3 Fundamentals for Building a Resilient Supply Chain

By focusing on the fundamentals, even in crisis mode, organizational leaders can put the right people, processes, and technology in place to tackle the most critical needs.

May 13, 2020 4 min read

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The global health crisis has exposed widespread vulnerabilities in supply chains. Although toilet paper shortages have become the most talked-about issue, long-term demand and supply shock ripples caused by this crisis will likely be felt for much longer as production delays at impacted sites, material shortages and scarcity of logistics come to light.

It's no surprise that many companies have relied on old habits to navigate out of the crisis. But solely relying on comfortable tools like spreadsheets, emails and conference calls can add undue delay to a team's ability to resolve issues at a time when speed is critically important. Organizations have to accept that "crisis mode" is going to be the new normal, and there's no duct-taping their way out of this.

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Right now supply chains are digitizing and modernizing at unprecedented speed and scale, but tis has actually been a long time coming. In 2017, only 2 percent of companies took operations into account when putting together a digital

strategy. Supply chain organizations have made strides in digitizing some manufacturing and planning processes since then, but not how they triage and resolve disruptions when the unexpected happens.

Our supply chain is broken, but by focusing on the fundamentals – people, processes and technology – businesses will be able to steer their way through disruptions and build a more resilient, longer term digital operations strategy along the way.

People: Establish a crisis management team

This is critically important as the supply chain organization becomes even more distributed with both internal team members and external partners (like suppliers and logistics providers) working from home. The crisis management team must work cross-functionally to build the response playbook efficiently, acquire necessary technology and have insight and transparency across operations. In normal times, the crisis management team should also develop and run business continuity drills to prepare and anticipate disruptions. However, your team will only be successful with the right processes and technology in place.

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Processes: Digitize as many operational processes as possible

Supply chain operations have been one of the last holdouts of the digital transformation. This is due in large part to the complexities involved in overhauling a vast network of global paper-based processes, siloed operations and weighing the cost and benefit of such an initiative. Companies that implement

digital practices see immediate and long-term benefits. For example, when physical contact is not a possibility, an e-signature can ensure delivery from a key supplier. Digitizing processes also unlocks vast data and information in real-time that organizational leaders can use to make decisions about production – critical capabilities in today's crisis.

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Technology: Set up a central source of truth

Crisis management puts a lot of stress on day-to-day productivity tools, like spreadsheets and emails, where information is accessible to only a few people at a time. Alternatively, information is sent to so many people with no supply chain context or structure, via Microsoft Teams or Slack for instance, that it's completely unclear who is accountable for what and by when. A centralized incident management system is the best way to systematically capture issues, with clear accountability and supply chain context. Having a single source of truth not only allows problems to be recognized and resolved more quickly, but also ensures everyone involved in the decision-making process is equally equipped with the latest updates. Decisions are only as good as the data that guides them.

It's no secret that supply chain initiatives take time to roll out. However, time is not a luxury many operational leaders can spare in today's crisis. It's essential that the right people have visibility into the supply chain, can share data cross-functionally and communicate effectively with one-another to keep production moving. By focusing on the fundamentals, even in crisis mode, organizational leaders can put the right people, processes, and technology in place to tackle the most critical needs now and better position the

company to address future shocks tomorrow.

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