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Three Essential Capabilities That Prevent Supply Chain Issues From Escalating into Supply Chain Disruptions

By Kevin Young, Chief Marketing Officer



This pyramid visualizes the three essential capabilities required to prevent supply chain issues from escalating into supply chain disruptions: Companies that have digitalized supply chain issue management have seen significant supply chain performance improvements.

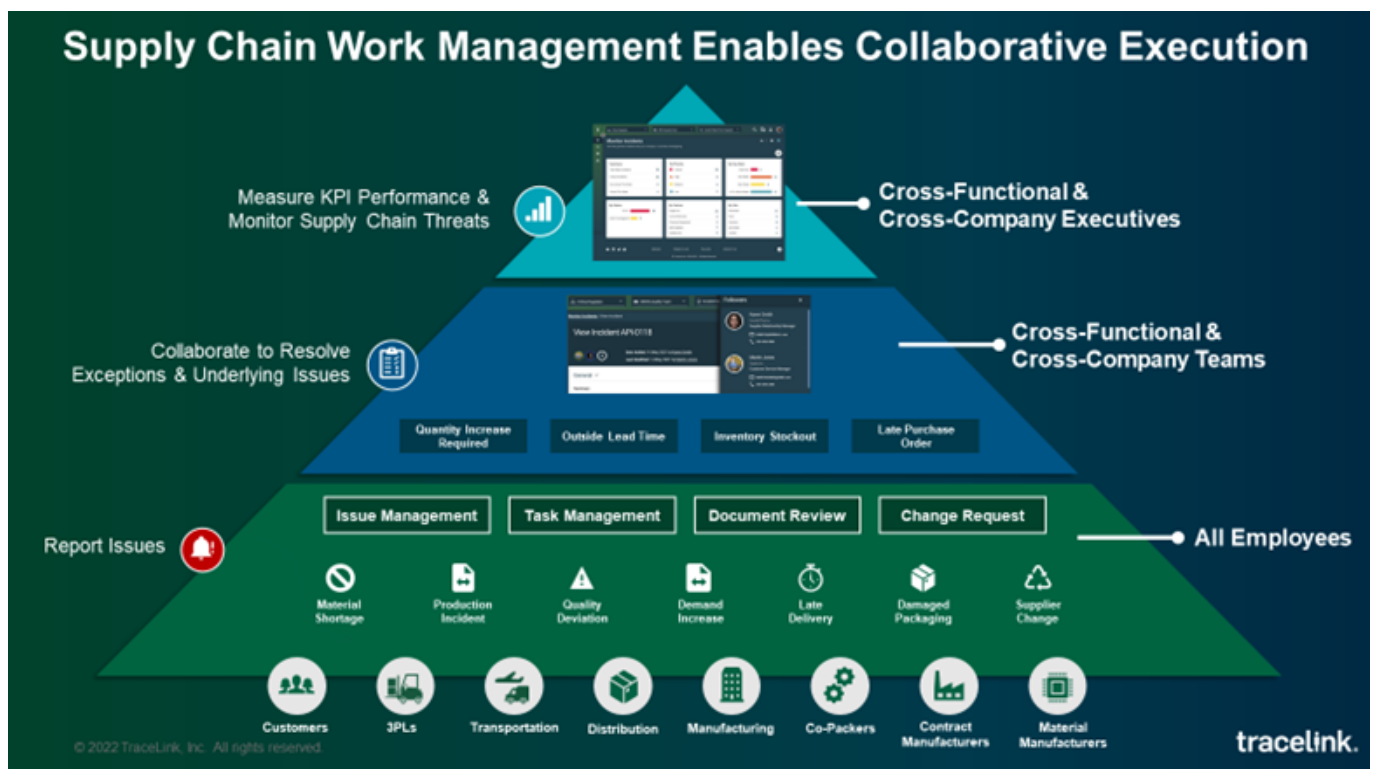
Working with internal teams and supply chain partners to resolve an issue can take five to six weeks or longer. Late shipments, material shortages, out-of-spec products, changes in production quantities, and other business processes and product quality defects often escalate into supply chain disruptions that result in late deliveries to customers.

Supply chain issue management is a business process that is best executed as a cross-company process. However, it has not been digitalized in most organizations, which hinders smooth issue management.

As a result, dealing with issues is often a firefighting exercise managed and resolved with unstructured and decentralized tools and processes like phone calls, emails, video conferencing, and spreadsheets. This means senior leaders often

lack the visibility to respond to threats in the supply chain and much of the information needed to drive supply chain performance improvements is lost or never collected.

Have you ever dealt with a supply chain issue and said, “If I had only known sooner we could have done something about it?” TraceLink **Supply Chain Work Management** is a workflow-driven, multienterprise collaboration solution for capturing, analyzing, resolving, correcting, and preventing supply chain issues. Digitalizing the supply chain issue management process provides actionable visibility at all levels of the organization and across the end-to-end supply chain. With the TraceLink Supply Chain Work Management solution, you will never be caught by surprise when a supply chain issue strikes.

