

SUPPLY CHAIN RISK MANAGEMENT

Organizations large and small are learning the hard way about the lack of oversight, transparency and adequate supply chain risk management standards. The first order of business in management and mitigating supply chain or third-party risks is being able to quantify the economic and operational stakes, as well as the key relationships and dependencies. Thereafter, our supply chain risk management analysis provides deep insights in to the business impacts and implications on operating continuity.



Supply Chain Mapping

Understanding material linkages and relationships in a supply chain is the first step in a supply chain risk management strategy. Once these linkages are understood and mapped, continuity, redundancy and risk mitigation approaches can be rolled out and aligned to key points of vulnerability.



Scenario-Based Analysis

Not all supply chain shocks are created equal and most supply chain setbacks will stem from non-obvious and non-trivial issues, such as cyber risk, political risk and natural catastrophes among others. Stress testing supply chain vulnerabilities against this suite of scenarios can help improve organizational readiness.



Stress Testing

Running financial simulations for the potential economic consequences of supply chain disruptions will help organizations understanding the economic value@risk given various scenarios. This will also help establish the business case and expected return or resilience gained from supply chain risk management investments.



Business Continuity Planning

Supply chain risk management is ultimately about business and operational continuity. As a result, incorporating key insights into overall business continuity planning, as well as triaging critical sub-suppliers from essential ones, where more alternatives may be available is a key strategy toward shoring up resilience.



Risk Reduction Strategies

As key risks are identified in supply chains, balanced against often sacred organizational resources, risk reduction strategies, including insurance and financial risk retention can be leveraged as a part of overall supply chain risk management.



Total Cost of Risk (TCOR)

With deep quantitative analysis of supply chain risk, enterprise value@risk and other metrics, more accurate return on investment (ROI) analysis is possible on investments in mitigation and redundancy, which adds up to the total cost of risk (TCOR).

Risk Cooperative is a strategic risk advisory and insurance brokerage firm able to originate, place and service innovative risk-transfer and insurance solutions globally.

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