**BizBoost News**

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**Building a Resilient Supply Chain in Your Business**

Supply chain breakdowns continue to stymie small businesses, causing them to lose sales and profits. Whether your business has been affected or not by supply chain delays and shortages, it’s a good idea to take steps to make your supply chain as resilient as possible.

Your supply chain starts with the acquisition of materials that go into what you sell. It includes the production of your products and services. And it doesn’t end until the customer receives the product or service you offer, as well as any help they need to consume your product.

Here is a process to help you evaluate your supply chain and improve its resilience, to avoid future bumps in the road.

**Start with an Inventory of Your Suppliers**

To evaluate your supply chain, a good place to start is to make a list of vendors. An easy way to get this vendor list is from your accounting system. Make lists from your list:

* Primary vendors that are crucial to your business. This includes vendors from which you purchase goods for resale, and can also be vendors such as your online shopping cart because if it goes down, you lose sales. These are you, mission-critical vendors.
* Secondary vendors that provide support indirectly, such as maintenance to machines you use or vendors that provide human resource benefits. Your business won’t be terribly disrupted if something happened to these vendors.

Once you’ve made your lists, let’s focus on your primary vendors first. If this list is large, you may want to further prioritize it by sorting the vendors you are most dependent on to the top of the list.

**Contingency Planning**

For each vendor on your primary list, do some research to find alternatives. You want to develop a deep bench of suppliers who can support your business. If one supplier has trouble meeting your orders, you will be more prepared and can consider switching. You’ll need to develop relationships with these alternate vendors, and perhaps even use them a time or two to test the relationship.

Many factors can go into selecting alternate vendors: price, quality, service, delivery time, shipping costs and methods, country of origin, location of warehouses, troubleshooting effectiveness, and much more. You know your industry best and what you need, so you can develop a table of criteria to evaluate potential new vendors. The ultimate goal is to have backup plans all along your supply chain.

Once you’ve gone through your primary list, you can start on the secondary vendors.

**Purchasing Department**

Large companies have entire purchasing departments to do this kind of work. If your business is small, you may be able to delegate portions of the list to trusted and well-trained employees. Know this type of work can take a long time. It will also be changing as new vendors spring up and older vendors retire or go out of business.

**Internal Operations Including Selling and Distribution**

Now that you’ve taken care of your suppliers, the next big step in supply chain efficiency is to standardize your operations. Take a look at your internal operational processes to ensure they are as efficient as possible. Create policies and procedures to ensure quality and customer satisfaction.

This includes reviewing the production process as well as selling and distribution, all the way to customer service. You may have covered this while you assessed your vendor list, but if not, you can do it now.

One example is how you get your product or service to your customers. Be sure there is an alternate method in case your primary distribution method breaks down.

Again, this is a marathon, not a sprint. Take your time to do this project right, and it will benefit you for years to come.

**Risk versus Reward**

In some cases, it may simply not be cost-effective to have a fully developed contingency solution. It may be more cost-effective to take the loss if it happens. You’ll want to evaluate the circumstances and come up with the right solution that works for your business.

Take the time you need to improve your supply chain resilience, and your business will be more valuable and more profitable for it.

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