Total Risk Management Process (TRMP) in Agrifood Supply Chain (ASC)

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Presentation Structure

1. **Introduction**

2. **Body**

3. **Conclusion & Future Work Extension**

1. Introduction:

- **Research Background (Pakistan's Agriculture Economy)**
- **Definition of Agrifood Supply Chain**
- **Definition of Food Sytem**
- **Definition of Risk**
- **Risk Management Benefits**

Introduction Contd..

- **General Total Risk Management Process**

- **Research Assumptions**

- **Research Methodology/Questions**

  1. **How can the ASC resources be threatened through potential risks?**

  2. **How can the risks prevent an organisation in achieving its goals?**

  3. **How should the risks be managed effectively and efficiently?**

2. Details

1. **Definition of Total Risk Management Process**

2. **Identification of Pakistan's existing Agrifood Supply Chain**

3. **Nine Domains of Agrifood Supply Chain in the context of Pakistan**

Total Risk Management Process (TRMP)

Leadership & Followership Commitment

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Classify firm's (activities) processes on a matrix of performance & importance

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Selection of the critical process(s) i.e. with high importance and low performance
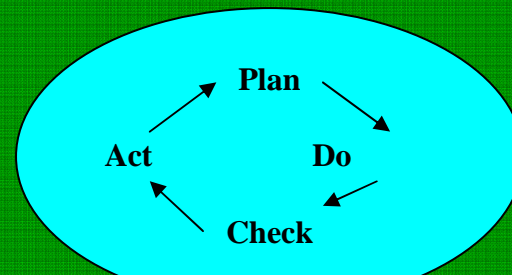
↓

Identification of Internal (Human, Financial & Physical risks) & External (Political, Social, Environmental) Risks

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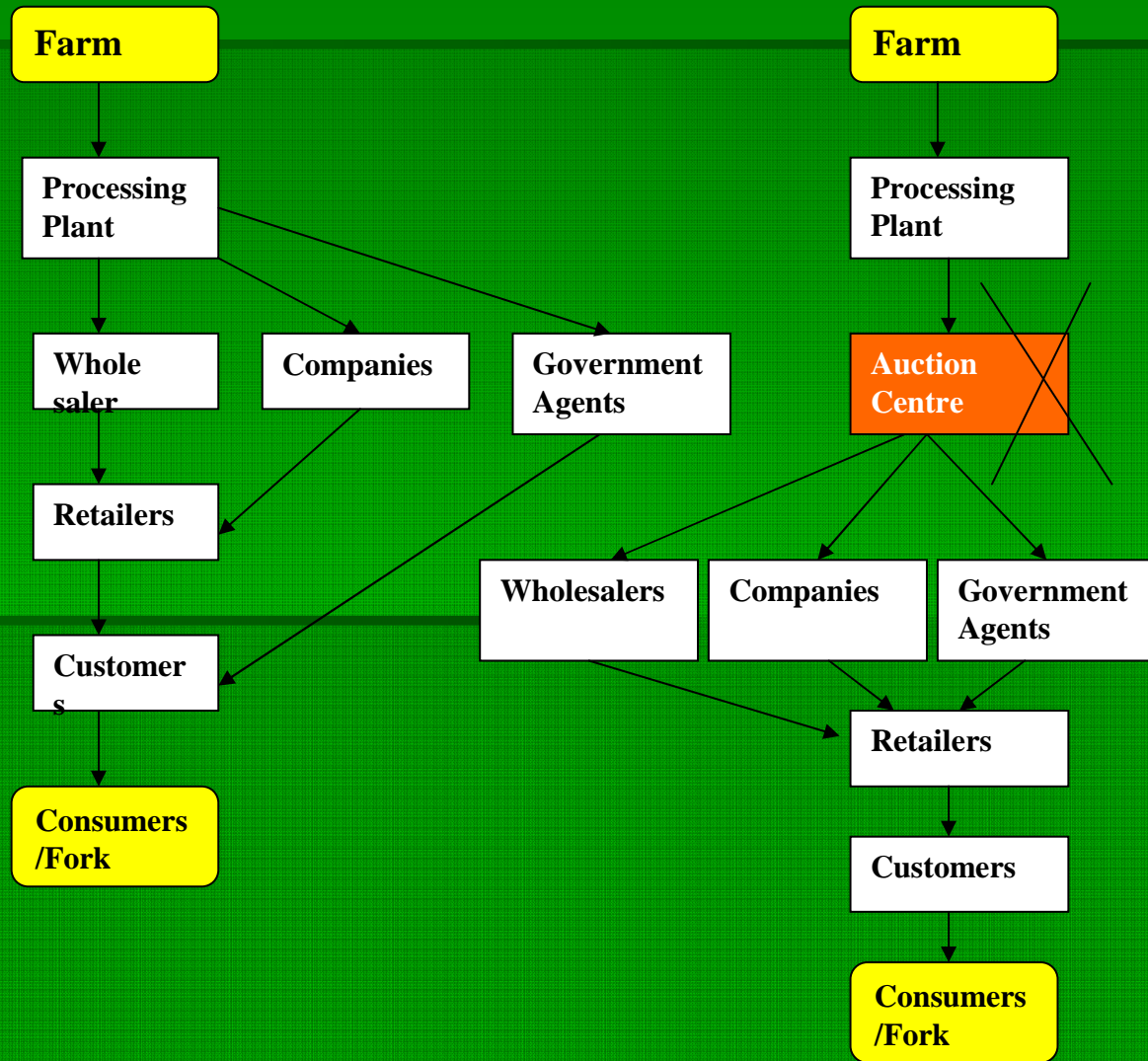**Selection of risk management technique (risk avoidance, retention, transfer etc)**

