Presented by
Falconbury

Supply Chain Risk Management and Resilience

10-11 December
+ 7-8 June 27, 9-10 December 27

Learn how to reduce supply chain risk and disruption through better supplier selection, due diligence, contract management, governance and collaboration, creating resilient supply chains that deliver long-term business success.

Format:
Live online

CPD:
12 hours for your records

Certificate of completion

Course overview

"A supply chain is only as strong as its weakest link" - but what if you could strengthen every link?

In today's outsourced, globalised economy, supplier failure can devastate your business overnight. This training course will transform how you think about supply chain risk - moving from defensive damage control to strategic partnership that drives innovation, efficiency and competitive advantage.

Key topics covered include:

Turn risk into opportunity: Learn how to convert potential suppliers from liability to asset. Master the art of collaboration that transforms vendors into strategic partners who actively contribute to your risk management strategy and fuel future growth through innovation and efficiencies.

Robust supplier relationships: Discover why the strongest supply chains are built on partnership, collaboration and teamwork. You'll develop practical tools for due diligence, strategic evaluation and adopting a collaborative approach for both problem-solving and realising opportunities, creating win-win outcomes.

Master proactive risk management: This training course equips you with frameworks to identify, assess and mitigate risks before they impact your business. You'll learn to spot the three critical risk sources: buyer-created risks, external market factors and supplier-specific vulnerabilities.

Prepare for the worst, plan for the best: From business continuity planning to exit strategies, you'll leave with comprehensive frameworks for managing everything from minor disruptions to catastrophic supplier failure. Learn when to fight, when to partner and when to walk away.

During this highly-interactive training course, the expert trainer focusses on best practice for success but also looks at how to plan and mitigate for the worst. Proactive management of supply chain risk means being prewarned and therefore pre-armed.

Benefits of attending

By attending this training course, you will:

- **Understand** the risks and rewards involved in subcontracting
- **Appreciate** the interdependent nature of the relationship
- **Learn** about strategic supplier assessment and due diligence frameworks
- **Evaluate** the best strategies to undertake a vulnerability assessment
- **Improve** your relationship management techniques and turn suppliers into allies
- **Learn** how to convert a buyer's aspiration into a supplier's legal obligation
- **Grasp** the benefits of having a meaningful performance review criterion
- **Improve** collaboration for the realisation of business opportunities
- **Ensure** alignment between liability and your organisation's risk appetite
- **Master** identifying and mitigating potential supply chain risks

Who should attend?

This training course has been specifically designed for all those who manage stakeholders in a supply chain, including:

- Contract managers
- Commercial managers
- Supply chain engineers
- Procurement managers
- Project managers
- Operations team members
- Business development managers
- Contract administrators, officers and specialists

This course is ideal for anyone whose success depends on external suppliers and for those who want to move beyond basic supplier management to strategic supply chain optimisation.

Programme

Day 1

Benefits of managing Supply Chain Risk (SCR)

- Why subcontract: Porter's value chain
  - Pro v Cons of subcontracting / outsourcing
  - Loss of control v expertise / efficiencies
- Creating a platform to support suppliers to achieve success
  - Being prepared for challenges / potential risks – pre-warned = pre-armed
  - Minimising criticality / impact of SCRs
- *Exercise – Porter's value chain evaluation*

Causes and types of supply chain risk

- Operational
- Strategic / relationship
- Legal and reputational
- Contractual / misunderstanding / miscommunications
- Offshore sourcing / globalisation
- Identifying origins of SCR
  - Within supplier's organisation / industry sector
  - Within buyer's organisation / industry sector
  - Within the wider macro environment, STEEPLED / PESTEL
- Framework for identifying potential SCRs
- Cause of SCR not just impact - "Treat the cause not the effect" (Edward Bach)
- 'Root cause analysis'
  - Common examples of root causes: flawed sourcing strategy; poor vendor selection / incapably supplier selected / single source; poor specification; inadequate demand / supply planning process; natural / manmade disaster; poor internal controls / cultural differences; market conditions etc
- *Exercise – 5 Why's*

