



# Supply chain resilience and the vital role of business continuity management

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## DESCRIPTION

Business Continuity Management (BCM) has emerged as a key enabler of supply chain resilience in recent years. With the increasing complexity and interconnectedness of global supply chains, disruptions such as natural disasters, cyber-attacks, geopolitical instability, and pandemics have become more frequent and severe, posing significant risks to organizations' operations, reputation, and financial performance. In this context, BCM provides a proactive and systematic approach to identify, assess, and mitigate the potential impacts of disruptions on the supply chain and ensure the continuity of critical business functions.

The concept of supply chain resilience refers to an organization's ability to respond effectively to unexpected events that may disrupt its supply chain and to recover quickly from the resulting impacts. Resilience is not about eliminating risks or avoiding disruptions but about building a robust and agile supply chain that can absorb, adapt, and recover from shocks. The key elements of supply chain resilience include risk identification and assessment, risk mitigation and contingency planning, monitoring and early warning, and collaboration and coordination with suppliers and stakeholders. BCM is a critical component of supply chain resilience because it helps organizations to prepare for and respond to disruptive events that may affect their supply chain. BCM is a holistic and integrated management process that involves identifying and assessing risks, developing and implementing business continuity plans, and testing and maintaining the plans to ensure their effectiveness. BCM aims to minimize the impact of disruptive events on critical business functions, employees, customers, and other stakeholders and to ensure the continuity of operations and services.

BCM and supply chain resilience are closely interrelated and complementary concepts. BCM provides a structured approach to identify and mitigate risks to critical business functions and processes, which are essential for the

continuity of the supply chain. BCM also helps organizations to develop contingency plans and alternative strategies to cope with disruptions and to maintain their supply chain's resilience. On the other hand, supply chain resilience requires a comprehensive and integrated approach that considers the entire supply chain's risks, vulnerabilities, and interdependencies. It also requires a proactive and collaborative approach to risk management that involves all stakeholders, including suppliers, customers, regulators, and communities.

To implement BCM as a key enabler of supply chain resilience, organizations need to follow a systematic and comprehensive approach that includes Risk identification and assessment organizations which need to identify and assess the risks that may affect their supply chain and critical business functions. This includes both internal and external risks, such as natural disasters, cyber-attacks, supplier bankruptcy, geopolitical instability, and pandemics. Risk assessment should consider the likelihood and impact of each risk and prioritize them based on their severity and potential impact on the supply chain. Business impact analysis needs to conduct a Business Impact Analysis (BIA) to identify the critical business functions, processes, and resources that are essential for the continuity of operations. BIA helps organizations to prioritize their recovery efforts and allocate resources effectively. BIA also helps organizations to identify the dependencies and interdependencies among different business functions and processes and the potential impact of disruptions on the supply chain.

## CONCLUSION

Business continuity planning is based upon the risk assessment and BIA, organizations need to develop and implement Business Continuity Plans (BCPs) that address the identified risks and ensure the continuity of critical business functions. BCPs should include procedures and protocols for responding to disruptions, such as emergency response, crisis management,

communication, and recovery. BCPs should also include contingency plans and alternative strategies for coping with disruptions and maintaining the supply chain's resilience. Testing and maintenance: Organizations need to test and maintain their BCPs regularly to ensure their effectiveness and relevance. Testing should include

tabletop exercises, simulations, and drills that simulate different scenarios and evaluate the BCPs' performance. Maintenance should include updating the BCPs based on changes in the organization's operations, supply chain, or risk environment.