White Paper

10 WAYS TO LEVERAGE WHAT YOU ALREADY DO TO MANAGE SUPPLY RISK

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As supply risk continues to grow in importance as a business challenge, supply risk awareness has been increasing. As supply risk has become a more mainstream issue for firms and addressing it is spreading beyond just early adopters, more information and solutions have become available for addressing supply risk identification, management and mitigation. Firms can choose from many software solutions, can hire consultants, read books, and attend meetings and conferences on the subject. However, addressing supply chain risk can still be intimidating, even overwhelming, to many procurement and supply management professionals.

Supply chain risk is nothing new. It has been here all along. Events such as suppliers having financial problems and going out of business or sending customers defective products are common and not new occurrences. They have always been typical, everyday problems. Financial and quality problems didn't used to be lumped into a specific category called supply risk. Managing these problems has always been seen as part of the buyer's job. Perhaps this is why **"buyer beware" is an enduring concept from Roman times.**

So **how has supply chain risk evolved into The Next Big Thing?** Supply risks have been increasing and going beyond the everyday challenges to a new level. They have been exacerbated by a number of developments, such as globalization and far-flung supply chains that make supply management more challenging. Data breaches, now happening almost daily, were not a huge issue before the digital era. Risk incidents have gotten more visibility and have had a wider impact, sending stock prices tumbling and tarnishing corporate reputations. With the Internet and social media, bad news travels quickly: melamine in Chinese milk, volcano eruptions, tainted drugs. The notoriety of supply risks has made supply chains become even more critical and certainly better known.

Several trends have increased the chances of supply risk occurring

Cost reduction focus

As corporations realized that the savings from reducing the cost of goods sold go straight to the bottom line, the focus on cost reduction and the pressure on Procurement to produce savings have intensified. This has led to the globalization of supply chains in search of lower-cost suppliers. This cost reduction focus has created supply chains that are more complex and more vulnerable to problems than ever before. Suppliers are under huge financial pressure as a result.

Supplier Consolidation

Mergers and acquisitions have resulted in the consolidation of the supply base, which has increased the possibilities for supplier business failures

Reliance on the Internet and information technology

Information technology and data are now the lifeblood of corporations. They have become an attractive target for those wishing to cause harm, gain critical information and intelligence or commit fraud.

Just-in-time inventory practices

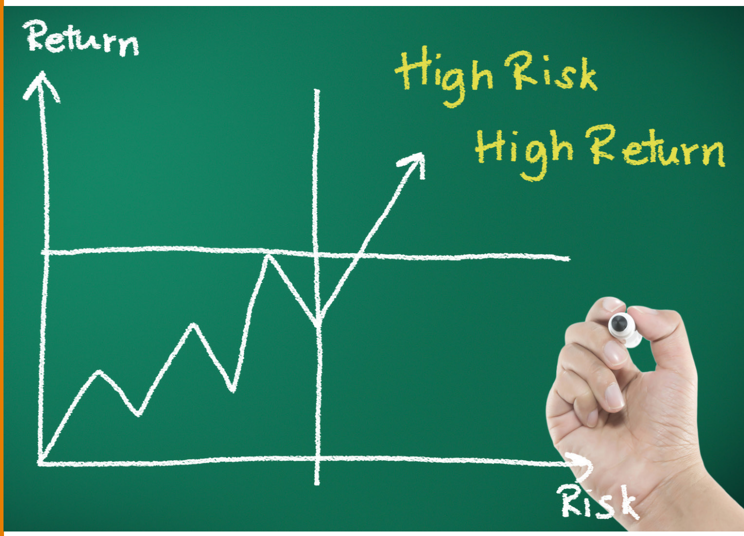
In the drive to reduce inventories through just-in-time inventory practices, some firms have cut inventory to the bone and have become more vulnerable to causing supply chain glitches down the chain. To some companies, Lean supply chains mean anorexia instead of sensibly reducing supply chain waste.

