

# EIC guest editorial

## Security of Supply: navigating choppy waters

with **Chris Denton**, Director, Supply Chain, Proserv

Advocating a joined-up and forward-thinking method for overcoming the complexities of today's volatile world



In the current challenging supply chain landscape, ensuring the transit of critical parts is vital for companies like Proserv to maintain a seamless flow of products and services in support of its clients around the world.

Unprecedented global disruption experienced over recent years is making the supply chain a more difficult environment in which to navigate, from natural disasters, such as earthquakes and violent storms, and the first pandemic in a century through to a myriad of geopolitical effects such as Brexit and the outbreak of war in Ukraine on the margins of Europe.

In the past two years, supply chains have been disturbed by cyber-attacks on energy pipelines in the eastern US and container vessels running aground in Egypt – volatility can come in many shapes and sizes.

### Widespread effects

But let us remember, it is not only at work where we see these impacts. In our daily lives, we will have experienced some form of supply chain turbulence, be that through post and packaging delays or empty shelves in supermarkets. Anyone who has tried to buy a new car over the last 18 months will have experienced delays due to a worldwide scarcity of microchips and semi-conductors.

The breakdown in the expected supply of materials has resulted in shortages of core parts and components. When it can take several months for certain exotic materials to arrive during normal times, imagine the consequences for a supply chain under repeated strain.

The energy crisis, driven by the Russia-Ukraine war, has recently pushed inflation to record highs; global prices have spiked, and the resultant fallout has seen an increase in industrial action across both the private and public sectors in the UK. The subsequent impact on families and firms is considerable and is bringing serious economic and social upheaval.

Such events have highlighted the importance of maintaining supply and engaging robust risk management and mitigation policies to protect business. Here at Proserv, we have adapted to this changing environment by deploying multiple approaches and actions. These can be broken down across four key areas: strategy, communication, engagement and resilience.

### Strategy

The development of a clearly defined strategy throughout the company, alongside long-term planning, has been imperative as the disruption being experienced is unprecedented. At Proserv, 'Security of Supply' is now embedded within our supply chain procedures as a business-critical initiative.

Proactive risk identification around vital supplied parts has been conducted to determine what steps are then required: for example, forward ordering, increased levels of stock holding, supplier stocking agreements, supplier led-solutions or even new supplier development are different tools being employed to alleviate any risk. No one solution fits all, and the flexibility of Proserv's supply chain has been pivotal, but dynamic action has been required.

### Communication

At the outset, it is essential to effectively communicate across all departments the seriousness of the global supply chain challenges being faced.

Deploying a 360-degree communications philosophy is needed to fully connect with both internal and external stakeholders. Regular engagement and interaction on real-world activities and trends equates to 'Human Intelligence', and this represents primary information for use and analysis. The supply chain function acts as a key conduit facing suppliers and vendors. Ensuring this process is a seamless two-way pivot allows organisations to harness information for maximum benefit and accurate decision-making.

It is vital that senior leaders are kept aware, as additional support above and beyond the norm may be required in exceptional times. At Proserv, our senior leadership team and Board of Directors understand the challenges being faced and have provided tremendous assistance. Such executive buy-in makes dealing with difficult supply scenarios much easier for any company.

Proserv's supply chain team regularly shares any notable disruption being encountered across the business to increase awareness of the external landscape. Utilising internal intranet platforms allows for effective and swift communication of issues and a helpful exchange of experiences.

Meanwhile, regular updates are provided on plans, actions and progress via monthly reports to internal stakeholders.

### Engagement

The need for supply chain teams to be hardwired into an organisation's sales and operations planning (S&OP) process has never been so important. Early engagement with customers, through sales and into S&OP, is crucial for the communication of the impacts being seen externally: be that lead-time extensions, material grade/component shortages or capacity constraints. Providing that intelligence is a crucial supply chain task. Conversely, being able to make early sourcing decisions to mitigate potential shortfalls is a key strategy for maintaining integrity of supply.

As a technology company, Proserv's engineering function is front and centre in leading innovation, change and in supporting our customers' requirements. A supply chain team must drive engagement with engineering to fuse technical and commercial harmony to deliver in a real-world environment. So, it is essential to explore technical opportunities to harness modular or standardised solutions, with supplier involvement and input as needed, and to consider supply sources which are more readily available.

Ongoing supplier engagement, such as sharing forecast intelligence, available capacity and regular communications, plus an increased understanding of our Tier 1 suppliers' own supply chain issues, better enables Proserv to react to shortages and challenges in the market quickly. Proserv also regularly holds supplier engagement events across our various locations to encourage direct interaction and these are great vehicles not only to maintain relationships but to understand the wider business landscape.

### Resilience

Global disruption is a continual obstacle for organisations to deal with, so they need to build resilience into their supply chain teams when dealing with these situations on a daily basis over a period of years. The regularity of complexities can sometimes seem overwhelming, but supply chain colleagues need to be determined and keep working the problem.

It is important to know that small improvements constitute tangible progress. Perseverance is fundamental and supply chain leaders must be cognisant that more work is currently required than previously to guarantee products are delivered and to ensure supply is secured.

### Dynamic and connected

The supply chain environment remains uncertain and it may never return to pre pandemic levels of relative stability. Companies like Proserv must remain focused on confirming 'Security of Supply' strategies and dynamic internal and external communications are deployed, to support present and future business growth opportunities.

That means a globally connected supply chain team closely entwined with key upstream functions such as sales and engineering. That means collaborating closely with core suppliers on forecasting and capacity planning.

Guided by regular market insights and feedback and a flexible, adaptable approach, organisations will be much better equipped to navigate choppy waters to safeguard the aims and activities of all stakeholders.

### About Proserv

#### Delivering disruptive technologies

Proserv provides cutting-edge technologies to its customers to support the entire lifecycle of an asset, improving reliability, optimising performance and extending the life of critical infrastructure. By combining technical ingenuity with engineering, manufacturing and field service expertise, the company creates innovative, industry-leading solutions that are flexible and agnostic by design, able to be integrated into any existing system.

Proserv's technology ethos prioritises regeneration, upgrade and augmentation before replacement, widening functionality and capability, while minimising expense, saving time and reducing environmental impacts.

Proserv has an extensive brand heritage spanning almost 60 years and continues to build its capabilities and expertise through the latest research and development, together with strategic acquisitions.

For more information visit [www.proserv.com](http://www.proserv.com)



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