SUPPLY CHAIN VIABILITY

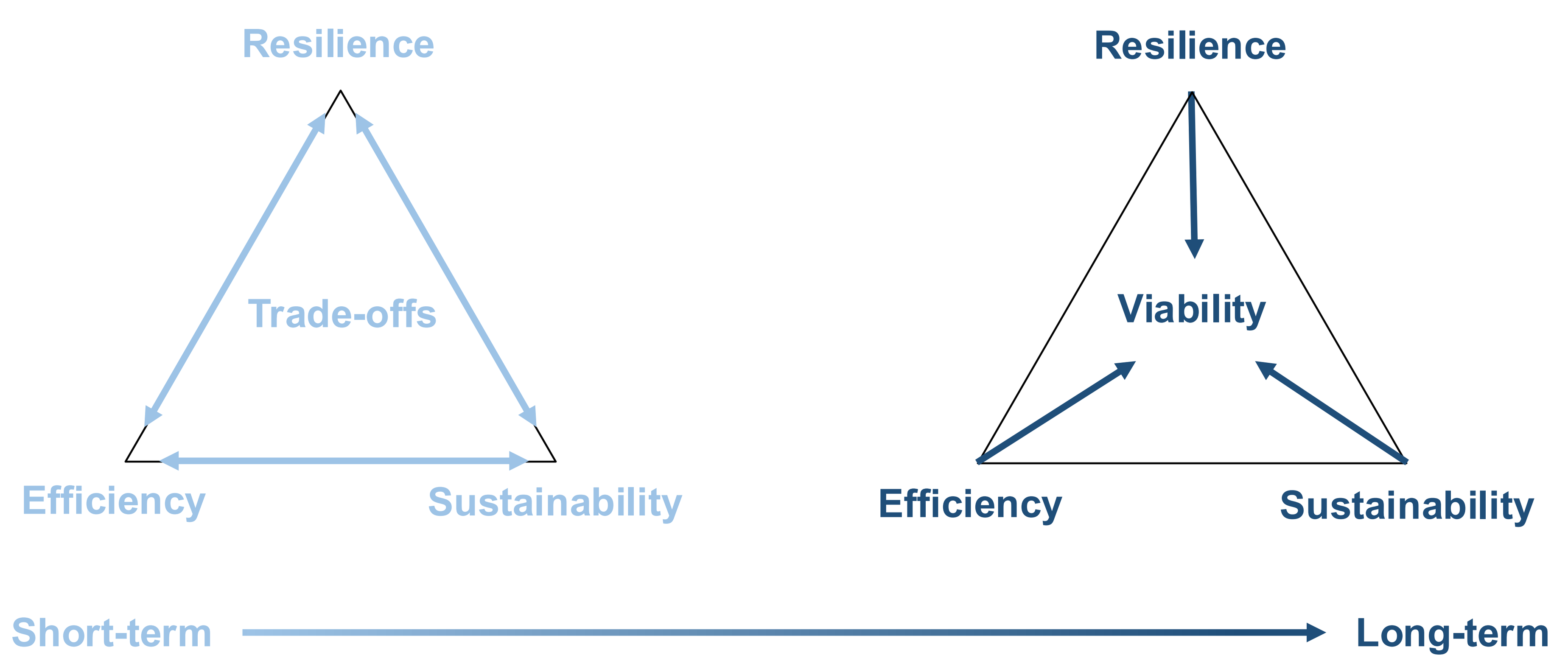
BALANCING EFFICIENCY, RESILIENCE AND SUSTAINABILITY

Origin and Definition of Terms

Supply Chain Viability (SCV) is the ability of a supply chain to function efficiently, resiliently and sustainably in the long term. Unlike traditional approaches, which focus primarily on efficiency, SCV aims to strike a balance between efficiency, resilience, and sustainability. Therefore, the term 'viability' goes beyond short-term economic efficiency.

The Motivation behind Supply Chain Viability

The challenge for supply chains is that efficiency, resilience and sustainability cannot be optimized in isolation from one another. Each dimension influences the others, often resulting in conflicting goals. These conflicting goals often cannot be fully resolved. SCV raises awareness of this issue and thus enables a more systematic approach to balancing these goals.



