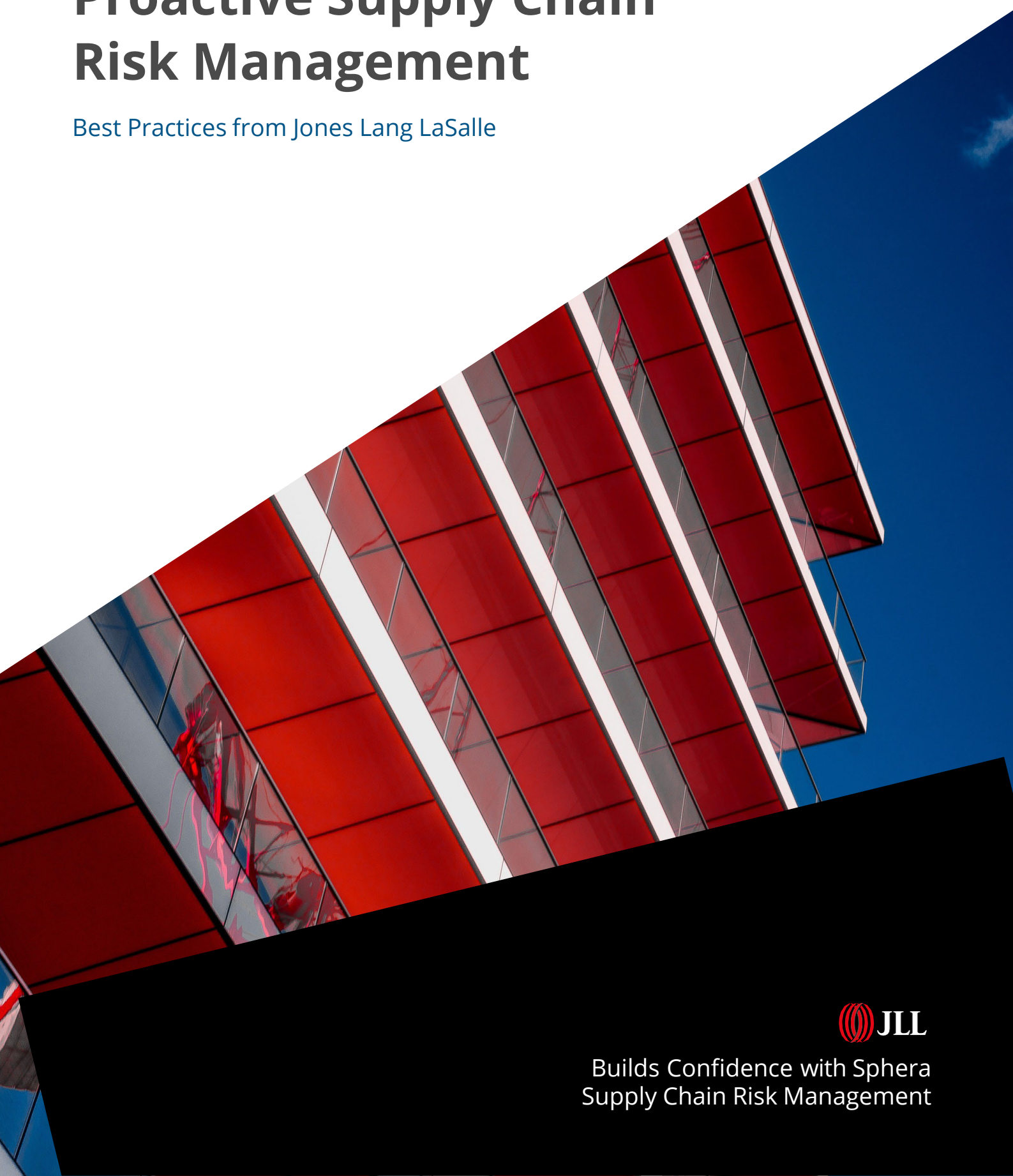




# Proactive Supply Chain Risk Management

Best Practices from Jones Lang LaSalle



Builds Confidence with Sphera  
Supply Chain Risk Management

## Executive Summary

As a services provider in commercial real estate and property investment, Jones Lang LaSalle (JLL) focuses on creating value. To ensure commercially sound transactions and efficient operations, JLL needs a clear view of the risk profile across the company portfolio, both from an external perspective, as well as from a client point of view.

