

## RESOURCES

### Home

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

By Kevin Young, Chief Marketing Officer



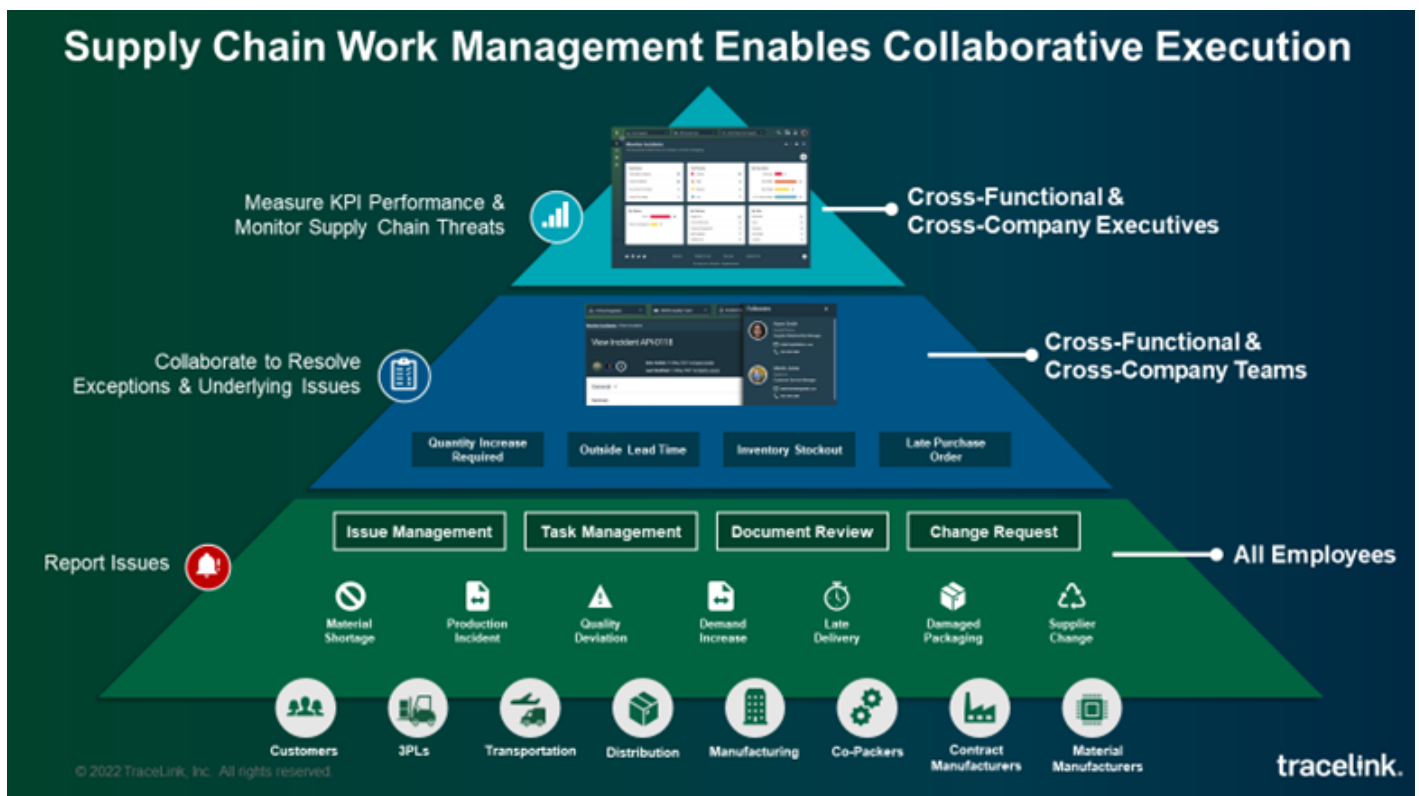
*This pyramid visualizes the three essential capabilities required to prevent supply chain issues from escalating into supply chain disruptions: Companies that have digitalized supply chain issue management have seen significant supply chain performance improvements.*

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.

