



BEYOND JUST-IN-TIME: ENSURING SUPPLIER CONTINUITY IN A DISRUPTION-DRIVEN WORLD

*How business continuity
planning can safeguard
your supply chain*

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- 32 years of retail experience with H-E-B
- 20 years as the H-E-B Director of Emergency Preparedness
- Managed 29 major disaster declarations, including Harvey, COVID-19, and Winter Storm Uri
- Texas Search and Rescue (TEXSAR) Member since 2013 with past roles as CEO and Board Member
- Governor-appointed Texas Emergency Management Advisory Council (TEMAC)
- Published at Sam Houston State University
- Featured in Texas Monthly



D I S R U P T

The Fragility of Lean

WHY JUST-IN-TIME MAKES US VULNERABLE

- When inventory is lean, one missed shipment can mean product shortages or the shutdown of a production line.
- One late delivery can disappoint customers.
- One disaster in one city can disrupt supply chain for a nation.

Lean Inventory = Cost Savings

Limited Buffer = Increased Risk

One Disruption = Cascading Effects





Just-in-Time Under Stress



No buffer stock to “absorb” or “mask” misses along the supply chain



Increased risk of stockouts for goods and services



Can be highly dependent on single distribution point or single provider



Less tolerance for systemic and external failures



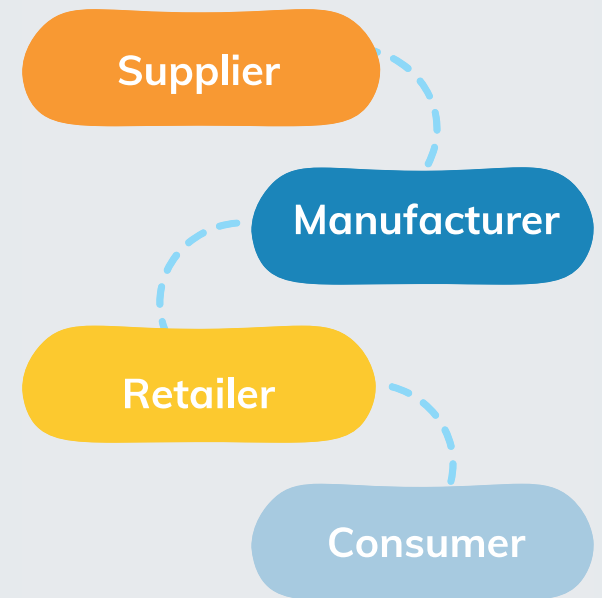
Ripple effects felt across the enterprise and ultimately the customer



Real Consequences of Supplier Failure

When One Link Breaks: Ripple Effects in Action

- Shelf Edge Holes or Production Halted
- Sales and Revenue Loss
- Disappointed Customers & Reputation Damage



What is a Supplier Business Continuity Program

Defining Business Continuity Planning

➤ Operational Recovery

Meeting delivery deadlines to maintain customer satisfaction and potentially avoid penalties.

➤ Not Just a Document, It's an Understanding

Optimizing logistics to reduce transportation and warehousing costs.

➤ Focus on Continuity of Critical Supply Functions

Minimizing risks associated with delays, damages, and customs issues

➤ Scalability

Supporting business growth by ensuring that logistics operations can expand with demand.



Anatomy of a Strong Supplier BCP

What should you look for in a supplier's Business Continuity Program

- Risk assessment across geographies and functions
- Defined Recovery Time Objectives (RTOs)
- Alternate Site Planning
- Emergency Communications Protocols
- Alternate Production or Sourcing
- Regular Testing and Updates

Why Business Continuity Programs are Critical

A Business Continuity Plan is more than just a document—it's an assurance that your supplier can weather the storm. Whether it's a cyberattack, a wildfire, or a power outage, your supplier's ability to recover affects your ability to deliver.

- ▶ Meeting delivery deadlines to maintain customer satisfaction and avoid penalties
- ▶ How supplier disruptions ripple through lean supply chains
- ▶ What makes a supplier Business Continuity Program effective and actionable

- ▶ How to integrate Business Continuity Program review into procurement and vendor management
- ▶ How some companies gained a competitive edge simply by planning ahead

Integrating BCP into Procurement

Making Business Continuity Programs Part of Your Risk Strategy

Now the big question: how do we actually integrate Business Continuity Program verification into our procurement workflow?

- ▶ Tier suppliers by risk and criticality
- ▶ Audit and monitor compliance
- ▶ Contractual requirements for testing and reporting
- ▶ Include BCP requirements in RFPs
- ▶ Supplier scorecards that include continuity metrics

This is not about adding red tape. It is about protecting your continuity.



Takeaways and Tools

Actionable Next Steps

- ▶ Disruption is no longer a matter of if, it's when. The question is, will your supply chain survive it? Or better yet, thrive through it?
- ▶ Take this opportunity to evaluate your supplier partnerships through the lens of preparedness. It's not just risk management, it's business strategy.
- ▶ Start a Business Continuity Planning discussion with your key suppliers
- ▶ Embed Business Continuity Planning in your procurement policy
- ▶ Utilize the Critical Supplier Resilience Index to evaluate critical suppliers
- ▶ Utilize scorecards and checklists to identify vulnerabilities and alternative solutions

Critical Supplier Resilience Index

- Quick and easy way to determine if your critical suppliers, vendors, and contractors are prepared for business disruptions
- Survey of 20 questions regarding BCP, DR, and BI capabilities
- Meant to give you a quick snapshot
- Embed Business Continuity Planning in your procurement policy





Lessons & Actions

Your supply chain is only as strong as its weakest plan!

- Top insights from today's discussion
- One recommendation to strengthen JIT resilience
- What is one change you would recommend to make our retail supply partnerships more disaster-resilient?

Contact Information



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