You'll learn why JLL is a best-practice model for managing supply chain and third-party risk across its vast network of indirect and direct suppliers. Discover how JLL uses Sphera Supply Chain Risk Management [formerly riskmethods] to raise its supply chain risk management capabilities to the next level. The organization's focus lies on:

- **Managing financial risk in its supply chain and among third parties**
- **Ensuring compliance and sustainability**
- **Achieving supplier diversity and transparency**
- **Upholding its reputation**

We will also explore how JLL's pilot program set the stage for an extremely successful global rollout of Sphera Supply Chain Risk Management. Look behind the scenes at the ways JLL also saves time, assures quality, drives adoption for its users and increases risk awareness among its clients.

Find out how implementing a comprehensive, automated risk management solution allows JLL to protect its reputation, simplify its processes and build business intelligence, while delivering confidence in its ability to manage risk proactively.



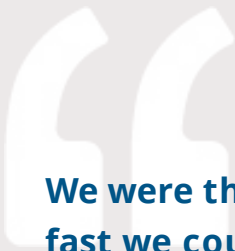
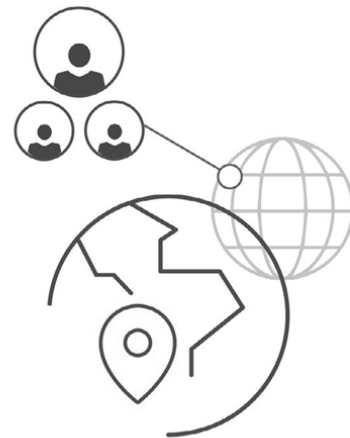
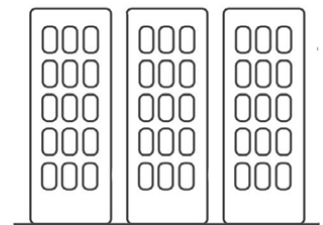
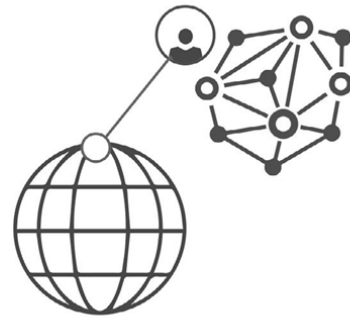
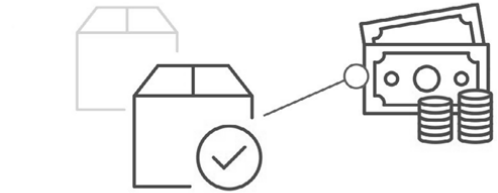
**“**  
**In sourcing and procurement, Sphera Supply Chain Risk Management [formerly riskmethods] builds confidence. This is a marker that goes beyond price and focuses on value.**

David McBride  
Executive Director, Sourcing Strategy & Performance, JLL

# Who is JLL

Jones Lang LaSalle is a world leader in real-estate services. JLL buys, builds, occupies and invests in a variety of assets including industrial, commercial, retail, residential, and hotel real estate. From capital markets, including acquisitions and disposals, to capital works covering refurbishment projects and integrated facilities management, JLL manages the whole life cycle of real estate.

Whether tech startups, mid-sized firms, or international conglomerates, JLL’s clients span numerous industries, among them, banking, energy, retailing, healthcare, law, life sciences, manufacturing and technology. With such vast and diverse supply chains, assessing and managing risk for JLL’s clients is challenging, yet JLL’s own spend is equally as complex.



**We were thrilled at how fast we could implement Sphera Supply Chain Risk Management [formerly riskmethods]. Our pilot program consisting of 600 suppliers across EMEA was operational within just 90 days.**

David McBride  
Executive Director, Sourcing Strategy & Performance, JLL

# Why Supply Chain Risk Management Is a Priority for JLL

One word: **Confidence**. As a global professional services and investment management firm specializing in real estate, JLL has established a rigorous risk management framework. Up front, JLL deals with the corporate side of organizations. The pre-qualification process for suppliers includes required industry certification, financial and commercial due diligence, the level of insurance and signed vendor code of conduct, among others. By performing such assessments, JLL understands the types of risks affecting its suppliers and vendors.

