



Next Generation  
Manufacturing Canada

# Supply Chain Resiliency

Lorilei White  
August 2020

## ***Supply Chain Resilience Roundtable***

Join us ***Thursday August 27<sup>th</sup> at 10am*** for a round table discussion on Developing Supply Chain Resilience.

We'll be discussing several of the strategies from today's presentation, sharing best practices and strategies to ensure the long-term resilience of our Supply Chains.

This will be a facilitated discussion, and is open to senior manufacturing leaders responsible for oversight and strategy of their supply chain.

Watch your email for further details, and to register!



## Lorilei White CSCMP CPM | Director, Strategic Sourcing E-Commerce and IT

Certified Supply Chain executive who coaches and leads highly engaged teams through complex business transformation to deliver industry best financial results and operational excellence while maximizing customer satisfaction. Established knowledge and leadership with Indirect and Direct Procurement across a multitude of global markets, industries and commodities. Flexible and responsive to changing organizational needs to deliver expert project management, strategic contract negotiations and supplier strategy development and implementation.



## SAFE HARBOUR STATEMENT

The following outline is intended for information purposes based on personal experience only and the author does not warrant to be the authority with respect to the content.

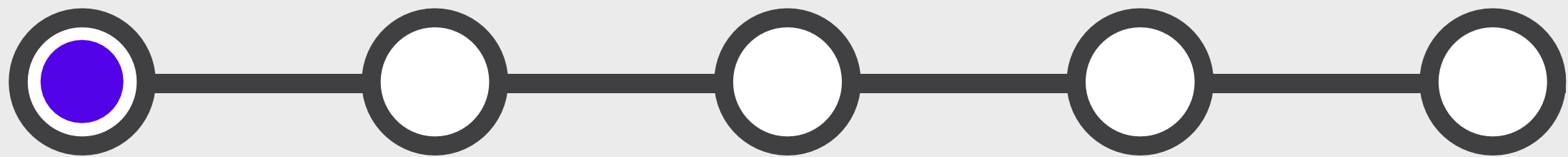
This material cannot be copied or relied on to making business decisions and the content may change at the sole discretion of the author.

COMPETITION ACT REMINDER Supply Chain's Code of Ethics reminds us to "be aware of and comply with both the letter and the spirit of the Competition Act." Among other things, that Act limits the information that can be legally shared between competitors. Obviously this would include information related to pricing, but also includes territorial restrictions, sources of supply and other confidential sales and marketing information. Compliance with the Competition Act in Ontario Canada is mandatory.

Please govern your questions and answers accordingly.



# Overview



Definition of  
Resilience in  
Context of Supply  
Chain

# Defining Resilience

## resilience

NOUN

“an ability to recover from or adjust easily to misfortune or change”\*

Industry practitioners identify supply chain resilience as “**the ability of a supply chain to both resist disruptions and recover operational capability after disruptions occur.**

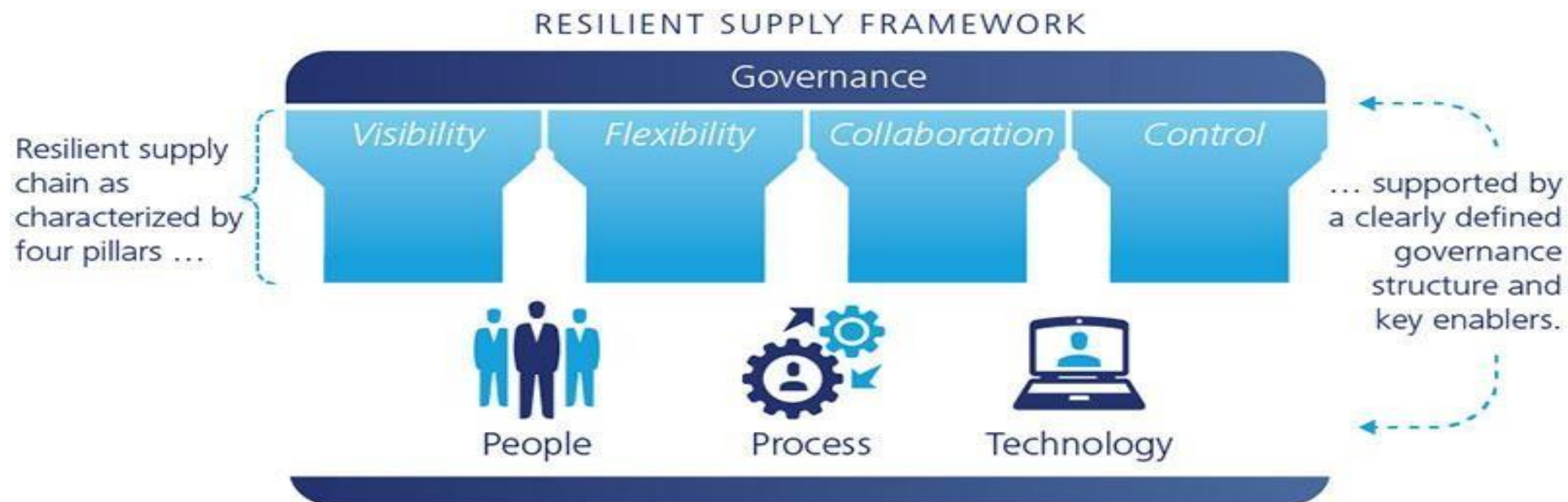
A resilient supply chain would therefore require two critical capabilities, the capacity for resistance and capacity for recovery.