Centralization

To achieve economies of scale and reduce costs, some firms have consolidated and centralized distribution and manufacturing, resulting in lower immediate costs, but less flexibility and potentially higher overall costs to serve customers

Outsourcing

The process of moving internal, directly-controlled manufacturing to outside suppliers has increased the volume of supplied goods as a percentage of COGS. This explosion in supplied content has brought a more diverse risk equation to bear.



What can you actually DO about supply risk?
When the term "supply risk" comes up, all eyes are on Procurement, whether or not Procurement is ready to address supply risk or has the corporate support and resources to do so. Supply risk has been getting a lot of press and causing a lot of hand-wringing. But supply risk isn't really something totally new.

You may already be doing many things to help manage and prevent supply risk. And, there may be numerous tools and techniques already at your disposal that you can leverage to address supply risk. Haven't procurement and supply management professionals been managing aspects of supply risk all along? And don't they already have access to some of the biggest opportunities in their organizations to prevent supply risks from occurring in the first place?

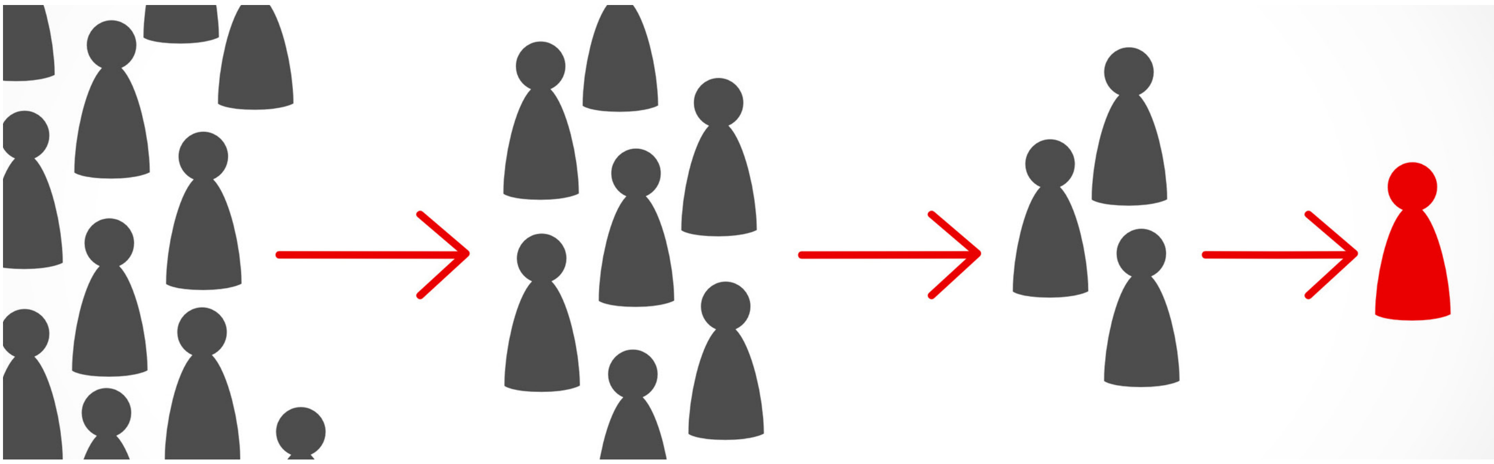
Many of these are procurement/supply management best practices that you already may be doing. If you're doing the basics of Procurement and Supply Management, you're already managing supply risk. This paper will focus on the many ways of addressing supply risk that Procurement and Supply Management can and may already be doing with tools and approaches that are already available.

HERE ARE 10 WAYS TO LEVERAGE WHAT YOU ALREADY DO TO MANAGE SUPPLY RISK

1. GOOD SUPPLIER SELECTION PROCESS IN PLACE

Many supply risks are both unknown and uncontrollable, such as natural disasters, geopolitical risks, epidemics and terrorist attacks, and require mitigation planning to ensure an effective response is ready. However, other known and more controllable supply risks can be avoided. **A good supplier qualification and selection process helps identify and avoid choosing suppliers who could pose risks to your company.** The qualification and selection of good suppliers is a critical step in risk avoidance. This is an everyday process that you already do. But you may need to kick it up a notch, as they say, to optimize supplier qualification and selection to help avoid choosing risky suppliers in the first place.

