

MSS GLOBAL

We consider here what to think about when understanding supply chain risk in **Who is 'The Weakest Link?' – Goodbye**



It's easy to see, even within the borders of your local town, that the impact of globalisation and the web has shrunk the world and expanded the potential for business, putting within reach new markets, partners, reduced supplier costs, and the outsourcing of services.

But what are the risks, and how do you find out what you don't know before it's too late?

Along with the potential presented through increasingly far-reaching but often complex supply chains comes increased uncertainty: natural disasters;

legal/regulatory infringements, fraud and theft, industrial espionage, labour and social unrest, accidents, all pose risk.

So what do you do about it? What can you afford to do? Where do you need to prioritise effort? How much influence do you have?

Supply chain risk management is not difficult: know your supply chain – identify the critical risk points, and then assess, evaluate (including priorities), and seek to reduce the impact of those that have the potential to derail your plans. If you're looking to partner beyond your comfort zone, consider analysing your supply chain against the acronym '**PESTLE**' (Political, economic, social, technological, legal and environmental).

Not all risks are equal, so the extent and nature of control should be proportionate to the likelihood and severity should a risk be realised.

The challenges faced by organisations and their increasingly complex supply chains are fluid. It makes cost-effective sense for supply chain risk management to be considered as an integral theme within normal business planning. Only by doing this will you be able to identify what you don't know before it's too late. So take advantage of the global potential offered – but step out in to the dark with your eyes open and the flood lights on!

(The thoughts here are merely echoes of the rambling mind of Tony Chattin, MD, MSS Global)