

**Manufacturing Executive Brief**

# When supply chain risk hurts quality and margins

In Sphera's **2026 Supply Chain Risk Report**, respondents from manufacturing companies describe an environment of frequent disruption and sustained operational impact, where a real-time understanding of risk is needed to preserve continuity and revenue.

Here's what manufacturing leaders report:



### Supply chain disruptions

**Manufacturing operations feel the first impacts of supply chain disorder, and financial losses quickly follow.**

**72%** of manufacturers report financial or operational losses in the last 12 months due to disruptions.

### Supply chain delays

**Supply delays and stoppages are no longer isolated events, with many leaders suffering several each year.**

**3.48** material annual disruptions is the reported mean, with most seeing one or more meaningful disruptions per quarter.

### Supplier instability

**Delivery delays and quality issues continue to rise, reinforcing the link between supplier instability and plant-level outcomes.**

**59.4%** increase in quality and performance incidents took place Q1 to Q3 for organizations in 2025.

### Decision scrutiny

**Risk decisions are routinely challenged by boards and executives, elevating the need for defensible sourcing and continuity decisions.**

**46.5%** say they face weekly challenges to their supply chain risk decisions and 54% face these quarterly.

## What this means for manufacturing

Despite confidence in their supplier data and monitoring process, disruption is chronic for many manufacturers today. Supply chain risk frequently materializes before it is fully understood or acted on, leading to downtime, yield loss, rework and eroded margin.

## Where traditional approaches fail

Survey responses point to several constraints:

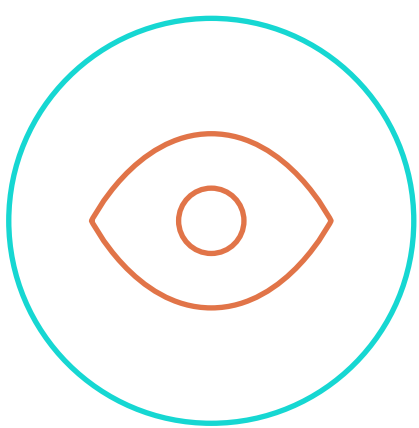
- + Risk reviews** for new suppliers or sourcing changes often take days or weeks, limiting preemptive action.
- + Visibility beyond Tier 1** remains inconsistent, even when confidence in data is high.
- + Buffering strategies**—inventory cushioning, alternate sourcing and beyond—reduce impact but do not prevent core disruptions.

## How leading manufacturers are stepping up

Manufacturing respondents highlight:



**Continuous monitoring** to surface early signals of financial, delivery or quality risk.



**Portfolio-level views** of supplier exposure to speed up board-ready decisions.



**Automated risk signals** to complement traditional assessments.

**Result:** Risk management shifts from periodic to comprehensive, helping to secure production and margins.

# Uncover more insights.

[Download Sphera's 2026 Supply Chain Risk Report](#)