



Enterprise Resource Planning / Electronic Data Interchange
 Supply Chain Vendor Compliance
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Supplier risk is a top concern for 2018.

Two different articles in the December 2017 issue of Inbound Logistics (www.inboundlogistics.com) magazine point to supplier risk as a top concern for this year.

In 2017, Amber Road and AAEL published "The Trade Trends Report, 2017 Survey on Sourcing, Trade and e-Commerce" which points out four key global trade strategies and challenges:

1. E-commerce will continue to dominate over brick-and-mortar sales, thus online sales will continue to surge.
2. Speed-to-market, disruptions, and free trade agreements are seen as challenges to execution.
3. Sourcing is at the center of global supply chains because of the affect on raw materials, labor, and manufacturing capacity.
4. Top concerns for 2018 include supplier risk (25% of respondents), regulatory risk (20% of respondents), lack of adequate staffing (19% of respondents), and transportation costs (15% of respondents).

In a report published by the Business Continuity Institute, with support by Zurich Insurance Group, companies are found to be turning to technology to overcome a shortage of skills in supply chain management. As I have said before, you cannot tech your way out of your problems. This study also reveals that 63% of organizations do not use any technology to track, analyze, or monitor supply chain performance. The report also sites a lack or loss of talent and skills as a top cause of supply chain risk.

The two reports share a citing of supplier risk and talent management in their assessment of current supply chain risk for this year.

An answer to ensuring that your staff is enabled to face the challenges they will encounter in an ever-changing and more complex global environment is to not just hire well but also to provide mentorship, education, training, and knowledge transfer. Bring in the experts and expertise your company needs to meet and beat the competition.

Supply chain vendor compliance sits at the center of supplier relationship management and supplier risk management. The vendor compliance perspective is not just about how a company performs in meeting its customers expectations, it is also about assessing how well its suppliers are performing. The very same metrics that customers judge your company on can be the basis for how you company judges your suppliers. But be forewarned: it takes a lot of talent and the right software systems to properly execute a vendor compliance problem, given that you become judge, jury, and executioner in the determination of who is at fault for what kind of supply chain disruption.

And don't just think vendor compliance is for external perspectives: the same analysis and performance measurements can be turned inward for a critical and revealing look at how a company is performing in meeting its own demands and expectations.

For a resource for supply chain vendor compliance, please go to:
www.vendorcompliance.info.

Thanks.

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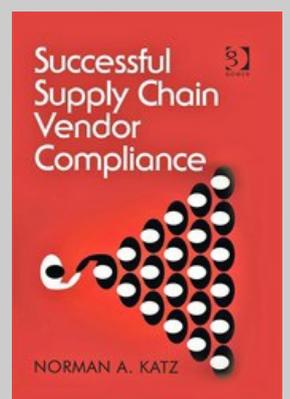
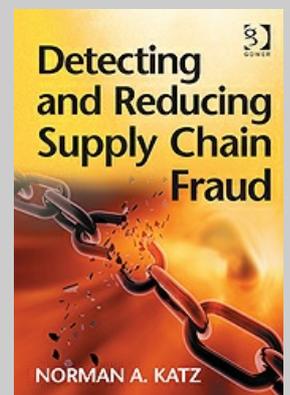


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