



PROTECTING YOUR SUPPLY CHAIN AGAINST ECONOMIC UNCERTAINTY

avetta.com



Many are predicting an economic downturn due to inflation rates, market performance, and continued global uncertainty caused by events such as the Russia-Ukraine war. Forward-thinking companies are starting to prepare now—and solidifying your supply chain is a great place to start.

While some companies maintain the status quo or even reduce IT investment in uncertain times, the most successful companies look for opportunities to use technology to shore up operations.

The following are five reasons to double-down on supply chain risk management (SCRM) digital investment when faced with a potential economic downturn.



“STATUS QUO” SCRM OPERATIONS REQUIRE SIGNIFICANT RESOURCES

Proactively managing supply chain risk without technology requires enormous cost and labor.

18.3 full-time employees cost an average of **\$2.2 million** for every **1,000 suppliers**

What does a proactively managed supply chain entail?

- Collecting safety, environmental, ESG & sustainability, legal, business, insurance, and compliance requirements
- Onboarding suppliers and sharing compliance criteria with them
- Collecting documentation and evidence to assess whether they meet these criteria
- Working with suppliers to fill gaps if they don't meet your requirements
- Ongoing safety, ESG, financial stability, sanctions list, and worker compliance monitoring
- Supplier support, messaging, and communications
- Site induction, terms and conditions, and corporate and sustainability training
- Contract worker compliance, including site access and badging





MANUAL OPERATIONS CAUSE MORE INCIDENTS

The simple fact is that no company dedicates **18.3 full-time employees per 1,000 suppliers** to manage their supply chain operations, which leads to the following.

- Incomplete or rushed compliance operations
- Insufficient supplier onboarding programs
- Untrained suppliers
- Unchecked risks throughout your supply chain
- More incidents and accidents





INCIDENTS ARE EXPENSIVE

Supply chain incidents can pummel your bottom line.



\$47,000 average safety accident



\$1.2M average fatality



\$3000-\$1M average environmental incident



\$3.86M average data breach



SUPPLY CHAIN DISRUPTIONS ARE COSTLY

Supply chain disruptions are inevitable, but with the right technology, you can be prepared to limit the damage.



89% of companies experienced a supplier risk event in the past 5 years



A long-term disruption can cost **30-50%** of a year's EBITDA



A disruption lasting 30 days can cost **3-5%** of EBITDA





BRAND DAMAGE IS THE MOST EXPENSIVE

In a study by The Economist, business leaders say the biggest consequence of supply chain disruption is tarnished brand reputation.



70-80% of an organization's market value comes from intangible assets like brand reputation



30% of companies see more customer complaints due to supply chain issues



23% of companies see less business from regular customers due to supply chain issues



5





THE SOLUTION FOR A RESILIENT SUPPLY CHAIN

Economic storms may lie ahead, but you can solidify your supply chain operations now to prepare for uncertainty. Avetta One is the only global enterprise SCRM platform on the market that comprehensively surfaces and mitigates all the risks hiding in your supply chain.

- ✓ Prequalify suppliers on your specific compliance and insurance requirements
- ✓ Get real-time visibility into supplier financial health, legal proceedings, sanctions violations, environmental incidents, cyber security, and much more
- ✓ Source prequalified compliant suppliers to replace high-risk suppliers
- ✓ Manage your entire contractor workforce to ensure proper training, qualifications, and on-site risk management practices
- ✓ Achieve an average of **80%** supplier compliance and reduce safety incidents by an average of **10-30%**
- ✓ Enjoy annual savings of **\$8 to \$12 million**

[Learn More Now](#)



Avetta connects leading global organizations with more than 150,000 qualified suppliers, contractors, and vendors across 125+ countries. We support the sustainable growth of supply chains through trusted contractor prequalification, safety audits, monitoring, and more. With real results in helping companies reduce incidents, our highly configurable solutions elevate safety and sustainability in workplaces around the world—helping workers get home to their families each night.