# Supply Chain Risk & Recovery

**The risk of supply chains causing serious business disruption has never been greater than today. Supply chains now extend around the globe resulting in unprecedented exposure to economic and reputation risk. In today's nervous financial climate such risks can translate into significant financial loss.**

Vendigital's supply chain mapping approach identifies the most significant risks quickly. Once identified, these risks can be mitigated by changes to supply strategy. Working together can systematically reduce the risks and minimise recovery costs and timescales.

Despite risk mitigation, sometimes supply chain will fail because suppliers cease to trade. Vendigital can provide a rapid response in these situations allowing customers to reduce the pain of the failure by identifying and establishing new suppliers in the shortest possible time. Vendigital has developed a rapid supplier changing methodology ideally suited to managing these situations.

## Risk

Most companies know who their suppliers are, but the identity and nature of the next tiers of suppliers is typically unknown. In the context of a global supply chain this exposes a business to:

> Variable quality with elements of the supply system being changed without warning or knowledge causing product failure and consequential losses.
> Supply chain exposed to unknown risks with potentially devastating consequences
> Suppliers using child labour
> Companies with shocking effluent or safety issues
> Organisations in financial meltdown
> A supply chain that does not have the capacity to meet increasing demand
> Political unrest in a country or even a labour dispute in a port the other side of the world paralysing the supply system

The financial consequences of these risks coming to pass can be significant. The consequence of social responsibility failures can be catastrophic.

## Identification

Vendigital's supply mapping and analysis provides clarity across the entire supply chain. Likely risks are identified and prioritised by analysing the supply chain elements through multiple perspectives including CSR, capacity, viability etc. This allows further investigation into specific suppliers to be targeted at the higher risk areas.

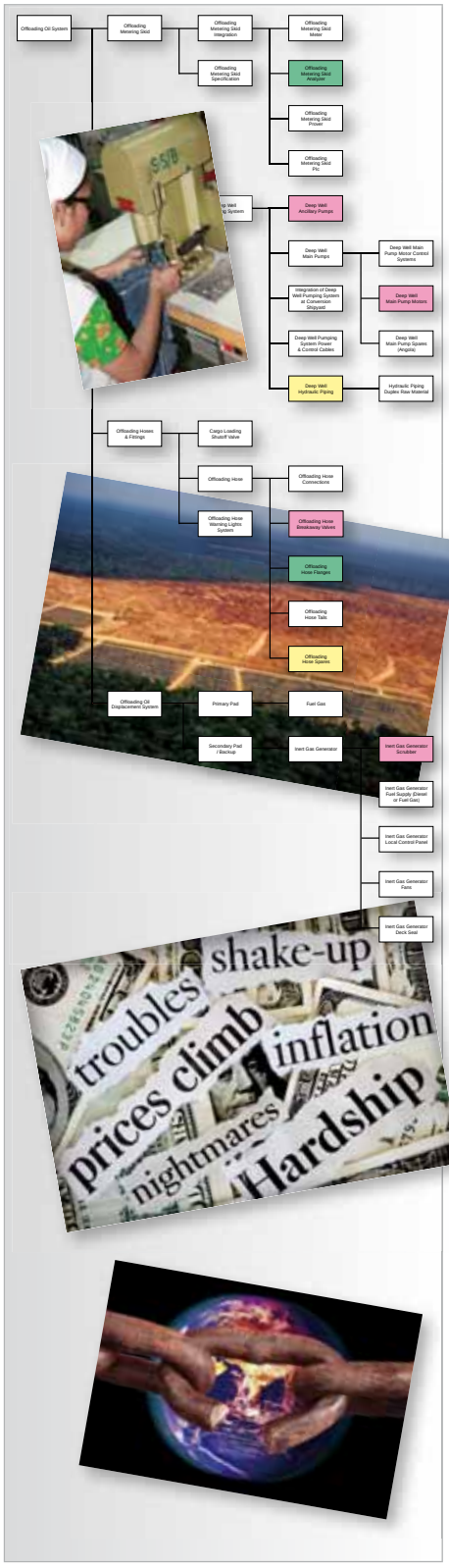
## Mitigation

Knowing where the risks are allows the risk profile of a supply chain can be greatly improved. Better suppliers, dual sourcing, buffer stocks etc. are all valid options in the right situation. Random audits and communication of policy through the supply chain significantly reduce CSR or HSSE risks. However, the key in reducing the impact of a failure is the ability to make changes in the supply chain quickly. Vendigital's Supply Chain Responsiveness methodology can provide an organisation with exceptional flexibility to react to change and mitigate risk.

## Recovery

In the current economic climate it is inevitable that some suppliers will collapse. When this happens, Vendigital can:

> Identify alternative suppliers very quickly using its extensive database and multilingual supplier research team
> Tender the demand very rapidly, reducing the impact of distress pricing
> Project Manage the start up of the new supplier so that supply is restored in the shortest possible time.

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