

AIRMIC

Risk Management Resources for Reducing your Supply Chain Vulnerability

Mark Lamond

Senior Business Risk Consultant, FM Global

17 November 2020

RESILIENCE IS A CHOICE.

- Identify your critical suppliers and potential impact to your organisation
- Increase your knowledge of the potential risk to your supply chain through publicly available resources
- Make better informed decisions regarding supply chain risk management strategies



**“THERE ARE KNOWN KNOWNS. THERE ARE
THINGS WE KNOW THAT WE KNOW.**

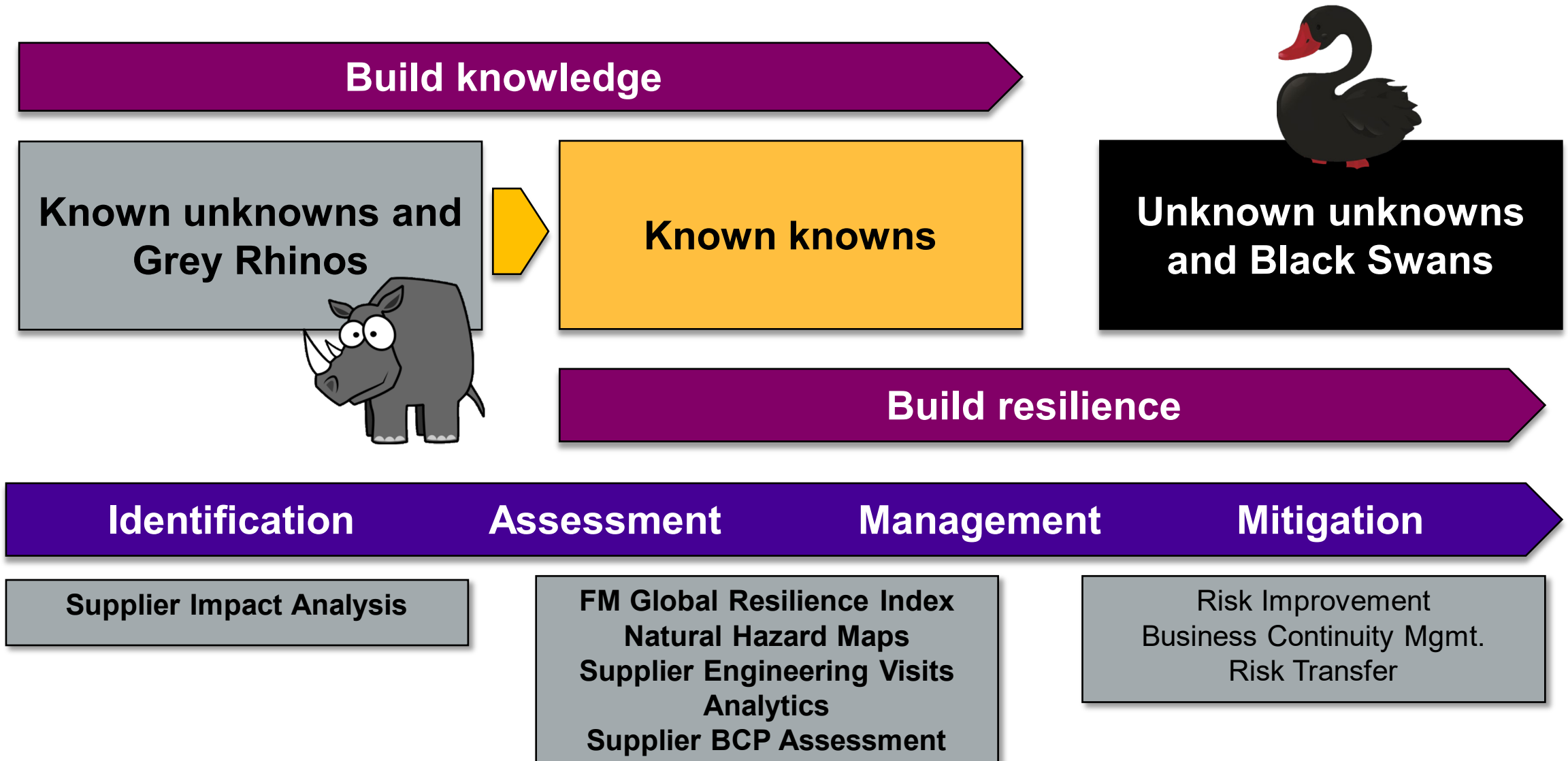
**THERE ARE KNOWN UNKNOWN. THAT IS TO SAY, WE KNOW
THERE ARE THINGS THAT WE DON'T KNOW.**

**BUT THERE ARE ALSO UNKNOWN UNKNOWN. THERE ARE THINGS
WE DO NOT KNOW WE DON'T KNOW.”**

~ Donald Rumsfeld, US Secretary of Defense, February 2002

RESILIENCE IS A CHOICE.