There's no substitute for a good supplier qualification and selection business process to ensure that only the most qualified and appropriate suppliers are chosen. The best defense against supply risk is a good offense in the form of supplier selection and qualification. Most firms do have this process, but not all processes are effective, particularly in relation to risk. Typically, many companies' **supplier qualification and selection processes have evolved over time rather than get specifically created, managed, and improved.** And, **often other functions in a company do not follow the process and inadvertently create new supply risks.** Design Engineering, for example, may bring on new suppliers who may look great to an engineer in terms of design capabilities, but who are very high-risk suppliers according to Procurement criteria. Just designing and having a good process is not enough. **All stakeholders need to understand it and actually comply with the process.** Otherwise new supply risks can be created within and by a company, working directly against all the processes put in place to avoid risk. The following graphic illustrates key components of a good supplier selection process.



Supplier selection process

ANALYZE BUSINESS REQUIREMENTS	FIND SUPPLIERS	RFP or RFQ	EVALUATE PROPOSALS & SELECT SUPPLIERS
SELECT CROSS-FUNCTIONAL TEAM TO PARTICIPATE IN PROCESS	CREATE POTENTIAL SUPPLIER LIST	SUBMISSION DETAILS	REVIEW PROPOSALS
DEFINE SERVICE OR PRODUCT	SELECT SUPPLIERS FOR RFI	EXECUTIVE SUMMARY	ASSESS CAPABILITIES
DEFINE BUSINESS REQUIREMENTS	CREATE & SEND RFI	BACKGROUND & OVERVIEW	RISK ASSESSMENT
CREATE REQUIREMENTS DOCUMENT	EVALUATE RESPONSES	DETAILED REQUIREMENTS	CREATE EVALUATION MATRIX & POINT/WEIGH-TING SCHEME
	CREATE SHORT LIST	SELECTION CRITERIA & PROCESS	EVALUATE & RANK SUPPLIERS AGAINST REQUIREMENTS
			SCORE EACH PROPOSAL
			SELECT FINALISTS
			CHECK REFERENCES
			CHOOSE SUPPLIER

2. REFERENCE CHECKING

You may already do this simple, but essential activity as part of the selection process. **Reference checking helps to prevent choosing and on-boarding risky suppliers.** Finding out how a supplier performed for other firms is very valuable and can help predict how well a supplier will perform for you. Supplier reference checks can be time-consuming and can yield uneven results, depending upon the quality of the references a supplier provides and the skill of the caller. Some supplier references are hesitant to say anything negative about a current supplier to a prospective customer. **The challenge is to get supplier references from those who can and will give an honest appraisal.** Reference checking by phone can be time consuming, sometimes inconsistent, and there's a tendency to give it short shrift. It may be necessary to go beyond the usual, well-coached supplier references that are offered and ask for additional ones to make sure you're getting a true and honest picture of the supplier. Also, **it is important to ask questions that will help screen for risk and disruption prevention.**

3. SUPPLIER SITE VISITS

Visiting a potential supplier, such as the finalists during the selection process, and performing an on-site screening and business analysis can be very useful in determining current and potential performance. Periodic site visits to current, critical or strategic suppliers is useful as an ongoing practice. **As part of the site visit, the team should have a good supply risk checklist to use in order to uncover specific risks that the supplier could pose to the customer.** Although you will have asked questions pertaining to risk during the qualification stage, the site visit risk checklist can help you ascertain whether the supplier is really doing what it says it does as per the answers submitted during the initial qualification. For a current supplier, the list will help ensure that no new risks have arisen. Performing a reliable and robust site visit requires both site visit and subject-matter expertise and a good site visit survey/instrument. The customer must be able get past appearances and know how to tell what's real and what's staged for their benefit during the site visit. Typically organizations perform their own site visits. But when it comes to offshore suppliers, third-party services can be useful. Good providers of offshore site visits know the local language, culture and customs, and can determine if suppliers can meet customer requirements. And very importantly, they can help firms avoid choosing sham, misrepresented, and inappropriate suppliers.