Eliminating, avoiding and mitigating against supply chain risk

- Four step approach:
  - Step 1: Understanding internal need - needs analysis. Stakeholder engagement
  - Step 2: Identifying best strategy to adopt: make / buy plan, new design or commercial off the shelf
  - Step 3: Undertake thorough and comprehensive due diligence. Supplier evaluation and selection
    - Independent sources providing insights
    - Requests for Information (RFI), Invitation to Tender (ITT), Request for Quotation (RFQ)
    - Internal tendering governance - preventing potential of correction and fraud
    - Carter's 10C's approach
  - Step 4: Ensure proposed express term contract adds value in SCR management by providing clarity of obligations and liabilities, combined with a realistic approach to their allocation. Effective and practical governance
    - Promise clauses – clear, consistent allocation of responsibility. Measurable, achievable
    - Procedure (governance) clauses – transparency, control, practical
    - Liability / Consequences clauses – clear allocation of liabilities (exclusions, disclaimers, indemnities, caveats and assumptions), especially fitness for purpose (conformance specification v performance specification). Practical consequences, solutions not solely monetary compensation
- Aligning Express Terms to own organisations' risk appetite
- Appreciating restrictions on re-allocation of liability in statute (Unfair Contract Terms Act) but reflecting:
  - Bargaining position (Porter's 5 forces / Best Alternative to a Negotiated Agreement (BANTA) and Best Realistic Alternative (BRA)
  - Strategic / objectives (Relationship v Task)
- Structuring contractual relationship to support governance and collaboration. Supply Chain Management (SCM) AND Supplier Relationship Management (SRM) - 'Strategic' not 'Reactive' approaches
- Encouraging feedback on performance to create opportunity for improvements / efficiencies
- *Exercise – Needs analysis scoping and red team / peer review*
- *Exercise – Carter's 10C's*
- *Exercise – Drafting Performance Specification KPIs*
- *Exercise – Review of express term indemnity, disclaimer and exclusion clauses*

Programme

Day 2

Minimising criticality / pro-active management of supply chain risks

- Does party allocated liability / SCR have capability / capacity to manage it?
- Does party holding liability / SCR appreciate they hold the risk and what it entails to pro-actively manage / resource it?
- Evaluating all identified potential SCRs on the supplier and undertake a vulnerability assessment of supplier to determine best approach
- Determining criticality of potential risk: Probability (vulnerability) v Impact (financial / time / reputation)
- Different approaches to SCR management planning – 4Ts: Tolerate, Transfer, Terminate, Treat
- Identifying remedy, contingency plan for optimum outcome for buyer
- Incorporating pre-agreeing remedy / contingency plan into contract express terms:
    - Monetary compensation v a practical solution / remedy / Plan B
    - Monetary compensation alone is desirable based on ease of sourcing alternative supplier within project timeframe
    - Amount and type of monetary compensation – direct, indirect / consequential, limited or unlimited
    - How to realise monetary compensation / remedy without going to court
    - Added protection of insurance
    - Option to terminate or not in event of breach
- Crisis management process:
- Pros and cons of a Business Contingency Plan (BCP)
- BCP v Disaster Recovery Planning (DRP)
- Force Majeure options
- Exit strategy – contract termination and supplier transition planning, especially intellectual property rights

Putting SCM in place to manage SCR

- Timing to agree express terms and 'Plan B's'
- Good governance - Drucker – 'if it cannot be measured, it cannot be managed'
- Gathering meaningful performance information to enable early warning
- Streamlining supplier data gathered for meaningful insights / to enable comparisons
- Ensure easy means to collect performance information. Technology to collect and analyse
- Different types of controls:
    - Preventative controls
    - Directive controls
    - Detective controls
    - Corrective controls
- 'Carrot verses stick' approaches
- Action Plan approach to capture any misunderstands between stakeholders
- SERVQUAL 'service gaps' – Gap, Explanation, Remedy
- Flexible project management approach. Agile v waterfall project management styles
- *Exercise – Evaluating criticality of a potential risk, Traffic Light Analysis*
- *Exercise – 4 T's 'Treating' a risk, solution not problem*
- *Exercise – Carrot v stick approaches*