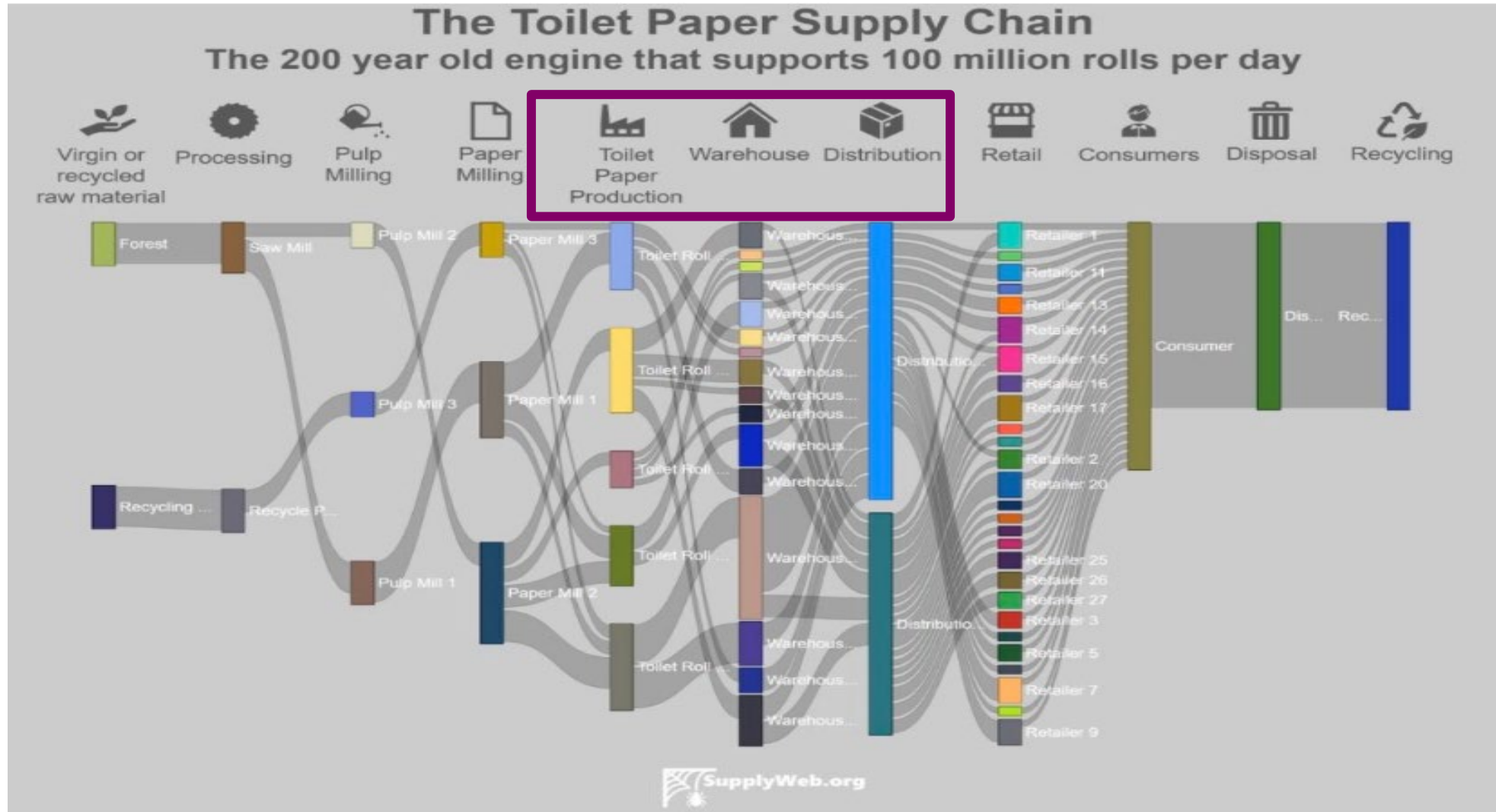
Reducing Supply Chain Vulnerabilities



Supply Chain Risk or Man-made?



