

# COVID RESPONSE SUPPLY CHAIN RESILIENCE

**PESA**

NAVIGATING THE SUPPLY CHAIN THROUGH  
CURRENT MARKET CONDITIONS  
WEBINAR

APRIL 23, 2020

# Presenter



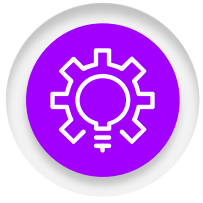
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# OBJECTIVES



**Set the COVID-19 Supply Chain context**



**Supply Chain's immediate response capabilities**



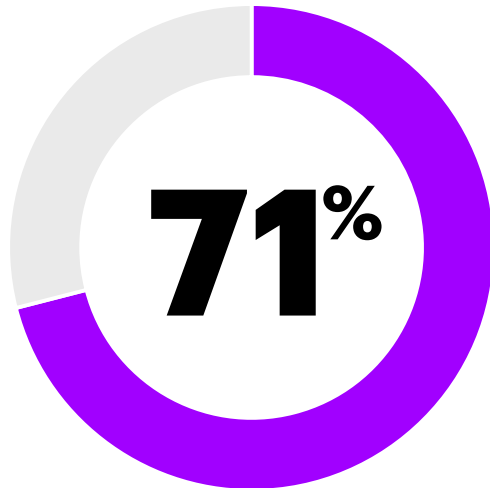
**Reconfiguring your Supply Chain for resiliency**



# Most supply chains are underprepared

The scale of the impact on supply chains eclipses anything most companies have anticipated. Global epidemics like COVID-19 ranked low as a focus for risk mitigation efforts, per a survey of supply chain leaders.<sup>1</sup>

For low-probability, high-impact “black swan” events like a global pandemic<sup>2</sup>, standard risk models fall short. As a result, most companies do not have contingency plans in place, leaving supply chain executives scrambling to respond.



**of companies surveyed do not have a business operations contingency plan in case the outbreak lasts longer than a few weeks<sup>3</sup>**