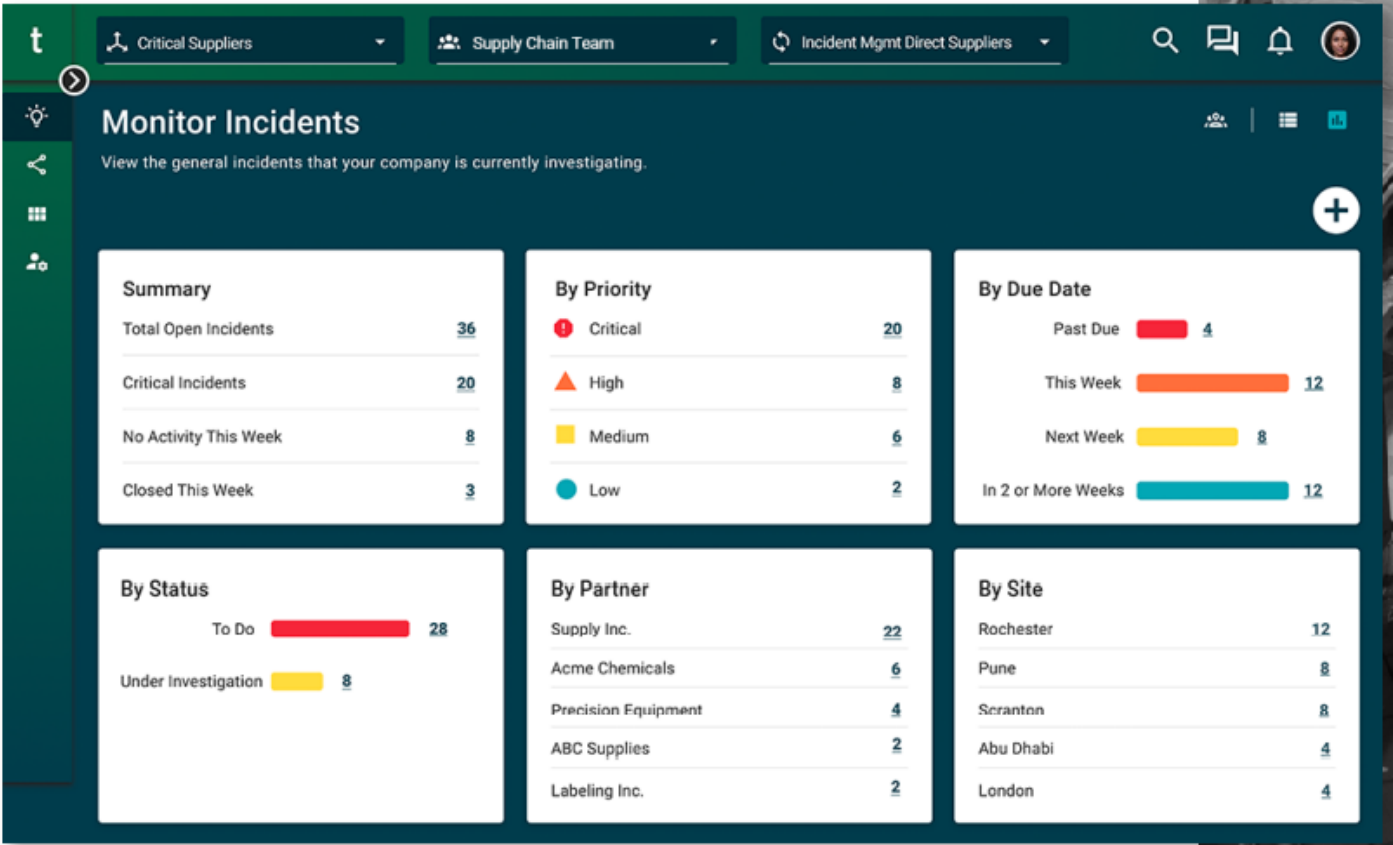
Have you ever dealt with a supply chain issue and said, “If I had only known sooner we could have done something about it?” TraceLink **Supply Chain Work Management** is a workflow-driven, multienterprise collaboration solution for capturing, analyzing, resolving, correcting, and preventing supply chain 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.



The screenshot displays a software interface for monitoring incidents. The main content area shows the details for 'View Incident API-0118'. The incident was added on 14 May 2021 by Karen Smith and last modified on the same date by Martin Jones. The incident is categorized as a 'General' issue with a 'Summary' of 'API - Magnesium Trisilicate Material Shortage'. The 'Description' states that the CMO received 200 of the 500 kgs of Magnesium Trisilicate needed for gastric ulcer products. The 'Priority' is 'High' and the 'Incident Type' is 'Unplanned Event'. The 'Responsible Party' is 'Karen Smith' and the 'Responsible Department' is 'Purchasing'. On the right side, there is a 'Followers' list with four members: Karen Smith (Kendal Pharma, VP of Supply Chain), Martin Jones (Supply Inc., Customer Service Manager), Arjun Devi (Supply Inc., Manufacturing Manager), and Brett Arnold (Kendal Pharma, Chief Procurement Officer). The interface features a dark green header with navigation tabs for 'Critical Suppliers', 'Supply Chain Team', and 'Incident Management'. A sidebar on the left contains navigation icons for home, incident monitoring, and user management.

### 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

Network

Team

Process

?

LEARN

SHARE

DO

Monitor Incidents

OPERATE

ADMINISTER

CUSTOMIZE

Monitor Incidents / View Incident

View Incident KHH-0012

+7

Date Added: 19 May 2021 by Nick Ferris

Last Modified: 20 May 2021 by Stefan Baytarian

Status

Under Investigation

General

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

Current Assignees at Kendall Pharma

Responsible Partv at Kendall Pharma

Michelle Silva

Responsible Department at Kendall Pharma

Purchasing

Network

Team

Process

?

LEARN

SHARE

DO

Monitor Incidents

OPERATE

ADMINISTER

CUSTOMIZE

Material

Kendall Pharma Internal Material Number

ABCD123453

Partner Internal Material Number

--

Material Name

Magnesium Trisilicate

Material Description

--

Defective Item IDs

--

Kendall Pharma Lot Number

--

Partner Lot Number

--

Defective Quantity

--

Samples Available

--

Impact

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.*

[Blog](#)

[Supply Chain Collaboration](#)

[Supply Chain](#)

Download the Supply Chain Issue Management Best Practices Handbook!

Fill out the form to download the eBook now.