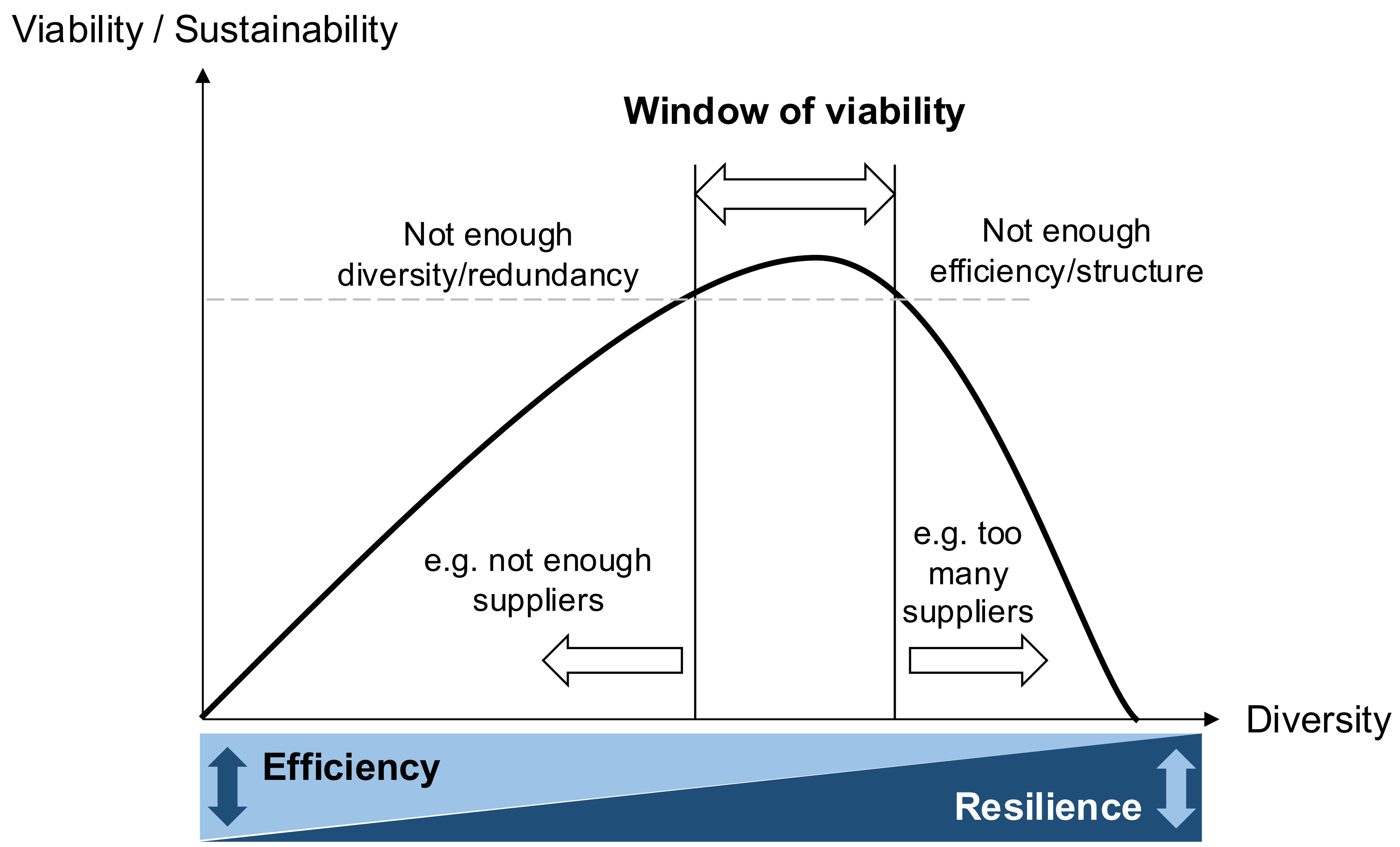
Relevance for Companies

SCV provides companies with a framework for making informed, strategic decisions about their supply chains. The goal is to achieve crisis resistance, competitiveness and fair treatment of nature.

Reference Model

The SCV reference model is based on a systemic understanding and goes back to the Ulanowicz model from biology. A high-performance supply chain strikes a balance between efficiency, resilience, and sustainability. This balance shifts depending on the conditions.

- **Efficiency:** A company's ability to optimize resources and processes in order to provide products or services cost-effectively.
- **Resilience:** A company's ability to prevent unexpected disruptions (proactive), respond to them effectively (synchronous), and return to the pre-disruption state as quickly as possible (reactive).
- **Sustainability:** Design and management of the supply chain, with environmental impacts and social responsibility taken into account.



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