

Timely communication with suppliers is particularly critical

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1. How you handle the supplier risk management?

For many companies, supplier risk management takes a back seat once the initial assessments and due diligence are completed. Yet, supplier risks change all the time and need to be monitored regularly.

We start by identifying and ranking all supplier risks and then implementing risk mitigation measures routinely. Define metrics to monitor supplier risk, quality, and performance. Finally, review the contract at regular intervals to determine if risk management and quality elements need to be updated, or if the contract itself needs to be renewed.

Also, remember that supplier risk management isn't just the responsibility of one group. The best organizations set up a cross-functional team consisting of experts from procurement and logistics, quality, compliance, and legal and financial functions. This way, supplier risk can be assessed from multiple perspectives to provide a holistic picture of how it affects the company.

2. How you manage to have an effective and smooth communication across the supply chain?

Communication with suppliers can often be hindered by differences in language, culture, and geography. We recognize and find ways to manage these differences, so that the timeliness and effectiveness of communication isn't compromised.

To measure supplier compliance and quality, we ensure that suppliers provide prompt and sufficient details around batch disposition data; changes to, or deviations from agreed facilities, processes, and standards; trends suggestive of a product or process problem; periodic product or process reviews and performance metrics; and regulatory inspection outcomes.

Timely communication with suppliers is particularly critical when a safety or quality incident arises — such as an Adverse Drug Event (ADE), recall, or customer complaint. Effective management of these incidents relies on a common understanding of responsibilities – who is responsible for the product in the market, who makes the decisions, and who communicates with regulators, customers, and if applicable, the media.