4. CONTRACTS

You probably sign contracts with suppliers every day. Contracts can be a good risk prevention and mitigation tool. During the contracting phase with a supplier, you also have the opportunity to include clauses that can protect you from some supplier risks. When creating a new contract with a supplier, you have the opportunity to identify potential risks and allocate them between the parties. Contracts can contain terms and conditions that are important for addressing risk issues. Here are examples of some supplier risks that can be addressed with contract terms:

- Defective product or service
- Intellectual property (IP) loss
- Supplier financial failure
- Supplier delivery failure
- Product availability
- Cost or price volatility
- Property damage
- Personal injury or death

New contracts afford the opportunity to put protections in place from the start of the relationship. While there are no clear-cut or surefire clauses to use for all instances of supply risk protection, **awareness of contracts as a mechanism to help mitigate risk is important.** Supplier contracting legal expertise and advice is required to write good contracts with suppliers. While contracts are not a do-it-yourself project, basic contracting checklists are helpful as a starting point. They can help you remember to consider important issues. However one checklist doesn't apply to all circumstances, such as domestic vs international suppliers, previous experience with the supplier, criticality of the product or service, etc. For suppliers already under contract, reviewing current contracts for hidden risks is important in order to become aware of potential risks that can arise, making plans to address them should they occur, and modifying the contract should it be renewed.

Preventing and mitigating risk with current suppliers

There are many opportunities during the life of the supplier contract to prevent and mitigate supply risk. You probably already take advantage of many of these tools and approaches. But you may not have considered them in terms of risk prevention and mitigation. These include supply base segmentation for risk and knowing your suppliers through supplier performance management and supplier relationship development.

5. SEGMENT THE SUPPLY BASE FOR RISK

Supplier performance, supply chain disruption from weather, disasters, epidemics, political turmoil, supplier bankruptcies, child labor, corruption, conflict minerals, EHS (environment, health & safety) violations – an ever-growing list of the types of supplier problems that keep Procurement managers up at night. With a dizzying array of bad things that can happen, how can you break this down and address these risks?

You're already familiar with supply base segmentation, which is defined by ISM as, "The strategic analysis of each supplier to determine the extent to which the supplier contributes to the core competence and competitive advantage of the buying organization." Time and resources are limited, so you typically segment the supply base to pinpoint specific suppliers with whom you wish to focus time and resources. **Segmentation for risk is just an extension of normal supply base segmentation, only you are looking specifically for suppliers who pose a potential risk to your firm or who are strategically important and you want to keep an eye on them.** These are the suppliers of interest for risk, those on whom you want to focus for risk management. Ordinarily supplier segmentation begins by looking at those suppliers who represent the top 10-20% of spend. But don't stop there. Just because you don't spend a lot of money with a supplier doesn't mean that they can't bring down your supply chain with a risk incident. **Identifying these single points of failure in terms of risk is important. Involve end users, as they can identify suppliers critical to risk management.**
As a result of SCRM segmentation, you can list of each supply chain risk categorized by criticality and prioritized by importance to address. Then you can identify the suppliers whom you want to watch carefully for risk.

Here are a few examples of the types of suppliers to consider during supply risk segmentation:

- Suppliers who have exhibited poor performance (even if not yet formally measured) such as late deliveries, poor customer responsiveness, and poor quality
- Suppliers located in politically or geographically unstable areas of the world or who demonstrate other potential risks
- Suppliers with whom improved communications would be mutually beneficial and provide potentially valuable information
- Suppliers who are currently working with your company collaboratively on product development or who pose a potential IP risk
- New suppliers in an important category who have not yet established a performance track record
- Business concentration or overdependence on either your company or another company. If the overdependence is on another customer, then the supplier may be less responsive to your firm. Overdependence on your firm can create risk should the supplier encounter financial or operational issues.