**WHAT** is needed to rapidly and effectively mobilize my organization?

**HOW** do we recognize the most critical impacts to our customers, people and business?

**WHAT** data and analytics are required to measure and inform the insights to our action plan?

**HOW** does our action plan account for the characteristics of our supply chain?

**WHAT** needs to change in my operations to ensure ongoing agility and resilience?

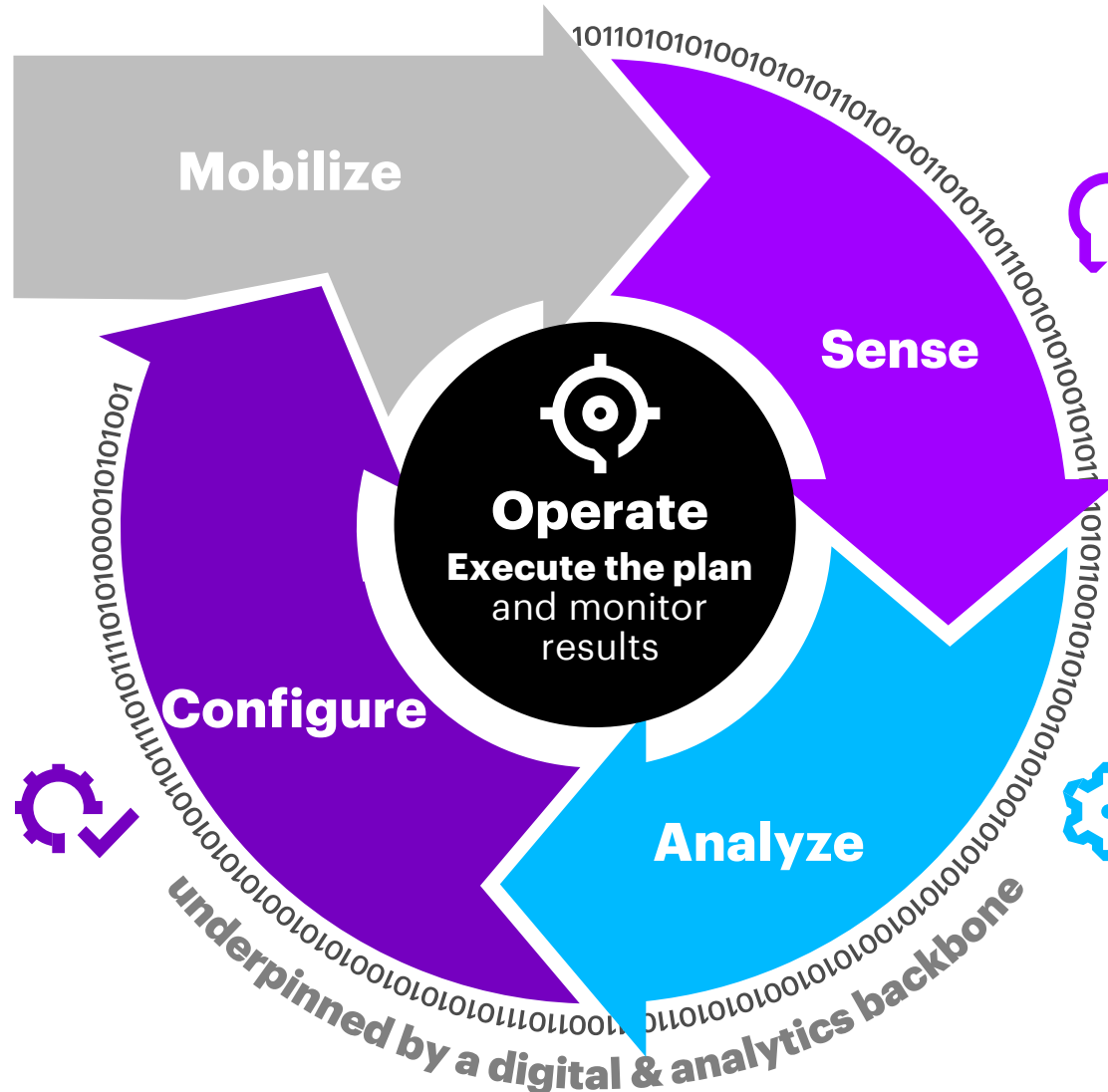
**Sources:** 1); Supply Chain Insights

2) [HBR: How Coronavirus could impact the global supply chain](#)

3) The Economist: Coronavirus outbreak – economic and business implications, 03-February 2020

# A roadmap to navigate disruption, now and in the future

**MOBILIZE** the command center and response plan. Establish operating rules for responses related to all supply chain interventions and contingency management



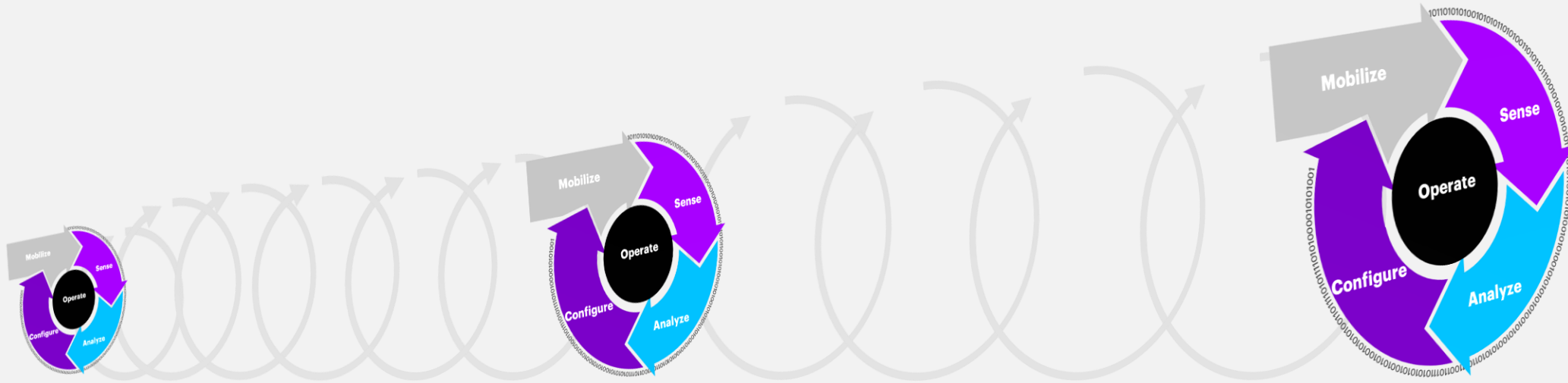
**SENSE** and prioritize new risks and implications to your supply chain components, products / services and ecosystem



**ANALYZE** what-if scenarios and protocols for source, plan, make, distribute and service implications

**CONFIGURE** and tailor the network and products flows to execute the protocols. Develop balanced scorecard to track and measure the effort

# Approach to maturing the rapid response



## Triage & Contain

### Within first couple weeks:

Immediately address the situation by creating visibility, prioritizing the risks, analyzing priority scenarios & activating the initial response

## Stabilize & Sustain

### In the first month:

Stabilize operations by enhancing scenarios & protocols, continuing to monitor and address risks, and build short-term supply chain resilience

## Operate the New Normal & Build Resilience

### In the coming weeks & months:

Reconfiguring the supply chain for future resiliency. Establish a new way of operating by leveraging capabilities for automation, expanding and strengthening the response plan.



# 1 TRIAGE AND CONTAIN

## Stop the bleeding

94% of Fortune 1000 companies are facing supply chain disruptions due to COVID-19. Supply chain leaders must quickly identify the biggest issues disrupting the supply chain and immediately implement action plans to address. These leaders must act swiftly, making 'no-regrets' decisions with the intent to continually adjust as the situation progresses.

