

# Supply Chain Risk Management

## in a time of crisis

### 8 | Questions you should be asking

- 1** Have you conducted an evaluation of your business continuity plans?
- 2** Have you performed a risk assessment across all supply chain tiers?
- 3** Have you performed an operational risk assessment and considered the impact of disruptions on critical business functions?
- 4** Do you have visibility and access into critical supply chain data to properly assess the potential damage and create immediate plans?
- 5** Have you conducted scenario planning exercises to understand the operational implications, both financial and non-financial, of various scenarios?
- 6** Have you set up a temporary inventory recovery and evaluation process?
- 7** Have you evaluated strategies for alternative sourcing, including the impact of tariffs to cost?
- 8** Have you activated product redesign / material certification resources?

### How mature is your risk management approach ?



Source: Strategy& Analysis

### How should you support your business and manage ongoing crisis?

- › Crisis response :** Addressing active risks (e.g. COVID-19) leveraging a rapid deployment approach that minimises damage.

Example: your supply of intermediate components from a Chinese supplier was just shut down. How do you do damage control ?
- › Supply chain risk management unit :** Establishing a sustainable unit within your organisation to proactively manage financial and operational risks.

Example: after facing supplier disruptions because of flooding and typhoons in South Asia you have decided to develop a supply chain risk management function. Where do you begin ?
- › Crisis mitigation :** Anticipating and mitigating future risk (e.g. supplier bankruptcy) before it is realised in an effort to improve supply chain resilience.

Example: you understand that a number of your key tier 2 suppliers are facing liquidity issues and may face bankruptcy. How do you mitigate this risk?
- › Rapid localisation of critical items :** Identifying critical supply chains and localising them to ensure supply.

Example: you are heavily dependent on imports for a number of products and essential items. How can you develop a localisation plan to minimise this dependency ?

### Start a conversation

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