

# STRENGTHENING THE SUPPLY CHAIN DURING COVID-19

The novel coronavirus (COVID-19) has led to unprecedented disruption for global supply chains. While a handful of companies heeded lessons learned from previous crises and developed robust preparation plans to weather the current storm, most companies are dependent on global sourcing and are struggling to adapt to large fluctuations in demand. Companies must work to address immediate challenges now and then foster future resiliency through long-term planning.

## NOW

## NEXT

### SUPPLY BASE

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Work with suppliers to manage large fluctuations in demand, sharing increased manufacturing costs, when necessary.

Develop a geographically diverse supply base, co-investing with suppliers to develop a robust upstream supply; Explore emerging manufacturing technologies such as 3D printing.

### TRANSPORTATION

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Help suppliers procure the carrier capacity needed to keep goods moving by coordinating with freight forwarders and shipping companies.

Identify sustainable alternative routes by working with freight forwarders and shipping companies; Develop partnerships with peers and customers to utilize combined volume guarantees to procure best carrier contracts.

### SUPPLY PLANNING

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Model potential scenarios that can occur within 6-9 months, working with finance to set up a pandemic relief expense budget with clear controls and guidelines.

Develop joint business planning processes with key suppliers, utilizing IoT-based supply and demand warning signals among suppliers and customers.

### MANUFACTURING

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Assemble a cross-functional taskforce of leaders to expedite raw material deliveries, refine production plans, and plan for reduced workers per shift.

Automate the factory floor by investing in IoT-based technology and develop a network of geographically diverse manufacturing locations.

### DISTRIBUTION

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Work with planning organization to account for large variations in inventory as demand and supply continue to be imbalanced in the next few weeks.

Develop flexible warehousing space contracts that can be ramped up or down as suppliers from Asia play catch up to pent up demand.