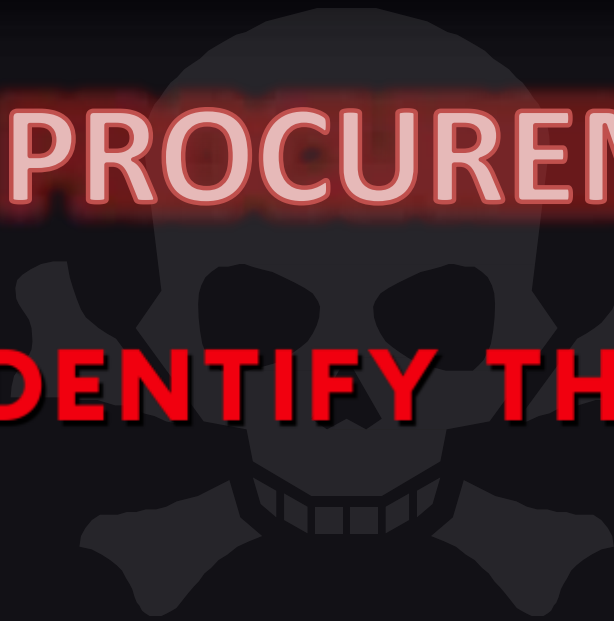




CAUTION!

SUPPLIER RISK IN PROCUREMENT

IDENTIFY THEM!





INTRODUCTION

- ❑ Types of Risk
- ❑ Risk Categories
- ❑ Risk Identification

Strategic

- Demand Shortfall
- Customer retention
- Integration Problems
- Pricing pressure
- Industry downturn
- JV or partner losses

Operational

- Cost Overrun
- Operational Controls
- Capacity Management
- Supply Chain Issues
- Employee Issues
- Bribery and Corruption
- Commodity prices

