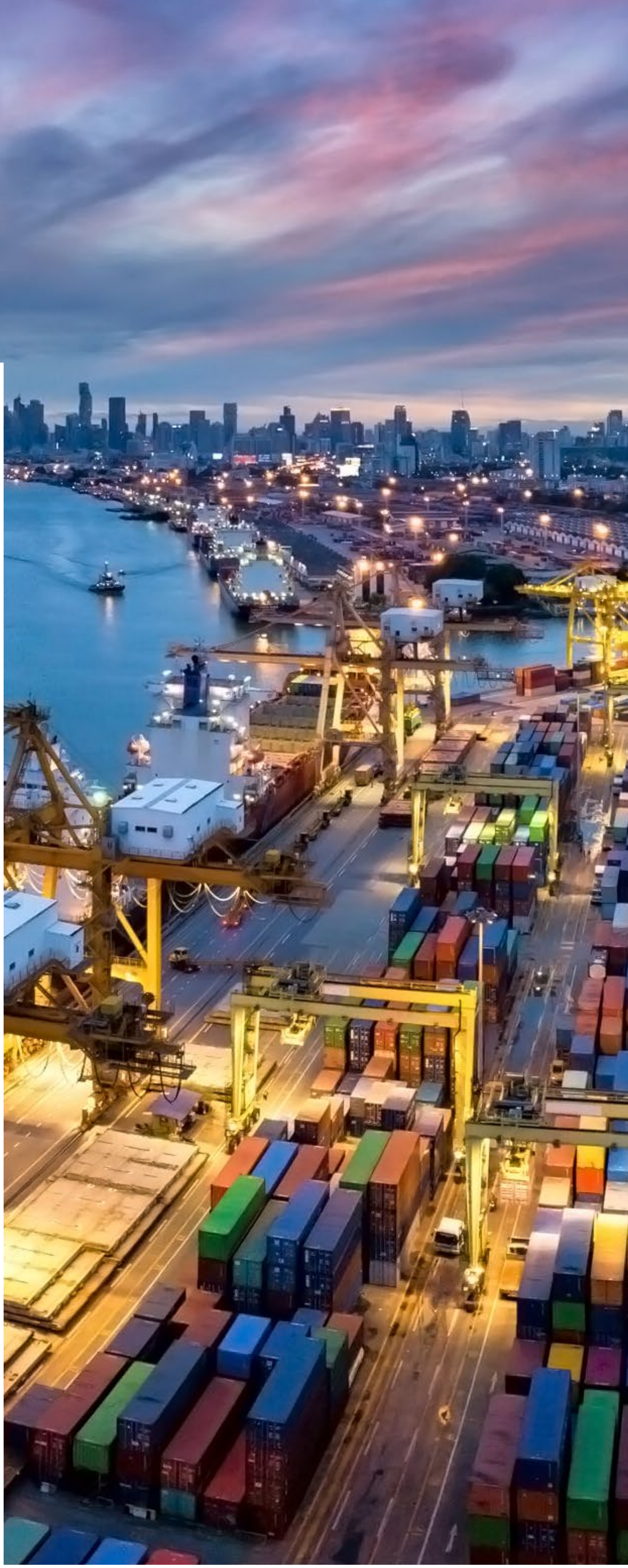


Supply chains in 2025 are navigating a perfect storm of disruption.

From geopolitical instability and tariffs to inflationary cost pressures, supplier insolvencies, and rapidly shifting regulatory demands, procurement and supply chain leaders face daily challenges that threaten both continuity and competitiveness.

To better understand how senior executives are responding, Sphera commissioned a survey of 200 Chief Procurement Officers (CPOs) and Chief Supply Chain Officers (CSCOs) across the United States and the United Kingdom. Conducted in September 2025, the research examined how often disruptions occur, what business impacts they create, and how leaders are preparing to adapt their supply chains in an era of accelerating volatility.

This report summarizes ten key findings, drawn directly from the survey. Together, they illustrate a market at an inflection point: leaders acknowledge the cost of disruption, see clear barriers to execution, and increasingly look to AI-driven risk intelligence to protect revenue and enable strategic growth.

Key findings

1. **Boards are challenging risk decisions.**
Almost half of organizations (48.5%) say supply chain risk decisions are questioned by the board weekly or monthly, and a further 46.5% face quarterly challenges, showing that supply risk is firmly a boardroom issue.

2. **Confidence paradox.**
While 98% of leaders say they are confident their supplier data is complete and current, 73% experienced disruption in the past year, revealing a clear gap between confidence and reality.

3. **Disruption is draining revenue.**
Nearly three-quarters of organizations suffered supplier disruptions in the past 12 months, with 23% reporting significant losses and 50% reporting modest losses.

4. **Supply base relocation is imminent.**
94.5% of leaders expect to shift a critical portion of their supply base within 6–18 months due to tariffs, regulations, and geopolitical pressures.

5. **Onboarding bottlenecks slow execution.**
Top barriers when onboarding or shifting suppliers are speed of risk checks (33%), compliance documentation (26%), data accuracy in emerging markets (21.5%) and visibility into Tier 2–3 suppliers (16%).

6. **Risk reviews remain too slow.**
65% of organizations need more than a day and up to a week to complete supplier risk reviews, and 30.5% need more than a week, only 4.5% can complete reviews in under a day.

7. **Leaders demand near-real-time insights.**
27% want risk assessments in less than a day, while 60.5% want them within a week, confirming that tolerance for multi-week cycles is rapidly disappearing.

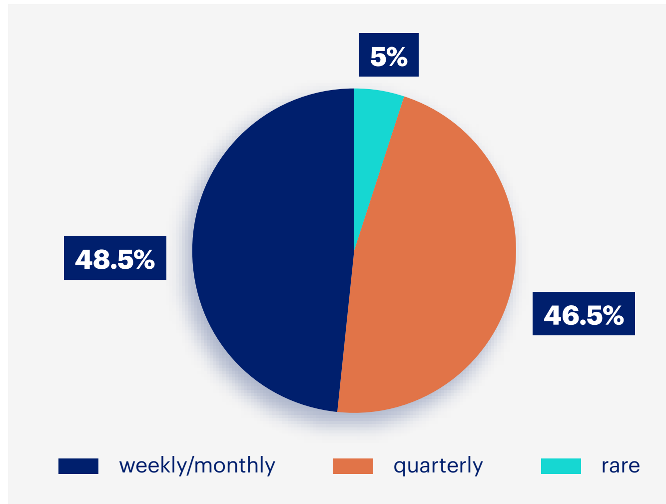
8. **Gen AI valued for speed and quality.**
The top benefits cited for AI-generated supplier risk summaries are faster operational decisions (31%), faster strategic decisions (29%) and speed/accuracy in under 60 seconds (24%).

9. **Business exposure from blind spots.**
Executives highlight revenue loss (30.5%), inflationary costs (25.5%), investor confidence (16%), compliance penalties (14%) and growth (11.5%) as the biggest consequences of supplier blind spots.

10. **ROI expectations are non-negotiable.**
Boards expect AI-driven supplier risk solutions to deliver cost savings/avoidance (28%), revenue protection (24%), and top-line growth (21%), making financial defensibility the ultimate success metric.

KEY FINDING 1

Boards are actively challenging supply chain risk decisions



Board and executive scrutiny is now routine. 48.5% of organisations say supplier or supply chain risk decisions are challenged weekly or monthly, and a further 46.5% report challenges quarterly. Only 5% say challenges are rare.

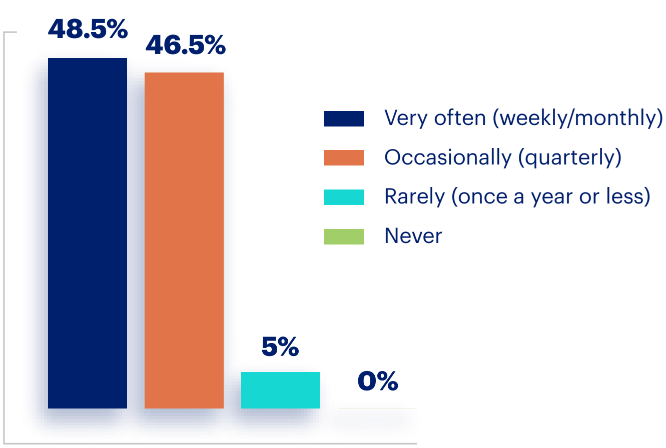
What it means:

In a world of near continuous disruption and overwhelming data volume, leadership teams are demanding sharper, faster, defensible decisions. Procurement and supply chain choices including sourcing, location strategy, contingency plans are board level conversations, not operational footnotes.

Implication:

CPOs and CSCOs need concise, audit ready narratives behind each recommendation. That requires timely intelligence and a clear chain from signal to decision to outcome.

? ***How often are supplier/supply chain risk decisions challenged by the board, CFO, or other executives?***

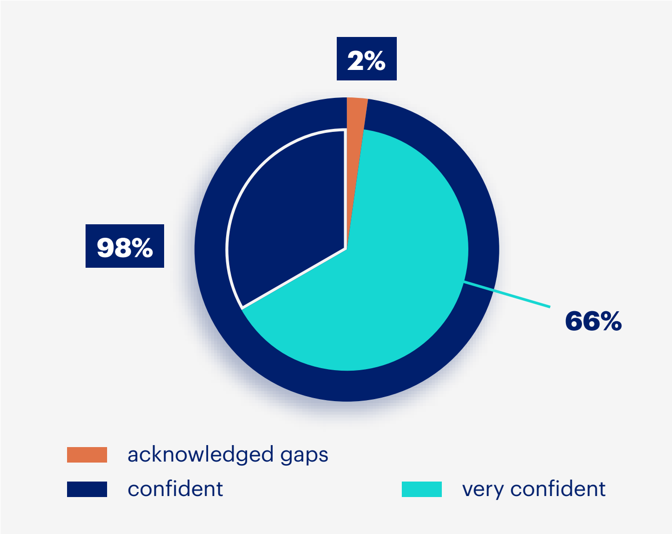


Key takeaway:

Supply chain risk is no longer just an operational concern — it is under constant board-level scrutiny. Leaders must be ready to defend every decision with timely, data-backed intelligence that links directly to financial and strategic outcomes.

