

Supply Chain Resilience: 3 practical things you can do

Supply Chains in Practice Networking Event
9th September 2020



Join the discussion...

#SCinPractice
@WMGSupplyChain
@wmgwarwick
@JanGodsell



Or post a question in chat



Main focus is on 3 practical things...

- ▶ Risk Management Mindset
- ▶ Buffer management
- ▶ Contract Management

Jon

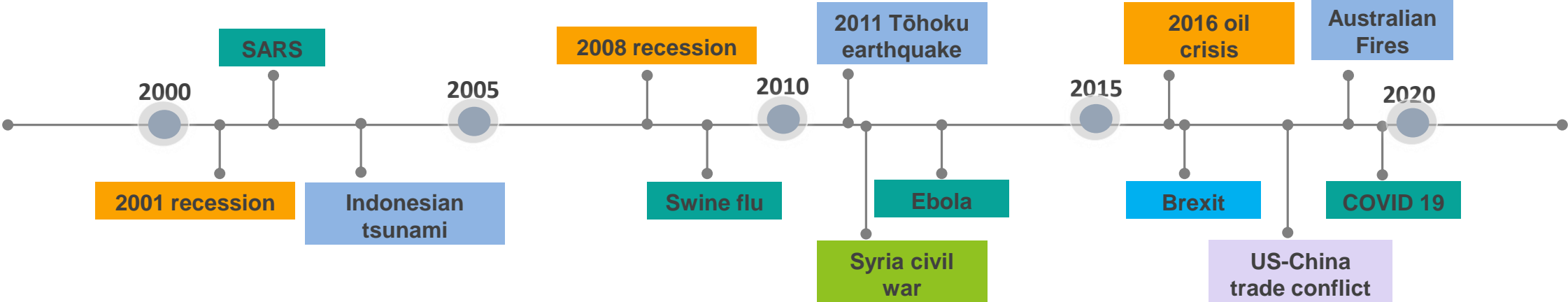
John

Cerys/Claire



Supply Chain Resilience: Current state and future potential

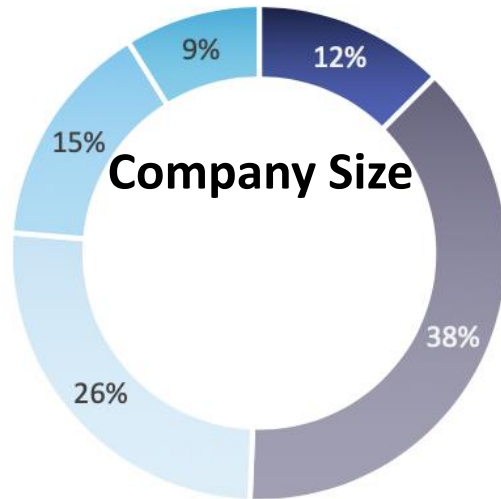
Firms facing increasing SC disruptions



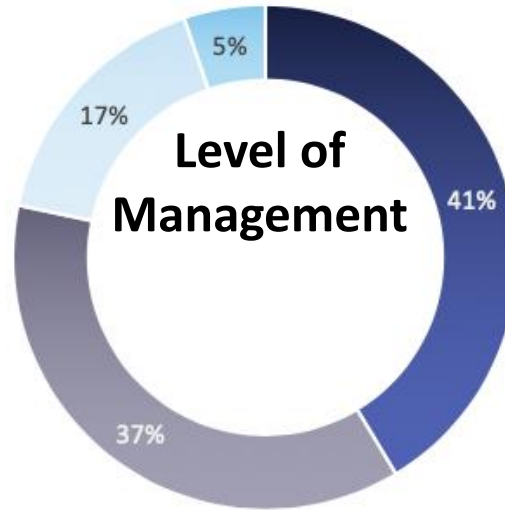
The study...

Respondents were generally senior managers, in mid to large size firms...

