



Is your Supply Chain risk free? Have you a strategy? What is BCP?

Have you thought lately how your business would look if you had a major incident that occurred within your supply chain through either economic down turn or disasters. IBM recently discussed that as a result organisations, Boards of Directors now assume a greater degree of accountability and have begun to fully understand the importance of instilling risk aware culture to gain better visibility of risk. To be effective, risk based strategy requires cross functional and coordinated approach to synchronise the activities of different operational functions.

Dr Edward Knab recently advised that most businesses are already experiencing major challenges in their supply chain resulting from the down turn in the global economy. Significant unexpected costs, delays and increased disruptions in importers and exporters will also play apart. So what are they and how can we apply some strategies to them.

Lack of working capital – Businesses are being forced to consider non -traditional sources of working capital, often found in in the company’s internal operations. Companies are reducing inventory to free up operating cash, rationalize product lines to focus on profitable products and lower operating costs by increasing their productivity.

Economic Downturn risks – this has translated into major restructuring of supply chain operations in an attempt for businesses to survive if the downtown continues and to better position themselves for additional market share and profits when the economies around the world begin to recover.

Energy costs – Businesses must plan for variable energy and commodity prices, as well as variable labour and currency exchange rates.

Financial risk – There will be a rise in supplier bankruptcies and companies will need to reevaluate their supply chains to identify and support their key partners and reduce the number of potential weak link suppliers.

Recovery prediction – Economic recoveries will likely be unpredictable, the ability to quickly react to global shifts in demand will be critical for success.

Disaster Recovery Plans (DRP’s) have gained momentum due to the accelerated adoption of technology across global businesses. Business Continuity Plans (BCP) has become a broader extension of the DRP, including all processes, procedures, decisions and activities that are essential to ensuring that organisations can continue to function.

So what’s a BCP?

It’s when a company recognizes that a significant threat exists to its ability to continue normal business operations following a serious unexpected disruptive incident. The company further recognizes that it needs to recover from disruptive incidents in the minimum possible time and that it this necessity to ensure a speedy restoration of services requires a significant level of advance planning.



In order to effectively continue business after a major incident is declared, a high degree of preparation and back up support (materials, processes, systems and personnel) is needed to be already in place or planned so that it can be rapidly deployed so the controlled responsiveness can be exactly that controlled.

So check out our website at www.iscm.com.au or email info@iscm.com.au for more information on how we can assist you with your supply chain solutions.