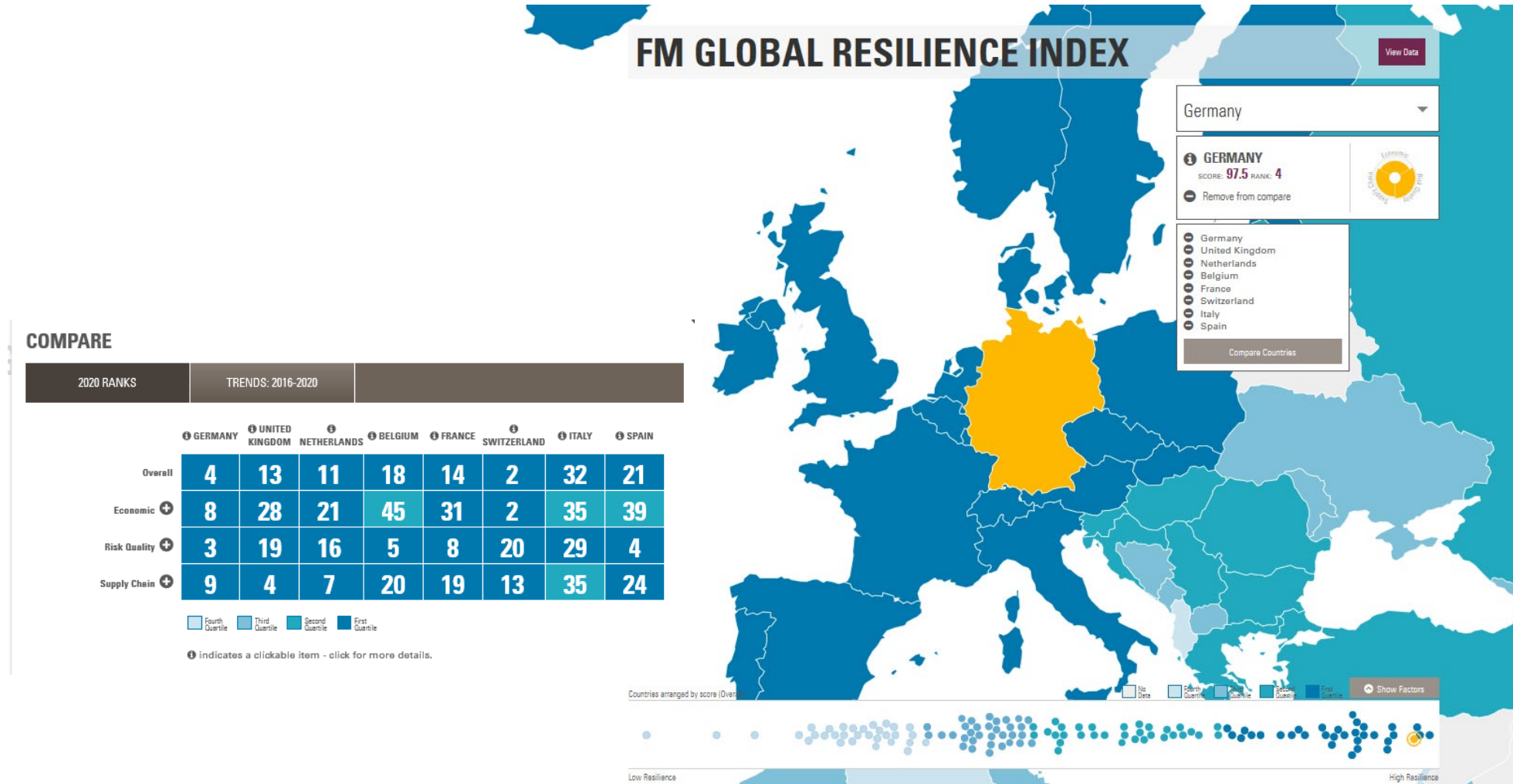
Supply Chain Risk or Man-made?



Resource – Supplier Impact Analysis

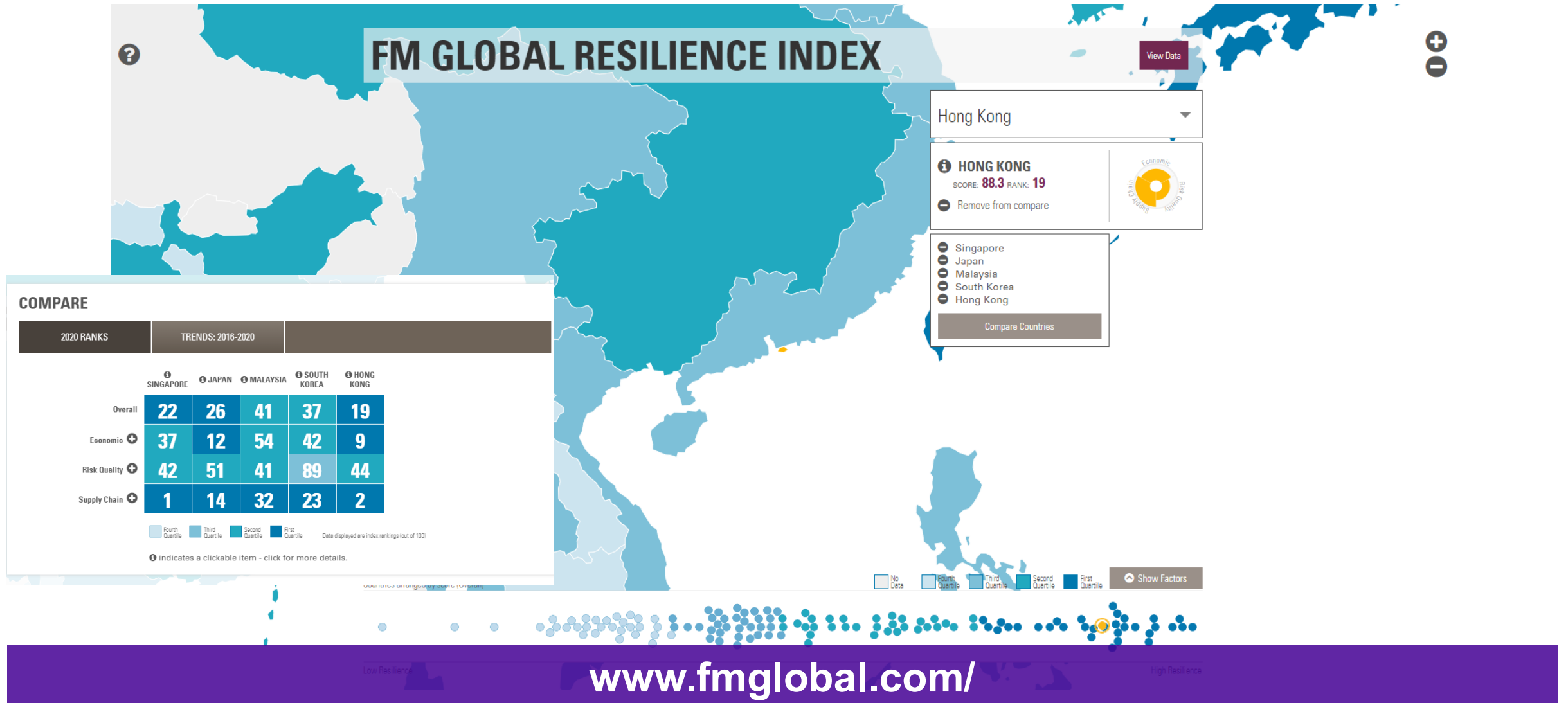
| | | DELIVERABLES | | | | | |
|-----------|------------|--------------|-----------|-----------|-----------|-----------|---------|
| | | Product A | Product B | Product C | Service Y | Service Z | Total |
| | Profit | £ 500 | £ 750 | £ 250 | £ 500 | £ 250 | £ 2,250 |
| SUPPLIERS | Supplier 1 | 10% | 15% | 40% | 0% | 30% | £ 338 |
| | | £ 50 | £ 113 | £ 100 | £ - | £ 75 | |
| | Supplier 2 | 40% | 75% | 20% | 30% | 10% | £ 988 |
| | | £ 200 | £ 563 | £ 50 | £ 150 | £ 25 | |
| | Supplier 3 | 75% | 25% | 80% | 15% | 15% | £ 875 |
| | | £ 375 | £ 188 | £ 200 | £ 75 | £ 38 | |
| | Supplier 4 | 5% | 10% | 5% | 90% | 90% | £ 788 |
| | | £ 25 | £ 75 | £ 13 | £ 450 | £ 225 | |
| | Supplier 5 | 15% | 90% | 30% | 50% | 40% | £ 1,175 |
| | | £ 75 | £ 675 | £ 75 | £ 250 | £ 100 | |

