

CONSULTING: SUPPLY CHAIN RISK MITIGATION

Supply chain risk has become a priority in today's age of terrorism and geopolitical turbulence. All companies need to develop the capability to identify potential material unavailability, price increases, and regulatory complications before they occur. The price of downtime, delays, material cost, brand name defamation, and even litigation is simply too high. A key component for achieving this capability is to implementing a process that includes advanced risk measurement methodologies. Companies turn to Boston Strategies International for the logic and risk management modeling that underpin these early warning systems.

Sample Projects

- For a \$1 billion specialty minerals company, we led a strategic sourcing engagement that addressed over \$100 million of external spend. We sourced strategic commodity groups from China, and developed an implementation plan and contingencies for the technical, risk, and cost factors associated with sourcing and shipping from abroad. We also developed a risk mitigation process for onboarding new suppliers that considered three levels of product testing and two phases of operational deployment.
- For an oil company, we conducted a market projection and outlook for 36 types of specialized materials and equipment. The engagement involved researching global supply markets, establishing warning systems related to capacity, mergers and acquisitions, and quantifying differentials in price and order leadtime. We also developed a dashboard of risk factors and metrics, and recommended procurement and supply chain strategies to cope with impending challenges.
- Boston Strategies International built and used a forecasting model to measure and manage the lifecycle cost of mission-critical equipment maintenance and the risk and cost of premature failure. We measured maintenance vendors' costs and compared them to engine performance. The engagement assessed the variability and likelihood of failure by unit over a multi-year time horizon. We also instituted processes to minimize the risk, focusing on demand forecasting and collaborative planning with repair and overhaul vendors.

