

ISCRIM Members

Paul Björnsson

Lund University, Sweden

Clare Brindley

*Manchester Metropolitan University,
England*

Simon A. Burtonshaw-Gunn

*Manchester Metropolitan University,
England*

Lars Bøge Sørensen

Copenhagen Business School, Denmark

Martin Christopher

Cranfield University, England

Joanne Ellis

Chalmers University, Sweden

Jukka Hallikas

*Lappeenranta University of Technology,
Finland*

Uta Juettner

Cranfield University, England

Robert Lindroth

Lund University, Sweden

John Morris

*Manchester Metropolitan University,
England*

Arben Mullai

Lund University, Sweden

Christopher Musgrave-Brown

*Manchester Metropolitan University,
England*

Andreas Norrman

Lund University, Sweden

Ulf Paulsson

Lund University, Sweden

Helen Peck

Cranfield University, England

Bob Ritchie

*Manchester Metropolitan University,
England*

Yosef Sheffi

*Massachusetts Institute of Technology,
USA*

Michael Smith

Western Carolina University, USA

Veli-Matti Virolainen

*Lappeenranta University of Technology,
Finland*

George Zsidisin

Michigan State University, USA

Words from the editor

Dear friends,

The task of the supply chain is to transform and distribute natural resources into final products that serve end consumer needs and demand. A disturbance is something that makes that task impossible or at least decreases the efficiency and effectiveness in transformation and distribution. The chain is vulnerable. Disturbances could as I see it have three different kinds of negative consequences: higher cost, more capital bound and less revenues. Less revenues is, especially if you take a long-term perspective, in many situations the most negative consequence.

End consumer demand is not stable. In some industries like IT and Telecom experiences from recent years show that demand could change substantially from one month to another and that prognoses and plans are of very little help. In such chains all companies in the chain need to have up-to-date information about end consumer demand to be able to judge if a potential disturbance really is a risk (because one month it might be one but the next not) and how big the negative consequences are. An information system that when end consumer demand is changing immediately can reassess the effects of disturbances in the supply chain and distribute this information to all chain members is necessary.

When skiing you can get information about how big the risk for avalanches is by the figures 0 - 5 where 0 signals no risk at all and 5 signals maximal risk. As a skier you can take actions accordingly. This information is not very sophisticated but it is continuously up-dated and at once spread to all concerned. A similar system is needed in dynamic industries and their number is increasing. Otherwise there is an obvious risk that companies in dynamic chains and perhaps also we as researchers spend too much effort on handling risks that no longer exists - at least not in a supply chain perspective.

Best regards

Ulf

Articles and literature

Printed

Chapman, P. et al (2002): "Identifying and Managing Supply Chain Vulnerability". *Logistics and Transport Focus*, Vol. 4, No. 4, May, pp. 59-64. ISSN 1466 836X.

Ford, N. (2002): "Adaptive Networks". *Logistics Europe*, Vol. 10, No. 7, October, pp. 22 - 25.

Peck, H. & Juettner, U. (2002): "Risk Management in the Supply Chain". *Logistics and Transport Focus*, Vol. 4, No. 11, December. ISSN 1466 836X.

Sheffi, Y. (2001): "Supply Chain Management under the Threat of International Terrorism". *The International Journal of Logistics Management*, Vol. 12, No. 2, pp. 1-11. Download: <http://esd.mit.edu/HeadLine/Terrorism-%20Sheffi-IJLM.pdf>

Stephens, L. (2002): "Excellence in a volatile world". *Logistics Europe*, Vol. 10, No. 8, November, pp. 26-28.

Zsidisin, G. A. (2003): "Managerial Perceptions of Supply Risk". *The Journal of Supply Chain Management*, Vol. 39, No. 1, Winter, pp.14-25.

Manuscripts under review, produced by ISCRIM members

Agrell, P. S., Lindroth, R. & Norrman, A.: "*Risk, Information, and Incentives in Telecom Supply Chains*". Accepted by International Journal of Production Economics.

Zsidisin, G. A. & Ellram, L.M.: "*Purchasing Organization Implementation of Uncertainty and Impact Reduction Techniques to Manage Supply Risk*". Submitted to the Journal of Supply Chain Management.

Zsidisin, G. A.: "*A Grounded Definition of Supply Risk*". Submitted to the European Journal of Purchasing & Supply Management.

Conference papers

Burtonshaw-Gunn, S. & Ritchie, B.: "Partnering within the UK Construction Industry". Presented at IPSERA, Budapest in April 2003.

Synopsis

There is a growing trend for contractors and clients to embark on strategic relationships to improve efficiency, increase effectiveness and manage risks. A review of the key literature, the development of a model and case-based empirical research are used to demonstrate the nature and value of a partnering strategy in managing supply chain relationships within the UK construction industry. The study identifies the critical importance of the commitment to three key themes - mutual objectives, problem resolution and continuous improvements in achieving effective supply chain relationships. "Trust" is recognised as a dimension worthy of further investigation in relation to supply chain risk management.