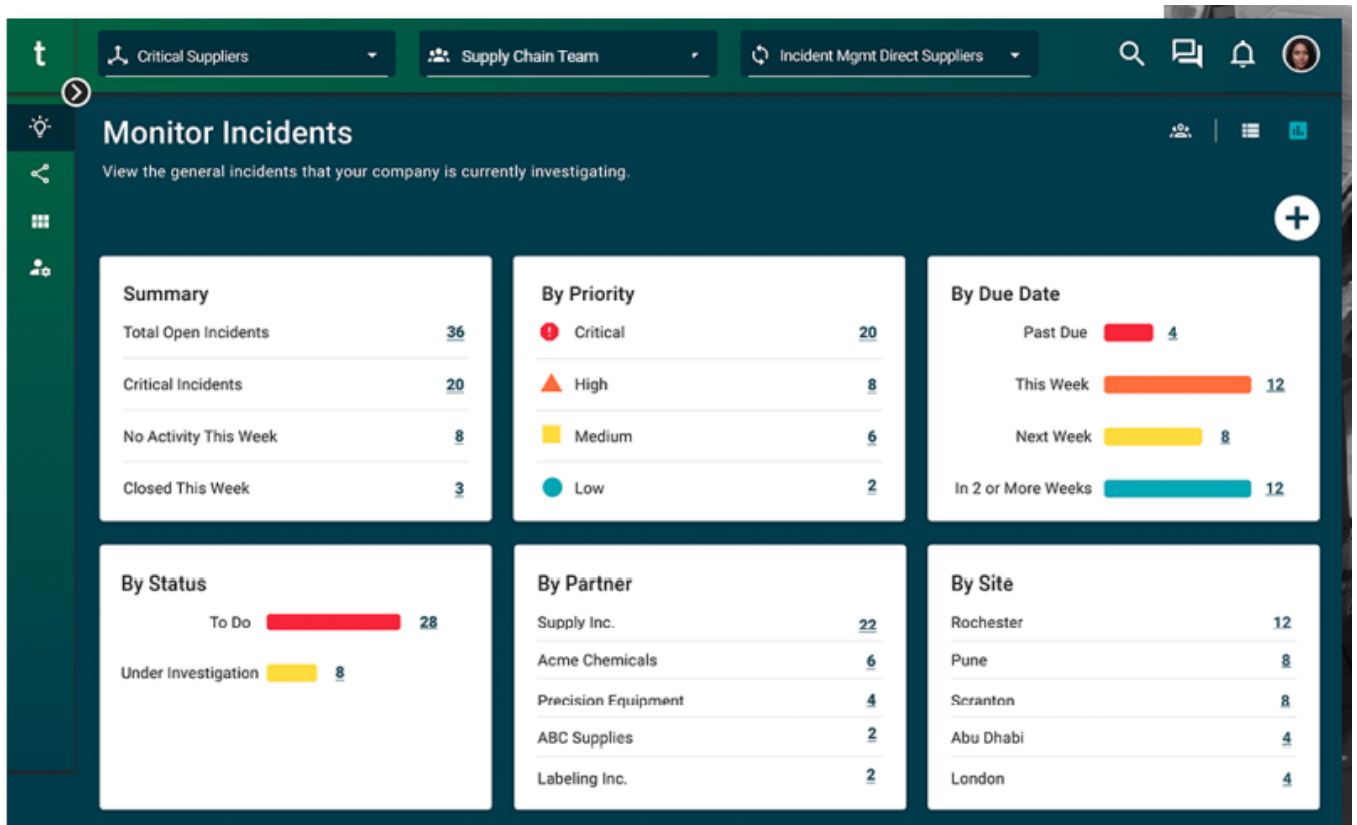


This pyramid visualizes the three essential capabilities required to prevent supply chain issues from escalating into supply chain disruptions:

Capability One: Actionable Issue Visibility for Managers and Executives Across the Extended

Enterprise

Dashboards provide **real-time visibility** into all supply chain issues across the extended enterprise. Managers and executives at both your company and across your supply chain partners get full visibility into incidents, trends, and the resolution status. Unlike most scorecards that report on what happened in the past, dashboards provide status of active resolution processes. You and your supply chain partners work from a single source of shared truth as you collaborate to resolve issues. And leadership teams have the visibility they need to apply additional resources when the situation demands it.



