

MANUFACTURING

Ten critical risks shaping the manufacturing landscape today.



PRODUCT RECALL •

Roughly 34 million products were recalled in the U.S. in 2018, largely due to flaws arising from incomplete quality assurance processes or poor supply chain management.

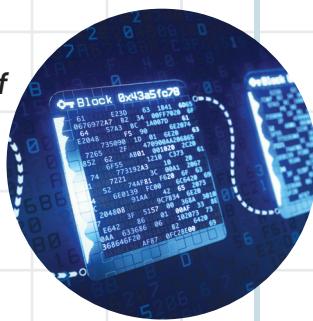
HIGH IMPACT



SKILLS GAP •

About 2.4 million manufacturing positions requiring critical thinking, programming, and digital skills will go unfilled between 2018 and 2028.

BLOCKCHAIN • Due to a lack of technology standards and real-world testing, the **regulatory and legal implications** of blockchain are unclear.

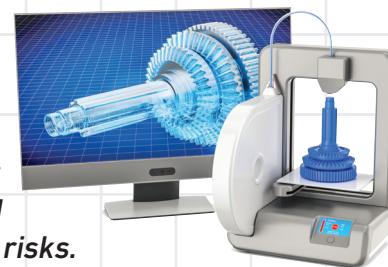


DIRECT-TO-CONSUMER MODELS • Selling direct-to-consumer shifts liabilities to manufacturers that retailers normally accept, including cyber and GL exposures associated with running an e-commerce business.



3D PRINTING •

3D printing blurs the line between product designer and product manufacturer and can introduce new intellectual property and product liability risks.



TARIFFS • Experts estimate that tariffs on imported raw materials like aluminum and steel cost U.S.-based manufacturing companies nearly \$9 billion in 2018.

IP PROTECTION •

Of 225 surveyed manufacturing executives, 36% said protection of IP was a top concern, especially in China, Russia, India, and Mexico, where regulatory protections are lax compared to the U.S.



HIGH FREQUENCY

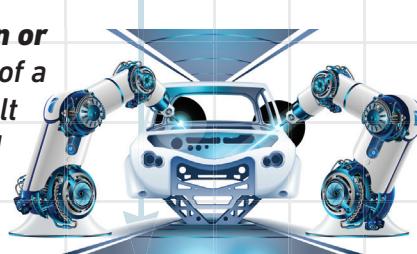
GLOBAL SUPPLY CHAINS •

Global supply chains are highly vulnerable to disruption, which could interrupt production, damage reputation, and result in loss of market share.



"SMART" FACILITIES •

IoT-connected equipment opens more doors for hackers. Through the first half of 2017, 31% of all cyber attacks on industrial control systems targeted the manufacturing sector.



LOW IMPACT

CO-BOTS • Malfunction or incorrect programming of a collaborative robot could result in product defects, increased safety risks and potentially business interruption.