

How Could We Have Prevented This?

by Michelle Kelley - Friday, September 20, 2013

It's a question often asked following a supply chain disaster. A massive safety recall bankrupts a company. A supplier of a single sourced component unexpectedly closes its doors. A vessel sinks in the middle of the ocean, along with 20 containers of an importer's high valued goods.

This is the same question that often leads to a business discovering the need for a risk management plan.

Step one of this process involves defining supply chain threats based on a company's own risk criteria. In other words, what constitutes "risk" for the organization? This should include several key considerations:

- Which categories of supply chain risk most impact strategic business objectives?
- What criteria should define critical, major, and minor risk impact categories?
- What are the criteria for high, medium, and low probability of occurrence?
- What events or conditions could force a shutdown of operations, stock-outs, or non-delivery to our customers?

Want to learn more about the risk management process? Join us during our upcoming seminar, *Get a Grip on Risk Management and Cargo Insurance*, where you'll learn practical ways to get your own risk management program off the ground. [Click here for cities and dates.](#)



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