

Supply Chain Resilience Workshop:

A Case Study

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The High Level Challenge

- Understand existing relationship of suppliers / partners to business
- Understand impact to business of supplier / partner interruption
- Understand choices and solutions to minimise impact & reduce the period of incident
- Understand impact of outsource activity and linked proactive assurance activity (BCM work stream)

The Operational Challenge

- Strategic procurement companies
- Sensitive relationships (business case driven)
- 'Follow the sun' contracts
- Contract obligations & ill informed clauses
- Outsource pace and future end state
- Pace of business change
- Legacy supplier / partner aspects
- Bespoke contracts
- What are the mission critical service / 'business killer' issues?
- BCM contractors



The Issues

- Geographic concentration of strategic sector suppliers and partners:
 - Natural
 - Terrorist
- Communications links
- Resources needed:
 - Human availability
 - Asset availability
 - Essential services
- Extended physical logistics chains with choke points
- No contractual stated level of resilience (standby power, diverse links, etc)

Disruption of internet services in Egypt and India

Article date: Thu, 31 Jan 2008 09:29 GMT

A breakdown in an international undersea cable network disrupted Internet links to Egypt, India, and Gulf Arab countries on Wednesday, and Egypt said it could take several days for its services to return to normal.

It was not immediately possible to gauge the impact of the disruption on financial institutions. Egypt's telecom ministry said 70% of the country's Internet network was down and India initially said it had lost over half its bandwidth.

"This cut has affected Internet services in Egypt with a partial disruption of 70% of the network nationwide," the Egyptian ministry said in a statement.

Residents of Gulf Arab countries also reported a slowdown in Internet connectivity. Bahrain Telecommunications said its services were affected after two undersea cables were cut near Alexandria, on Egypt's north coast.

The Egyptian telecom ministry said it did not know how the cables were cut or if weather was a factor. Storms had forced Egypt to close the northern mouth of the Suez Canal on Tuesday.

India also reported serious disruptions to its services and Rajesh Chharia, president of the Internet Service Providers' Association of India, told Reuters: "There has been a 50 to 60% cut in bandwidth."

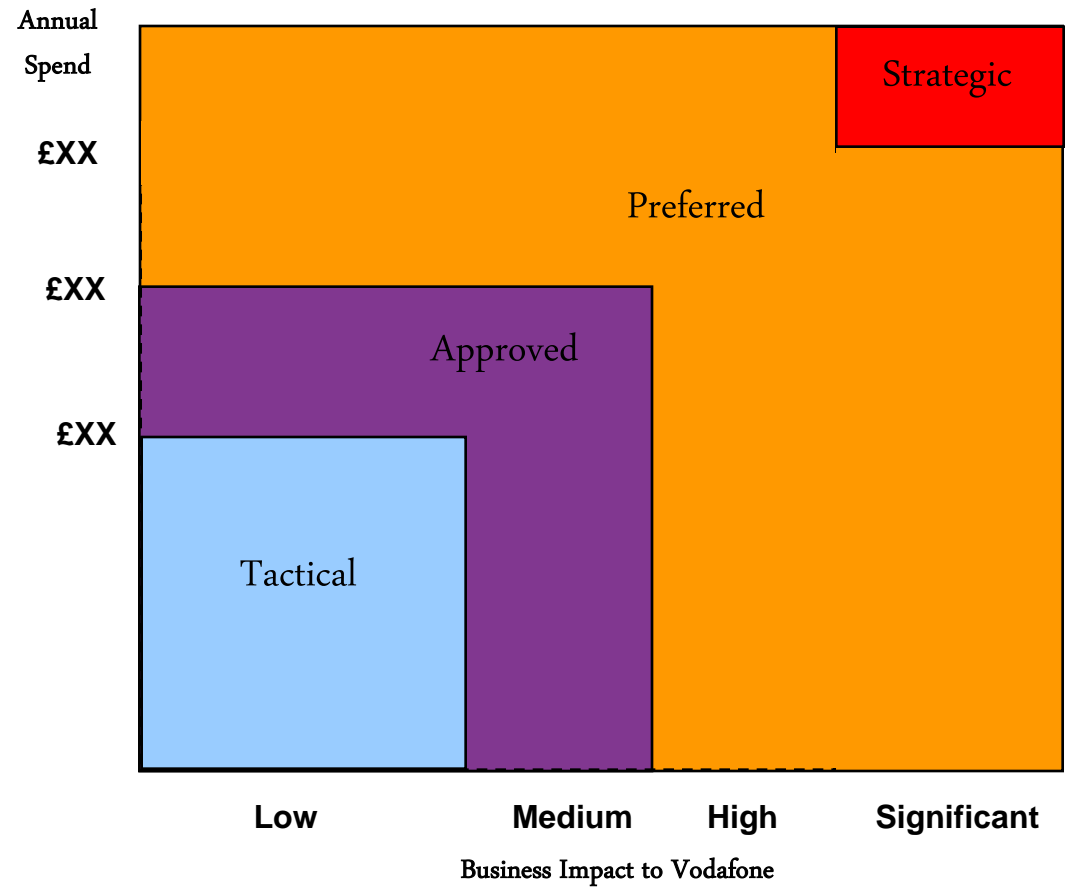
Chharia told the Headlines Today news channel that a "degraded" service would be up and running by Wednesday night, but full restoration would take 10 to 15 days.