Supplier Segmentation by Types of Risk

BUSINESS CONCENTRATION	Sole source	Single source	Financial health
	Suppliers representing top 10% of spend		
CUSTOMERS	Adverse impacts on end users		
	End user complaints		
QUALITY	Suppliers having quality escapes		
	Customer complaints		
	Supplier performance		
EHS (environment, health, safety)	Dangerous substances	Hazardous chemicals	
	Known issues	Bad publicity	
	Country with poor enforcement of EHS regs		
ETHICAL	Identified as ethical high risk		
	Ethical issues have already been identified		
	Known or suspected violations of CSR (corporate social responsibility) standards		
LEGAL, POLITICAL	Intellectual property		
	Compliance with local and international law		
	Political factors/risks		

6. MEASURE SUPPLIER PERFORMANCE

You probably already measure supplier performance. When you measure supplier performance, you've already got another effective weapon in your arsenal for preventing supply risk. Supplier performance evaluation is also an important supply risk prevention tool. Supplier performance is a leading indicator for risk. **Often supplier performance is the best – and only – risk indicator for smaller suppliers for whom publicly available information can be inaccurate and unreliable.** Measuring and understanding a few basic key performance indicators (KPIs) can help you identify and understand performance issues impacting supplier performance. For example, when you see lengthening delivery times and cycle times, worsening quality, and supplier responsiveness degrading, you may still have time to take action to prevent an operational failure. You may decide to work with the supplier to overcome the issues or perhaps even switch business to other sources if you have enough lead time to do so. **Supplier performance evaluations help highlight opportunities for supplier performance improvement.** These opportunities can be incorporated into improvement plans and regularly reviewed. **Improvement plans are especially important for ensuring that suppliers are actively addressing performance issues that may impact risk.**

7. KNOW YOUR SUPPLIERS

Once you've identified your strategic, critical, and high-importance suppliers and those suppliers who may be prone to succumbing to risk factors, the important thing, whether it's for performance management or for risk, is to know your suppliers. This is a basic supply management principle that is nothing new and that especially and specifically applies to supply risk management.

Develop closer business relationships with those suppliers whom you've identified as suppliers of interest for risk management during segmentation. **Building relationships with key suppliers is a given, but did you know that it's important for getting insights into and early intelligence about potential supplier risks?** It is a critical way to reduce supply risk exposure and help ensure continuity of supply. As more is shared about strategy, operations, future plans, current challenges, supply managers are able to gain insights that may help them spot problems before they happen. Regular reviews of supplier performance provide opportunities to explore not only ongoing performance, but also to review pricing and discuss opportunities for new business. These customer-supplier reviews are also a forum to review the risk questionnaire that was filled out during the sourcing process or during a site visit to make sure that no significant changes to the supplier's risk profile have occurred. **Having a business relationship with a supplier has many benefits in terms of working toward solving problems and gaining mutual value from the relationship.** In addition, these insights can give both Procurement and suppliers a mutual opportunity to spot potential problems and take action. For example, when a small supplier shared that a customer's very late payment was going to prevent them from meeting payroll, the customer was able to prevent a potential incident that would have had bad repercussions for themselves. Also, it alerted the customer to the supplier's potentially shaky finances, another risk. **By having a relationship with a supplier and understanding the warning signs that a supplier may be in trouble, you may give yourself enough lead time to take action.**

Here are some of the **warning signs** that a supplier may be having problems and that may **indicate increased risk:**

HAS SUPPLIER REQUESTED:

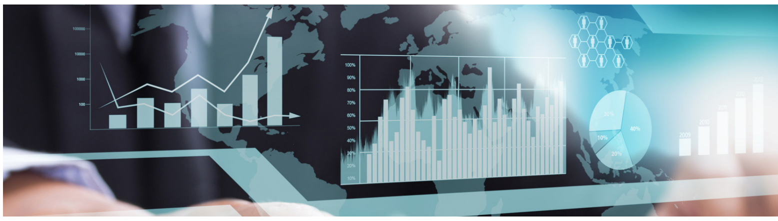
- Cash
- Urgent repricing
- Sending payments to a different address
- Check pickup
- Funding for capital expenditures
- Requests to purchase materials on supplier's behalf
- Inventory buy-back
- Accommodation agreement (i.e. loan)
- Delay of cost reductions
- Re-sourcing all or some of the components it supplies
- Lengthening delivery times

OTHER SIGNS:

- Past due debt
- Lower responsiveness to new RFPs and order acknowledgment
- Complaints of non-payment from subtier supplier
- Creditor committee formed
- Missed/late debt payments
- Changes in top management
- Lack of equipment maintenance
- Unplanned downtime
- Loss of critical business
- Problem with their lenders
- Breach of banking covenants
- Changes or turnover of supplier contacts or representatives
- Sporadic adoption of dynamic discounting offers
- Reduced involvement of legal representation in negotiations

8. MAKE THE MOST OF THE SUPPLY MANAGEMENT TECHNOLOGY YOU ALREADY HAVE

If you use supply management technology, you already have a good toolset to use to identify, avoid, and address supply risk. Here are some of the applications you may already have that can help you address supply risk:



Spend analysis
The ability to slice, dice, and categorize your spend can be enormously helpful in supply risk identification and management. Spend analysis is a good starting point for segmenting the supply base for risk. **Besides giving the ability to identify high-spend suppliers, spend analytics can help identify potential sources of risk** such as: items sourced from sole or single-source suppliers, from geographically risky locations, suppliers supplying items where there is currency risk or exchange rate volatility, suppliers who supply items on which a customer has a high dependency for reasons of unique technology, few alternative sources, or a specialized product or service, and suppliers who are financially risky.

Supplier qualification
This application can help in creating a consistent, scalable, robust process for qualifying new suppliers. Standard questions designed to uncover supply risk elements can be asked of every potential supplier during the qualification phase of the sourcing process. **Templates of relevant risk questions can be developed and used for specific categories of suppliers as appropriate. Information can be collected and analyzed and trends readily spotted from the data.** As suppliers come on board, you can monitor the effectiveness of the qualification process for identifying potential supplier risks and modify it as required.

Contract management
A contract management system can be a repository for clauses related to supply risk. It offers an **easy way to search both for the presence or absence of risk-related clauses in currently-contracted suppliers and help identify potential risk issues.** A system can help ensure that risk clause checklists and the clauses themselves are available for consideration and potential use. Also, a contract management system helps **make contract renewals and supplier compliance to contract terms and SLAs** (Service Level Agreements) **easier to track and monitor.**

Supplier Performance Management (SPM)
As previously discussed, SPM can be an essential tool in the identification and prevention of supply risks. An SPM software application helps scale the supplier evaluation and performance management process, making it **easier for Procurement to identify performance risk issues and negative performance trends early and take action.**

Business rating services and analytics
Many third-party providers of supply risk management data and services are available. You are probably already using this technology. Third-party services use approaches ranging from analyzing publicly available financial information to customer surveys to data mining and even information crowd sourcing. **They can uncover financial problems and supply chain risks during the supplier selection stage and for currently contracted suppliers.** Also, these analytics can be imbedded in spend analysis applications where they can help in supplier segmentation for risk factors.

Supply chain optimization
This type of supply chain management software can help you address supply chain risk. It helps companies design and optimize the number and location of facilities, flow and storage of inventory in the supply chain. **Optimization software can provide insights into supply chain design that is resilient in the face of risk and can offer alternatives to help recover** should any of the supply chain nodes experience risk incidents.