KEY FINDING 2

The confidence paradox: expectations vs. reality



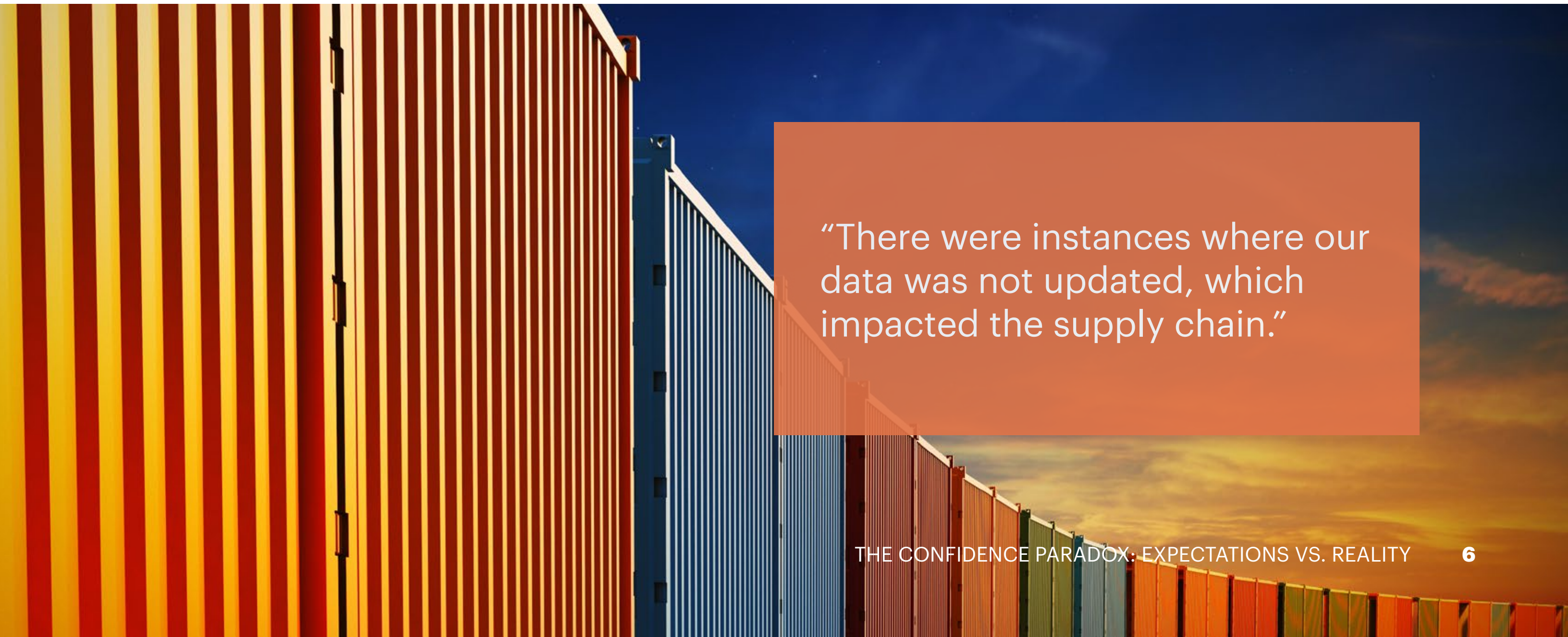
On paper, supplier risk leaders project strong confidence in their data. 98% say they are confident that procurement and supply chain decisions are based on complete, up-to-date supplier information, with two-thirds (66%) claiming to be "very confident." Only 2% acknowledge gaps in their decision data.

What it means:

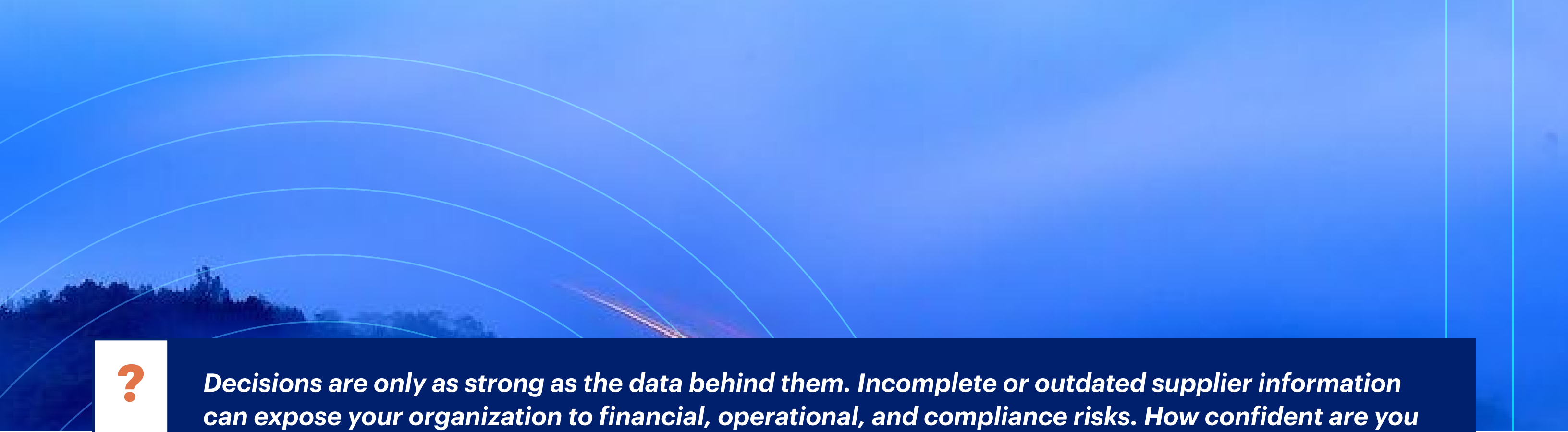
While confidence is high, the wider survey reveals a very different reality. Nearly three-quarters of organizations experienced disruption in the past year, and respondents repeatedly cite issues with data accuracy in emerging markets and visibility beyond Tier 1 suppliers. The result is a credibility gap: leaders trust their data in principle, but operational experience shows the foundation is fragile.

Implication:

CPOs and CSCOs cannot afford to let confidence breed complacency. Decision-makers must challenge their own assumptions and invest in deeper, verifiable intelligence to ensure that the data they rely on can withstand both board-level scrutiny and real-world disruption.



"There were instances where our data was not updated, which impacted the supply chain."



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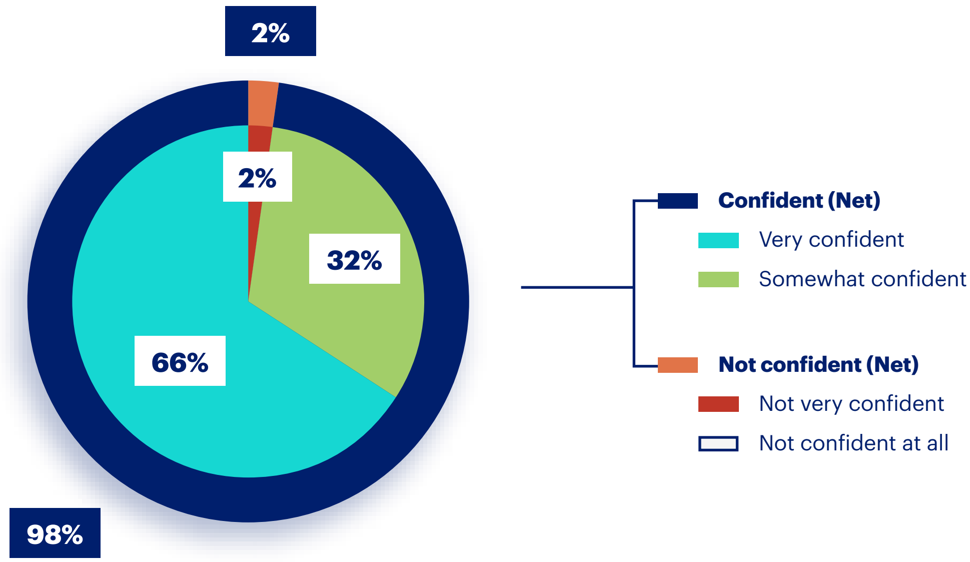
Decisions are only as strong as the data behind them. Incomplete or outdated supplier information can expose your organization to financial, operational, and compliance risks. How confident are you that supplier risk information is complete and up to date when procurement/supply chain decisions are made?



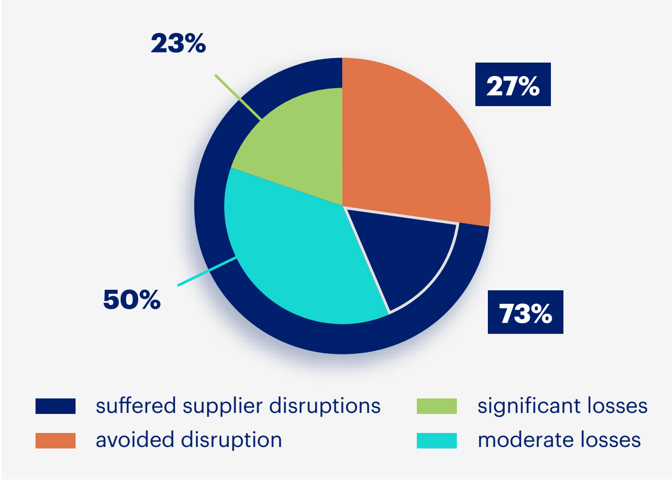
Key takeaway:

High confidence does not equal high resilience. To close the expectations–reality gap, leaders must strengthen data accuracy beyond Tier 1 and ensure their intelligence can stand up to disruption, compliance obligations, and investor scrutiny.

