

SMALLER FIRMS HIT HARDEST BY SUPPLY CHAIN PROBLEMS, RSM SURVEY FINDS

MORE THAN TWO YEARS into the global pandemic, supply chain snarls persist for a large portion of middle market American businesses, with smaller midsize firms bearing a significant amount of the pain, according to proprietary data from RSM US LLP. And companies continue to pivot accordingly.

Nearly half of respondents to the latest RSM US Middle Market Business Index survey—48%—said in April that their organizations had experienced significant negative effects because of unexpected changes or disruptions in supply from an upstream supplier during the previous 12 months. The survey polled middle market executives from April 4 to April 25 on questions specific to supply chains, as well as questions about costs and inflation.

Among the survey's findings:

Smaller firms were hurt the most by problems with upstream suppliers ...

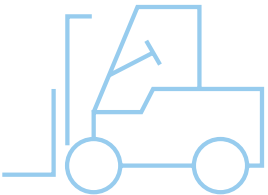
64%

of businesses with annual revenue between \$10 million and \$50 million reported significant negative effects.

36%

of businesses with annual revenue between \$50 million and \$1 billion reported similar effects.

... and those problems were in turn felt by customers downstream ...



68%

of smaller firms reported that problems with upstream suppliers had affected downstream customers.

69%

of larger firms in the middle market reported such issues.

... but through it all, middle market businesses are staying nimble ...

81%

of respondents said they could adapt to changes in demand or supply without sacrificing quality.

This includes **89%** for larger middle market firms and **71%** for smaller firms.

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