During sourcing and contracting, JLL utilizes the financial assessments and risk ratings produced by specialized agencies. Most of these are based on a company's financial performance of the previous fiscal year. Yet relying on financial reports or credit ratings doesn't reveal whether a supplier is currently in trouble. Information such as force majeure declarations, changes in management, or revised growth outlook are more timely indicators of potential financial distress.

## SPECIFIC CHALLENGES

Therefore, managing the risk spend for JLL suppliers at scale in real time was identified as the primary challenge. Robust supply chain risk management requires real-time data, which is nearly impossible to get without using technology. "To achieve the output enabled by machine-learning algorithms and artificial intelligence, you'd need a whole army of people," says David McBride, Executive Director, Sourcing Strategy & Performance, JLL.

So, despite the organization's mature risk management program, JLL recognized that they were lacking capabilities on the back end. The company identified the need to take a deeper

dive into its supply network, so as to understand up-to-the-minute what its partners are doing, what events are occurring along the supply chain and where these are taking place.

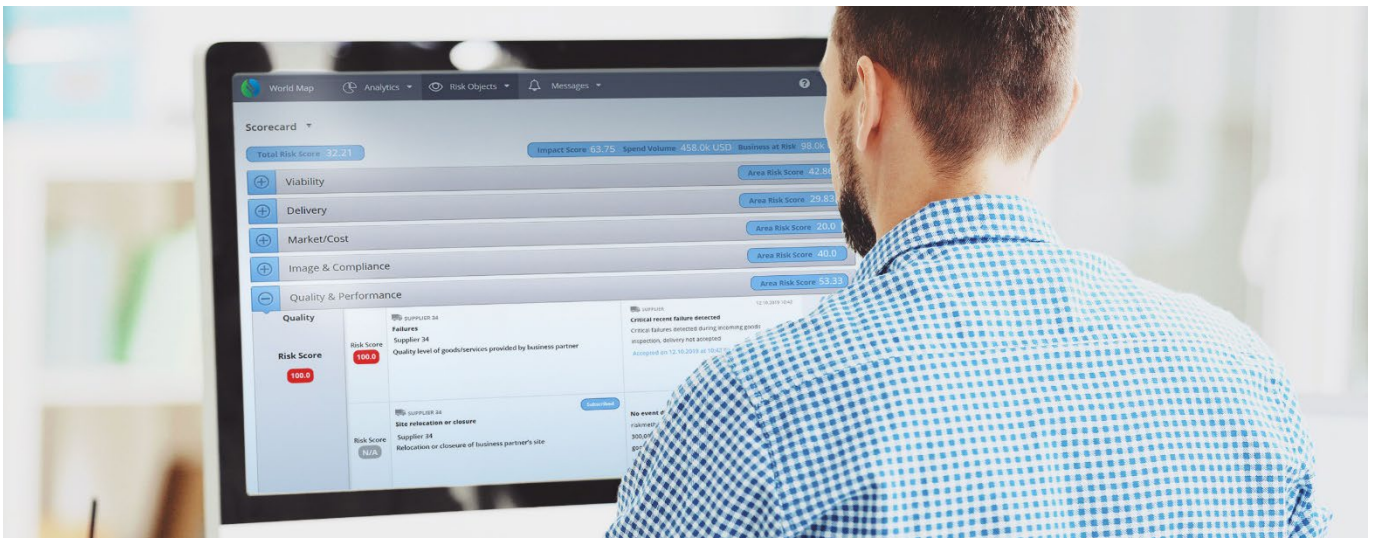
Critically, JLL wanted to be able to receive this data in real time, and collate all of the data quickly, which would simplify its own reporting. Procurement recognized that existing processes, such as sending out questionnaires, were labor intensive and inefficient. Meeting all these objectives using manual processes, or in a pseudo-manual reporting environment, was simply too unwieldy.



