

Resilinc reported a 36% year-on-year increase in the number of severe weather events

# Extreme WEATHER

Five steps organisations can take to weatherproof supply chains, protect the continuity of supply, and – ultimately emerge from a disruption in better shape – or offset it completely.

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The UK government has made an ambitious commitment to meet the net zero target by 2050. It comes in response to the undeniable impact of climate change affecting all aspects of life and urges businesses to take action and reduce their emissions. However, while environmental efforts are crucial, companies must also address the challenging effects we're already facing, such as extreme weather events, posing a serious threat to the supply chain. With this in mind, businesses need to focus on both reducing their carbon footprint and building resilience in their supply chains to combat climate change.

In 2022, Resilinc, the supply chain mapping and risk monitoring solution, through its risk event monitoring platform EventWatchAI, reported a 36% year-on-year increase in the number of severe weather events. What's more, extreme weather was the 11th most frequent global supply chain disruption last year.

Whether it's snowstorms paralysing roads, hurricanes halting flights, extreme heatwaves buckling rail tracks, or any other weather phenomenon causing disruptions, all these events pose a serious threat to supply chains. And while it's impossible to predict exactly where and when severe weather will strike, there are effective ways to better prepare for and mitigate its impact on supply chains.

In addressing these increasing weather-related challenges, businesses will have to change their approach.

## 1. Mapping supply chain down multi-tiers

The starting point of weatherproofing should be to map the entire supply chain multi-tiers deep. To find effective solutions and ensure continuity of business, it's crucial to know where all suppliers are located, and where all parts and components come from.

Mapping provides the information and visibility needed to proactively move high-risk products out of at-risk areas, find alternative sites and redirect operations when weather conditions deteriorate.

## 2. Deploying AI-powered monitoring tools

What enables companies to react promptly and minimise losses is the real-time insight into potentially threatening events, which is why they should invest in comprehensive monitoring tools. The difference between tools comes down to the number of monitored sources, the quality of data and its timelines.



An effective management of supply chain weather-related risks requires a multi-level approach

The way to achieve even better monitoring results is by leveraging AI and machine learning. Thanks to their predictive analytics capabilities you can reach a new level of efficiency and rapidly as well as take action before the unexpected happens. All for the benefit of the decision-making process, which is crucial in crisis mode.

## 3. Carrying out risk assessments

As a next step, businesses should ask themselves: are our suppliers prepared for severe weather events? To make sure that the answer is yes, conduct regular risk assessments by sending out ongoing risk evaluations to suppliers.

Determining suppliers' readiness across all sites allows for identifying those with good practices in place as well as those who need to fix existing issues. Ultimately, if for some reason the risk is too great for certain suppliers, it may be wise to end the relationship and find a replacement.

## 4. Analysing historical data

Looking at Met Office data on past severe weather events in the UK, it is clear that both their intensity and prevalence have increased. This means that more and more sites, and therefore suppliers, are at risk. If possible, it's important to check which locations in the supply chain are more affected by weather-related disruptions than others and make appropriate changes.

A careful analysis of past disruption data will help identify the weakest links in the supply chain and address any problems. In fact, according to Resilinc's data, suppliers who tend to be the most affected by extreme weather are among the least prepared.

## 5. Having a backup plan at your disposal

Lastly, every successful weatherproof strategy should include a backup plan. What should each employee do in case of severe weather? Where are our high-risk parts? Do we have alternative distribution methods? All important questions such as these should be answered in the company's playbook containing detailed guidelines to follow in the event of extreme weather conditions.

Consider storing additional inventory in other locations, having alternative distribution methods and, if possible, not relying on one site for high-risk components. Nothing can stop, nor can anyone predict, the full extent of severe weather effects. When they happen, you have to be able to turn to your backup plan to react swiftly, ensure continuity of supply and – ultimately – emerge from a crisis in a good shape.

## Weathering the storm

Effective management of supply chain weather-related risks requires a multi-level approach that includes enhancing supply chain visibility, maintaining strong relationships with suppliers, and implementing advanced monitoring and planning techniques. By taking these steps, businesses can better assess the potential impact and respond instantly to minimise any losses.

With climate change an escalating issue, it is crucial for companies to invest in technology-driven supply chain risk management tools mitigating severe weather and other possible risks to stay ahead of any unforeseen circumstances.