Resource – FM Global Resilience Index



www.fmglobal.com/

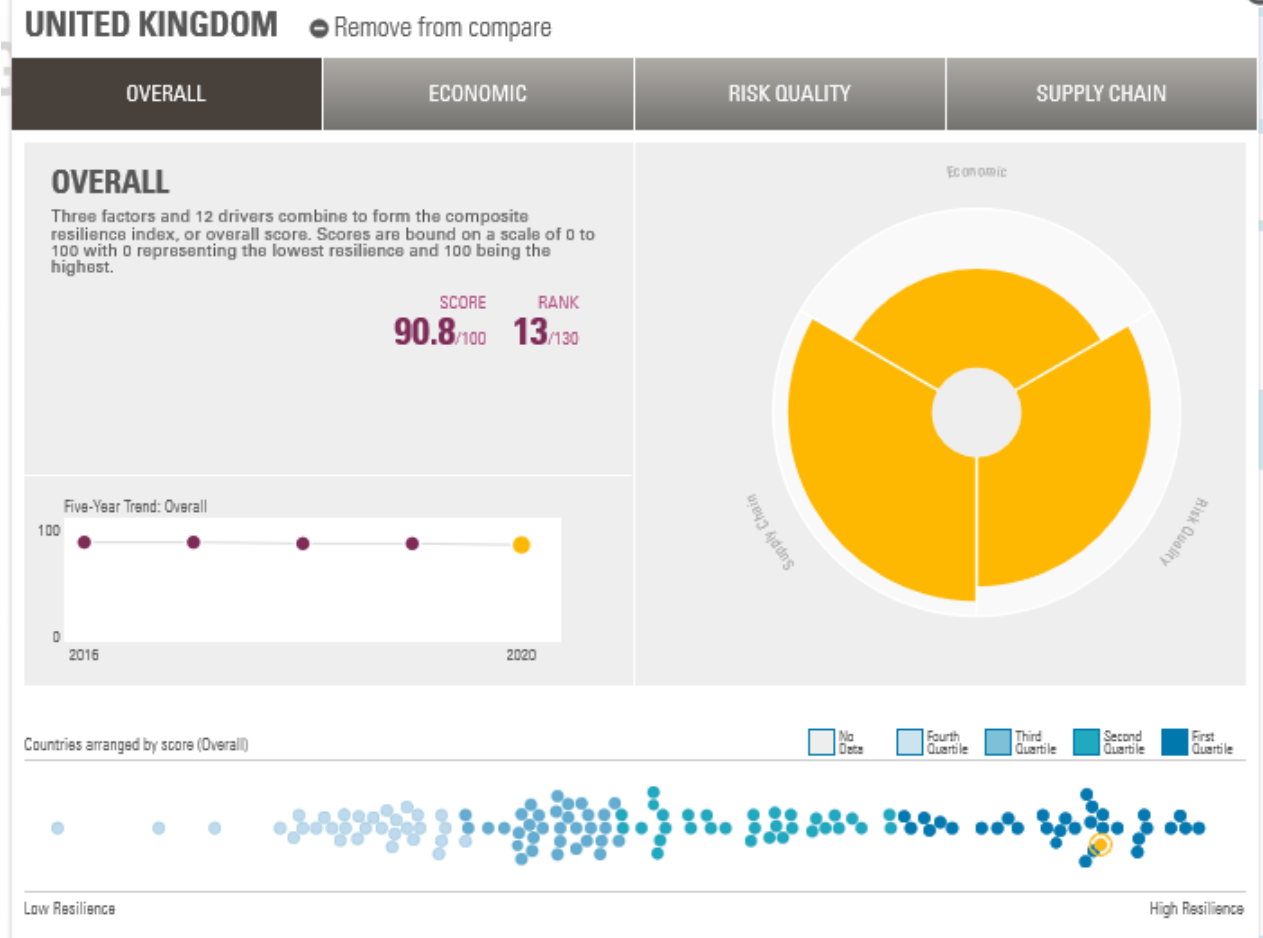
Resource – FM Global Resilience Index



Resource – FM Global Resilience Index

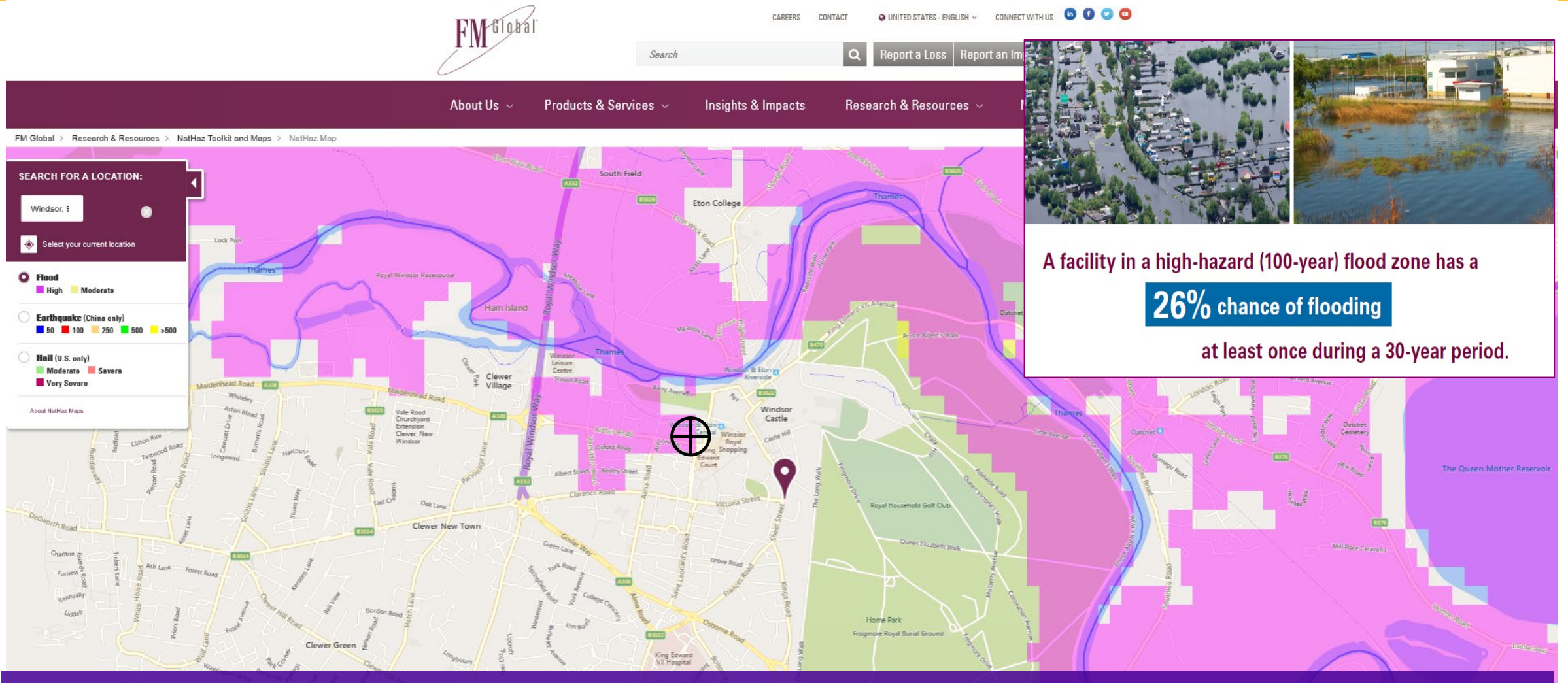


| | |
|---------------------|---|
| Economic | Productivity Political risk Oil intensity Urbanisation rate |
| Risk quality | Exposure to natural hazard Natural hazard risk quality Fire risk quality Inherent cyber risk |
| Supply chain | Control of corruption Quality of infrastructure Local supplier quality Supply chain visibility |



