



Welcome to the **September 2017** edition of Tricor Roots InTouch. This Newsletter is aimed to keeping our Clients, Partners & Associates updated on what is happening in the world of Performance, Governance, Risk & Compliance (GRC).

One of the toughest parts of GRC requirement for organisations is managing the Supply Chain. This can include parties such as vendors, suppliers, service providers, workers and much more. As businesses are expanding and increasingly relying on global networks, the risk of being struck by supply chain disruption increases significantly as well. Does your organisation have a robust supply chain management in place, ready for the unpredictable?

We hope you will enjoy this Newsletter and as always please do not hesitate to contact us should you have any queries. We would love to hear from you.

Your Trusted Consultant,

Tricor Roots Consulting Executive Team

1. The increasing risk of supply chain disruption and are we taking supply chain disruption for granted?



As the world gets increasingly globalised, businesses are no longer limited to serving domestic markets. Instead, many organisations are increasingly dependent on a global network as part of its sales channel as well as supply chain. The increasing reliance on this global supply chain means greater efficiency and economy of scale. However, it also greatly increases the risk to organisations if there are any supply chain disruptions. Some of the causes of supply chain disruption could come from:



- Bankruptcy of supplier/ vendors
- Government's rules and regulations, including any sanctions
- Natural disasters
- Price fluctuation of raw materials or natural resources
- Terrorism and wars
- Machinery breakdown or power interruption
- System failure
- Cyber risk
- Social media

These supply chain disruptions will quickly affect your organisation, tarnishing your brand and reputation, partnership relationship, market share, financial loss and much more.

In order to minimise the impact of supply chain disruptions, organisations need to consider putting in place mechanisms to provide supply chain resilience. This could include:

- Forming relationships with multiple vendors or suppliers from multiple sources / countries to minimise concentration risk
- Work with partners in domestic market to reduce reliance on external vendors
- Put in place proper ongoing vendor or partner screening process to proactively detect concerns
- Form relationship with competitors to jointly cooperate where disruptions are at an industry level.

To start understanding your vulnerabilities, organisations should consider performing the following:

- a. Conduct a robust Enterprise Risk Management ("ERM") framework to identify all the key vulnerabilities that your organization may face throughout the supply chain as well as crafting contingency plans to reduce the impact
- b. Building an effective Business Continuity Management ("BCM") framework is increasingly vital to identify the areas of the business that are most affected by a business disruption and to develop robust and tested Business Continuity Plans.

Organisations with effective Enterprise Risk Management and Business Continuity Management processes will have significant competitive advantages in the market - achieving Sustainability and Growth.

2. Critical Emerging Strategic Performance & Risk Issues

To better support our clients, we have outlined below recent global strategic performance and risk issues. The information contained is based on sources we believe to be reliable, but we do not guarantee its accuracy. Tricor Roots Consulting does not have any ownership over this information, nor does it represent our opinion.



Qatar's supply chains 'instantly disrupted'

posted by [Francis Churchill](#)
in [Supply chain](#)

The shockwaves of Qatar's sudden isolation have already disrupted its supply chains, CIPS has said.

The small Gulf state relies heavily on imports and its supply chains will have “instantly been disrupted” by the shutdown of its sea, land and air borders by surrounding countries, said Duncan Brock, director of customer relationships at CIPS.

“The disruption from the closure of neighbouring airspace and cessation of carrier services to Qatar has ensured the shockwaves of the sanctions are being felt immediately,” he said, adding there has already been panic buying in supermarkets as consumers anticipate shortages.

Six countries including Saudi Arabia, Bahrain and the UAE abruptly cut all diplomatic and trade ties with Qatar, accusing the state of financing terrorism in the region.

The dispute has hit Qatar Airways, which has not only cancelled all flights to Saudi, Bahrain, the UAE and Egypt, but has been forced to re-route planes to avoid these countries' airspaces.

Brock said the air disruptions would also affect supply chains. “The challenges facing air transportation to Qatar will interrupt many large-scale infrastructure and construction projects where consultants are unable to fly from neighbouring states without transiting through a third country,” he said.

Kuwait, which has not cut ties with Qatar, has already positioned itself as mediator. The country's Amir has travelled to Saudi for a “brotherly visit”, Kuwait's state news agency reported. Oman's minister for foreign affairs has also reportedly travelled to Qatar.

Iran, whose ties with Qatar form part of the reasoning for the blockade, has opened up its airspace for Qatari aircraft.

To read more, click here:

<https://www.cips.org/supply-management/news/2017/june/qatars-supply-chains-instantly-disrupted-/>