KEY FINDING 3

Disruption is a direct drain on revenue

73% of organizations suffered supplier disruptions in the past 12 months. Within that, 23% reported significant revenue or cost losses, while a further 50% acknowledged moderate losses. Only 27% avoided disruption altogether - and most of those said it was a narrow escape.



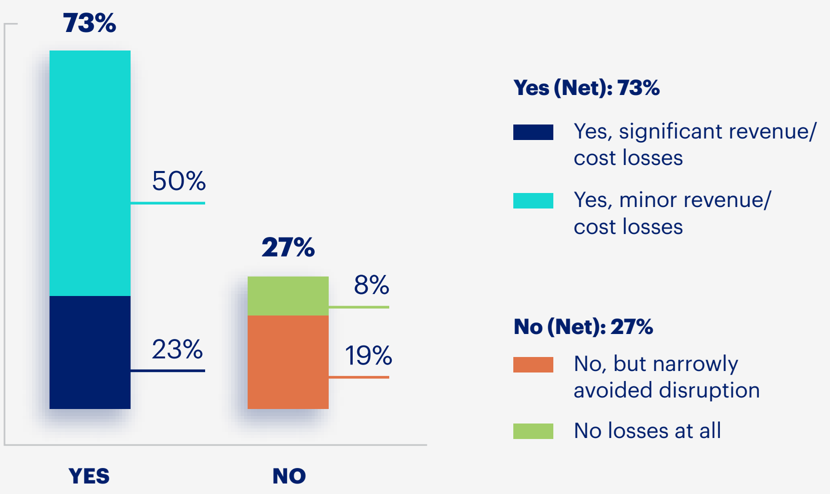
What it means:

Disruption is no longer a background risk - it is a core financial exposure. Whether losses are significant or modest, the majority of organizations are seeing supplier disruption translate directly into revenue leakage, margin erosion, and operational instability.

Implication:

For boards and executives, supplier risk must be treated as a P&L issue, not just an operational concern. CPOs and CSCOs will need to quantify disruption impacts more clearly and demonstrate how proactive intelligence and mitigation strategies protect revenue.

? ***In the past 12 months, has your organization experienced financial losses or other significant impacts (production halts, slowdowns) due to supply chain disruptions?***



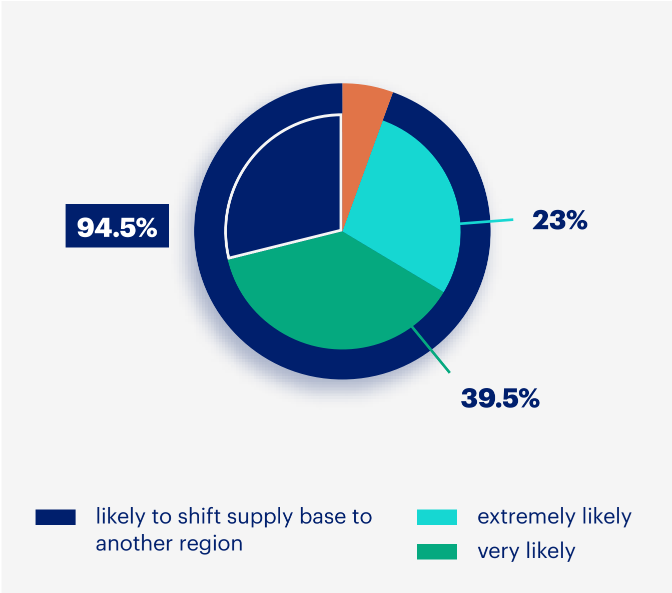
Key takeaway:

Nearly three-quarters of companies are losing money to supplier disruption. The message is clear: disruption management is no longer optional - it is a financial imperative.

KEY FINDING 4

Regional supply base shifts are almost inevitable

An overwhelming 94.5% of supply chain executives say they are likely to shift a critical portion of their supply base to another region within the next 6–18 months, driven by tariffs, regulations, and geopolitical pressures. Of these, 30% are extremely likely and 39.5% very likely, signalling that these moves are not distant possibilities but imminent strategies.



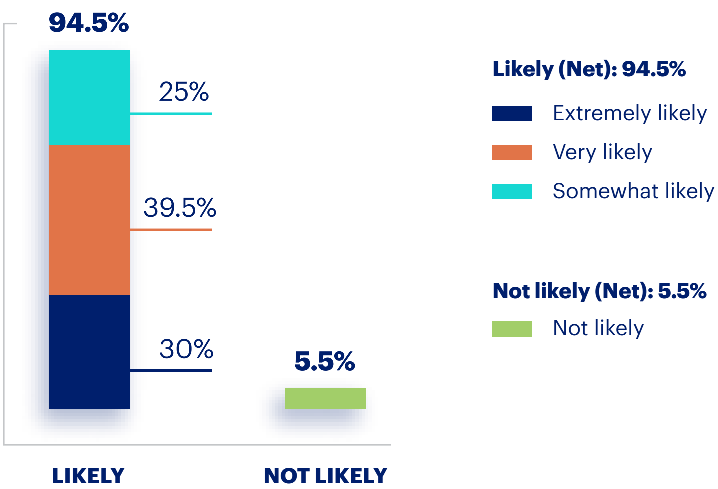
What it means:

Leaders are under intense pressure to diversify supply bases and reduce exposure to geopolitical and regulatory shocks. Relocation is now the default strategy for most organizations.

Implication:

Without robust supplier risk intelligence, these strategic pivots risk simply trading one set of vulnerabilities for another. To succeed, relocation must be paired with defensible, real-time visibility into supplier resilience, compliance, and financial stability.

? ***In the next 6–18 months, how likely is your organization to shift a critical portion of its supply base due to tariffs, regulations, or geopolitical pressure?***



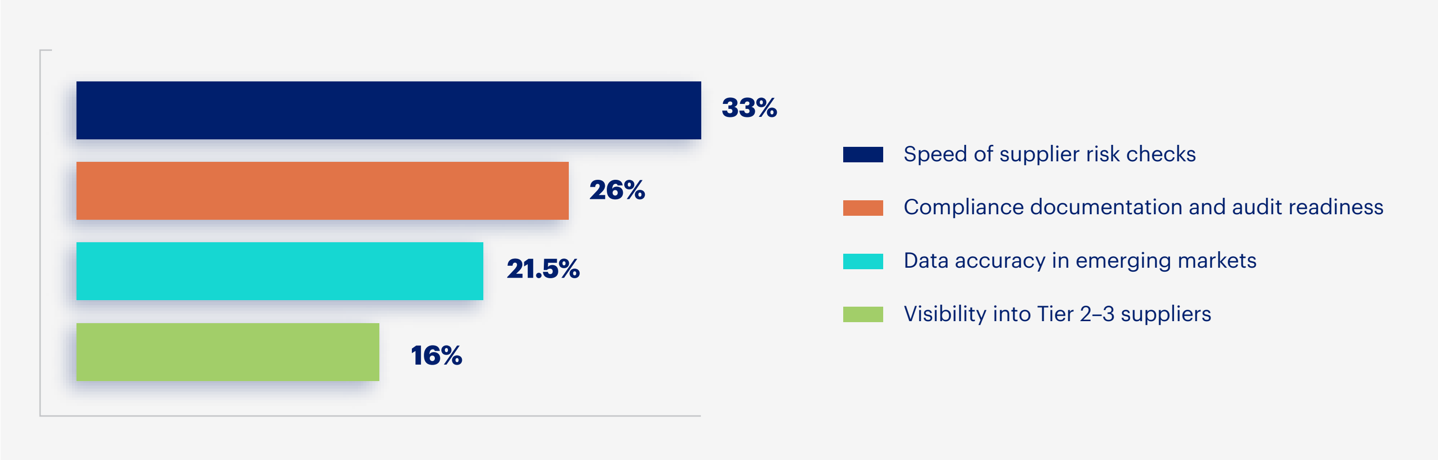
Key takeaway:

Nearly all supply chain leaders are preparing to relocate parts of their supply base. The winners will be those who execute with visibility and intelligence - avoiding the trap of swapping known risks for new, unseen ones.

KEY FINDING 5

Onboarding bottlenecks expose the execution gap

When asked about the top challenges when onboarding or shifting suppliers, executives identified:



What it means:

Leaders know where they want to move supply - but lack the infrastructure to validate those moves quickly and with confidence. The result is a growing execution gap: bold strategies on paper that stall in practice due to slow, fragmented, or unreliable information.