Interesting Internet links

www.capsresearch.org (CAPS - Center for Advanced Purchasing Studies)

www.riskpublications.com (Publications about financial risks.)

www.rmbulletin.com (Risk Management Bulletin - useful links to organisations, conferences, books and articles. To get full access to the articles you have to subscribe to the Risk Management Bulletin.)

www.supply-chain.org (SCOR - Supply-Chain Council)

www.sole.org (SOLE - The International Society of Logistics)

www.soleurope.org (SOLEurope - The International Society of Logistics - European partner organisation)

www.survive.com (SURVIVE - The Business Continuity Group. An international, industry-wide group for business continuity practitioners with 3000 members.)

Conferences/Workshops

Have taken place

Managing Risk in the International Supply Chain - exploring critical aspects of logistics effectiveness. October 25-26, 1999. The Copthorne Tara Hotel, Kensington, London. Organised by Triangle Management Services Ltd, Beaconsfield, UK.

The Inaugural International Research Seminar on Risk and the Supply Chain. October 15-17, 2001. Crewe and Alsager Faculty, Manchester Metropolitan University. Crewe. UK.

Managing Risk in the Supply Chain. March 12-14, 2002. European Supply Chain Forum. Dorint Cognac Hotel. Eindhoven. Netherlands.

Supply Chain Vulnerability. April 25 2002. Cranfield School of Management. www.som.cranfield.ac.uk/som

ILC 2002 - 18th International Logistics Congress and Exhibition. Theme "Outsourcing Life Cycle Support - Sharing the Risks, Sharing the Opportunities". Munich, Germany, October 6-9, 2002. Arranged by SOLEurope.

The 2nd International Research Seminar on Supply Chain Risk Management. October 14-16, 2002. Engineering Logistics, Lund University, Sweden.

News about individuals

Dr Marc Day has moved from being the Research Director at CIPS to the Information and Operations Faculty at Henley Management College.

Books in progress

Brindley, C. (ed): "Supply Chain Risk: A Reader" (the first network publication!)

Some of the members in the ISCRIM network are working together on a book on supply chain risk management under the coordination of Claire Brindley who is also the editor. The book is planned to be published in autumn 2003.

Contents

Foreword (Clare Brindley, George Zsidisin & Andreas Norrman)

Section 1: Introduction (Bob Ritchie)

Section 2: Research Frameworks

1. Categorisation of supply chain risk and risk management (Andreas Norrman & Robert Lindroth)
2. The Contingency framework (Clare Brindley & Bob Ritchie)
3. Risk management in a network environment (Jukka Hallikas & Veli-Matti Virolainen)
4. Risk focus towards customers (Bob Ritchie & Clare Brindley)
5. Supply risk: a critical facet of risk in the supply chain (George Zsidisin)

Section 3: Techniques and Applications

1. Case study of the UK construction industry (Simon Burtonshaw-Gunn & Bob Ritchie)
2. Early supplier involvement as an approach to reducing supply risk (George Zsidisin & Michael Smith)
3. Logistics and risks associated with hazardous goods- an analysis of risks of marine transport of packaged dangerous goods (Arben Mullai)
4. IT integration and risk management in supply chains (Lars Bøge Sørensen)
5. Risk based assessment for supplier relationships (Jukka Hallikas & Veli-Matti Virolainen)

Section 4: Conclusions (Bob Ritchie, Clare Brindley, George Zsidisin & Andreas Norrman)

Kajüter, P: "Risk Management in Supply Chains" (Chapter)

Printed in: Seuring, S Müller, M., Goldbach, M., Schneidewind, U. (eds.): "*Strategy and Organization in Supply Chains*", Physica, Heidelberg, p. 321-336. (May 2003).

Summary:

In recent years, many companies have been able to improve performance by forging closer relationships with their key suppliers and buyers. However, as buffers like inventory and lead times have been eliminated within supply chains, companies have also become more dependent on each other. Risks both up- and downstream in the supply chain are more likely to have severe effects on individual companies. Hence, collaborative approaches to risk management in supply chains are needed to ensure that supply chain objectives are achieved. This paper shows, after a brief review of previous research, how risk management efforts can be extended beyond organizational boundaries and presents the concept of supply chain risk management, which is a formal and structured way of handling risks in integrated supply chains.

Coming conferences/workshops

"*Securing the Supply Chain. A workshop to Maximize Supply Chain Preparedness*". March 10-11, 2003. George Mason University, School of Public Policy, Arlington, Virginia, USA. Jointly sponsored by: Council of Logistics Management and George Mason University. For further information visit the "seminars" link at WWW.clm1.org

ISM, Tempe, Arizona. (USA). March 20-22, 2003.

The 14th Annual North American Research/Teaching Symposium on Purchasing and Supply Chain Management". March 22-24, 2003 in Tempe, AZ. Proposal deadline: November 1, 2002. Interested in helping propose and participate in a session on Supply Chain Risk? Contact George A. Zsidisin. <http://www.capsresearch.org/narts2003call4papers.pdf>

IPSERA 2003, Budapest. April 13-16, 2003. <http://www.ipsera2003.org>

NOFOMA 2003, Oulu (Finland). June 12-13, 2003. Deadlines: Abstract January 31; Article: March 31. <http://www.nofoma.org>

ISL 2003, Sevilla (Spain). July 6-8, 2003. Deadlines: Abstract November 29; Article: March 31.