View Incident API-0118

Date Added: 14 May 2021 by [Karen Smith](#)
Last Modified: 14 May 2021 by [Martin Jones](#)

General ▾

Summary
API - Magnesium Trisilicate Material Shortage

Description
CMO recieved 200 of the 500 kgs of Magnesium Trisilicate needed for gastric ulcer products

Priority
High

Incident Type
Unplanned Event

Responsible Party
[Karen Smith](#)

Responsible Department
Purchasing

Followers

- Karen Smith**
Kendal Pharma
VP of Supply Chain
Email: KSMITH@KENDALL.com
Phone: 555-456-9086
- Martin Jones**
Supply Inc.
Customer Service Manager
Email: MARTINJONES@SINC.com
Phone: 555-296-2386
- Arjun Devi**
Supply Inc.
Manufacturing Manager
Email: ARJUNDEVI@SINC.com
Phone: 555-296-4563
- Brett Arnold**
Kendal Pharma
Chief Procurement Officer

Capability Two: Assign the Right Team of Subject Matter Experts

With Supply Chain Work Management, you can quickly drill into the incident and assign a member of the “process team” to ensure issues are routed to the right subject matter experts from inside and outside of your organization. Rapidly engaging with the right subject matter experts leads to faster issue resolution times. The increased clarity on user roles also helps organizations avoid reporting delays and ensures that issues are reported right away.

Capability Three: Enable Reporting of Issues Immediately Along With the Data Needed to Prioritize Resolution

All employees and supply chain partners can report issues as soon as they are identified and categorized, prioritize issues, and assign tasks and due dates. Purpose-built incident management processes bring structure to issue management to ensure that more complete definitions of issues are captured,

including data related to quantitative and qualitative impact, analysis of the issue, and root cause identification. TraceLink Supply Chain Work Management supports five unique **incident management processes** as well as a process for managing change requests:

- Direct Material Supplier Incidents
- Indirect Materials Supplier Incidents
- External Manufacturing Incidents
- Internal Manufacturing Incidents
- General Incident
- Change Requests

The screenshot displays the TraceLink web application interface for viewing an incident. The top navigation bar includes the TraceLink logo and tabs for Network, Team, and Process. The left sidebar contains a menu with options: LEARN, SHARE, DO, Monitor Incidents, OPERATE, ADMINISTER, and CUSTOMIZE. The main content area is titled 'View Incident KHH-0012' and shows the following details:

- Status:** Under Investigation (dropdown menu)
- Date Added:** 19 May 2021 by Nick Ferris
- Last Modified:** 20 May 2021 by Stefan Baytarian
- General Tab:**
 - Summary:** API (Magnesium Trisilicate) Material Shortage
 - Description:** CMO received 200 of the 500 kgs of Magnesium Trisilicate needed for gastric ulcer products
 - Deviation Type:** Unplanned Event
 - Material Type:** API
 - Material Subtype:** (blank)
 - Responsible Party at Kendall Pharma:** Michelle Silva
 - Responsible Department at Kendall Pharma:** Purchasing
 - Current Assignees at Kendall Pharma:** (blank)

The screenshot displays the Tracelink software interface. On the left is a dark green sidebar with navigation options: LEARN, SHARE, DO, Monitor Incidents, OPERATE, ADMINISTER, and CUSTOMIZE. The top header bar contains 'tracelink' and navigation tabs for Network, Team, and Process. The main content area shows a 'Material' incident record for 'Kendall Pharma'. It includes fields for internal and partner material and lot numbers, material name ('Magnesium Trisilicate'), description, defective item IDs, defective quantity, and samples available. Below this, an 'Impact' section is expanded, showing a business impact description, a 'Business Priority' of 'Critical', a 'Financial Impact' of '\$3,000,000', and dates for supply impact and resource deployment.

Material	Impact
Kendall Pharma Internal Material Number ABCD123453	Kendall Pharma Lot Number --
Partner Internal Material Number --	Partner Lot Number --
Material Name Magnesium Trisilicate	Defective Quantity --
Material Description --	Samples Available --
Defective Item IDs --	
Business Impact API shortage and subsequent finished product shortage will impact patients as supplies of the gastric ulcer products are in very short supply and in high demand.	
Business Priority Critical	Financial Impact \$3,000,000
Date Supply Impacted 28 May 2021	Date Resources Deployed --

The Benefits of Digitalizing Supply Chain Issue Management

One company that digitalized supply chain issue management saw significant supply chain performance improvements, including:

- 65% reduction in days to close an incident
- 35% reduction in incidents
- 50% reduction in repeat deviations
- 96% reduction in defects per million
- 97% reduction in manufacturing disruptions
- 82% improvement in delivery performance

These improvements in supply chain execution performance ultimately reduce costs and improve cash flows while reducing supply chain risk.

[Learn more: Download our supply chain WORK management handbook today.](#)

Learn more in our Supply Chain Work Management Resource Center.

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Download the Supply Chain Issue Management Best Practices Handbook!
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Reduce Defects per Million by As Much As 96% with Continuous Improvement

TraceLink Agile Process Teams for Supply Chain Issue Management (APT-SCIM) provides a digital foundation for continuous process improvement through methodologies like Six Sigma and Lean by providing a systematic approach to issue management.

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A major manufacturer embarked on a critical operational excellence initiative to manage the quality and operational performance of its suppliers, with the aim of ensuring reliable delivery of goods and services from highly capable suppliers—without interruption.

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