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Implementation of risk management technique

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Regular Monitoring of the risk situation

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Selection of the process critical to risk

Plan

Act   **Do**

Check

APPEDIX 1: Agri-Food Supply Chain (ASC)
(in Pakistan)

Farm → **Processing Plant** → **Whole saler** → **Retailers** → **Customers** → **Consumers /Fork**

Processing Plant → **Companies**, **Government Agents**

Farm → **Processing Plant** → **Auction Centre**

Auction Centre → **Wholesalers**, **Companies**, **Government Agents** → **Retailers** → **Customers** → **Consumers /Fork**

Fig.1: Total Risk Management Model

Social

Political

People Management

Economical

Physical

Customer Satisfaction

Operational

Leadership & People Management

Business Results

Excellence through Risk Management in ASC

Model Working

- **Driving Measures from Leadership Strategy**
- **Generic in nature**
- **Non Prescriptive__Facilitates Self Assessment**

Farm	Auction Centre/Processing plant	Wholesaler	Govt. Agent	Company	Retailer	Customer/ Consumer
Area of land harvested per crop	# of units per auction	# of units in reserve stock for emergency	# of units in reserve stock for emergency	# of units in reserve stock for emergency	# of units in reserve stock for emergency	Price fluctuations per month
Area of land cultivated per crop	Quality Check on Each Unit	# of units purchased and supplied/month	# units purchased and supplied per month	# of units purchased and supplied/month	# of units purchased and supplied/month	Sustained quality per every buying
Time gap between cultivation & Transport to Auction centre	Standard Packaging of units	# of complaints received for quality defects	# of complaints received for quality defects	# of complaints received for quality defects	# of complaints received for quality defects	Agri food stocks instantly available in shops for house hold buying
Use of technology to prevent crops from un organic food	Units presented in auction/# of units produced	Use of technology to forecast future buying and selling	Use of technology to forecast future buying and selling	Use of technology to forecast future buying and selling	Use of technology to forecast future buying and selling	Availability of technology to buy online

9 Domains of Model

1. **Leadership**:
2. **Physical**:
3. **Political/Legal**:
4. **Social**
5. **Operational**:

6. **Economical**:
7. **Business Results/CSF:**
8. **Customer Satisfaction:**
9. **People Management:**

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3. Conclusion & Future Work Extension

- **Aim of Research**

Assumptions

1) How can the ASC resources be threatened through potential risks?

2) How can the risks prevent an organisation in achieving its goals?

3) How should the risks be managed effectively and efficiently?

9 Domains

Low investments From potential investors due to high risks in 9 domains

Implementing the proposed model by following Total Risk Management Process

Conclusion Contd..

1. Development of Integrated risk management strategies
2. Construction of corporate and operational level scorecards
3. Finding out sources of quality in ASC to brand their product
4. Better quantification of risks by banks and traders

Conclusion Contd..

5. Development of Customer oriented organisation (Zairi 1995).

6. Fact based decision making - Return on Risk per Investment.

Future Work Extension

- **Cross industrial Data**
- **Addressing children food or country specific issues**
- **Application to non organic food industry**
- **Link of Agri product specific (e.g. wheat, rice, floor etc) consumer behaviour with public sector health and safety policies.**
- **Covering other areas of agriculture**

Thanks for the Attention

Any Question?