



Managing Supply Chain Disruptions:

Insights and Action Steps for OEMs

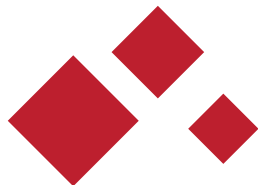
How do you avoid something that can't be anticipated, like supply chain disruption?



An element of unpredictability exists in manufacturing – catastrophic events and other factors that delay or derail production/delivery can and do happen.

It raises questions about how OEMs prepare for disaster recovery. There's insurance and likely a plan in place that protects your facilities and assets, but what happens if a supply chain vendor encounters circumstances beyond their control? Statistics suggest significant financial losses and damaged reputations — for vendors and OEMs alike.

So, what's the go-forward strategy for OEMs? How do you avoid something that can't be anticipated, like supply chain disruption? The truth is, you can't. However, you can manage the impact of unanticipated events if you choose to work with a contract manufacturer that has strategically positioned global facilities and the capabilities to seamlessly shift production from an affected plant to another without disruption, delay, or error.



What Causes Supply Chain Disruption?

Supply chain disruptions occur with relative frequency. Data gathered from a sample size of about 600 companies shows that 56% of them experienced delays or disruptions within the previous 12 months¹ — a startling percentage, especially in such a small group.

What brought suppliers down? Over half cited IT outages, followed by:

- Cyberattacks
- Data breaches
- Transport network interruptions
- Loss of employees/skill sets
- Adverse weather

The Impact of Supply Chain Disruption

Supplier disruptions translate to business disruption, and the impact can be significant:

- 52% of affected companies disclosed related financial losses of up to \$60,000¹
- 8% of affected companies disclosed related financial losses in the range of \$1 million to \$12 million¹

The dollar figures are staggering, and they don't include the ripple effect of damaged reputations on future revenues.



Be Prepared

Interestingly, despite the substantial risk to business continuity and ultimately profitability, 30% of companies are not analyzing the sources of supply chain disruption.¹

Without these insights, how can OEMs take corrective action?

The answer lies in working with GMI Solutions, a contract manufacturer that has measures in place to address disruptions before they happen.

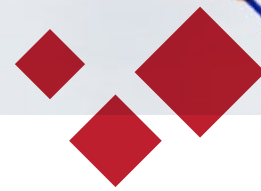
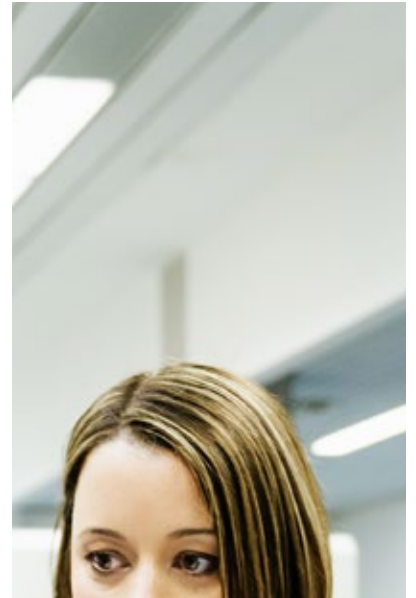
Our facilities, globally situated in the United States and China, operate under identical controls, processes, and workflows to ensure quick and seamless transition between the two should the need arise. Moreover, OEM products are manufactured using the same instruction sets, testing, packaging, shipment, and revision control — no disruptions, delays, or errors.



Supply chain disruptions can't necessarily be anticipated, but they can be managed provided OEMs take steps to partner with contract manufacturers that are prepared and proven. Call GMI Solutions to discuss how we can help you remain productive and profitable.

SOURCE

¹ Achilles, Business continuity: are your suppliers as prepared as you'd like them to be?



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