

Supply Chain Risk Mitigation

enabled by SAP HANA and Business Objects

Manufacturing industry supply chains continue to evolve with higher performance expectations. This also raises challenges exposing them to diverse risks and disruptions at different stages in their network. Such disruptions could have huge operational and financial impact with cascading effects along the supply chain.

In particular, disruptions on the supplier-side have the potential to lead to large and visible consequences because of their upstream position in the supply chain. Some years ago, raw material and part shortages resulted in a major aircraft manufacturer losing \$2.6B. Supply disruptions after a major tsunami had hit Japanese coast, and disruptions during floods in Thailand, were widely felt among automobiles manufacturers and electronic devices manufacturers in Europe and USA



Infosys Supply Chain Risk Management solution offering enables supply chain managers to respond faster by preparing for risks or mitigating impact of disruptions on their occurrence with:

- Better evaluation and monitoring of risks for different entities
- Real-time visibility into supply chain status and live updates of events
- Elaborate analysis of impact of events causing disruption
- Different alternative options for mitigating the impact of disruptions

Benefits / Features

- Addressing 'end-to-end' supply chain visibility and processing needs – from Sources of risk to impacted Customers and mitigation options
- Provided with possibility of applying multiple options of risk mitigation in case of events or disruptions – enabling swift response and actions
- User friendly navigation across process areas, designed to intuitively adopt the risk mitigation steps
- Application for use in different Manufacturing industry businesses: Chemical process industries, Automotive assembly and components manufacturing, High-tech and discrete manufacturing, and Consumer Packaged Goods.

View Events and assess risk

Recent updates	Region	Description
2012-05-02	US	Resurgence of category 1 Tornado threat
2012-05-01	Philippines	Typhoon takes up to 300 km from Manila, strong winds possible
2012-05-01	Thailand	Severe flooding in southern Thailand

Analyze risk details in areas of operations

Location	Risk Score	Mitigation Options
U.S. - North	20	10
U.S. - South	15	8
U.S. - West	10	5

Identify, review potential impact of the risk

Entity	Impact	Severity
Supplier A	Material shortage	High
Supplier B	Production delay	Medium
Customer X	Delivery delay	Low

Evaluate options to mitigate the impact

Mitigation Option	Cost	Benefit
Inventory Buffer	\$500K	Reduces risk by 20%
Supplier Diversification	\$1M	Reduces risk by 30%
Process Automation	\$2M	Reduces risk by 40%

Business Challenges

- High customer expectations on turnaround time, reliability and predictability
- Maintain lean inventories and manufacturing processes
- Tightly integrated supply chains
- Constant need of improving efficiencies and reducing cost
- Financial uncertainty and associated risks of contagion
- Markets and shareholders highly sensitive to business performance fluctuations

Technology Challenges

Tracking Risk

- Diverse sources of data to gather details on risk, impact and possible actions

Assessing Impact

- Need to process large volume of data from these different areas
- Carry out complex data processing

Solution Adoption and Driving Decisions

- Need up-to-date information for better decisions
- Design user-friendly and intuitive application for good adoption and usage

Target Market Supply Chains for



Chemical process industries



Automotive assembly and components manufacturing



High-tech and discrete manufacturing



Consumer packaged goods

For more information, contact askus@infosys.com

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