

SMALL ENTERPRISE GREECE

The risk story 1



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Small-sized enterprise from Greece

Context of the Company and the Supply Chain

The company LK started its activity in 1950 in Larissa as a retail store of tools, paints, and irons. It entered the wholesale field of industrial tools, and its product range now includes hand tools (electric and motorized), painting tools and paints, materials packaging, protection items, drilling systems, agricultural and gardening tools, cutting and grinding tools, construction and plumbing, furniture and upholstery materials, and foam cutting. The company has 27 employees and consists of four departments:

- Financial and administration department
- Sales-purchasing department
- Warehouse department
- Technical support department.

Digitalization of SC

Clients are able to order products online, and then the company organizes distribution. Through tracking, each client can monitor the status of the order. The company uses the software Entersoft CRM®, which is a tool that facilitates the internal communication of the company among all departments. This system supports the needs of sales, marketing, internal process, and real-time insight of each customer. Through the CRM system they are able to plan, organize, and monitor transactions with their customers. As a result, they secure teamwork, employee effectiveness, and a seamless customer experience.

Risk Management

The company faces internal risks at times. For example, sometimes the number of orders is large. According to that, the system cannot recognize the priority of each order or the internal relationship that the company has with the client. The result is that there are some delays in delivering goods. The problem starts with the delivery company with which LK collaborates. It is important to solve this issue in order to continue the long-lasting relationship that LK has with clients. However, the company does not have a certain risk management plan to follow, even if it were needed.

Practice of Risk Management: The company needs more employees in order to manage the work. In the near future, the company aims to create a new department in order to have an inhouse delivery department and thus, better control the orders. Apart from that, ideas regarding the development of a risk management plan exist.

Risks: The major pandemic-related risks to which the company has been exposed include:

- Supply chain risk: the impact of the pandemic on the supply chain is obvious. Many supply companies were driven to closure, so the company lost main suppliers. Currently, there is a need to find new suppliers and develop new supply network.
- COVID-19-related risks: during the pandemic period, the company was closed for more than three months. Clients completed their orders online only. The warehouse of the company has been full because the delivery company cannot plan and organize distribution. The company has had to stop online orders until the warehouse can host more goods.

Benefits of risk management: Through the development of a risk management plan, the company will undertake more corrective actions, and thus organize processes and deliver products on time.