- **Resistance capacity** is the ability of a system to minimize the impact of a disruption (avoidance) or minimizing the time between disruption onset and the start of recovery from that disruption (containment).
- **Recovery capacity** is the ability of a system to return to functionality once a disruption has occurred. The process of system recovery is characterized by a stabilization phase after which a return to a steady state of performance may be pursued. ***Note: The final achieved steady-state performance may or may not reacquire original performance levels, and can be dependent on multiple disruption and competitor factors.***

\* Source Merriam Webster Dictionary

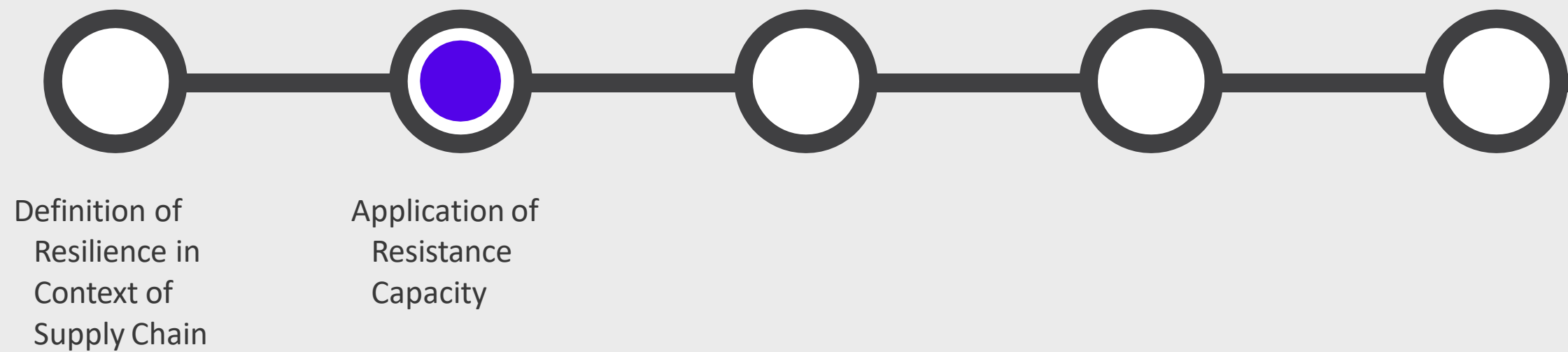
# Resilient Supply Framework

- Bound by **Governance** and **SRM** (Supplier Relationship Management)
- Importance of Supply Chain **Visibility E2E**
- **Capability** and **Flexibility** of Operations and People
- **Alignment** and **Collaboration** of the full Supply Chain community
- Leadership & Community **Commitment** to **Oversight** and **Action**
- **Engaged Workforce**
- Documented, communicated, and flexible **Processes** with sound **Change Management** principles
- **Technology Investment**



Graphic Source: Deloitte University Press | [DUPress.com](https://dupress.com)

