Case Study
Supply Chain Risk Management

How Reichle & De-Massari mitigates Risks and ensures Compliance.
Communication impacts our lives more than ever, and even though most people aren’t familiar with the name Reichle & De-Massari (R&M), R&M’s products are in over 70% of Swiss households. Their cabling solutions for communication networks ensure voice, data and video transmission in our homes as well as in industry network operators, office buildings and IT centers.

R&M’s products are known for premium quality, innovation and reliability, placing a consistent supply of high-quality products high on the company’s list of priorities. In the past, the risk of a supplier failing was determined by financial indicators and creditworthiness, but globalization and the increasing complexity of global supply networks makes this approach insufficient. As a result, R&M created a comprehensive, technology-based Supply Chain Risk Management methodology in procurement.

**Safeguarding Supply in the Supply Chain** Safeguarding supply and preventing supply disruptions are high priorities for R&M. Potential risks such as natural disasters, fires, strikes, currency fluctuations or political unrest can have devastating consequences and must therefore be included in risk assessment. It is imperative for R&M to assess potential risks on a preventive basis and react to risk events rapidly. To accomplish this, R&M uses risk-methods’ technology-based solution to provide prevention-based analysis through risk intelligence, send notifications and immediately deliver relevant data on affected suppliers, supply chains and production plants. R&M includes its strategic suppliers, bottleneck suppliers, selected sub-suppliers, logistics hubs and production sites in its risk assessment to ensure risk monitoring along the entire supply chain.

**Code of Conduct & Compliance** Risk mitigation is also a high priority for compliance. As a good corporate citizen committed to sustainability and social responsibility, R&M strives for fairness and expects the same from its business partners – an important factor in public relations. Their commitment to good corporate citizenship is stated in their Code of Conduct and published in the CSR Report. To ensure that suppliers and business partners adhere to the spirit and the letter of the Code of Conduct, R&M includes working conditions, corruption, human rights, fair competition and sustainability in its risk assessments.

“In order to ensure supply and compliance we monitor the entire supply chain, end-to-end – strategic suppliers, bottleneck suppliers, plus selected sub-suppliers and customers.”

Stephan Hänni,
Head of Corporate Procurement,
Reichle & De-Massari
Acceptance as a Factor of Success  A key component of successful risk management is long-term company-wide adoption. R&M has adopted system-supported risk management in Switzerland and Bulgaria, with plans to roll it out in Poland, China and the US. The speed and intuitiveness of the risk management solution results in widespread adoption across international teams, immediate value and support from top management. As a result, risk management is organically adopted by other departments and becomes a cross-functional enterprise.

Overview of Entire Value-add Chain  Procurement is responsible for supply chain risk management and has begun an internal collaboration with Global Sales. As an important element of an end-to-end supply chain, strategic customers are now a part of risk monitoring. R&M sees further potential for strengthening the supply chain and ensuring sustained competitive advantage.

ISO 9001:2015 Revision  The end-to-end risk management approach is also reflected in the 2015 revision of ISO9001, which emphasizes systematic risk management. The new standard requires that companies identify, analyze and evaluate risks along the value-add chain, plan and implement countermeasures and assess their effectiveness. Among other things, this encompasses the purchasing and supply chain processes, requiring a comprehensive approach from beginning (suppliers) to end (end users). R&M’s successful ISO 9001:2015 recertification took place in 2016, with comprehensive risk management playing a key role in the outcome.

In Combination with SRM and eSourcing  In order to create synergies at the procurement level, risk management is linked to supplier management, including supplier selection and evaluation. Furthermore, the supplier portfolio is included as a part of the annual supplier classification, which R&M uses as a basis for selecting risk management suppliers. Risk management is integrated into the sourcing processes so that risk assessment is performed as soon as the supplier short list is established to make better purchasing decisions.

Personal contact with strategic suppliers is important to R&M. Thanks to a comprehensive risk management solution, the company has the right information at the right time to react quickly, minimize supply disruptions, ensure compliance and, last but not least, gain an advantage over its competitors.

“"The modern, intuitive and user-friendly interface from riskmethods ensures high user acceptance in the organization and smooth implementation of the solution in our worldwide locations.”
Stephan Hönni,
Head of Corporate Procurement,
Reichle & De-Massari

R&M (Reichle & De-Massari AG) has developed and produced cabling solutions for high-end communication networks since 1964. With its high level of product quality and innovative, forward-looking system design, the company ensures that networks are future-proof and investments secure for the long term. Its solutions are used by network operators, in office buildings, data centers, and apartments, as well as in industry. R&M is the market leader in Switzerland and belongs to the top players in Europe, Middle East and in Asia.