LRN Annual Conference, London (UK), September 10-12, 2003. Deadlines: Abstract March 17; Article June 16. <http://www.tic-online.com/lrn2002>

The 3rd International Research Seminar on Supply Chain Risk Management, Crewe (UK). October 13-15, 2003 (preliminary). Crewe and Alsager Faculty, Manchester Metropolitan University.

MSc Thesis

Haywood, Marc (2002): "*An Investigation into Supply Chain Vulnerability Management within UK Aerospace Manufacturing Supply Chains*". MSc Thesis 2002 at Cranfield Centre for Logistics and Transportation.

Abstract

Supply Chain Vulnerability is an ever-present fact of business life. Recently however, a number of trends have emerged, such as process outsourcing, JIT inventory management and supplier rationalisation programmes, which together with the overall trend towards the standardisation and globalisation of commercial supply chains, appear to have increased vulnerability. Supply Chain Vulnerability can be explained as the susceptibility of the critical path within a project/process to the impact of a risk or opportunity. Risks or opportunities may arise from within an organisation, from sub-optimal co-operation between upstream and downstream organisations within a supply chain or from sources of uncertainty within the environment external to the supply chain.

Against this backdrop research has been conducted with a number of UK aerospace manufacturing companies, to investigate the management issues involved and to develop and validate a suite of management tools capable of improving vulnerability management in aerospace manufacturing supply chains.

The research provides a literature review together an empirical study. Data was gathered from archival information and interviews with 47 aerospace manufacturing supply chain managers. Analysis of the data, which has been subjected to a thorough validation process, indicates that the sources of risk identified in aerospace manufacturing supply chains are similar to those faced in other manufacturing industries. The management tools/techniques used to address risk in aerospace manufacturing supply chains have been identified and appear to be similar to those used in other industries. They have been organised into a framework.

Current supply chain management practice limits the vision of sources of risk beyond Tier 1 suppliers. This is a significant issue, which weakens the potential utility of the vulnerability management toolkit. Additional research has identified a method of mitigating this weakness, which relies upon the interlocking nature of supply chain relationships, the overlapping flows of supply chain management information, and the potential benefits of shared data environments.

Research projects and research groups

At Cranfield School of Management

Cranfield's on-going programme of research into the area of Supply Chain Risk is currently progressing under the UK Department for Transport funded Supply Chain Resilience project. Its aims are:

- To raise awareness of the need to extend business continuity management to consider risks within and to supply chain networks.
- To develop a high level methodology for the identification and management of supply chain vulnerability, including the development of a managerial toolkit.
- To develop approaches which will enable organisations to take cost-effective actions to increase the resilience of their supply chains.

A survey of supply chain professionals was conducted in association with the Institute of Logistics and Transport. Some findings have been published in a recent edition of the Institute's Focus magazine.

The development of the managerial toolkit is also progressing well. The platform for a preliminary toolkit - aimed at large organisations - has been identified through an in-depth case study of a complex (aerospace manufacturing) supply chain. Its applicability across other sectors is being assessed. In addition, a review of relevant software packages has been undertaken. The fieldwork has been completed to ascertain the requirement for appropriate tools to meet the specific needs of Small and Medium Enterprises (SMEs).

For further details please contact Dr. Helen Peck at: h.peck@cranfield.ac.uk

Zsidisin, George A. & Michael E. Smith: "Reducing Supply Risk With Early Supplier Involvement." Research in Progress.

International journals on risks

Journal of Risk and Uncertainty. Kluwer.

Risk Analysis - an international journal. Blackwell.

Risk Management Bulletin. Ark Publishing. London. (Re-launched as Risk Transfer Magazine).

Risk Transfer Magazine. Ark Publishing. London.(www.risktransfermagazine.com)

Risk Management Bulletin Newsletter. Ark Publishing. London. (Free)

Risk Management. Gale Group. Thomson Corporation Company.

Security Management

Treasury & Risk Management

ISCRIM News

Editor

Ulf Paulsson

E-mail: ulf.paulsson@tlog.lth.se

Design & Layout

Robert Lindroth

E-mail: robert.lindroth@tlog.lth.se

Download old issues from

www.iscrim.org

There you will also find some information from the ISCRIM Network.

ISCRIM - The International Supply Chain Risk Management Network

Contact

Professor Bob Ritchie
Dept. of Business & Management
Crewe Campus, Cheshire
Manchester Metropolitan Univ.
CW1 5DU Cheshire
United Kingdom
E-mail: R.L.Ritchie@mmu.ac.uk

Web site

www.iscrim.org

Issue plan for 2003

Issue	Deadline for contributions	From Print
2003:1	February 1	Feb. 10
2003:2	May 1	May 10
2003:3	August 1	Aug. 10
2003:4	November 1	Nov. 10