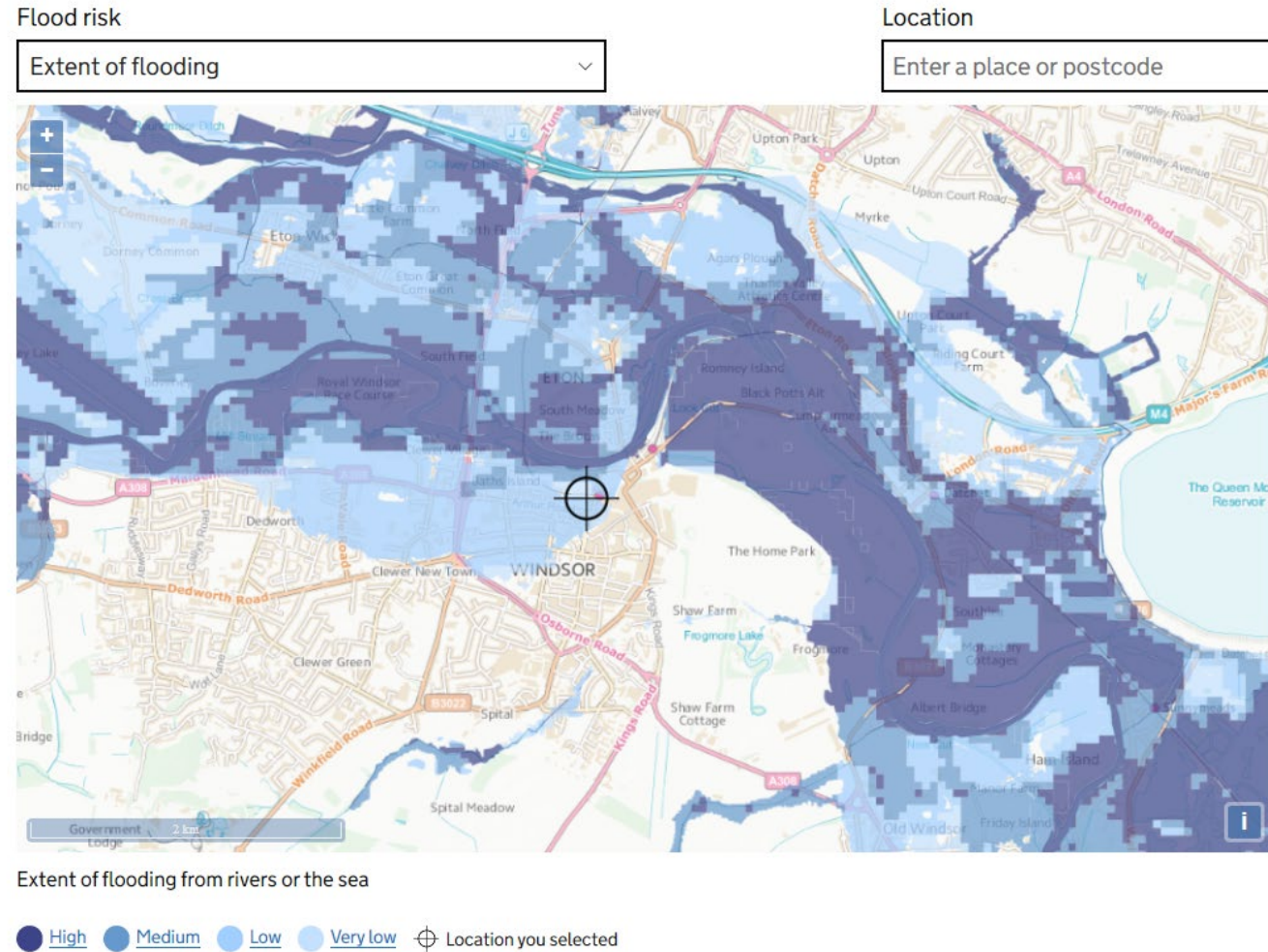
www.fmglobal.com/

Resource – Natural Hazard Maps



www.fmglobal.com/

UK Environment Agency Flood Maps



<https://flood-warning-information.service.gov.uk/long-term-flood-risk>

Resource – Supplier Engineering Visits



www.fmglobal.com/

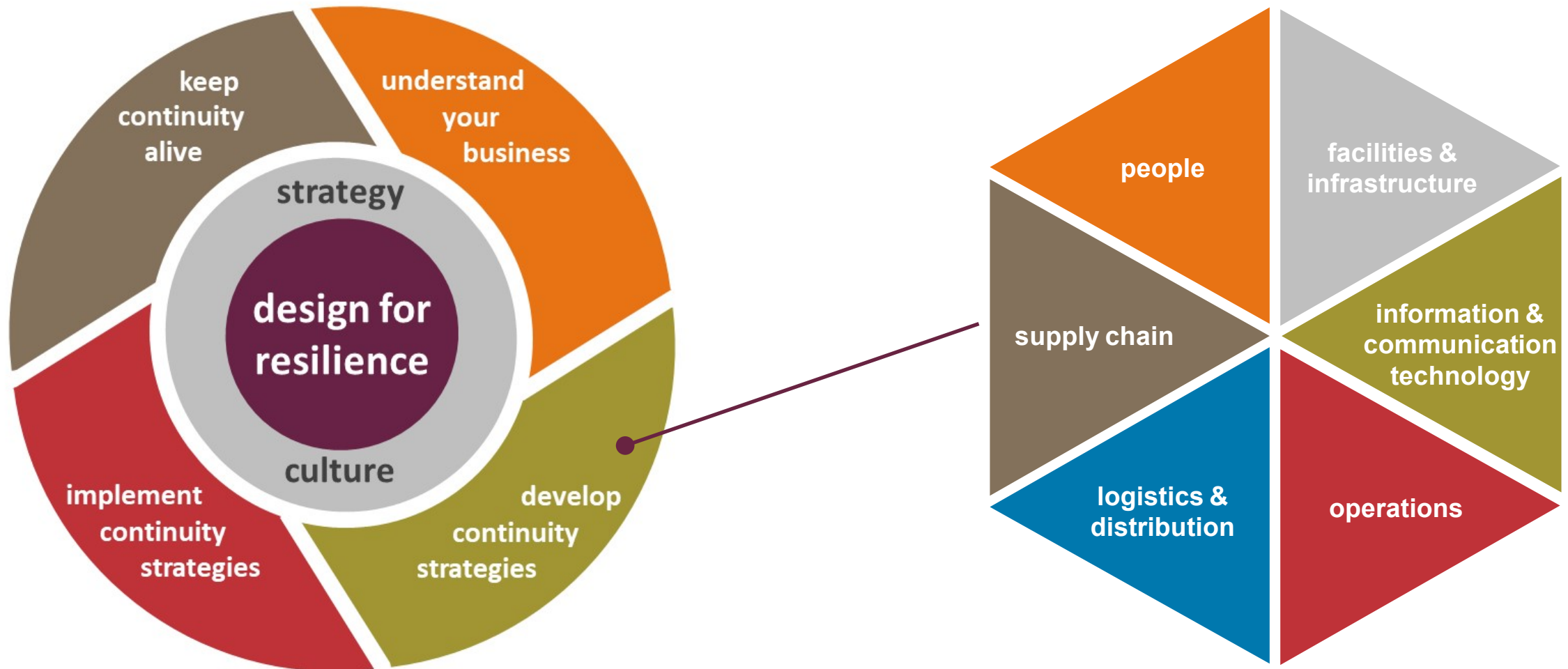