9. INVOLVE OTHER FUNCTIONS IN THE SUPPLY RISK MANAGEMENT PROCESS THROUGH A GOVERNANCE STRUCTURE

Don't go it alone. Procurement can only do so much without the assistance and input from other functions and stakeholders. Many firms understand the importance of governance and have already put supply risk governance in place. If this best practice is one that your firm is already doing, then you already know how much more effectively a governance structure and executive sponsorship can support your supply risk management efforts.

Communications with stakeholders outside of Procurement can provide both **early and continuing insights into supply risk.** People in **other areas of the company come in contact with suppliers** and can **add to overall information about potential supply risks and also develop a better understanding of how each function can avoid contributing to supply risks.** Plus, other functions have specific, valuable expertise in areas such as finance, operations, data security, and quality that can support supply risk identification and mitigation. Multi-function, multi-level management should be actively engaged in risk management, including strategic, business, program, technical, and tactical levels.

A best practice is establishing a risk management governance structure. Governance is the ongoing communication and involvement of key business department resources on structured teams and through surveys. A good governance structure enables stakeholders throughout the company to participate in a risk management initiative and add their information and perspectives to the overall risk knowledge base. Governance is a more formal approach to risk identification and mitigation and requires the leadership and involvement of senior executives. **As supply risk becomes higher on the list of corporate concerns due to its potential for adverse financial, operational and reputational impact, the more the senior leadership of firms has become willing to make supply chain risk management a corporate focus supported by resources,** rather than just a reactive approach that gets delegated to Procurement.

10. LEVERAGE SIMPLE TOOLS TO ASSESS AND TRACK SUPPLY RISK

There are many common, practical tools that can be applied to Supply Risk Management, some of which you may already be using, and some others you may be familiar with from Continuous Improvement and other Operational Excellence efforts. Here are **two out of many available tools to add to your current set of risk analytics** that can help assess, prioritize, and track supply risks: **Top Ten Risk Item Tracking and FMEA** (Failure Mode and Effects Analysis). These were chosen for their ease of use, effectiveness, and broad adoption.

Top ten risk item tracking

This qualitative risk analysis tool helps to identify risks and maintain an awareness of risks that should periodically be reviewed and updated. It's a simple, but elegant and practical tool. How does it work? The top ten risk list shows the current ranking, previous ranking, number of times the risk appears on the list over a period of time, and a summary of progress made in resolving the risk item. Ranking the risks is typically a team exercise. Below is an example.

RISK ITEM	MONTHLY RANKING: THIS MONTH	LAST MONTH	NUMBER OF MONTH	RISK RESOLUTION PROGRESS
SOLE SOURCE SUPPLIER	1	2	4	WORKING ON FINDING OTHER SOURCES
SUB-TIER SUPPLIERS UNKNOWN	2	3	3	MAP AND IDENTIFY KEY SUB-TIER SUPPLIERS
DANGEROUS CHEMICAL USED IN PROCESS	3	1	2	RESEARCHING COST AND VIABILITY OF ALTERNATIVES
POOR SUPPLIER QUALITY	4	4	3	REVIEWING SUPPLIER QUALITY AUDIT STANDARDS AND PROCESSES
NO DISASTER RESPONSE PLANS IN PLACE	5	5	3	CREATING DISASTER RESPONSE PLANS

FMEA (Failure Mode and Effects Analysis) for risk prioritization

The FMEA (pronounced fee-muh) is a very commonly-used prioritization tool, especially in manufacturing companies. I have found that many Procurement and Supply Management professionals have already have used it for other prioritization efforts and readily see its application to supply risk. A FMEA uses a quantitative approach, usually via a spreadsheet, that helps a team think through supply risks, prioritize them along 3 dimensions, and bring a team to a consensus about the priorities. In this example, the risk priority number (RPN) is calculated by considering severity (potential business impact), detectability (how readily and whether the risk could be detected) and probability (of the risk occurring).