**Because we use Sphera Supply Chain Risk Management [formerly riskmethods], we gain confidence knowing that we understand risk and we can manage it appropriately. Clients have the confidence in JLL that we've gone through the checks and balances.**

David McBride  
Executive Director, Sourcing Strategy  
& Performance, JLL





## Risk Management Processes at JLL

When planning to automate supply chain risk management tasks, the main questions were: “How do we monitor risk precisely and efficiently, and what are our key objectives?” JLL decided to focus on full visibility of its supplier and third-party base to improve its risk management and compliance. The organization established five objectives:

- 1. Segment the supply chain and the supply base.**
- 2. Have a database of qualified suppliers.**
- 3. Streamline the way JLL assesses the suppliers’ entire scope of business risks.**  
This was a particularly important customer-facing point, as clients expect JLL to understand the implications of all aspects of the risks and at all levels.
- 4. Gain the ability to understand different risk nuances from a country perspective and from a category point of view.**
- 5. Install data-based analytics, and streamline reporting, measurement and audits, including audits of JLL.**

To help achieve these objectives, JLL chose to implement Sphera Supply Chain Risk Management [formerly riskmethods]. This enabled the organization to monitor its suppliers on an ongoing basis, provided a single repository for assessments and standardized risk data and simplified reporting processes. Customizability, scalability and integration capabilities also played a role in the decision making.

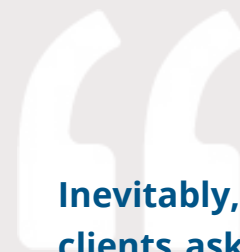
**Using artificial intelligence, Sphera Supply Chain Risk Management [formerly riskmethods] empowers businesses to identify, assess, and mitigate all types of risk in the supply chain. This means JLL can become more risk aware, react faster, and manage risk more proactively than ever before.**



## Why JLL Uses Sphera Supply Chain Risk Management

With JLL's vast supplier network, managing the huge volume of risk data is a monumental task. Sphera Supply Chain Risk Management's digitized risk management technology keeps all divisions of JLL up to date on risk and gives them the ability to recognize patterns. When assessing risk exposure, and to support its sourcing strategy, JLL makes use of Sphera Supply Chain Risk Management to visualize its entire end-to-end supply network on a world map. For an in-depth view of supplier financial health, they integrate financial health data and ongoing monitoring from specialized providers. And for the critical areas of compliance and sustainability, they also integrate real-time monitoring and specialized ratings.

JLL leverages Sphera Supply Chain Risk Management to showcase real-time risk information about its supply network on a big screen. This brings the topic of risk management to the entire organization. All members of the procurement team can also access risk management data via their mobile phones or web browsers. Before client meetings, JLL can look at Sphera Supply Chain Risk Management, and immediately have an overview of what's going on anywhere in the supply chain.



**Inevitably, potential clients ask JLL how they manage risk. With Sphera Supply Chain Risk Management [formerly riskmethods], we can show them exactly how we do it.**

David McBride  
Executive Director, Sourcing Strategy & Performance, JLL

## Demonstrating Proactive Risk Management

With Sphera Supply Chain Risk Management, JLL can show clients that it is actively monitoring threats and proactively reducing risk in its complex global supply chains. By keeping a close watch on the key area of financial risk, as well as geopolitical, man-made, natural disaster, cyber, and reputational risk, the real-estate services company can demonstrate a total view of risk.

Sphera Supply Chain Risk Management supports JLL's risk management at all stages of its supplier selection, contracting and daily processes.

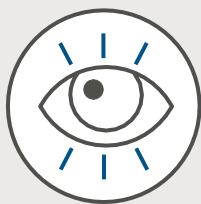
- **During the final stage of the sourcing process**, Sphera Supply Chain Risk Management is used to monitor preferred suppliers, as well as high-spend or high-risk suppliers, for their current financial viability, and ongoing compliance.
- **At the contracting stage**, suppliers are added to the database for continuous risk management.
- **Using continuous monitoring**, Sphera Supply Chain Risk Management provides real-time risk information on selected critical risk objects, such as specific ports or location-based threats.

With access to real-time data and early warnings, JLL can stay a step ahead of risk, rather than spending resources on firefighting. Thanks to customizable dashboards, various divisions at JLL can quickly understand how events will impact their deliverables. Users also appreciate the facility to receive independent, reliable and immediate alerts of risk events anywhere in the world, rather than waiting for stakeholders to notify them of issues.