Embedding SCR management into corporate culture

- Risk evaluation as a continuous process, managing challenges plus seizing opportunities
- Creating a risk awareness culture
    - Evaluating organisation's present attitude to risk
        - Compliance
        - Hazard management
        - Control management
        - Opportunity management
    - Formulating risk management policies and procedures
    - Reporting of risk events, line manager responsibilities
    - Capturing information on hazards, vulnerabilities and risks
- Using information to make improvements / lessons learnt
    - Quality Management System (QMS)
    - Total Quality Management (TQM) v Quality Assurance (QA)
    - Six Sigma (Define, measure, analysis, improve, control)
    - Deming's PDCA (plan, do, check, act)
- *Exercise – PDCA*

Presenter

Catherine Hurst

Catherine Hurst BSc(Hons), CIMDip, PgDL, is an independent consultant in the contract and commercial fields. She was formerly a Commercial Manager at BAe Systems, following previous contract/commercial roles with GEC and Siemens. She has extensive practical experience of bid management, contract drafting and negotiation, contract and subcontract management as well as commercial risk management, both with UK and overseas customers and suppliers, in the private and public sectors.

She is a highly experienced trainer, having a style which brings a subject to life, creating interest and stimulating the enthusiasm of delegates. She combines academic best practice with real world experience.

She lecturers Chartered Institute of Procurement and Supply (CIPS) diploma, levels 4, 5 & 6 at Chichester college. As well as being a member of CIPS, Catherine has a degree in Management Studies, a Chartered Institute of Marketing diploma and more recently achieved a distinction in her Common Professional Examination (CPE)/Post-grad diploma in law, winning the prize for the highest achieving student in the contract law module.

Catherine has successfully provided training to organisations across a wide variety of industries, including:

Transport / utilities / energy / construction / engineering / IT / telecons: Network Rail, ScotRail, Balfour Beatty, London Underground, Westinghouse Springfields Fuels, General Dynamics, Siemens, Metronet, Thales, ABB, Hitachi, Jungheinrich, Honeywell, PALL Europe, Senior Aerospace BWT, RES (Renewable Energy Systems), AGI, Silvertown, QinetiQ, Clyde Pumps / Weir Pumps, Scottish Power, NCOC (North Caspian Operating Company), Computacentre, CISCO, BT, United Utilities

Health / pharmaceutical / education: Nuffield Health, Surrey PCT, Bristol Myers-Squibb, Newcastle University, Exeter University

Public: Forensic Science Services, Office for National Statistics, DARA (Defence Aviation Repair Agency), Metropolitan Police

Charity: Phoenix Futures, Homegroup

Retail: Co-op

Course dates

10-11 December	**Live online** 09:00-17:00 **UK (London)** (UTC+00) *Course code 16440*	GBP **999** ~~1,199~~ EUR **1,399** ~~1,679~~ USD **1,607** ~~1,919~~ **Until 05 Nov**
7-8 June 27	**Live online** 09:00-17:00 **UK (London)** (UTC+01) *Course code 17220*	GBP **999** ~~1,199~~ EUR **1,399** ~~1,679~~ USD **1,607** ~~1,919~~ **Until 12 Apr**
9-10 December 27	**Live online** 09:00-17:00 **UK (London)** (UTC+00) *Course code 17575*	GBP **999** ~~1,199~~ EUR **1,399** ~~1,679~~ USD **1,607** ~~1,919~~ **Until 14 Oct**

How to book

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Further information

Fee

The fee includes all meals and refreshments for the duration of the course (for venue-based courses) and a complete set of course materials (provided electronically). If you have any particular requirements, please advise customer services when booking.

Please note

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IPI Academy

IPI Academy is a training initiative of Falconbury and Management Forum; leading providers of industry training for over 30 years, based in the UK.

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