Supply Chain Risk Management

in a time of crisis

1. Have you conducted an evaluation of your business continuity plan? 
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. Have you evaluated diversification of suppliers to mitigate potential damage? 
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. Do you have visibility and access into critical supply chain data to properly assess the potential damage and create immediate plans?

How mature is your risk management approach?

- **Scores**: 20% (Ad-hoc risk management without defined structures), 50% (Reacting to risks without defined structures), 25% (Reacting to risks with defined structures), 5% (Reacting to risks with reactive cross-functional involvement)

How should you support your business and manage ongoing crisis?

- **Crisis response**: Addressing active risks (e.g., COVID-19) leveraging a rapid deployment approach to minimize damage.
- **Supply chain risk management unit**: Establishing a sustainable unit within your organization to proactively manage financial and operational risks.
- **Rapid localisation of critical items**: Identifying critical supply chains and localising them to ensure supply.
- **Crisis mitigation**: Anticipating and mitigating future risk (e.g., supplier bankruptcy) before it is realized in an effort to improve supply chain resilience.

Start a conversation

Dr. Bashar El Jawhari
Partner
bashar.el-jawhari@pwc.com

Nick Laborie
Senior Manager
nicolas.laborie@pwc.com

Sachin Halbe
Director
sachin.halbe@pwc.com

Source: Strategy& Analysis