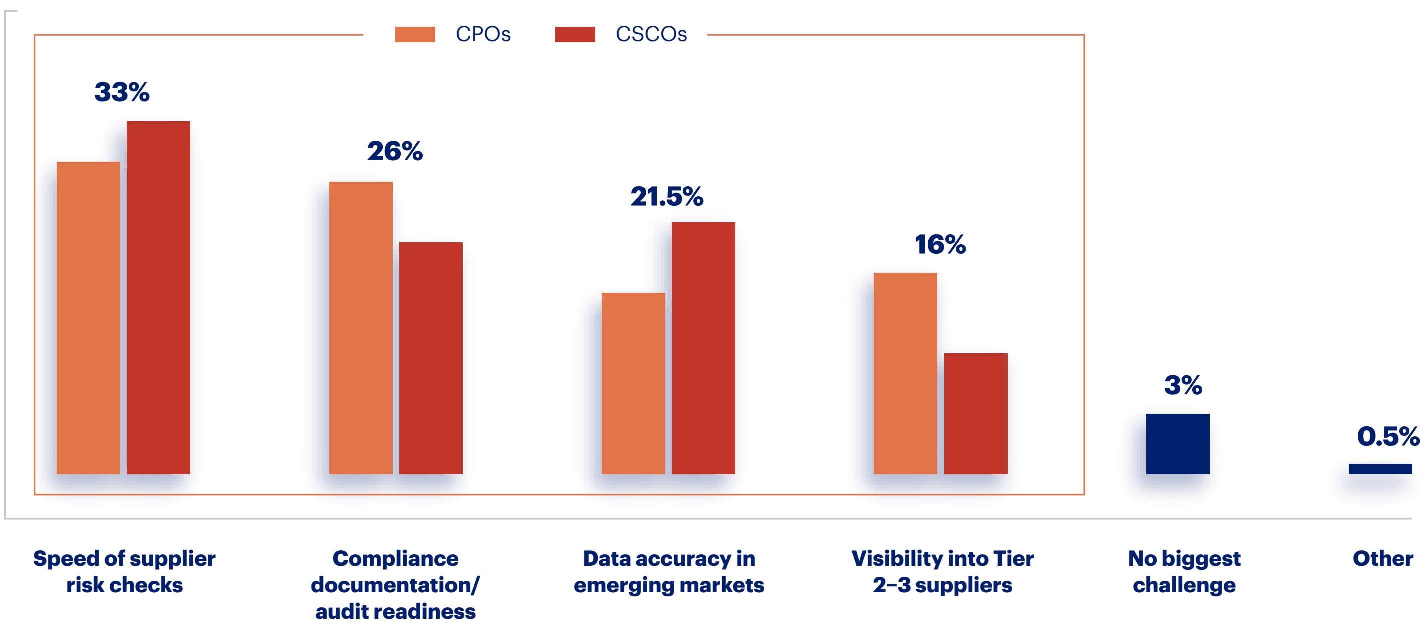
Implication:

Procurement and supply chain teams need streamlined, technology-enabled processes to accelerate risk checks, strengthen compliance defensibility, and improve data quality across markets. Without this, relocation strategies risk being delayed or undermined by blind spots.

> “An important order was delayed because parts were not delivered on time. As a result, we had to pay a fine for late delivery, which we could not recover from the faulty supplier.”

"Suppliers not meeting minimum regulatory requirements is one of our biggest disruptors."

? ***When onboarding/shifting suppliers to new countries, what is your biggest challenge?***



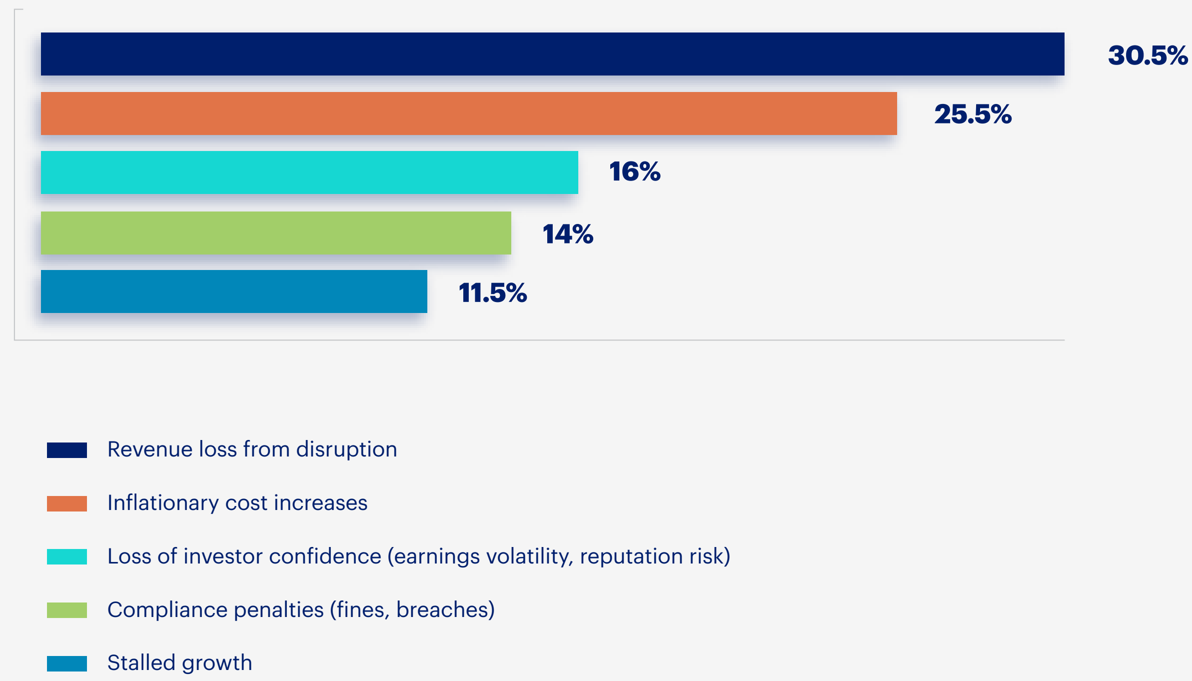
Key takeaway:

Relocation strategies are only as strong as the onboarding process that underpins them. Without faster checks, stronger compliance readiness and higher data quality, organizations risk trading urgency for vulnerability.

KEY FINDING 6

Disruption hits revenue, costs, confidence, and compliance

Respondents ranked the biggest business impacts of supplier blind spots as:



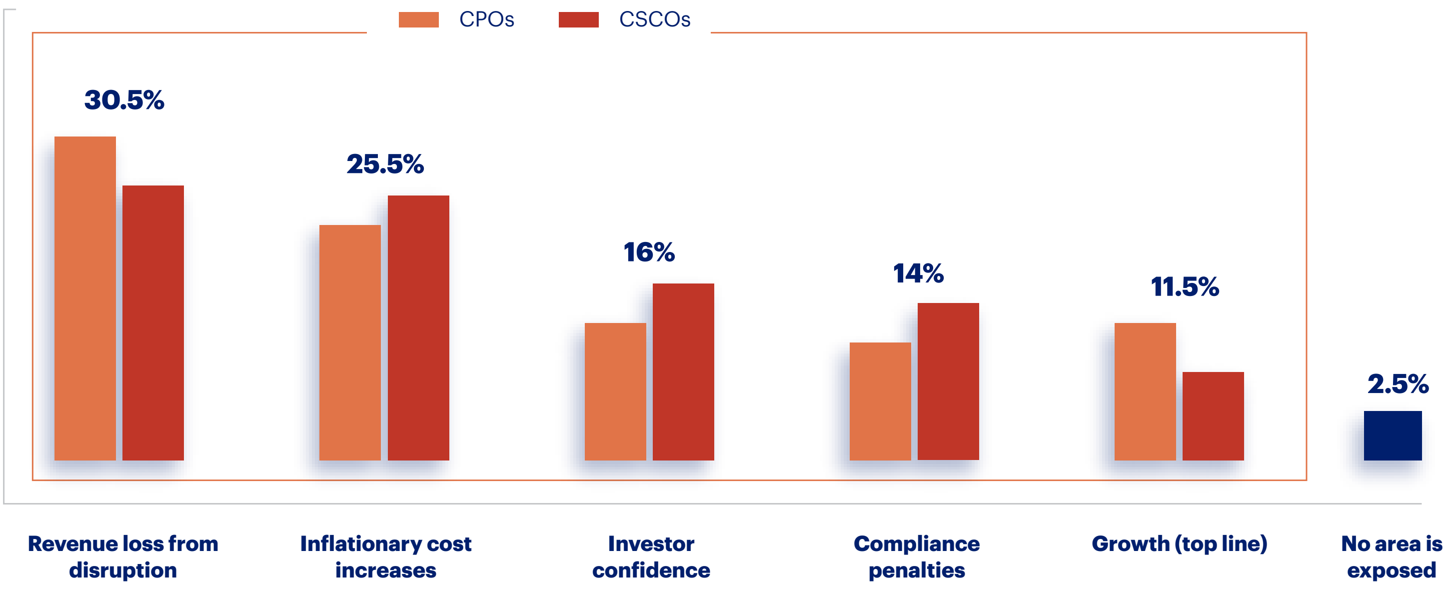
What it means:

Supply chain risk is not an operational side issue - it has direct consequences for the P&L, balance sheet, and market valuation. Revenue leakage, rising costs, reputational volatility, and compliance penalties show that risk is tied directly to financial and strategic performance.

Implication:

Boards and investors will expect supply chain leaders to quantify and mitigate these impacts with defensible intelligence. Treating risk as an operational concern is no longer sufficient; it must be framed and managed as a financial and reputational exposure.

? *Which area of your business is most exposed to supplier blind spots?*



Key takeaway:

Supplier blind spots are not just operational inconveniences — they directly erode revenue, inflate costs, weaken investor confidence and expose companies to compliance failures. Risk intelligence must be positioned as a driver of profitability and reputation.

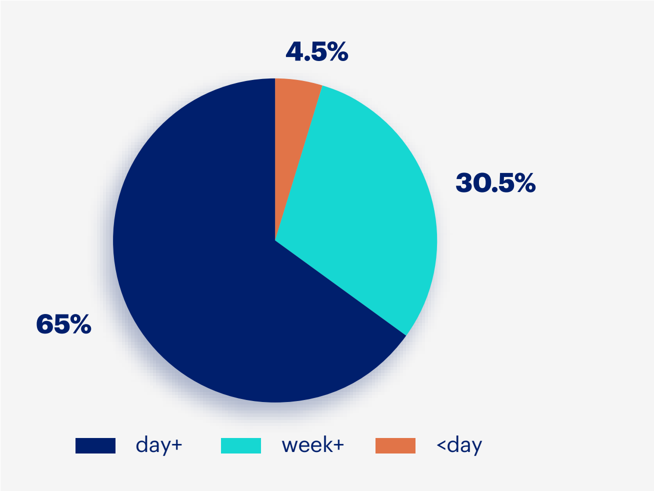
KEY FINDING 7

The need for speed in supply chain risk management

Risk checks and compliance reviews are designed to safeguard organizations against financial, operational and reputational damage. But when entering new markets or shifting suppliers, these processes often become the bottleneck in decision-making.