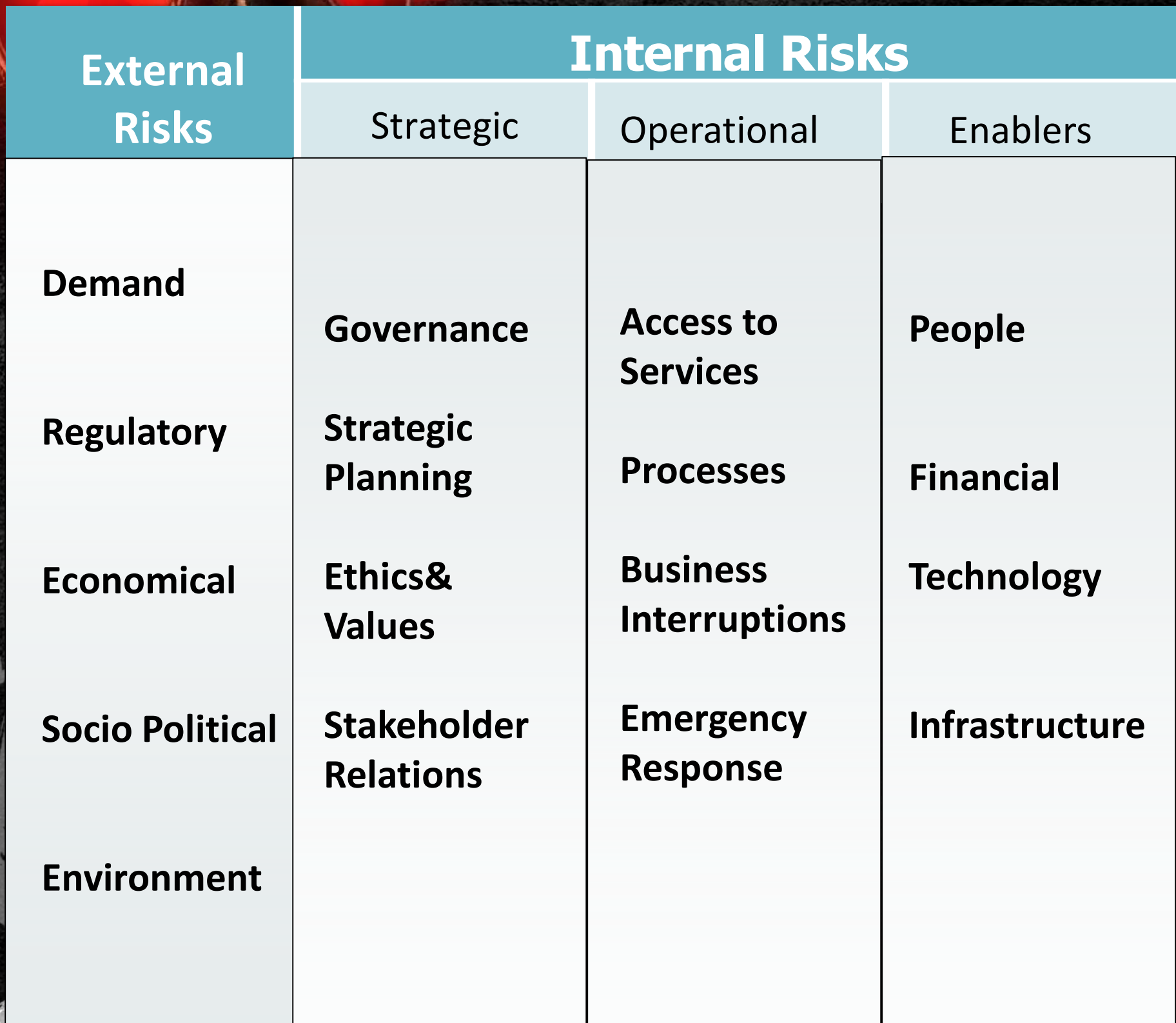
Types of Risks

- Macroeconomic Issues
- Political Issues
- Legal Issues
- Terrorism

Hazard

- Debt and interest rates
- Financial Management
- Asset Losses

Financial



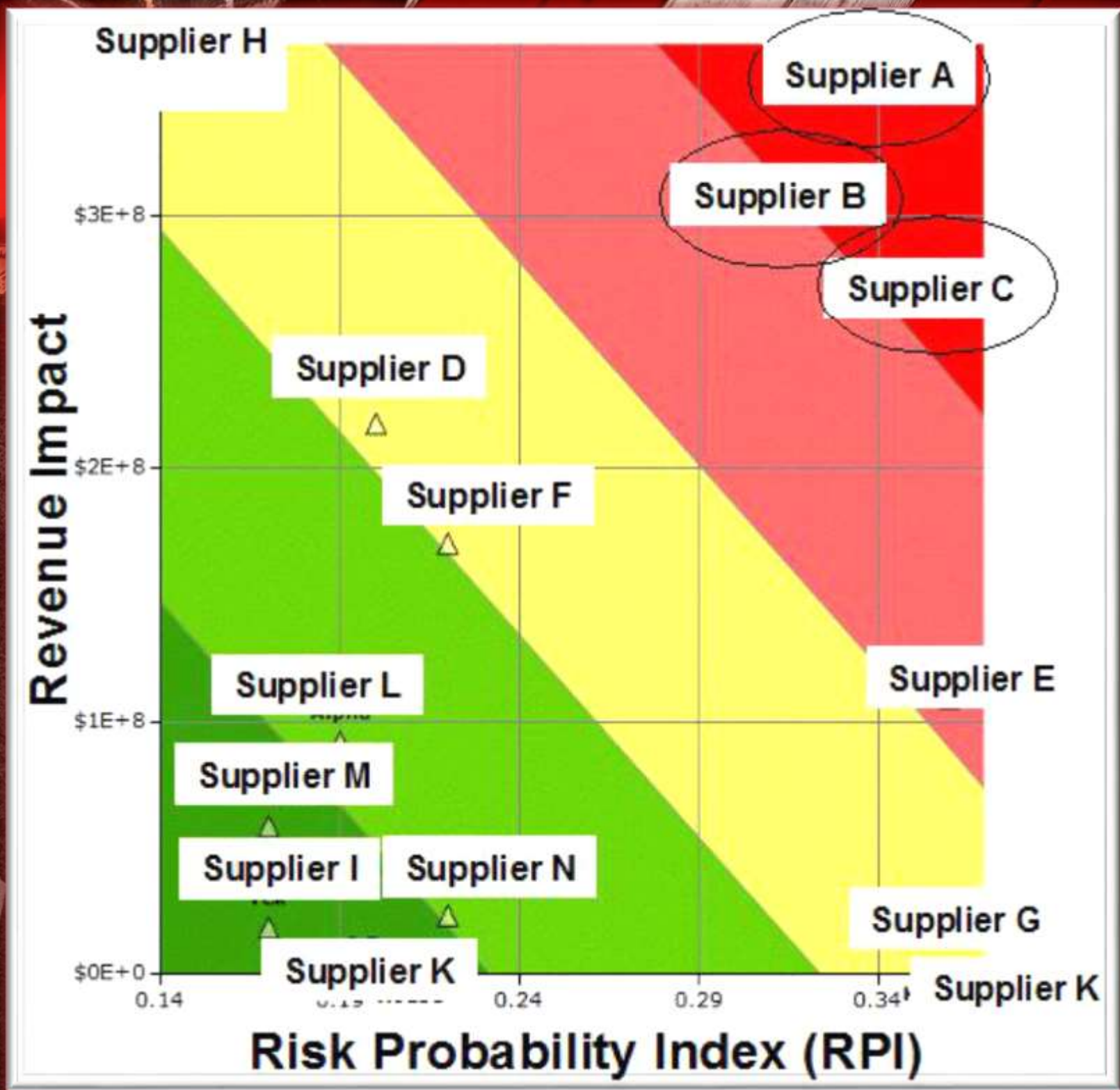
External Risks	Internal Risks		
	Strategic	Operational	Enablers
Demand	Governance	Access to Services	People
Regulatory	Strategic Planning	Processes	Financial
Economical	Ethics & Values	Business Interruptions	Technology
Socio Political Environment	Stakeholder Relations	Emergency Response	Infrastructure

SUPPLIER RISK MANAGEMENT

Scorecard Management

			Main Categories					
Supplier Name	2023 Spend	Overall Risk Score	Financial	Economic	Legal	Geopolitical	Availability of Supply	Contract
Supplier 1		65	Green	Green	Green	Yellow	Yellow	Green
Supplier 2		35	Yellow	Yellow	Green	Green	Red	Red
Supplier 3		42	Green	Green	Green	Yellow	Green	Green
Supplier 4		48	Yellow	Green	Green	Yellow	Red	Red
Supplier 5		84	Green	Green	Green	Green	Red	Red
Supplier 6		39	Red	Green	Green	Yellow	Red	Red
Supplier 7		91	Yellow	Green	Green	Green	Red	Red

Above Numbers are representational



The Risk Distribution Matrix shown is constructed by plotting the Revenue at Risk (Rev Impact) with a supplier v. the average Risk Probability Index (RPI) of that supplier. It is used to view all the suppliers within a commodity group placed within a 2 by 2 matrix according to their risk and potential impact on your company. The zones are color coded from Red (high risk) to Green (no Risk). This is a visual sorting mechanism used to help prioritize and focus mitigation actions on the high risk suppliers.

- 
- Stakeholder's Engagement
 - Risk Management & Procedure
 - Risk Management tools & Practices

Did I help?

Like, Comment, Share, Ask Questions