

Supply chains inevitably generate risk for the company at every stage. Most components and items are produced overseas. This country may possess separate laws regarding quality standards, contractual obligations, and exports. If the vendor simply chooses not to supply the amount detailed in the contract, the company may not be able to enforce any penalty or even end the contract to find a new vendor. The vendor's prices could easily fluctuate depending on the tariffs they encounter. As shown by COVID, the transportation of items presents another weak point in the chain. If the destination port refuses to permit the cargo ships, then every later stage in the supply chain is substantially delayed. In addition, tariffs and piracy can increase costs or result in the loss of items. The connection between a vendor and the company creates a vulnerability where their systems overlap. For example, thousands of credit card credentials were stolen from Target Corp. through a channel that they possessed very little control over. The attackers compromised Fazio Mechanical, a temperature control unit firm, and stole their network credentials which the company used for electronic billing, contract submission, and project management. Once they accessed the network, they backtracked through the maintenance channels to the corporate servers. Unfortunately, Target lacked the authority to enforce any preventative measures. Similarly, any attack that shut down, destroyed, or locked up the systems of a company could halt everything at any stage along the supply chain. A chain is only as strong as the weakest link, and every link in a supply chain is extremely vulnerable. Cyber insurance does exist, along with insurance policies which cover incidents like physical security breaches. However, these policies are relatively new and are unprepared for many of the situations that manufacturers are encountering. In addition, insurance companies have placed the premiums extremely high because of the multitude of potential threats and vulnerabilities. I would say that a manufacturer, especially a small one, would experience a great deal of difficulty in acquiring insurance for their security components.