### Key elements:



Establish Visibility



Prioritize Risks



Analyze The Impacts



Activate The Initial Response

## 2 STABILIZE AND SUSTAIN

### Pivot to a 'new normal'

With initial action plans underway, the supply chain needs to turn its focus towards establishing control and maintaining business continuity. The supply chain will need to absorb new internal / external intelligence, expand and enhance what-if scenario analyses, implement new / adjusted action plans, develop plans for financial preservation and begin to think about how to build resiliency with the current operating model and physical network.

#### **Key elements:**



Enhance & Scale Analysis



Monitor & Address On-Going Risk



Financial Preservation



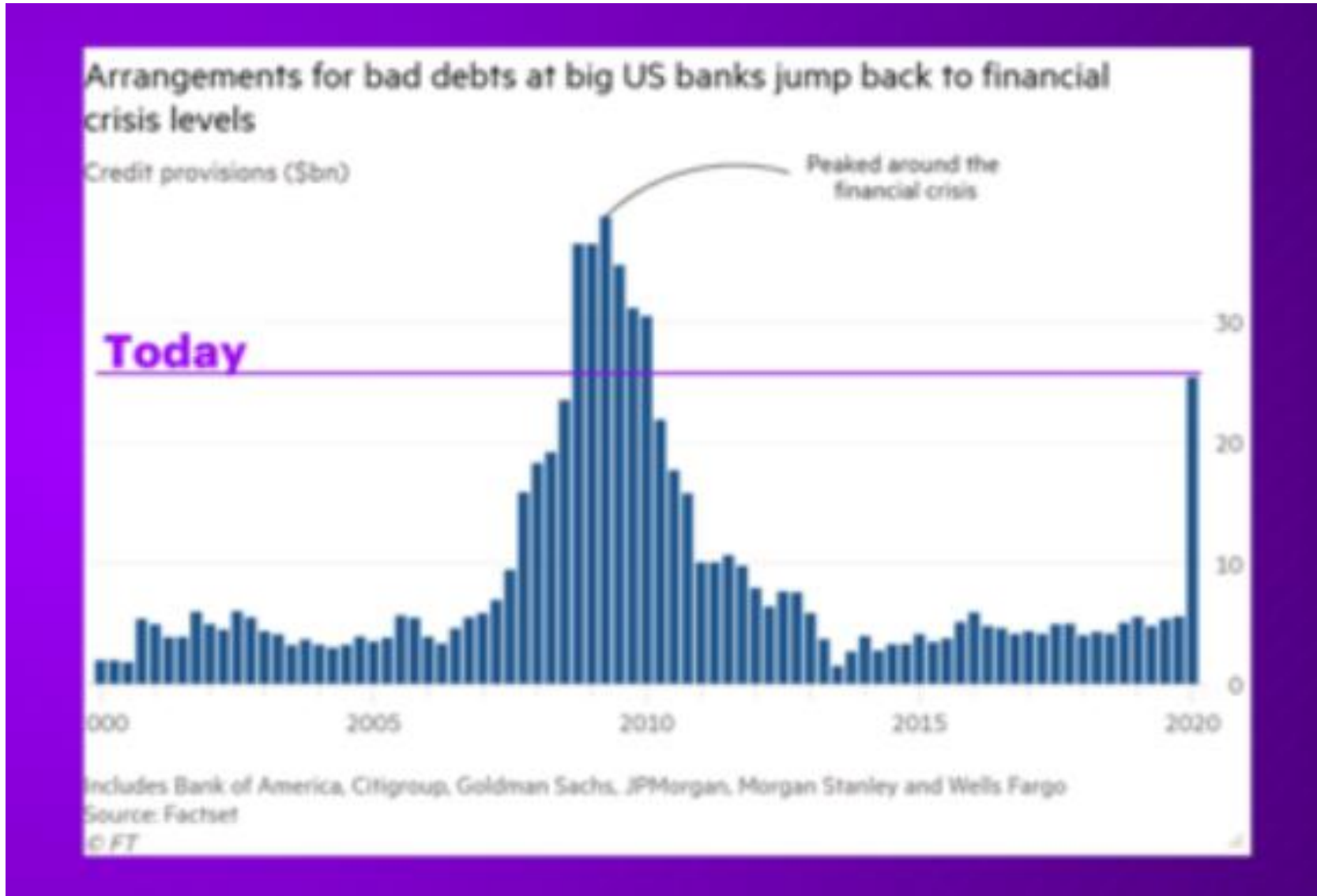
Build Demand Driven Resilience





# Financial Preservation

## Not again...





### 3 OPERATE THE NEW NORMAL & BUILD RESILIENCE

#### Prepare for the next major disruption

The COVID-19 pandemic will eventually end, and the supply chain will need to come out the other side stronger and more resilient. Supply chains will need to develop long-term capabilities to be better prepared for when the next disruption hits.

#### Key elements:



Reconfigure for Agility & Long-Term Resiliency



Strengthen & Automate Response Plans



Embed Purpose & Social Responsibility

# Conclusion