Resource – Other factors

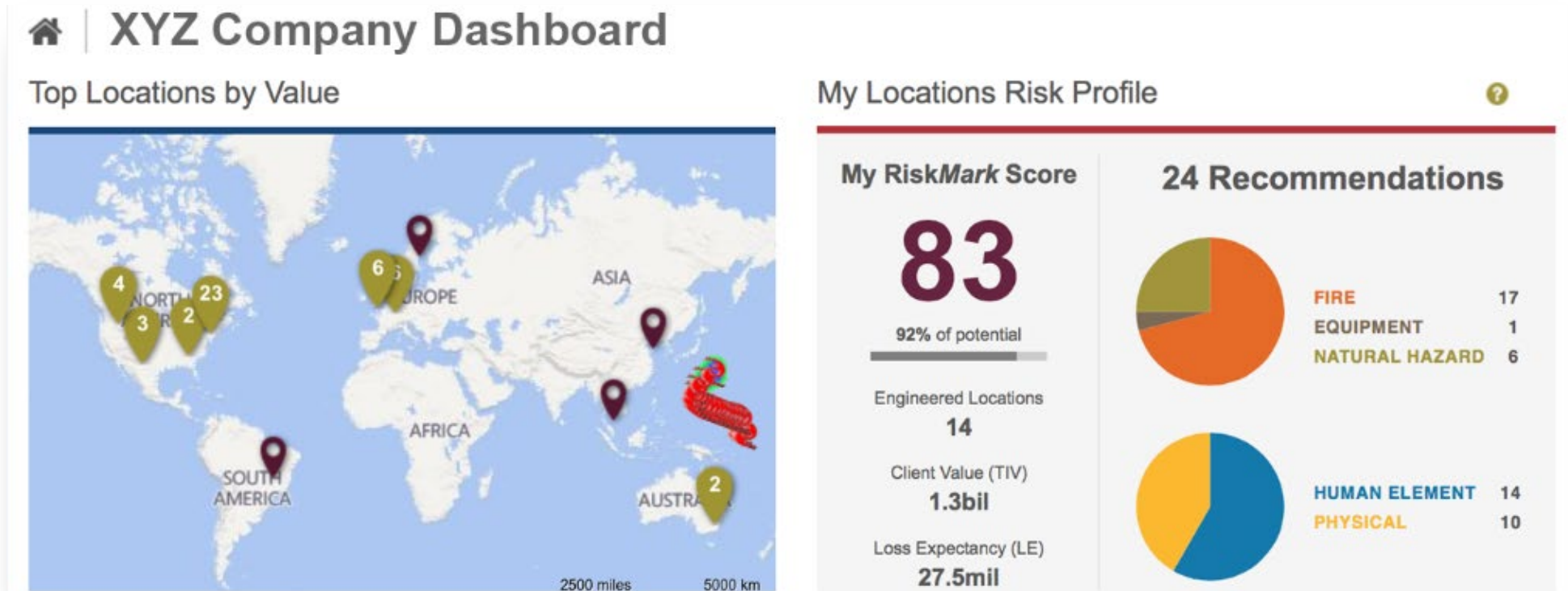


| Rating Agency | Financial Strength | Rating Outlook |
|---------------|--------------------|----------------|
| AM Best | A+ (Superior) | Stable |
| Fitch | AA (Very Strong) | Stable |
| S&P Global | A+ | Stable |