# Overview





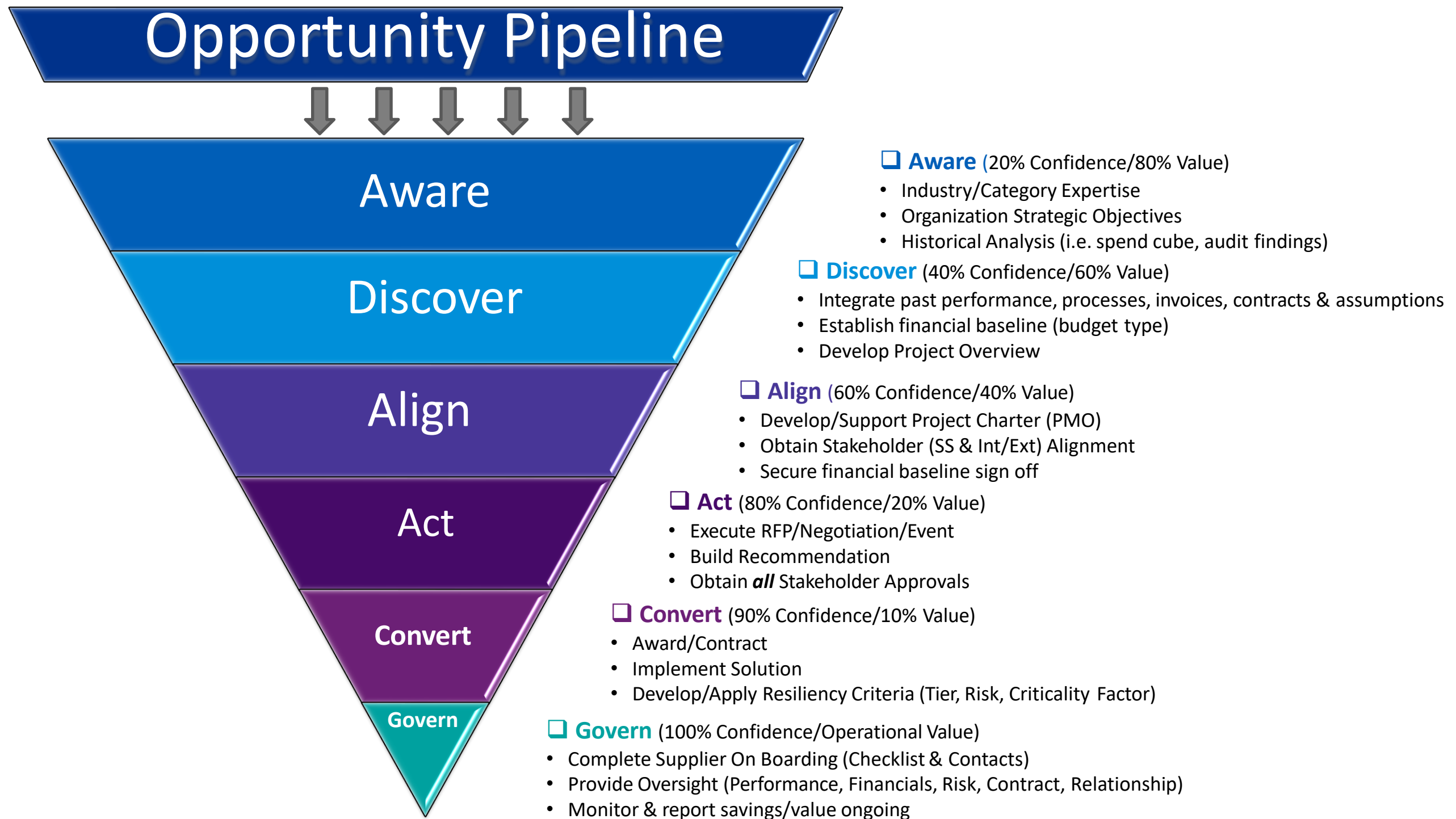
# Application of Resistance Capacity

**Indirect Procurement Scenario:** Opportunity to determine the future of Applications Management from an in house operation vs a 3<sup>rd</sup> party offering. (Standard Make vs. Buy).

## Key Considerations:

- Applications are core and critical to the strategic operations of the business (revenue & customer experience impacting)
- Preservation of historical knowledge on aging applications was a priority
- Deemed a Tier 1 initiative
- Application Readiness and Code Quality were necessary making this a prime example for continuity and necessary for Avoidance
- Resource Capabilities lagging for emerging technologies as well as an aging workforce
- Inconsistent processes and outdated knowledge portal
- Market was outpacing company in Testing methodologies Waterfall vs Agile
- Lack of Analytics/Dashboards informing leadership decisions
- Highly engaged team (however committed to working hard not necessarily smarter)

# Strategic Sourcing Opportunity Pipeline Lifecycle



Opportunity Name & Supplier(s):

Opportunity Tier

Targeted Value:

Pipeline Stage:

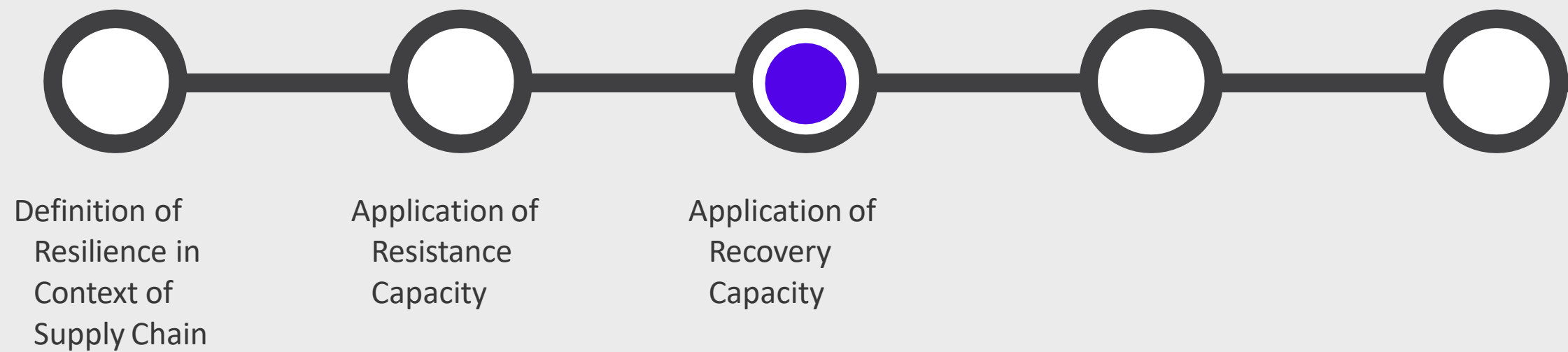
- Complete
- On target
- At Risk
- Late
- On Hold

Project  
Overview  
&  
Objectives

Progress:		Next Steps:		
Stakeholders:		Timelines:		

Risk	Impact	Probability & Criticality	Mitigation	Owner

# Overview





# Application of Recovery Capacity

**Indirect Procurement Scenario:** Response to the provision of Data Centre Services and adhering to contractual obligations in the wake of an unplanned event, a Tsunami. World event details are referenced below.

## Key Considerations:

- People impact and the local devastation
- Importance of Business Continuity and impact on the local environment
- Honoring customer contract and obligations
- Personal and professional brand
- Innovation necessity

<https://techhead.co/video-tour-of-an-hp-performance-optimized-data-center-pod/>



[Sumatra 2010 : M 7.8 - Kepulauan Mentawai region, Indonesia"](#)

# Importance of SRM

## Supplier Relationship Metrics

Performance (KPI) and Risk (KRI) measurement standards must strike a balance between standardization for enterprise-wide comparability and flexibility for LoB-specific imperatives



A consistent set of Supplier Relationship Metrics will facilitate the pan-enterprise Supplier Relationship Management and Portfolio Management processes

# Governance Dashboard

Key Achievements

Key Upcoming Milestones/Activities

Description	Target	Status
		<div><div></div><div></div><div></div></div>
		<div><div></div><div></div><div></div></div>
		<div><div></div><div></div><div></div></div>
		<div><div></div><div></div><div></div></div>

Contract Management

Decisions/Issues

Performance Management

QA Delivery KPI/SLA Res

Trending

CSAT

Defect Leakage

Test Coverage

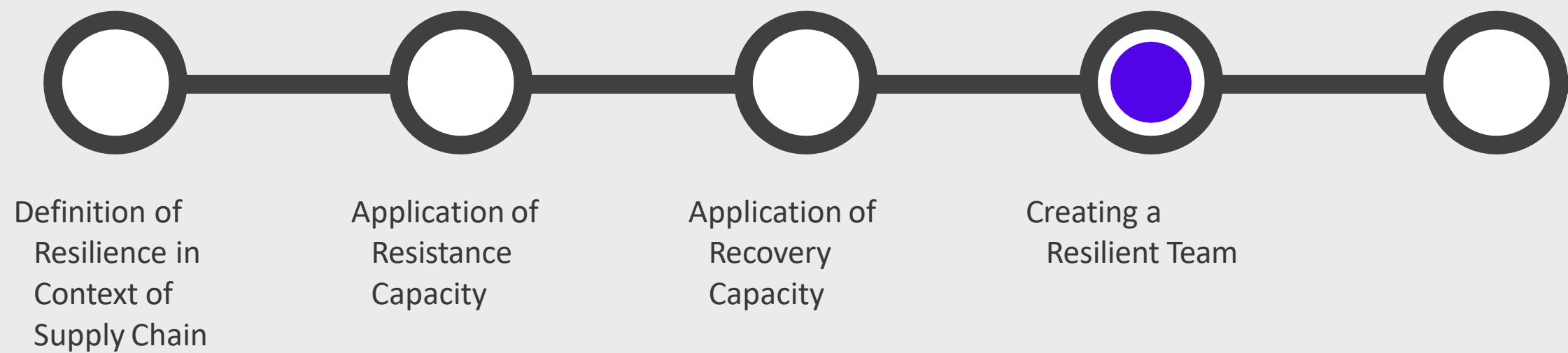
Schedule Variance (SLA)