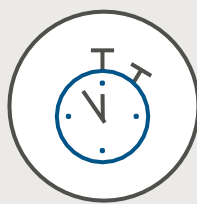


**With Sphera Supply Chain Risk Management, we're immediately made aware of events, and what that risk represents to us as a business or to a client, so we can quickly take informed, intelligent decisions about what we need to do.**

David McBride  
Executive Director, Sourcing Strategy & Performance, JLL



Be risk aware

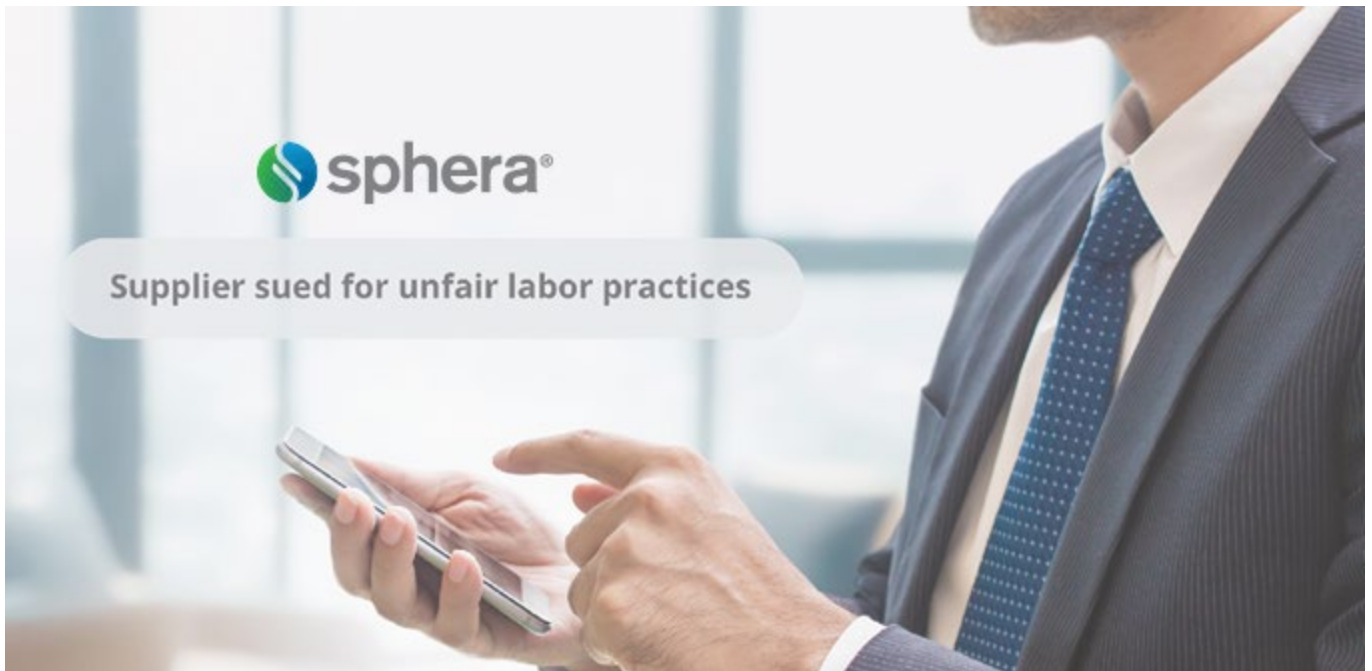


React faster



Be proactive





## How JLL Implemented Sphera Supply Chain Risk Management

In early 2020, JLL began with a pilot program of Sphera Supply Chain Risk Management [formerly riskmethods], which allowed the organization to monitor approximately 600 suppliers, primarily in Europe, the Middle East and Africa. When setting up the pilot, JLL selected strategic, or most critical suppliers. Process-wise, this meant:

- **Determine which members of the supply base to monitor**
- **Develop a governance process**
- **Establish thresholds for loading critical suppliers to the system**

**Within one year, JLL expanded its monitoring to include 5,000 suppliers across the world** in three regions: the Americas, APAC, and EMEA. As a large global organization, JLL considered this rapid deployment a remarkable success.

This fast rollout testifies that Sphera Supply Chain Risk Management is intuitive and easy to use. Teams across the globe could access the cloud-based program with very little training.

