

IMPACT OF THE INDIAN OCEAN TSUNAMIS ON THE SUPPLY MANAGEMENT PROFESSION

The death and destruction from the Indian Ocean earthquake and tsunamis have touched the entire world. The Institute for Supply Management™ (ISM) recently surveyed 4,000 supply management professionals to determine the impact of these disasters on supply management.

A survey form was developed in early January 2005 to collect information regarding the impact of the tsunamis in the Indian Ocean on supply management activities and the ways organizations have responded to the disasters. The survey form was posted on the Internet to allow the online collection of responses. A random sample of 4,000 supply management professionals with e-mail addresses on file was pulled from the membership roster of the Institute for Supply Management™. An e-mail message was sent to all 4,000 potential respondents on January 6, 2005, with links to the survey and an invitation for them to respond. Of these e-mail messages, 601 were returned as undeliverable for various reasons. Responses were collected until January 18, 2005, which resulted in 363 completed responses — a response rate of 10.7 percent. The survey results have a margin of error of 5 percent.

1. Is your organization responding to the tsunamis of December 26, 2004, operationally or with humanitarian efforts?

Yes	53.5%
No	46.5%

 - a. If yes, how?

205 respondents (56.5%) answered this open-ended question. Responses are categorized as follows:

Of those who responded to this question, 102 (49.8%) indicated that their organization was making a cash donation; 97 (47.3%) indicated that their organization encouraged employees to contribute to relief agencies or initiated some kind of effort to collect donations from employees; 61 (29.8%) indicated that their organization matched a portion of employee donations; 27 (13.2%) indicated that their organization was making a donation of supplies or other goods; and 18 (8.8%) indicated that their organization was involved in some other form of response.
 - b. What role is the supply management function playing in the response?

206 respondents (56.7%) answered this open-ended question. Responses are categorized as follows:

Of those who responded to this question, 119 (57.8%) indicated that the supply management function had no direct role in the response; 34 (16.5%) indicated that the supply management function was directly involved in coordinating the various relief efforts in some way; 27 (13.1%) indicated that supply management staff made cash contributions; and 10 (4.9%) indicated that supply management was involved in assessing the potential impacts of the disasters on the organization.
2. Have you had employees, suppliers, consultants or contractors directly affected by the disaster?

Yes	17.0%
No	83.0%

 - a. If yes, how?

60 respondents (16.5%) answered this open-ended question. Responses are categorized as follows:

Of those who responded to this question, 41 (68.3%) indicated that employees and/or their families and friends were directly affected by the disasters; 9 (15.0%) indicated that suppliers were directly affected by the disasters; and 8 (13.3%) indicated that supply disruptions have resulted because of the disasters.
3. Have the effects of the disaster impacted your supply chain?

Yes	7.2%
No	92.8%

 - a. If yes, in what areas?

Transportation/logistics	50.0%
Communications	19.2%
Travel	34.6%
Sourcing/supply	38.5%
Other	26.9%
4. Do you anticipate the need to find alternate sources of supply as a result of the disaster?

Yes	3.9%
No	96.1%
5. Did your supply management organization have contingency plans in place for dealing with an emergency like this?

Yes	35.0%
No	65.0%

 - a. If not, are you more likely to put contingency plans in place as a result of this tragedy?

Yes	36.4%
No	63.6%
6. Which of the following classifications best describes your organization?

Manufacturing	47.8%
Non-manufacturing	52.2%
7. What is the approximate number of employees in your total organization?

Less than 100	12.1%
101 – 300	14.9%
301 – 700	10.8%
701 – 1,000	7.2%
More than 1,000	55.0%

Approximately 54 percent of those surveyed indicated their company is involved in responding to the disaster with operational and/or humanitarian efforts. The vast majority of those are involved in organized fund-raising events or making financial contributions. Some are also involved in providing supplies and logistics services.