Here's an example of a FMEA for identifying and prioritizing supply risks and the five steps to create it:

1 *Identify categories of supply risk*

2 *Identify potential risks in each category. Then rate the severity, probability of occurrence, and probability of detection for each risk*

3 *Calculate the risk priority number (RPN)*
RPN = severity X detectability X probability

4 *Determine potential courses of action and the estimated benefits*

5 *Develop action plans for avoiding and/or mitigating risks*

FMEA

PROCESS NAME: EXTERNAL SUPPLY RISK

DATE: 4/28/2014 REVISION LEVEL: 1.3

FAILURE MODE	A) SEVERITY	B) DETECTABILITY	C) PROBABILITY	RISK PRIORITY NUMBER	ACTION TO IMPROVE	REVISED VALUES			
	RATE 1-10	RATE 1-10	RATE 1-10	RPN					
	10=MOST SEVERE	10=LOWEST DETECTABILITY	10=LOWEST PROBABILITY	AxBxC		A	B	C	RPN
KEY SUPPLIER GOES BANKRUPT	7	5	3	105	CONTRACT WITH MORE SOURCES				105
POOR QUALITY ESCAPE TO CUSTOMER	9	8	5	360	SUPPLIER DEVELOPMENT				360
CONTRACT NON-CONFORMANCE	4	5	3	80	RISK REMEDIES IN CONTRACTS				60

CONCLUSION

Managing supply risk is a challenge, but it's one that Procurement and Supply Managers have constantly dealt with it as part of the job. Many tools and techniques to prevent and manage supply risk are ones that you already may be using, some of which you may not have applied specifically to prevent and mitigate supply risk. With some additional thought and effort **you can leverage existing supply management and operational improvement tools and applications to provide a more robust approach to supply risk management.**

Supply risk management is an integral part of supply management. Some risk management tools and approaches can be pursued apart from automation, such as using spreadsheets and checklists to perform numerous functions and support the risk management process. However, **supply risk is more effectively addressed with the support of technology.** Good supply management technology solutions, such as spend analytics, contract management, supplier information management, supplier evaluation, risk evaluation, and compliance management can help support the supply risk management process and enable procurement and supply managers to manage and address supply risk in a much more scalable, thorough, rapid and sustainable manner.

ABOUT THE AUTHOR

Sherry Gordon is President of Value Chain Group, a consulting firm that helps companies and their suppliers achieve sustainable improvements and reduce costs and risks in their operations by applying supply management and performance improvement strategies to their supply chains. Sherry is an entrepreneur, management consultant, writer, trainer, and business adviser. She was Founder and CEO of Valuedge, a supplier performance management software solution firm acquired by Emptoris (now part of IBM). Before starting Valuedge, she ran from its inception the New England Suppliers Institute, an organization focused on improving customer-supplier collaboration and using lean enterprise practices to improve supplier performance. Ms. Gordon is a leading authority on supplier performance management and the author of the book, Supplier Evaluation and Performance Excellence: A Guide to Meaningful Metrics and Successful Results. Ms. Gordon is on the Board of ISM's Supply Chain Risk Management Group. Ms. Gordon earned a B.A. from the University of Michigan, M.A. from Columbia University, and an MBA from Simmons College School of Management.

ABOUT IVALUA

Established in 2000, Ivalua is one of the leading global vendors in Cloud/SaaS Spend Management software. Ivalua is used by Procurement and Finance for all supplier interactions including Performance and Risk tracking, Sourcing, Contracts, Procure to Pay, Invoice Automation and Analytics.

Leveraging one, consistent platform and robust out-of-the-box functionality, Ivalua's clients benefit from quick deployments addressing key Spend categories and Business processes. Clients then can increase their adoption, coverage and savings with the industry's widest range of configurability and integration capabilities. Ivalua has successfully implemented more than 200 customers worldwide (most among the Fortune 500) and is used daily by more than 300,000 users and millions of suppliers from over 70 countries.
With quicker adoption by users, more Spend under Management and a lower Total Cost of Ownership, Ivalua provides unique technology experience and highly differentiated value proposition to Procurement and Finance organizations.

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