SMALL ENTERPRISE
PORTUGAL

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The risk story 4

SMEs

BEPREPARED

Small enterprise from Portugal

Context of the Company and the Supply Chain

Founded in the late 1990s, the company, with 19 employees, operates in the wastewater treatment sector.

It is an engineering company that designs fully built in-house wastewater treatment plants and provides fully vertically integrated services. In addition, the company develops tailor-made technologies for industrial wastewater treatment that allow industrial water recycling and reuse.

Working in some countries with partners to set up a solution for the customer, the company designs and provides customized solutions.

Digitization of SC

Unsatisfied with using a COTS ERP system, the company developed its ERP system with a local software house. The Marketing and Sales areas also use a well-known Customer Relationship Management (CRM) system. However, there is no integration between the two systems. Facebook, Instagram, LinkedIn, but mainly WhatsApp are social networks that employees use at work. Remote working for employees has been a practice even before covid-19. The company has recently launched a new website.

Risk Management

The company has no formalized risk management policies or practices, but it is developing its own risk management process within its Innovation and Quality Management System. The company shares the know-how with long-term partners to distribute their solutions worldwide; all these partners have signed NDA agreements with the company, although learning from experience cannot be avoided. The company has a particular partnership with its Brazilian partner, covered with a technology transfer contract, under the Brazilian Government approval, allowing the Brazilian company to manufacture its equipment and

technology locally. The technology transfer contract is sanctioned and controlled closely by the Brazilian Government.

Risks

Operational risk
All employees are required to sign a Non-Disclosure Agreement (NDA) when they are hired. The company also has NDAs with partners. The sales staff is instructed on what kind of information can be shared and not shared with customers, what is critical and what should not be shared.

Market risk
Utility patents and design patents have been required for the company's solutions.

Cyber risk
The company was already a victim of file-encrypting ransomware, but it recovered in a day and a half from several automatic backup systems installed.

Some of the treatment stations, installed worldwide, have Human Machine Interfaces (HMI) that can be remotely accessed. Thus, there are some security concerns since it might create an access point through customer's internal networks when proper precautions are not taken.

The IT manager usually accesses the center's site for cybersecurity, selects some content, and shares it with the other employees. If for some reason, the IT manager can't show up for work, it won't be difficult to find a substitute in the company proficient enough in IT to keep the IT infrastructure working.

VPN is used to access the IT systems in the organization.

Covid-19 related risks
With the pandemic, the direct supervision of projects worldwide was affected due to travel restrictions, limiting project executions and business.