■ 0-249 ■ 250-999 ■ 1000-1999 ■ 2000-4999 ■ 5000+

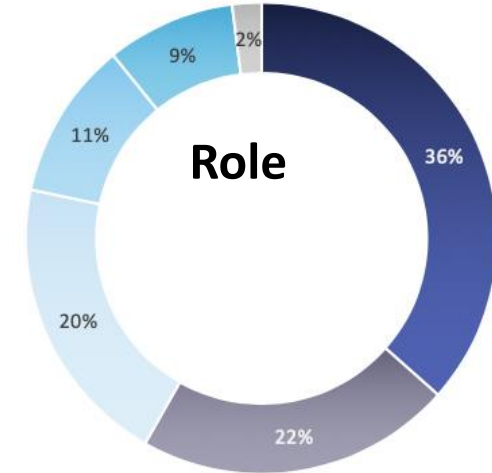


64% of firms had over 1000 employees



78% of respondents were senior management or executives

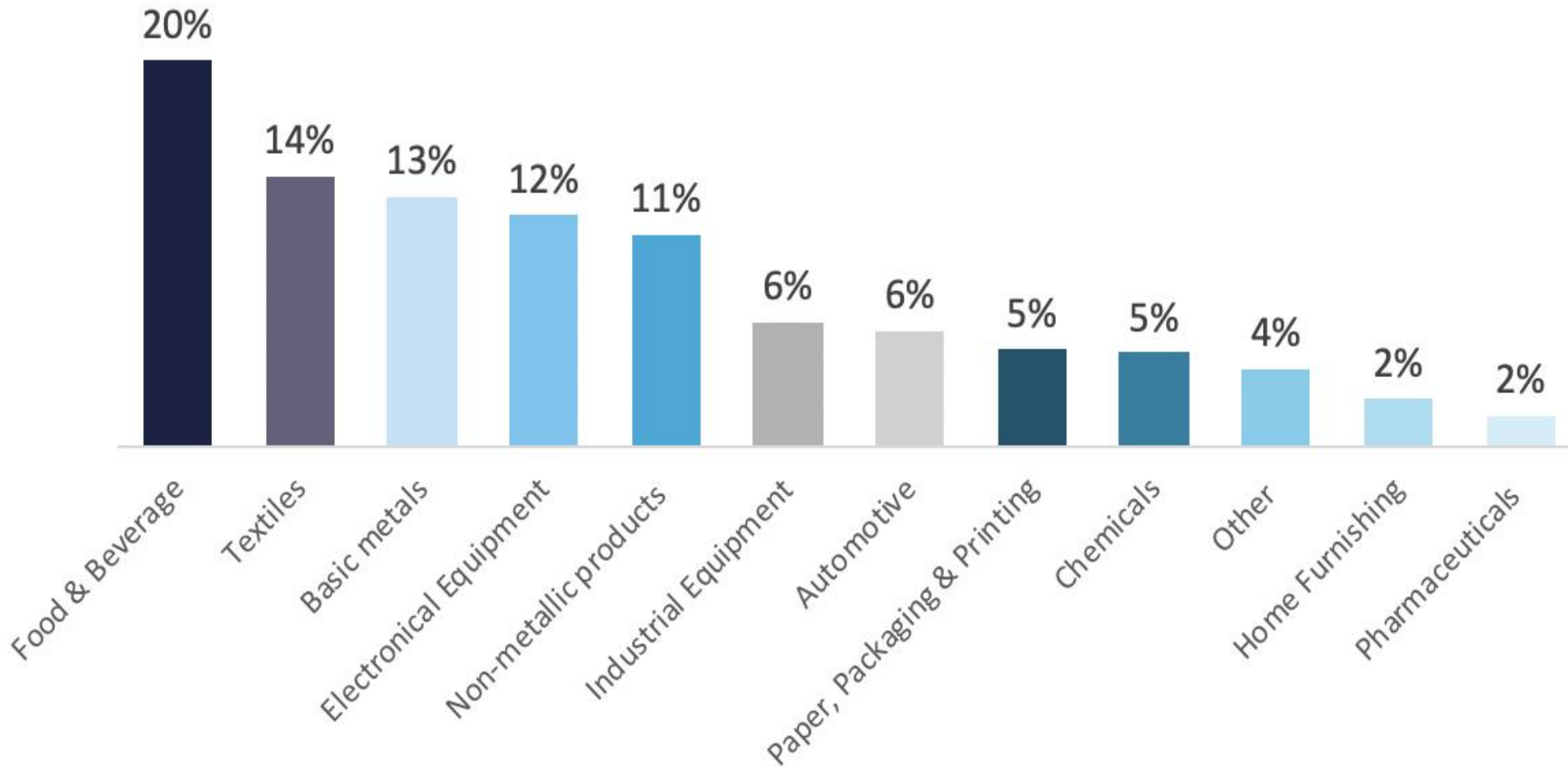
■ Executive
■ Senior
■ Middle
■ Junior



58% had roles within the supply chain

■ Procurement/ Sourcing
■ Supply chain management
■ Marketing/ Sales
■ Trade compliance
■ Risk management
■ Other, please specify