Risk Management

Financial Management

Relationship Management

# Overview





# Resilient Team

People resiliency is highly complex given individuality and one's ability to process trauma and adversity differently. People use a variety of ways to build coping skills to manage their adaptability.

## *Some factors include:*

- **Self-Esteem** - Having a positive sense of self and confidence in one's own capabilities and strengths
- **Communication Skills** - Ability to communicate effectively, clearly and wherewithal to take action and mobilize resources
- **Social Support** – Access personally and in the community
- **Coping Skills** - Empowerment through coping and problem-solving skills to overcome
- **Emotional Intelligence and EQ** - The capacity to manage emotions and stay focused in the situation
- **Planning** - Ability to make and carry out realistic plans towards achievable goals

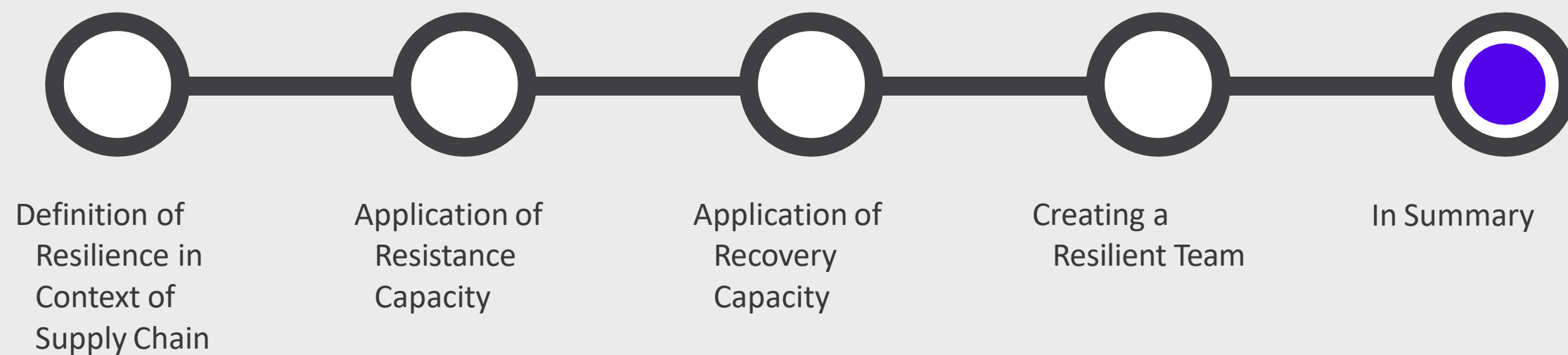
# Resilient Team - Leadership

Investment in a leadership team to portray a high degree of EI (Emotional Intelligence) in times of Recovery is a critical enabler. This helps one to understand, use, and manage individual emotions in positive ways to relieve stress, communicate effectively, empathize with others, overcome challenges while diffusing conflict.

## *Four common attributes are:*

- **Self-management** – Ability to control impulsive feelings and behaviors, manage emotions in healthy ways, take initiative, follow through on commitments, and adapt to changing circumstances.
- **Self-awareness** – Ability to recognize emotions and how they affect your thoughts and behavior.
- **Social awareness** – Ability to show empathy, understand the emotions, needs, and concerns of others while recognizing the power dynamics in a group or organization.
- **Relationship management** – Ability to develop and maintain good relationships, communicate clearly, inspire and influence others, work well in a team, and manage conflict.

# Overview





## In Summary

- Ensure Supply Chain Visibility E2E
- Define a Tiering Strategy segmenting operations and 3<sup>rd</sup> party suppliers accordingly (Avoidance)
- Engage early leveraging the Strategic Sourcing Opportunity Lifecycle
  - Discover and Plan Effectively
  - Act and Contract for the Future
  - Maintain Operations/Supplier Oversight (move from reactive to proactive)
  - Leverage Performance Dashboards and Analytics to mitigate Risk
- Communicate Regularly and Consistently
- Develop an Engaged/Flexible Community
- Embrace high EQ Leadership Style
- Recognize Employees and Suppliers