



MARSH

Advancing automotive
and manufacturing
supply chain resilience
in 2026 and beyond

The current state of supply chains

Over the past decade, supply chains have evolved into highly intricate, global networks that span regions, industries, regulatory environments, and supplier tiers. This complexity, while enabling efficiency and scale, has introduced significant vulnerabilities, many of which remain invisible to organizations until disruption strikes.

Data from Marsh's dynamic supply chain risk management tool, **Sentrisk™**, highlights some stark realities:

>90%

of organizations have exposure to a high-risk geopolitical country or an active conflict zone.

65%

of organizations have at least one single point of failure hidden in their upstream supply chain.

Historically, companies have prioritized efficiency, often at the expense of resilience. Lean inventories, single-source suppliers, and just-in-time manufacturing have been the norm. However, the risk landscape has shifted dramatically.

Resilience is no longer a luxury; it is a critical enabler of business continuity and competitive advantage. Visibility into supply chain risks has moved from being a top priority to a baseline expectation — but visibility alone is not enough. Organizations need enriched, validated supplier data that empowers them to **map, model, and transfer** their risks more effectively.

Innovation in insurance solutions plays a pivotal role in this transformation. New tools enable companies to identify, quantify, and transfer risks that were previously unseen or unmanageable. At Marsh, we are committed to helping organizations navigate this evolving landscape by providing the insights and solutions necessary to maintain agile, responsive, and resilient supply chains.

As we look ahead, the ability to anticipate and manage supply chain disruption will define the leaders in every industry. It is our mission to equip you with the knowledge and resources to meet these challenges head-on.

Sincerely,

James Crask

Global Supply Chain Practice Leader,
Head of the Supply Chain Center of Excellence
Marsh

Critical factors influencing manufacturing and automotive supply chains



90%

of the US value chain is composed of small to midsize manufacturing enterprises.

55%

of US manufacturers experienced unplanned downtime in 2025, resulting in as much as \$207 million in lost capital weekly.

Manufacturing is a widespread and foundational sector in the US economy, with small to midsize enterprises comprising the vast majority of the value chain — highlighting the scale and complexity that contribute to significant risks.

Once a vehicle or component enters production, altering the supply chain can be a complex and costly endeavor due to development, tooling, and training expenses. This reality places a premium on rigorous vendor due diligence and continuous performance monitoring, alongside robust protection like contingent business interruption (CBI) coverage to mitigate potential disruptions.

Inventory management presents a significant challenge, particularly for low-margin manufacturers. While holding safety stock is a proven resilience strategy, the capital-intensive nature of automotive manufacturing often limits inventory levels, increasing vulnerability to supply interruptions. Additionally, the drive to minimize costs frequently results in supply chains with multiple bottlenecks and limited alternatives that are immediately available. For example, it is common to rely on a single supplier for specialized parts like car seats, creating critical single points of failure that can halt production lines if disrupted.

Historically many original equipment manufacturers (OEMs) have mitigated the risk by passing the cost of production line stoppages through contracts into the supply chain. While this approach helps with immediate cash flow, it does not address the root causes of the risk, often hidden in the upstream supply chain.

Safety-critical components add another layer of complexity. Suppliers providing these parts must meet stringent quality and regulatory standards, and any failure or change can trigger costly and time-consuming regulatory re-approval processes. This underscores the importance of comprehensive risk assessment and proactive supply chain risk management.

An inside look at how Sentrisk revealed critical vulnerabilities in a major manufacturer's supply network



To effectively address the unique challenges faced by automotive and manufacturing supply chains — such as cost constraints, bottlenecks, regulatory complexities, and geopolitical risks — organizations need more than just visibility.

Marsh developed its dynamic, AI-powered supply chain risk management platform, Sentrisk, to provide a holistic approach to identifying and managing risks across your entire supply chain ecosystem, integrating multi-tier supplier data, risk scoring, and scenario analysis.

The process of enriching supplier data

The process includes the following steps:

1

Input your supplier data:

Our specialists input the names, addresses, and component data for 50 of the company's Tier 1 suppliers.

2

Map upstream supply chain:

We found thousands of additional upstream supplier sites leveraging billions of shipping records including both customs data and relationships with global logistics firms.

3

Validate and enrich each site:

We used geospatial intelligence to verify, geocode, and enrich key characteristics of each site, such as a factory or headquarters.

4

Assess risk across the supply chain:

We helped conduct a risk assessment for each supplier site and for network risks.

5

Access the results easily:

These results became easily accessible on the platform.