To drive adoption within the organization, promote the whole spectrum of risk management and to add value for its users, JLL sends out tips, provides bite-sized training sessions and develops internal key performance indicators (KPIs). Similarly, clients receive a quarterly newsletter with a risk-rating overview of key suppliers. This serves to keep everyone in the loop, build the community, build confidence and demonstrate that JLL is managing risk proactively.

JLL values the cooperation with, and engaging in a mutually beneficial partnership. The two organizations can grow and develop together, for a market lead in successfully managing supply chain and third-party risk.





**Our rollout of Sphera Supply Chain Risk Management [formerly riskmethods] was a massive success story, going from our pilot to three world regions within 12 months. In fact, it was one of our biggest successes within that time frame.**

David McBride  
Executive Director, Sourcing Strategy  
& Performance, JLL

## Next-Level Supply Chain Risk Management

With Sphera Supply Chain Risk Management, JLL is fulfilling its ambition to use artificial intelligence and machine learning to support risk management, compliance and sustainability. By providing automated real-time threat detection for its supply chain, and a total view of risk, “Sphera Supply Chain Risk Management takes JLL to the next level,” says McBride.

Comprehensive supply chain risk management includes identifying, assessing and mitigating risk in advance of adverse events. Managing risk proactively is key to avoiding damage and

containing costs. So, where JLL representatives have concerns about certain suppliers or third parties, early warnings provided by Sphera Supply Chain Risk Management allow JLL to start conversations with suppliers about potential issues before these become critical.

JLL representatives are confident that any breaking news surrounding a supplier is backed up by reliable and credible information. And because teams at JLL are well-informed and up to date on risk matters, clients have confidence in JLL’s ability to manage risk.



### BENEFITS OF SPHERA SUPPLY CHAIN RISK MANAGEMENT [FORMERLY RISKMETHODS] FOR JLL

#### 1. Protect reputation

By providing visibility throughout the end-to-end supply chains and risk structures, Sphera Supply Chain Risk Management significantly increases transparency. JLL can proactively reduce regulatory risk and avoid issues such as compliance violations in its supplier base.

#### 2. Simplify processes

Through automation of processes, and by providing a single source of truth, Sphera Supply Chain Risk Management aggregates and harmonizes risk data specific to JLL’s global supply chains and supplier network. This saves JLL time and money by simplifying reporting and audits.

#### 3. Deliver confidence

Using Sphera Supply Chain Risk Management, JLL is able to map its entire supply network and risk objects. Real-time monitoring provides the most up-to-date risk data available. This gives internal and external stakeholders confidence that JLL is expertly managing risk.

#### 4. Support business intelligence

With the ability to globally differentiate regionally, by country and by category, Sphera Supply Chain Risk Management enables JLL to build on its reporting capabilities, and to more precisely evaluate the relationship between risk and spend.



## Conclusion

As a global real-estate services and investment management firm, JLL values Sphera Supply Chain Risk Management [formerly riskmethods] for delivering confidence that it understands risk and manages it competently. This is true internally as well as externally. “When we speak with clients, they have the confidence in JLL that we’ve examined through the checks and balances on risk,” summarizes McBride. And, through real-time monitoring, machine-learning algorithms and artificial intelligence, Sphera Supply Chain Risk Management supports JLL in making informed, intelligent decisions about risk situations as they arise, empowering the company to take proactive measures to avoid or mitigate risk events.

Sphera Supply Chain Risk Management is a supply chain risk management solution that provides a competitive advantage and helps win the trust of stakeholders and investors. Contact us for information on how to set up an AI-based supply chain management solution for your enterprise and suppliers.

*\*riskmethods was acquired by Sphera in October 2022. This content originally appeared on the riskmethods website and was slightly modified for sphera.com*

## About Sphera

Sphera is the leading provider of Environmental, Social and Governance (ESG) performance and risk management software, data and consulting services focusing on Environment, Health, Safety & Sustainability (EHS&S), Operational Risk Management (ORM), Product Stewardship and Supply Chain Risk Management (SCRM). For more than 30 years, we have served over 6,700 customers and a million-plus users in 80 countries to help companies keep their people safe, their products sustainable and their operations productive.



[www.sphera.com](http://www.sphera.com)

For more information contact us at:

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**Contact us to learn more about how Sphera can help your business meet its safety, sustainability and productivity goals.**