

Continental Teves Supply Management

In the wake of 9/11, Continental Teves, a major automotive supplier, activated existing contingency relationships with transport firms such as Emery to supplement air shipments of parts from Europe. After making a same-day assessment of parts flows at risk, Continental Teves was able to rely on prearranged ocean shipping space and increased inventories, thus allowing its customers, including Toyota, to continue operations with little disruption over the following weeks.

Companies can learn from this example, and could work with suppliers to create contingency plans to provide greater responsiveness to customer demands by establishing alternate supply management and delivery capabilities, while reducing costly inefficiencies by executing the contingency plans in the wake of emergencies.

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