"The big operators have transferred their small broadband connectivity through the Pacific route, and that's the reason there's no hue and cry in the country," he said.



Initial Segmentation Analysis

- Assess Supply Chain Management segmentation maturity & process
- Compliment business as usual process:
 - Strategic: Major impact on customer experience with Board engagement level
 - Preferred: Major supply relationship or sole suppliers with Executive sponsorship
 - Approved: Alternative suppliers
 - Tactical: Non-critical suppliers



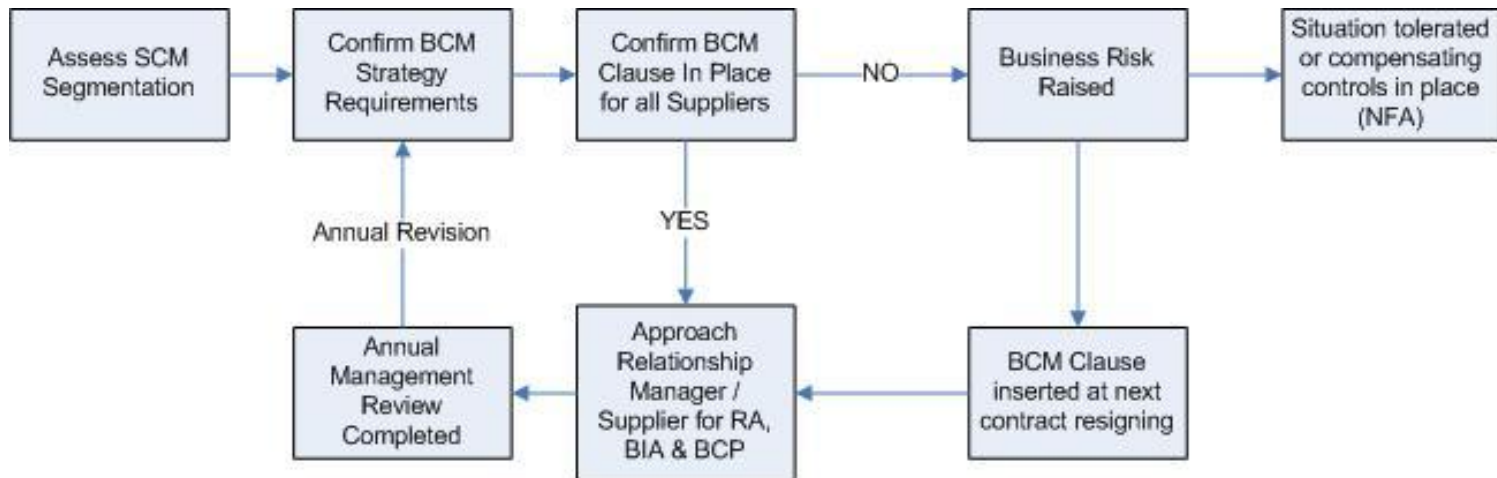
Defining Strategy – the roadmap

- Aims & Objectives
- Scope
- Stakeholder Analysis
- The Strategy
- How Is It Applied?
 - Business Impact Analysis on Contract Commitment
 - Risk Assessment
 - Hazards
 - Threats
 - Vulnerabilities
 - Business Continuity Plan / Strategy
 - IT System Continuity / Recovery Plans
- Exercise & Test
 - Operational assurance
 - Supplier performance metrics

