



How to Plan for Disruptions in the Food Supply Chain

"Planning for disruption" can seem like a contradiction in terms, but there are measures that food companies can take to protect themselves from the inevitable crises that threaten to derail their supply chains, however unpredictable they might be, says Brian Benjamin, senior director of strategic accounts with Havi Global Solutions.

There are a number of steps that companies can make in their demand-planning processes to adjust to disruptions in the food supply chain. According to Benjamin, it's important to ensure that forecasting is efficient, and that planners are incorporating the right data into their efforts. As inputs change, demand plans need to adjust accordingly.

To cope with disruption on the supply side, companies must make sure that they have real-time visibility of where goods are at all times, "so that they can move things around as quickly as possible when things change," Benjamin says. A good supplier-relationship management program is key.

While companies can't predict specific problems, they can be assured that some kind of disruption is going to happen. "It gets back to the point of being ready, having all data integrated, and key information available," says Benjamin. Bottom line: a good decision-support effort is essential.

Climate change is a major factor that's affecting food supply chains around the world. Benjamin sees a convergence of the ingredients that go into biofuels, emerging markets demand, and changing agricultural conditions. In addition, the world is experiencing weather disruptions that are both more frequent and of greater severity.

A company's ability to switch quickly among sourcing options can give it a competitive edge. A good infrastructure requires the establishment of strong relationships with supply partners, as well as access to reliable logistics services.

On the regulatory side, food suppliers and retailers need to account for tighter rules on establishing the chain of custody throughout the supply chain. They need to be able to trace product "all the way upstream," says Benjamin

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