

# Week 6: global supply chains



## Supply Chain Management Affiliation Risk sources in supply chain

management encompass all the activities that set in to affect and influence the success of the chain. The variables are unpredictable and range from organizational, environmental or network causes. Essentially, demand risks refer to the disturbances that interfere with the flow of the product. Such factors may range from products flow, informational misinterpretation and marketing issues. Disruptions in the trade markets have impacts on the operations of a firm. Further, supply risks relates with the disturbance of the product from from the source to the end consumer. Environmental sources sum up the external factors and uncontrollable events that set to affect the consumers and supply chain directly. It gathers up natural resources such as earthquakes, storms, legislation, or custom events.

## Risks mitigation

It is very unpredictable for the supply chain-management team to come to terms on when a certain disruption may occur. Therefore, there need to have a contingency plan that my act to respond to such an occurrence. Most organizations tend to focus on financial risks management, but fail to fix their eyes on operational activities. Application of analytical risk management approach serves to deploy a strategy that will focus at combating all the risks that my supply the chain. The framework commences with assessment of centralized risk elements. The management should filter out all the risks and specifically high contingency risks. Estimation of materialization of each risk is assessed. All the associated probable impacts are assessed. The transport system should be flexible enough, while, technology should be at the verge of utilization to ensure information is updated on time (Grötsch, Blome & Schleper, 2013). Further, the firm should

have links with the third party logistics who chip in in cases of risks occurrences.

#### References

Grötsch, V. M., Blome, C., & Schleper, M. C. (2013). Antecedents of proactive supply chain risk management – a contingency theory perspective.

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