

Mitigating and Alleviating Current and Future Disruption



First and foremost, the spread of Coronavirus is a public health emergency. It is inevitable that all businesses, regardless of industry, will be impacted, but to what extent is still unknown.

The Coronavirus has triggered the need for organisations across all industries to re-evaluate the strength and durability of its traditional supply chains as well as potential operational and financial performance.

In light of the challenging disruptions, be it environmental, technological or economic - on either a local or global scale - now more than ever, organisations need to build the capacity for disruption into 'business-as-usual' operations.

At Vendigital, we are actively supporting businesses, providing immediate advice and insights to help manage their key priorities.

Supply Chain Survival

The supply chain is the lifeline to any business, without one a business ceases to operate. Below are the steps that businesses can explore to reduce the risk to their supply chain across three key phases – Crisis Response, Crisis Management and Crisis Recovery:

Crisis Response

Immediate actions taken to safeguard revenues and remove avoidable cost

1

Scenario modelling to help make the right decisions

Crisis team to develop scenario model to understand operational and financial impacts. Active decisions taken to safeguard critical revenue generating areas whilst minimising costs.

2

Balancing supply and demand

Clear communication with the supplier base to ensure balanced stock to meet forecast demand requirements, where necessary increasing stock to protect operations.

Crisis Management

Maintaining steady state, maximising revenue and optimising operational efficiency

3

The health of your suppliers

Detailed health checks focusing on operations, supply and financials for each supplier to identify high risk areas. Daily escalation meetings to review all high risk suppliers and mitigation plans.

4

Stocking strategy

Detailed review of stocking strategy to ensure material coverage for critical components, whilst working directly with suppliers to push out deliveries to avoid overstocking and reduce working capital.

Crisis Recovery

Enablement of proactive recovery to boost revenue and re-base cost, optimising profit

5

The health of your suppliers

Regular communication with the supplier base to ensure they understand and can meet the ramp up requirements.

6

Re-baseline production

Based on inputs from suppliers, master schedules updated to provide clear prioritisation and alignment between the suppliers and operations.

Future Viability

Building disruption into 'business as usual'.



Visibility

Ensure tools allow for real-time insights to inventory, channels and capacity constraints across the entirety of your supply chain.



Resilience

Collaboration is critical to ensuring the viability of your supply chain and to building crucial resilience. Exiting a particular market such as China completely, is unrealistic, as such, a more thorough understanding of your entire supply chain is vital.



Testing

A long-term approach requires periodic revisiting and testing to account for organisational growth, supplier changes and geographical challenges. A long-term, interconnected, agile approach will drive long-term value.

Want to learn more?

Find out how Vendigital can help.

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