Finding:

The survey shows that **65% of supply chain leaders require more than a day and up to a week** to complete a supplier risk review before awarding business. A further **30.5% need more than a week and up to a month**, while only **4.5% can complete reviews in under a day**. No respondent reported needing longer than a month - a sign that while processes aren't interminable, they remain too slow for today's volatility.

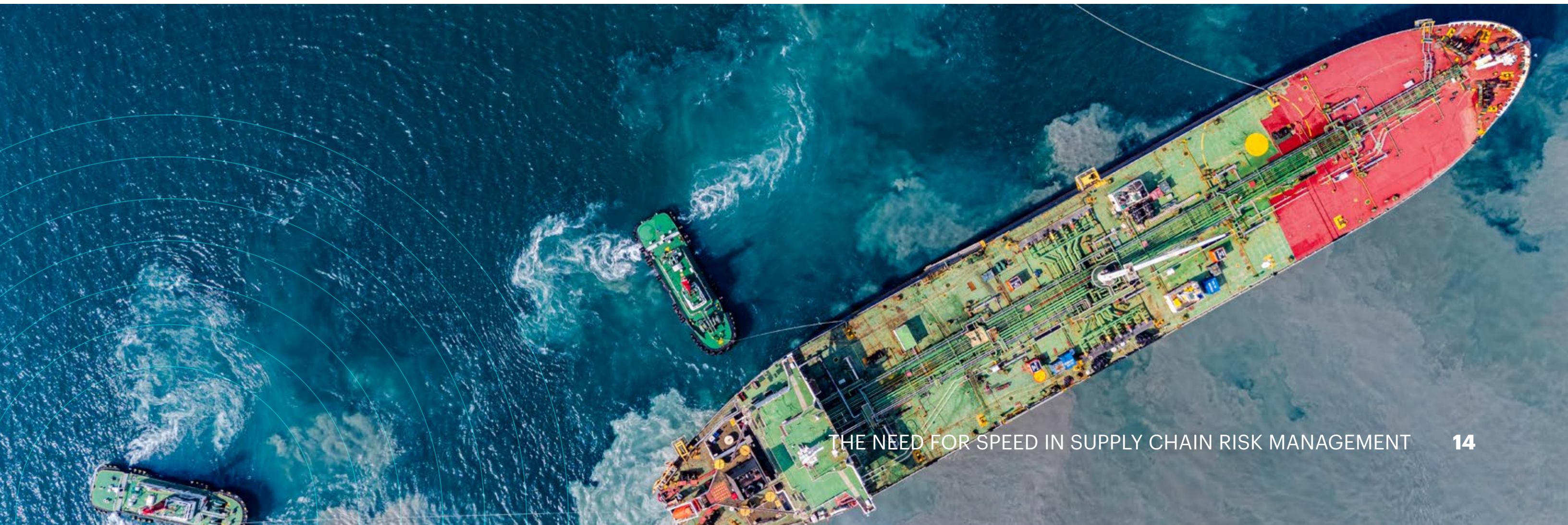


What it means:

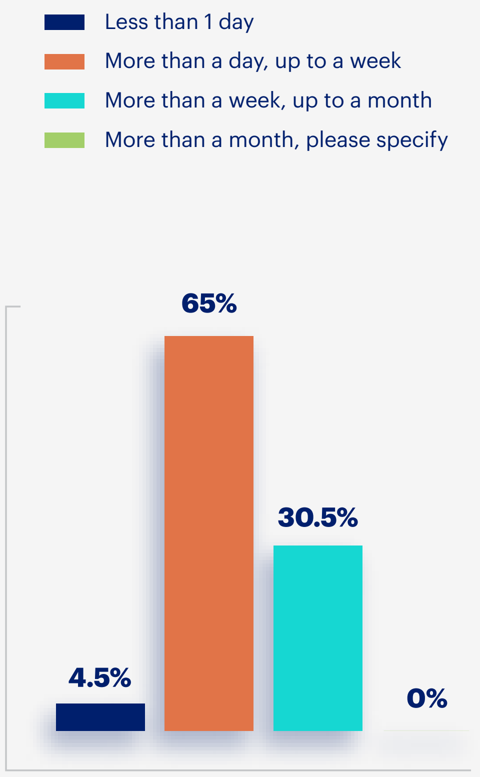
In a market where supplier disruptions surface weekly or even daily, review cycles of several days or weeks simply don't align with the tempo of risk. By the time a risk profile is assembled, the underlying conditions may have shifted — tariffs imposed, regulations updated, or suppliers hit by cyber incidents or operational setbacks.

Implication:

Procurement leaders are stuck in a paradox. On the one hand, boards are demanding defensible, audit-ready assessments. On the other, commercial realities require near-instant clarity to secure supply and protect revenue. Long review cycles leave leaders forced to choose between speed and certainty.



When entering new markets or shifting suppliers, risk checks and compliance readiness often slow down decision-making. What is the average time it currently takes your team to complete a supplier risk review before a sourcing decision?



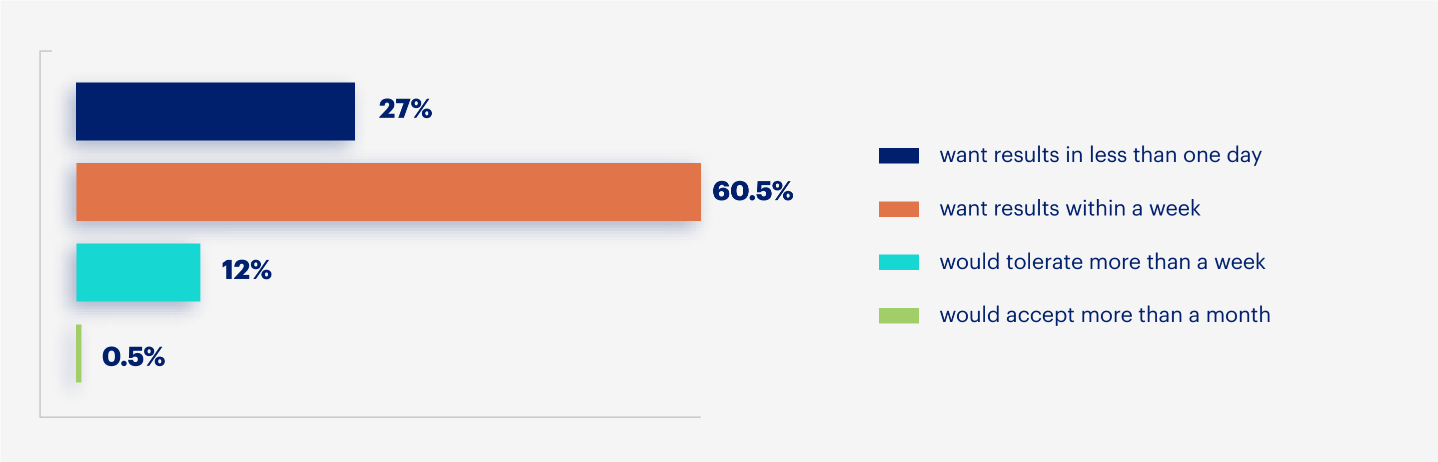
Key takeaway:

Supplier risk reviews are still calibrated for a slower era. Unless compressed dramatically - from weeks and days to hours and minutes - organizations will remain exposed to disruption, revenue leakage and lost opportunities. The demand for Gen AI-powered supplier risk summaries is not simply about efficiency; it's about matching the speed of decision-making to the velocity of disruption.

KEY FINDING 8

Leaders demand near real-time intelligence

When asked how quickly they would ideally need supplier risk intelligence to respond to tariffs, trade barriers, geopolitical pressures or sanctions, executives said:



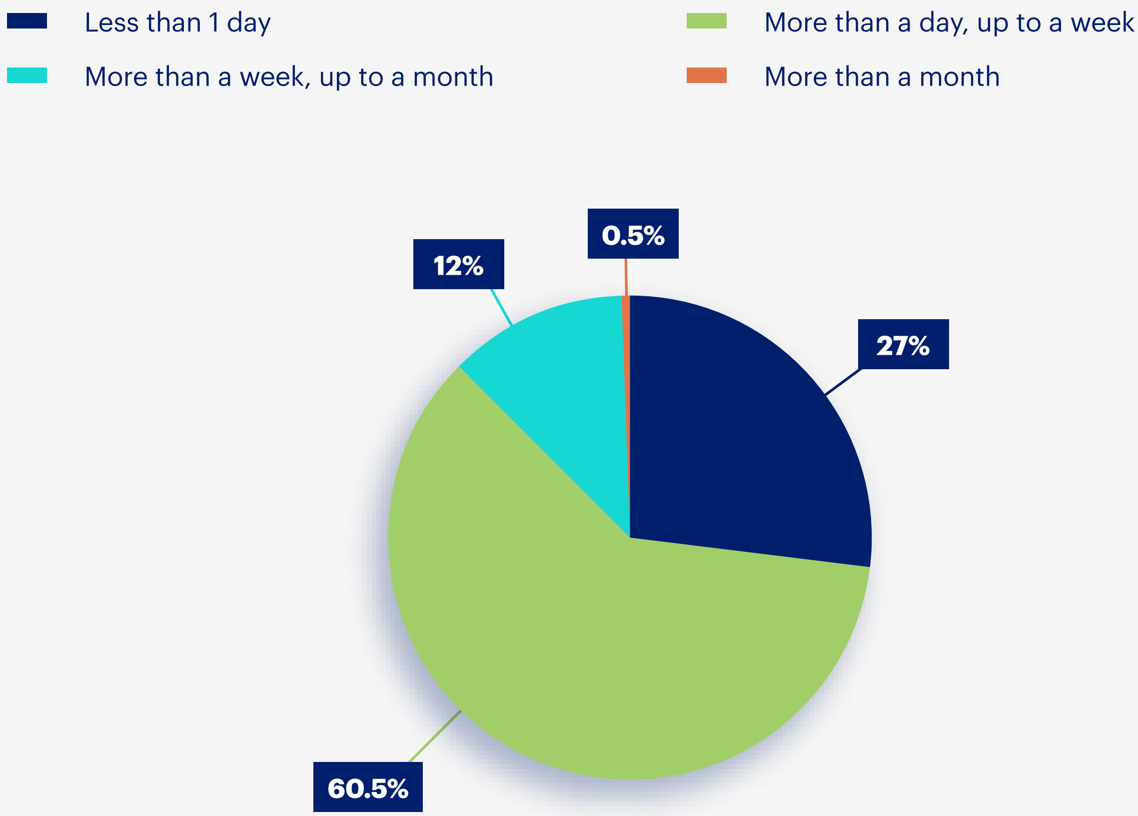
What it means:

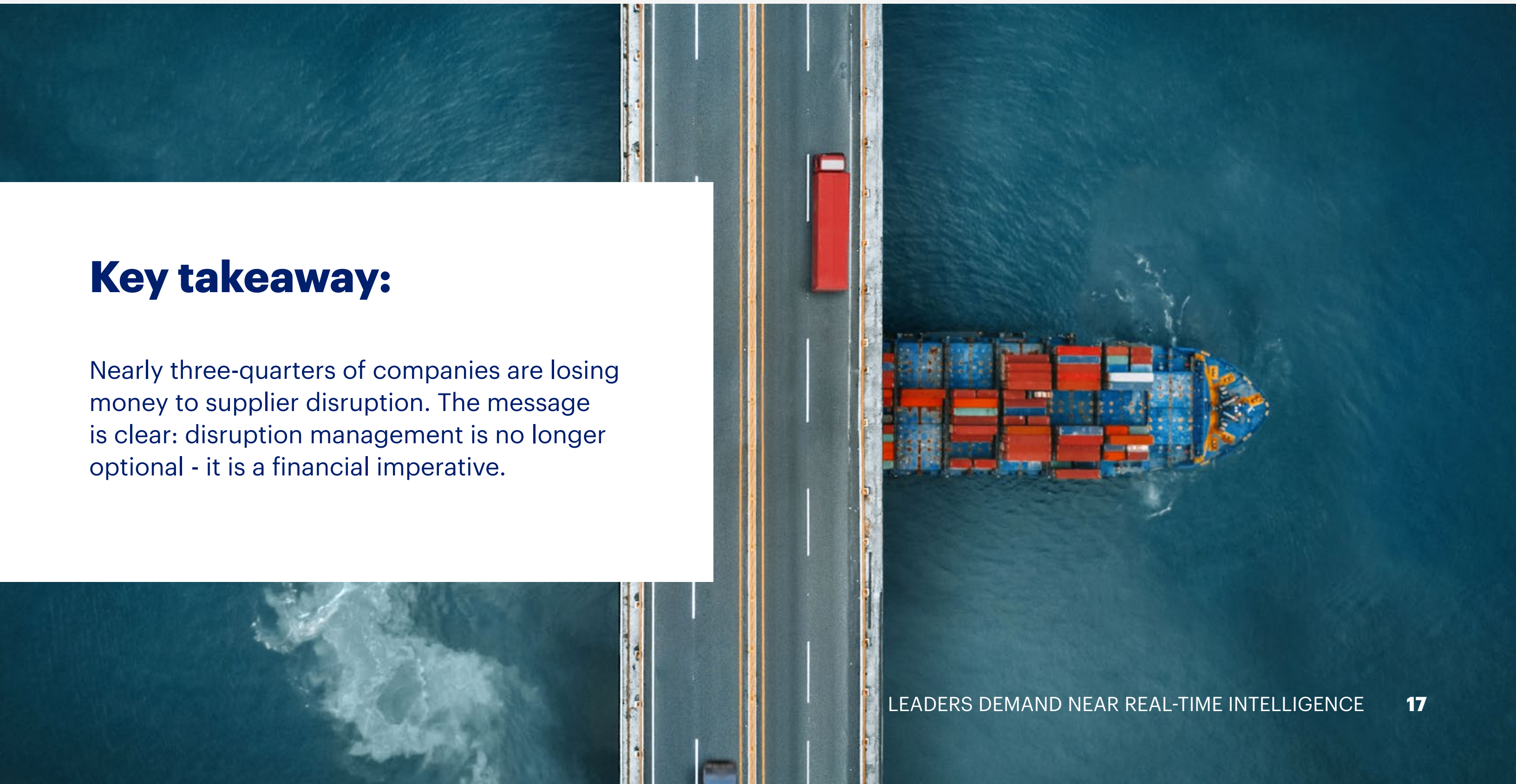
The expectation is clear: static, slow-moving reports are no longer fit for purpose. In an era where disruptions can unfold in hours, leaders need real-time, defensible insights to act with confidence.

Implication:

Solutions must deliver speed without sacrificing accuracy. Risk intelligence that takes weeks to compile will be irrelevant by the time it reaches decision-makers — eroding both commercial opportunity and board confidence.

? *In an ideal world, how quickly would you need holistic and accurate supplier risk intelligence to make sourcing shifts in response to tariffs, trade barriers, geopolitical pressures and/or sanctions?*





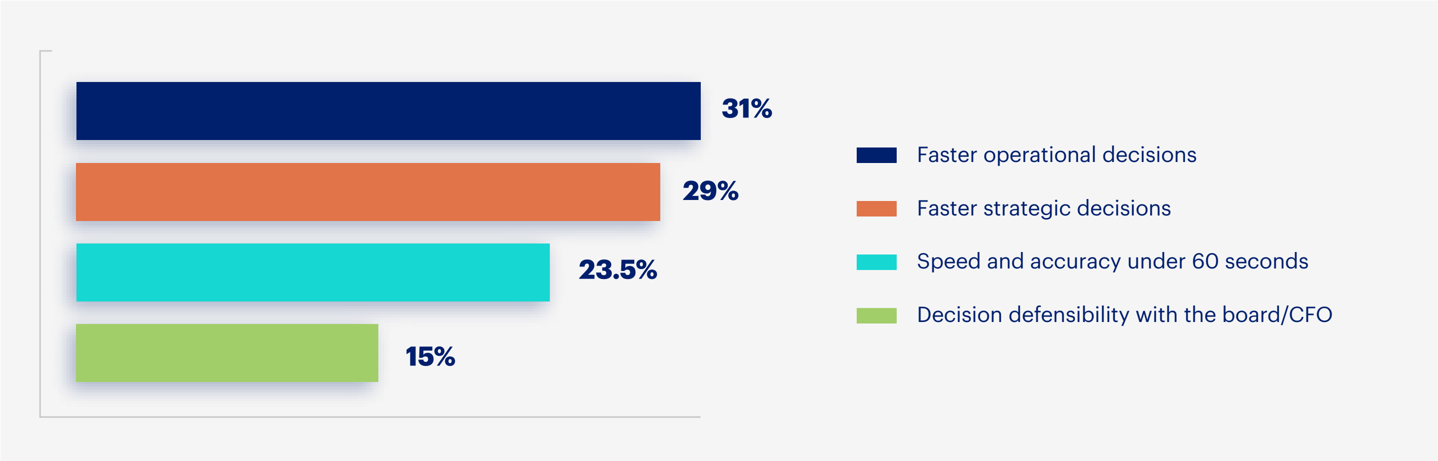
Key takeaway:

Nearly three-quarters of companies are losing money to supplier disruption. The message is clear: disruption management is no longer optional - it is a financial imperative.

KEY FINDING 9

Gen AI is valued for speed and decision quality

Executives identified the most important benefits of AI-generated supplier risk summaries as:

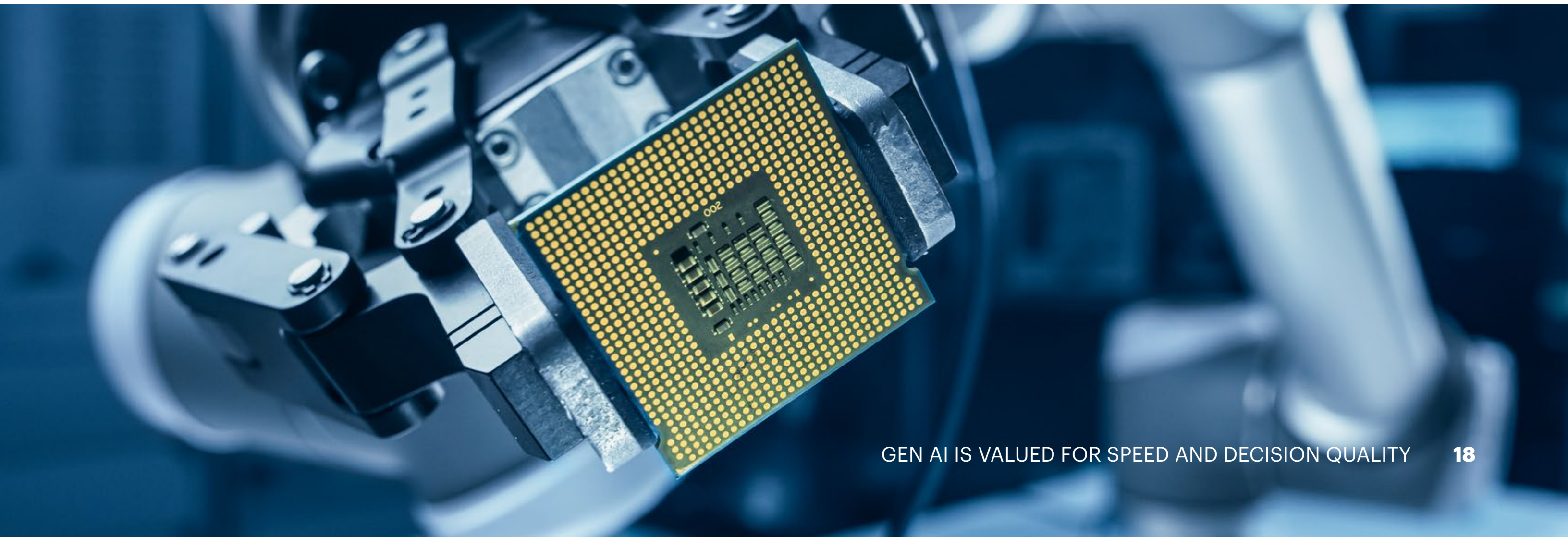


What it means:

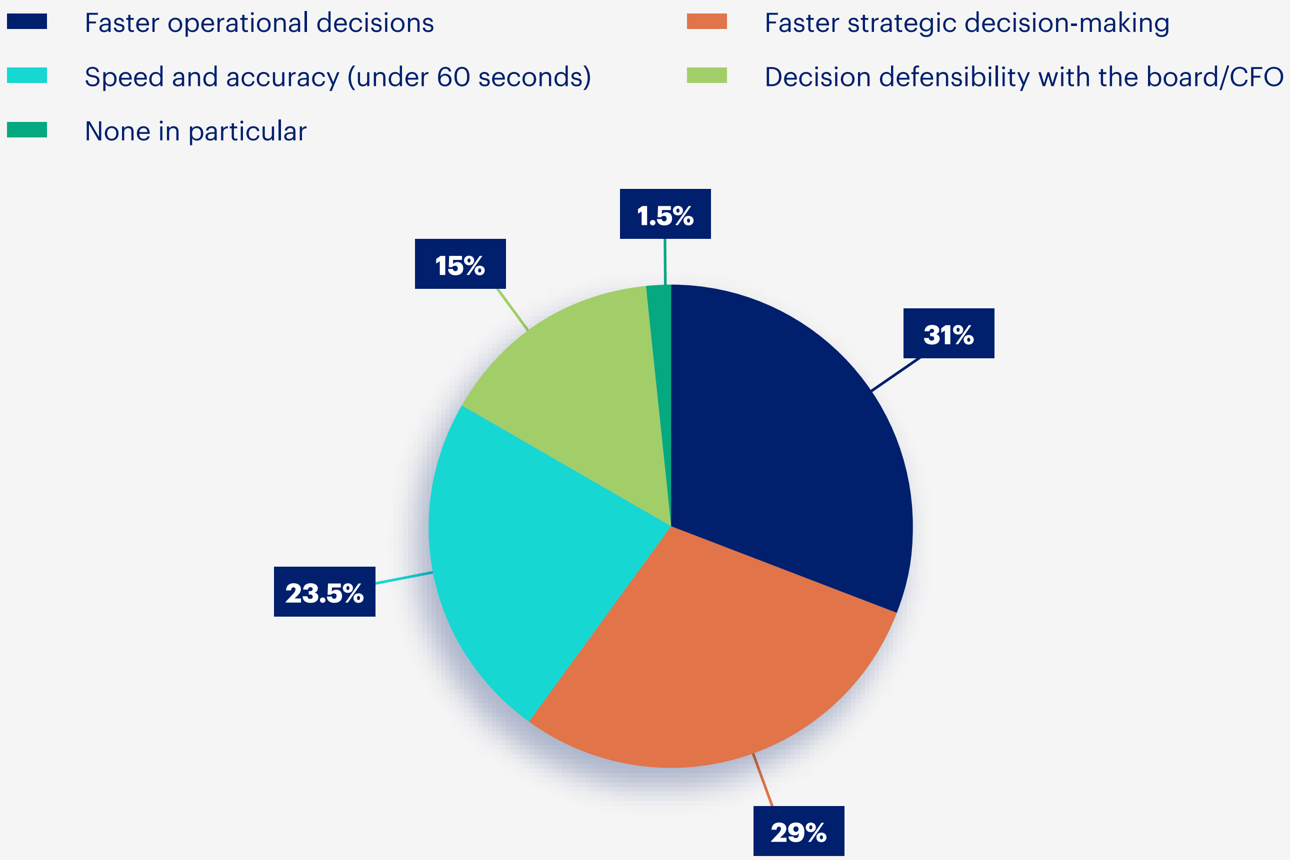
Leaders see Gen AI as a tool that serves both immediate operational agility and longer-term strategic planning. The emphasis on speed highlights the demand for risk intelligence that keeps pace with disruption, while the focus on strategic decision-making and board defensibility shows that executives expect AI to elevate the quality and authority of decisions.

Implication:

AI solutions must deliver on two fronts simultaneously: compressing time-to-decision for day-to-day procurement moves, and strengthening the defensibility of strategic choices at board level. Anything less risks falling short of executive expectations.



Which benefit of AI-generated supplier risk summaries would be most valuable for your organization?



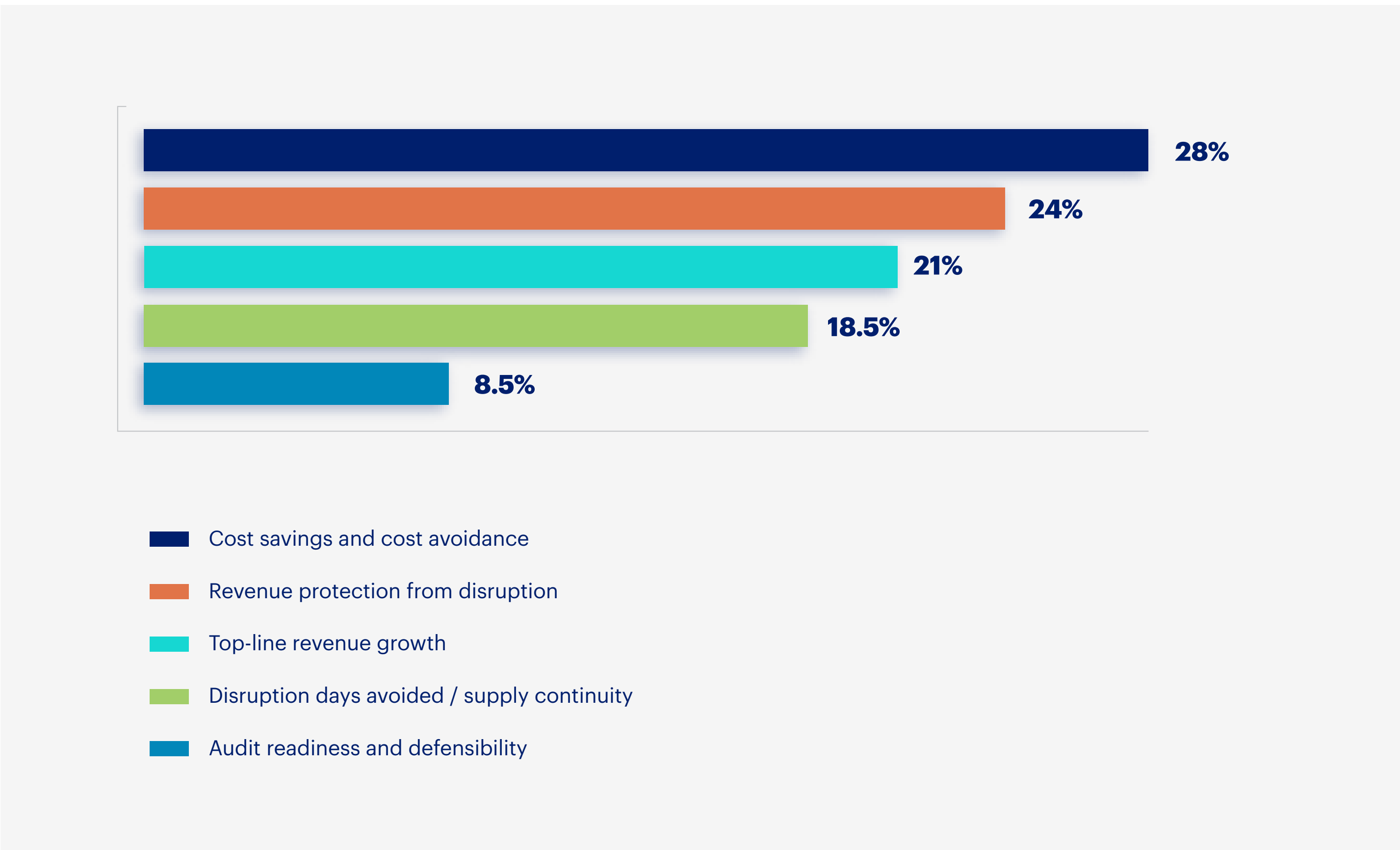
Key takeaway:

Executives expect Gen AI to bridge the gap between speed and substance, enabling both rapid operational actions and defensible strategic decisions in under a minute.

