

Building resilience and a continuity structure for a retailer



The challenge

A company that distributes its products through convenience stores, independent dealers, and directly to consumers via an

e-commerce platform was concerned about a range of business continuity risks that could disrupt its operations. The company also faced disruptions to its workforce amid the COVID-19 pandemic, for which it needed immediate assistance.

Seeking to better understand its key risks and prepare for their potential impacts, the company approached Marsh to help

it develop an overarching supply chain resilience approach, with accompanying business continuity plans and a response and recovery management structure.

Understanding the risks

Through meetings with senior leaders and department heads, Marsh colleagues set out to catalog the company's most vital operations — those that could result in significant impacts if disrupted — and other continuity concerns. Marsh specialists also reviewed the retailer's existing mitigation and recovery strategies for critical resources, including people, technology, physical assets, and relationships.

These conversations helped to support a critical supplier site risk and natural catastrophe modeling exercise. Key exposures highlighted by the exercise included:

- Reliance on single-source suppliers.
- Geographic concentration of suppliers in Asia.
- A number of potential cyber exposures.
- Unique manufacturing equipment and tooling with long replacement times.

Measuring threats

With this initial assessment in hand, Marsh then conducted financial stress test modeling around several key risk focus areas. This included scenario-based quantification of risks for specific geographies and business lines, an analysis of insurance program limits, retentions, and potential exhaustion, and a measurement of the company's return on investment of its existing risk transfer methods.

The net result of this exercise: An implementation roadmap, with recommendations for how the company could monitor and manage its risks.

The solution: A new plan

Marsh worked with the retailer to develop a business continuity plan for critical operations, including a way to address people-related pandemic risk issues and facilitate return to work. A newly created strategic team provided a cross-organization resource management and decision-making structure during and after an incident.

Visualization tools — including dashboards — allowed management to more easily identify supply chain bottlenecks and other risks, prioritize information and resources, and more effectively make decisions to support recovery.

THE RESULT: MORE PROACTIVELY MANAGING RISK

A deeper understanding of various risks and their costs — and a greater appreciation of the value of risk management — helped to expedite the retailer's recovery from COVID-19 and execution of its return to work plan. Marsh's work also positioned the organization to better prepare for and respond to unexpected events, from disruptions affecting single- source suppliers to cyberattack and more.

For more on how you can implement your own business resilience plan, contact your Marsh representative or [visit our retail, food, and beverage industry business resilience page](#).

Contact



Scot Ferrell

Marsh Advisory, Retail/Wholesale Food & Beverage Leader

+1 415 743 8646

scot.ferrell@marsh.com

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1166 Avenue of the Americas, New York 10036

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