

# Supply Chain Resilience



# Topic for Today

- Who do we depend upon?
- Does it matter?
- How do we know?
- What can we do about it?



# Those pesky third parties

- Third party dependencies
  - Ignore them?
  - Accept vague assurances?
  - Eliminate by bringing everything in-house?
  - Carry out audit of their BCM?
  - Mostly ignore or accept “it’ll be alright on the night”



# Who do we depend upon?

- All our suppliers
- Our major suppliers
- Our critical suppliers



# It's the widget

- It's that thing that does the.....
- It's that bit that makes the.....
- It's that bloke who knows how to.....
- It's the part that keeps breaking.....



# Does it Matter?

- Does it relate to a critical function?
- Does that function fail without it?
- Could we replace it in time?



# How do we know?

- Business Impact Assessment
- Process Mapping
- Dependency Mapping



# What is a critical supplier?

<b>Critical Process</b>	<b>Supplier Name</b>	<b>What is the product or service provided?</b>	<b>How quickly does the process fail if this supplier is not operational?</b>	<b>Can this supplier be easily replaced in time to prevent the process from failing? YES / NO</b>
-------------------------	----------------------	---	---	---



# What can we do about it?

- Where critical functions are dependent upon key suppliers, mitigation options include:
  - Increasing the number of suppliers
  - Encouraging or requiring suppliers to have a business continuity capability
  - Contractual or service level agreements with key suppliers
  - Identification of alternative suppliers



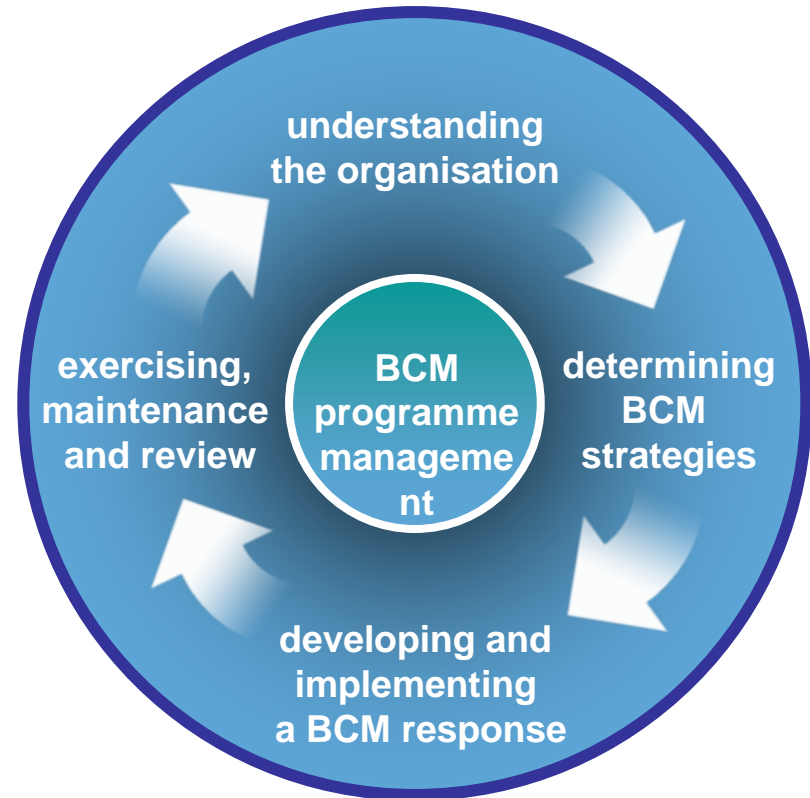
# What can we do about it?

- An organisation should identify, and maintain an inventory of, the supplies that support its critical activities
  - Storage of additional supplies at another location
  - Arrangements with third parties for delivery of stock at short notice
  - Diversion of just-in-time deliveries to other locations
  - Holding of materials at warehouses or shipping sites
  - Identification of alternative / substitute supplies



# Those pesky third parties

- BS25999 provides common benchmark
- Adherence to Standard provides reassurance of recovery capabilities
- Takes away worry / expense





John Matthews

Director & Principal Consultant

07855 051590

[John.matthews@resiliencesolutions.org.uk](mailto:John.matthews@resiliencesolutions.org.uk)