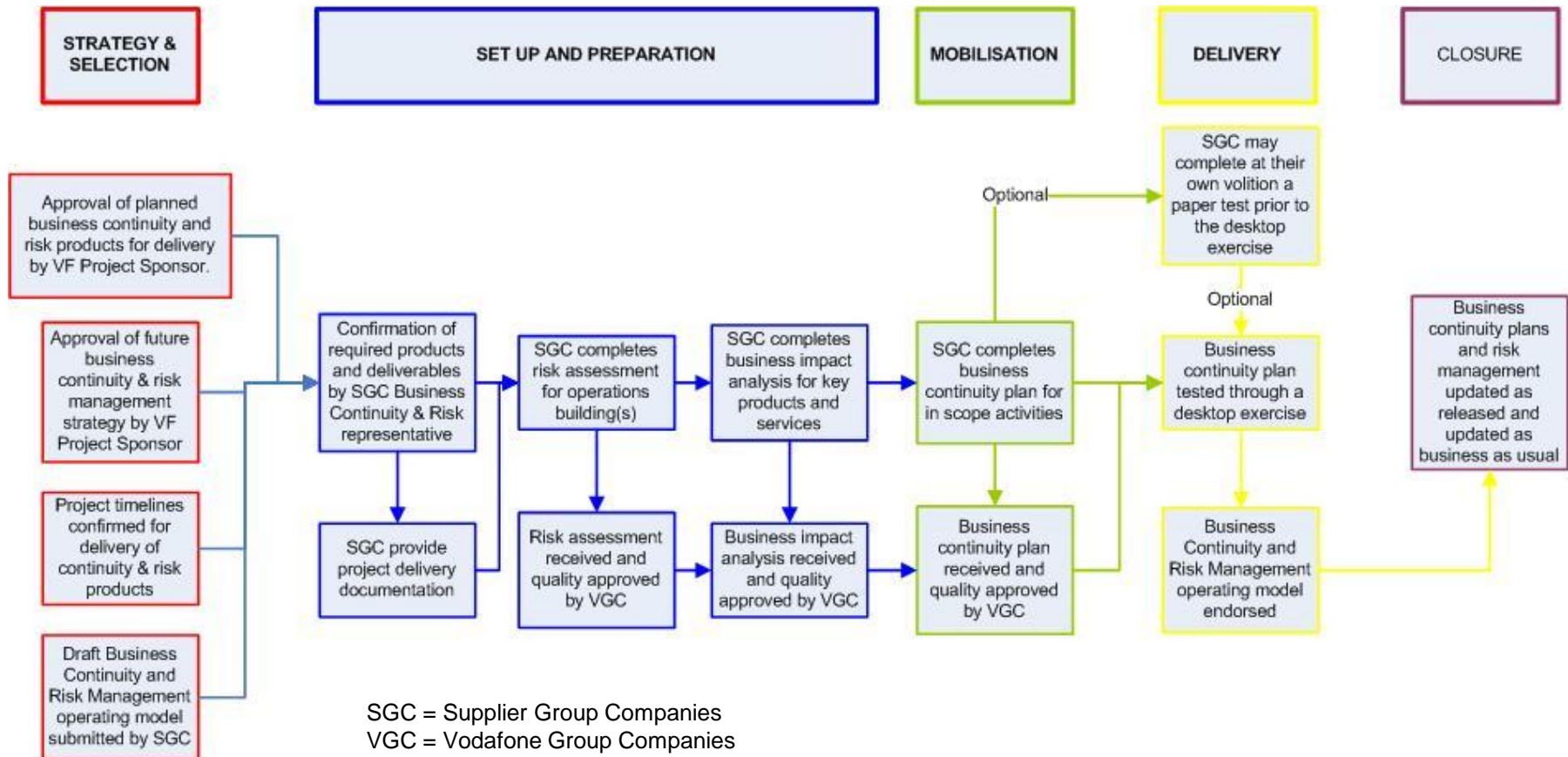


The Legacy Approach

- Compile a standard, generic BCM & Risk contract clause
- Socialise strategy with business and gain support
- Set the long term calendar of approaches to be made



The Outsource Approach



Objectives of Development Programme

- Progressive coverage of continuity planning with suppliers & partners
- Future exercise & test schedule populated automatically
- Plans trigger internal awareness & requirements
- Shared approach to significant partnerships for:
 - Service delivery risk visibility
 - Business continuity plan / strategy visibility
 - Supports operational teams in dealing (minimising) with incidents
 - Early visibility of any cost incurring issues
 - Shared workplace options / solutions
- Annual management review of strategy to ensure balance

Suggested Reading

- BS 25999-1:2006 & BS 25999-2:2007 Code of Practice and Specification
- BS 31100:2008 Risk Management Code of Practice
- HM Govt Treasury – The Orange Book
- Capability Maturity Model Integration (CMMI) [Guidelines for Process Integration & Product Improvement]

Thank You