6

Prioritize your risk:

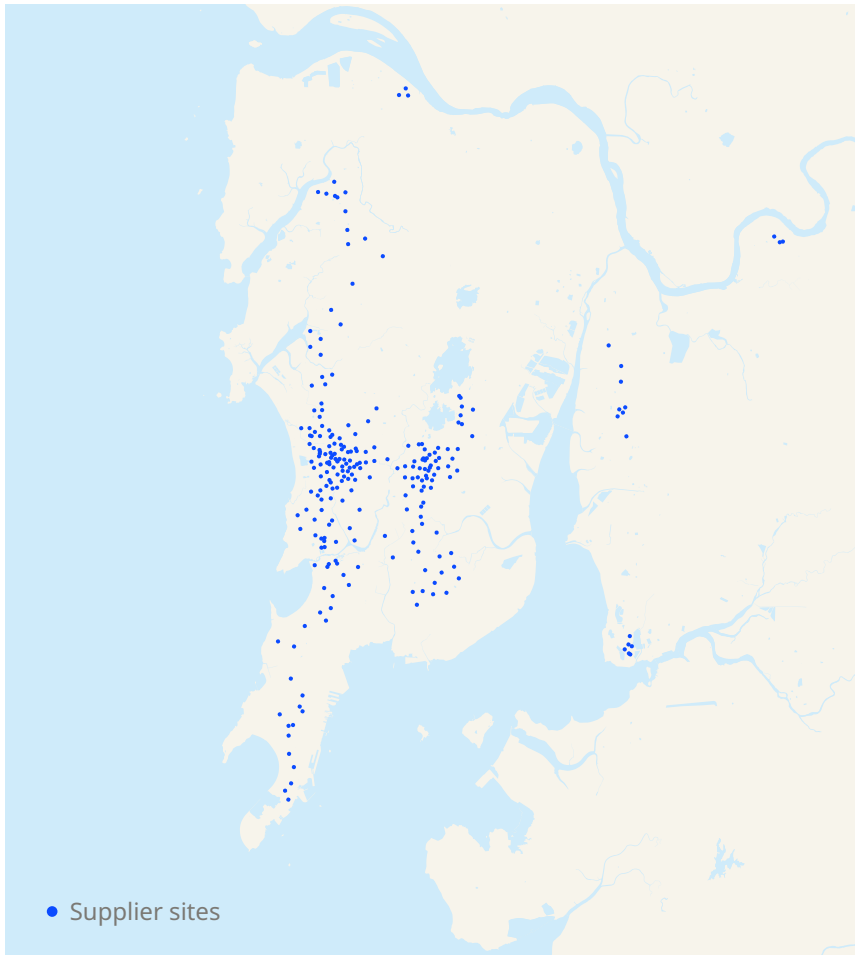
The manufacturer could then identify and prioritize their riskiest sites, suppliers, components, and products using a proprietary risk score.

7

Model your risk:

The manufacturer could anticipate and mitigate the impact of geopolitical shifts, regulatory changes, tariffs, natural hazards, and other scenarios by leveraging Sentrisk insights alongside guidance from Marsh risk advisors.

Figure 2:



Significant concentration risk:

- A total of **2,720 of the ~9,500** sites show a concentration risk
- The highest risk concentration is in Mumbai, involving **92 supplier sites**



Manufacturing machinery at a textile factory in Mumbai, India

What does this mean for the manufacturer's resilience?

The Sentrisk data findings reveal critical vulnerabilities within the manufacturer's extensive supply chain, underscoring the urgent need for heightened risk awareness and proactive management.

With over 9,400 additional supplier sites identified, many exposed to significant natural hazards like flooding, moderate to high geopolitical risks including war zones, and notable concentration risks in key locations such as Mumbai, the potential for disruption is substantial.

These insights emphasize that without a comprehensive, data-driven approach to risk assessment and mitigation, the manufacturer faces heightened exposure to supply interruptions, financial losses, and operational setbacks. By leveraging Sentrisk's holistic platform, the company can strategically prioritize risk reduction efforts, enhance resilience, and maintain continuity of production in an increasingly complex and volatile global environment.

Align coverage precisely with your risk

A key feature of Sentrisk is the ability to generate Supplier+ and Snapshot reports to uncover more detailed, validated, and up-to-date supplier data. This enriched data can support:

- More detailed, accurate submissions to underwriters
- Potentially higher limits for property, CBI, and property damage business interruption (PDBI)
- Digital preparation of supplier schedules for insurance submissions
- More accurate and timely claims processing
- Enhanced annual risk reporting and insurance program reviews

Supply chain risk analysis must go beyond visibility

Resilience in automotive and manufacturing supply chains is no longer optional but essential for sustaining production continuity and competitive advantage in today's global environment. The sector's unique challenges — including capital-intensive inventory constraints, critical single-source suppliers, stringent regulatory requirements, and complex geopolitical exposures — demand a proactive and comprehensive approach to risk management.

Tools like Marsh's Sentrisk provide invaluable capabilities by mapping extensive upstream supply networks, validating supplier data, and assessing multifaceted risks such as geopolitical tensions and natural hazards. By leveraging such advanced insights, manufacturers can identify hidden vulnerabilities, prioritize mitigation strategies, and enhance their overall supply chain resilience, to better anticipate and adapt to disruptions before they impact operations.

To learn more, contact your Marsh representative and request a Sentrisk demo.



About Marsh Risk

Marsh Risk is a business of Marsh (NYSE: MRSB), a global leader in risk, reinsurance and capital, people and investments, and management consulting, advising clients in 130 countries. With annual revenue of \$27 billion and more than 95,000 colleagues, Marsh helps build the confidence to thrive through the power of perspective. For more information about Marsh Risk, visit marsh.com, or follow us on LinkedIn and X.

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1166 Avenue of the Americas, New York 10036