KEY FINDING 10

ROI expectations from Gen AI are clear and uncompromising

Boards and C-suites identified the primary returns they expect from investments in Gen AI supplier risk intelligence:



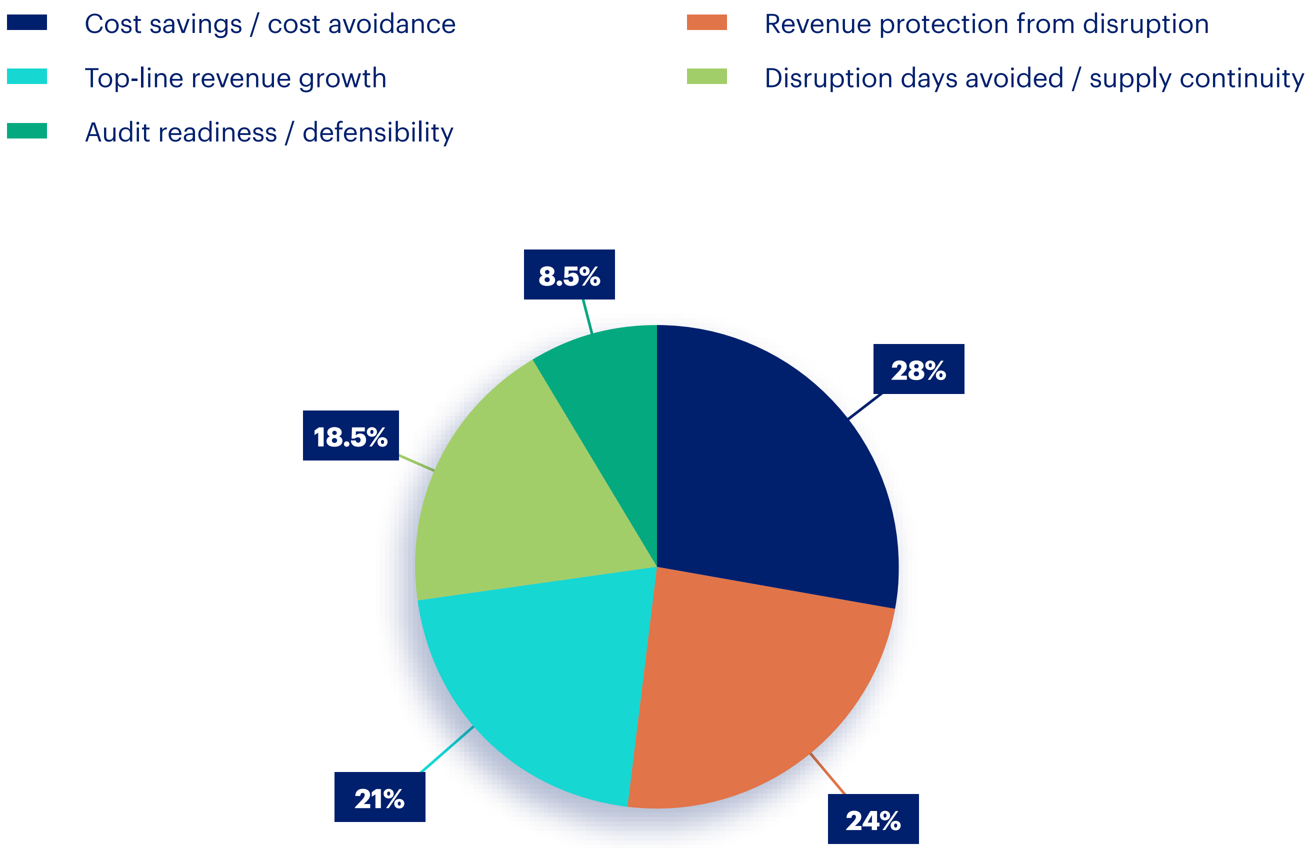
What it means:

Executives are not investing in Gen AI for novelty or dashboards. They expect hard financial outcomes that tie directly to the P&L. Solutions that cannot demonstrate measurable cost savings, revenue protection, or growth will struggle to win adoption at board level.

Implication:

For procurement and supply chain leaders, the case for AI must be built around **financial defensibility**. Faster insights only matter if they also prevent losses, protect margins, and enable growth. Linking risk intelligence directly to ROI will be critical for CFO alignment and executive sponsorship.

What is the primary ROI your executives expect from technology investments?



Key takeaway:

Gen AI adoption will be judged not by features but by outcomes. To secure board support, supplier risk intelligence must prove it delivers cost savings, revenue protection, and growth — fast, defensible, and measurable.

CONCLUSION

Achieving robust and resilient supply chains

Procurement and supply chain leaders are navigating a landscape where **disruption is constant, losses are real, and strategic pivots are unavoidable**. Yet execution barriers — slow risk checks, incomplete data, and compliance complexity — leave organizations vulnerable.

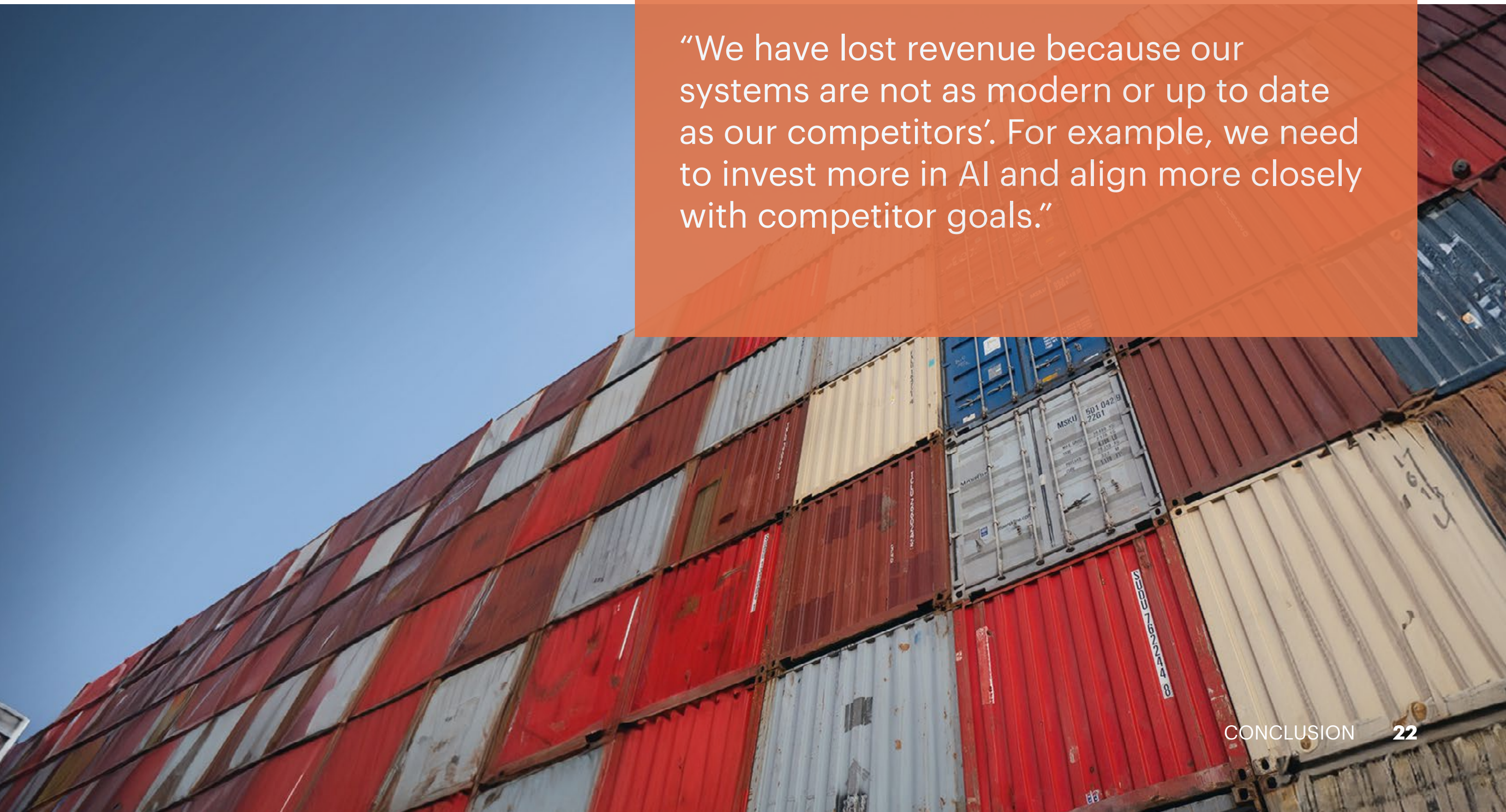
The data also shows hope. Leaders see AI-generated supplier risk summaries as the catalyst for faster, smarter, revenue-protecting decisions. But only if those solutions deliver tangible ROI and integrate directly into workflows.

Sphera's **Supplier 360** was built precisely for this moment. By continuously monitoring over **400 latent and event-driven risk indicators**, synthesizing them through fine-tuned Gen AI models and proprietary supplier intelligence, and delivering actionable summaries in under 60 seconds, Supplier 360 equips leaders to:

- **Stop revenue leakage** from disruption
- **Control costs** amid inflationary pressures
- **Safeguard investor confidence** with defensible intelligence
- **Accelerate strategic pivots** with confidence

The message from this survey is unambiguous: the future of supply chains will belong to those who can see risk clearly, act quickly, and align decisions directly with financial outcomes.

"We have lost revenue because our systems are not as modern or up to date as our competitors'. For example, we need to invest more in AI and align more closely with competitor goals."



SCRM by Sphera

Sphera's Supply Chain Risk Management (SCRM) solution empowers organizations to future-proof their supply chains by providing real-time visibility, risk intelligence, and actionable insight for proactive mitigation strategies. With a combination of Artificial Intelligence (AI), Human Intelligence (HI) and Supplier Intelligence, Sphera helps innovative supplier chain leaders detect disruptions before they escalate; whether from geopolitical shifts, human rights violations, or supplier failures. Its end-to-end transparency ensures that organizations can assess risks across *N*-Tier suppliers, strengthening due diligence and compliance with evolving ESG regulations.

By leveraging data-driven decision-making, companies can transition from reactive crisis management to strategic resilience, optimizing sourcing strategies and minimizing exposure to high-risk regions. As supply chain uncertainty grows, Sphera's SCRM solution offers the agility and intelligence necessary to not just survive but thrive in an increasingly complex global market.

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