www.fmglobal.com

Resource – Supplier BCP Assessment

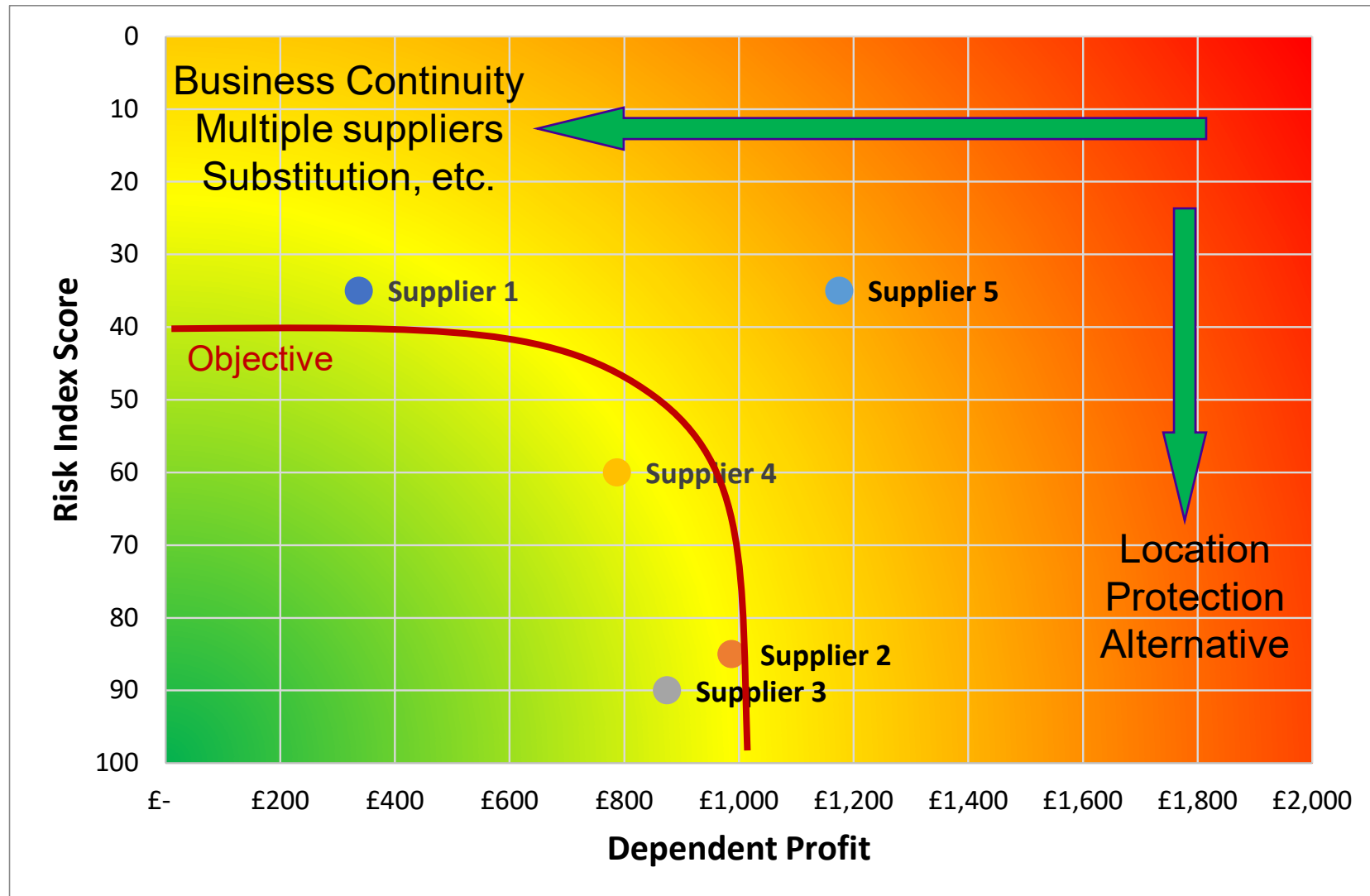




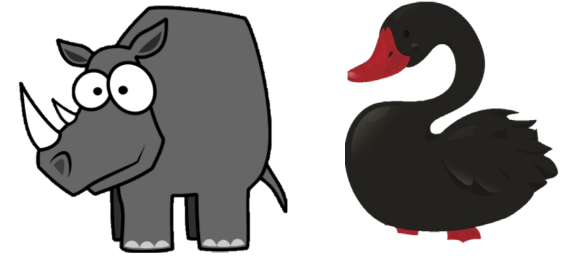
www.fmglobal.com/

<http://oxfordmetrica.com/public/CMS/Files/605/02SpSitFM.pdf>

Resource – Supplier Risk Mapping



- #1 Build knowledge - Build resilience
- #2 Identify your supply chain vulnerabilities
- #3 Make use of resources available to help you better assess and manage these vulnerabilities



www.fmglobal.com/

Thank you. Any questions?

Mark.Lamond@fmglobal.com



FM Global



@FMGlobal



InsurerFMGlobal



FM Global

AIRMIC

Risk Management Resources for Reducing your Supply Chain Vulnerability

Mark Lamond

Senior Business Risk Consultant, FM Global

17 August 2020

RESILIENCE IS A CHOICE.



RESILIENCE IS A CHOICE.