Supply Chain Risk Management: A Method and Tool Contributing to the Operational Aspects

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The modern supply chains are based on extended organization networks across different businesses and Industries. The uncertainty in these networks becomes a great concern for the management of the chain in a holistic approach. Several studies provide a wide list of risk management strategies and the general strategies for risk management in the supply chain. However, the way that risks should be prioritized, analyzed, treated and followed, is rarely discussed at an operational level.

In light of this gap, this paper proposes a simple method supported by a software tool, on how to manage the risks that can lead to the supply chain’s disruption at an operational level. The method is "borrowed" by the project management discipline and the way that they manage risks. The main steps of the method cover: a) the identification of the risks related to each echelon of the supply chain, b) the classification of risks c) the analysis and ranking of risks, d) the treatment strategies, and e) the follow up of risks. The steps of the method are supported by the proposed software tool.