

Achieving supply chain resilience in 2022 and beyond



Supply chain disruptions in 2020 and 2021

COVID-19 pandemic

- Lockdowns
- Human illness
- Factory closures
- Logistics network constraints
- Shifts in consumer buying behaviour
- Road and rail transport delays and increased border controls
- Sea freight global container shortages
- Air freight using repurposed passenger planes.

Other

- Brexit
- Cyberattacks
- Adverse weather

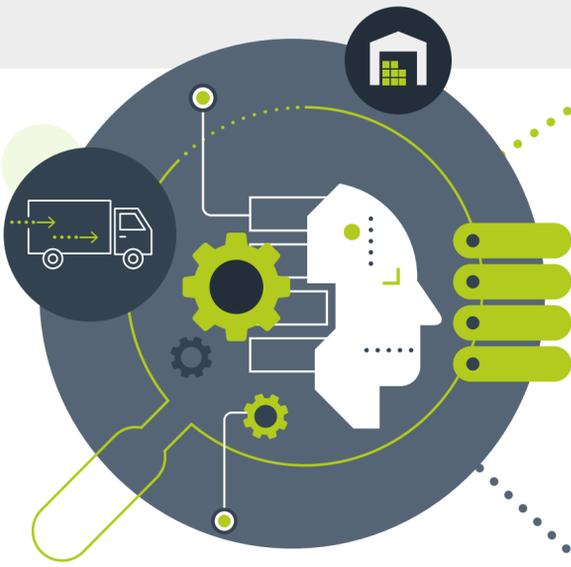
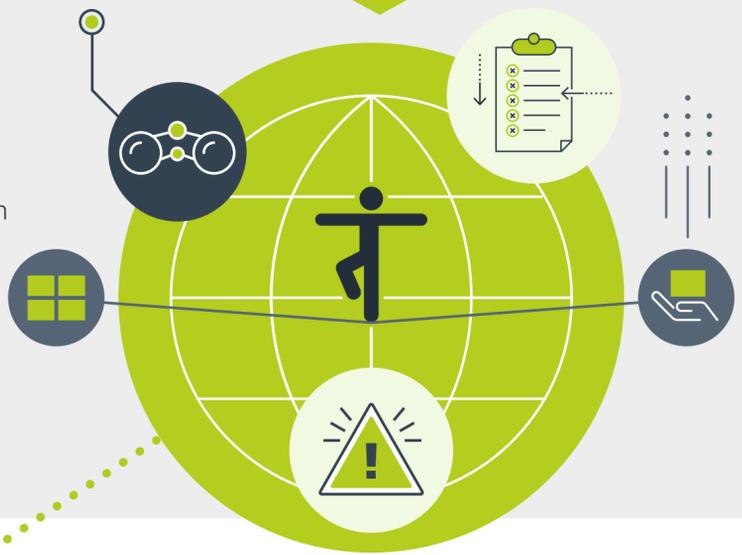


How to reduce future disruptions and make your supply chain more resilient



01 Identify your vulnerabilities

Identify sole source suppliers and their own upstream suppliers and perform **due diligence** to assess their level of resilience and response capabilities on a regular, scheduled basis. If a supplier produces an item in only one plant or one country, disruption risks are higher. Understand how quickly key partners could either recover from a disruption or be replaced by an alternative. **Diversification** is key to resilience.



02 Explore technology solutions

Solutions abound for all functions from planning and procurement to transport logistics. Warehouse and transportation management systems (WMS and TMS) have changed the way supply chains are managed. Software, cloud-based solutions use artificial intelligence (AI), Internet of Things (IoT) and data analytics to **automate processes** and create new ways to move product.

03 Break down data silos

Disconnected systems and discreet technology is often used to manage each process, supported by disparate data sources, which results in a **lack of end-to-end visibility**. This leads to decisions being made on incomplete or inaccurate parts data. This results in duplicated effort, unnecessary spending, avoidable waste, lost inventory, unnecessary cost and, worst of all, a failure to meet **customer commitments** and damaging those relationships. The obvious first step is to break down these silos and create a single-source of truth about part data so that a **single, accurate, real time view** of the whole picture is obtained. This enables better decisions across the plan, deliver, recover lifecycle to drive cost reduction and improved end-customer satisfaction.



04 Put people first

A healthy workforce is a productive one. Being flexible about the new ways of working helps with talent retention. The loss of skills is a constant concern and **talent management** must be an important part of a business continuity plan.



What does 2022 and 2023 look like?

Supply chain managers should use the experiences of 2020 and 2021 to take a fresh look at their supply networks, **understand their vulnerabilities**, and then take the appropriate actions to improve resilience. While doing so can create competitive advantage, failing to do so is leaving an opening to the competition. While supply disruptions due to COVID-19 will reduce over time, this entire situation has made organizations **more sensitive** to the fact that their supply networks may contain potentially crippling risks and is propelling them to identify and remediate those potential points of risk.

2022

2023

