



Navigating COVID-19: The Supply Chain Disruption Guide

Since its discovery, COVID-19 has continuously spread throughout the world, impacting many of our personal and professional lives with people being urged to stay home, businesses closing voluntarily or by government enforcement, and consumers shifting their purchase behaviors to prepare for the worst.

These sudden dramatic changes coupled with the outbreak itself have caused a ripple effect of disruptions across the global supply chain.

Global supply chain disruptions



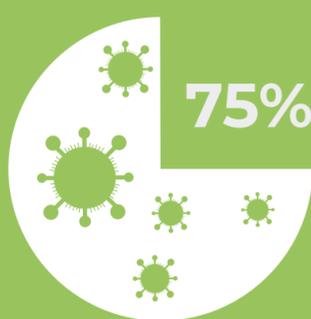
Production bottlenecks and increased transportation lead-times due to lack of parts, materials, or supplies from overseas

Labor shortages in manufacturing with some sites operating with 56% of their normal staff and at only 50% manufacturing capacity¹



Unexpected **spikes in consumer demand** on food, medical supplies, hygiene products and household essentials, resulting in diminished supply in the market and a bullwhip effect

Increased pressure on production, distribution and transportation to deliver rapid replenishment to store shelves



75% of companies already report seeing disruptions from COVID-19 to their supply chains¹

¹ISM's COVID-19 Survey: Impacts On Global Supply Chains

Immediate recovery response now



Suppliers

- Identify all critical upstream suppliers and assess their current risk levels
- Move quickly to find secondary alternate suppliers, ideally local sources
- Maintain communication and transparency with all suppliers, especially if there are limited air and freight options

Production

- Understand your available workforce size and manufacturing capacity and conduct some scenario planning
- Educate employees on COVID-19 symptoms and prevention
- Prioritize employee health with regular screenings and necessary adjustments to processes

Distribution

- Understand your replenishment turn-around-times across to your distribution networks to preschedule or pull-in demand
- Educate employees on COVID-19 symptoms and prevention
- Prioritize employee health with regular screenings and necessary adjustments to processes

Transportation

- Identify all available logistics options, including by truck, rail, air and sea
- Examine alternative transportation methods and routes in light of any restrictions
- Consider collaborating with partners to maximize freight capacity

Retail and consumer

- Work with retail channel partners to accurately gauge consumer demand and plan production and replenishment based on customer/geo location to pinpoint what product is driving demand to manage under/over replenishment
- Prepare for potential channel shifts as more retailers temporarily close stores
- Maintain open communication with all customers

Future disruption preparation

As the situation with COVID-19 continues to develop, it's time to not only take swift action for immediate recovery, but also think about reimagining our supply chain networks and management processes so that we can remain resilient in face of future disruptions.



Namely, resilience requires **visibility** across all stakeholders in the end-to-end supply chain so that we can intelligently manage issues—whether it be a disruptive impact to suppliers or outside force influencing consumer demand.



Achieving this visibility requires the **digital transformation** of many fragmented, legacy approaches to supply chain management. From distributed ledger technology and the cloud, to AI and machine learning, there are numerous technologies that can connect disparate stakeholders and enable the effective orchestration of all parties.

A connected, transparent digital supply chain delivers everything necessary to anticipate issues, mitigate risks and quickly pivot to any disruption.



Collaboration



Flexibility



Agility



Control

For the latest updates on the COVID-19 outbreak and information on how to protect yourself, family, friends and community, [please consult the WHO website.](#)