

## TOP TAKEAWAYS

**The Supply Chain as a Corporate Asset: Managing Risks and Enhancing Value**

1. There is a new focus on the supply chain. The Board is often involved in making key decisions to minimize risk, mitigate effects of breakdowns when they do occur and maximize the supply chain as an asset.
2. Review and update all commercial contracts and practices on a regular basis.
3. Focus on the points where breakdowns occur in the supply chain.
4. Look at your supply chain as a competitive advantage; the supply chain is all about the right product, at the right time, at the right place and at the right price. You have to know your customer.
5. Proactively manage supply chain disputes.
6. If you are in a downturn or otherwise having financial difficulties, consider less outsourcing, minimizing your number of suppliers, and/or whether using minority suppliers will get you credits or other benefits from your end customer.
7. Increased regulations can impact the supply chain. Research applicable regulations when dealing with different countries (e.g. does your supply base source prohibited materials, prohibited practices (FCPA), use of child labor, etc.).
8. Train your team. Work smarter through teaching your buyers what they need to know to negotiate contracts and manage supplier disputes effectively on their own and bringing in outside legal support on material matters.
9. “Made in America” has a nice ring to it. Consider whether offshoring makes sense. Look at overall strategy and fully loaded costs. The need for having materials able to ship quickly is making U.S. purchasing more desirable (e.g. consider how long it would take and how much it would cost to ship by boat from China; customs issues, etc.).
10. Take into account all factors when moving from one supplier to another. Most industries cannot sustain a threat of “stop ship”. Also consider tooling, which is likely held at the existing supplier and not easy to replace. If not approached carefully, a supplier can hold tooling “hostage”, resulting in lots of time and money to recover the tooling.

For more information on The Supply Chain as a Corporate Asset: Managing Risks and Enhancing Value, please feel free to contact the moderator directly:

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