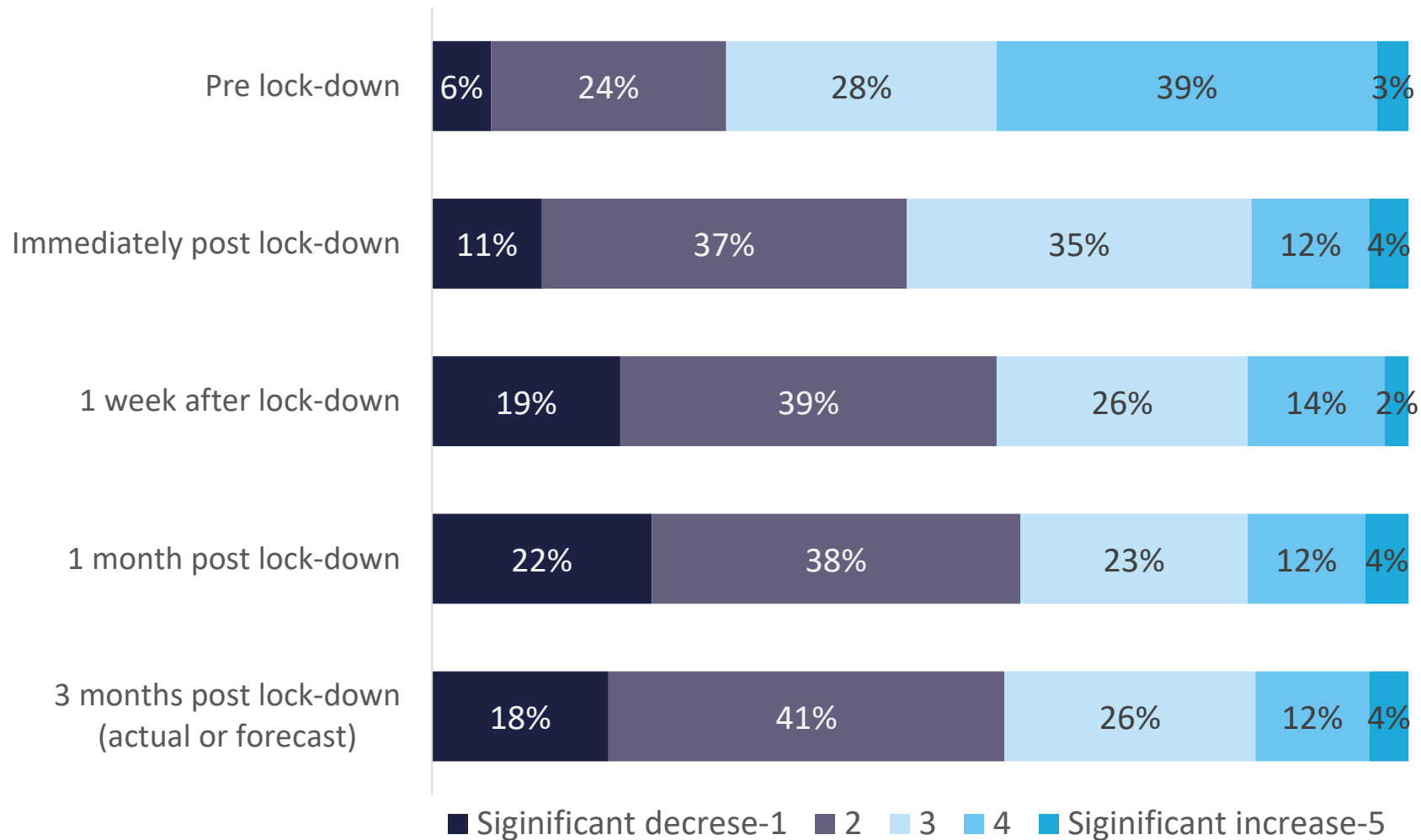
From a broad range of manufacturing sectors...



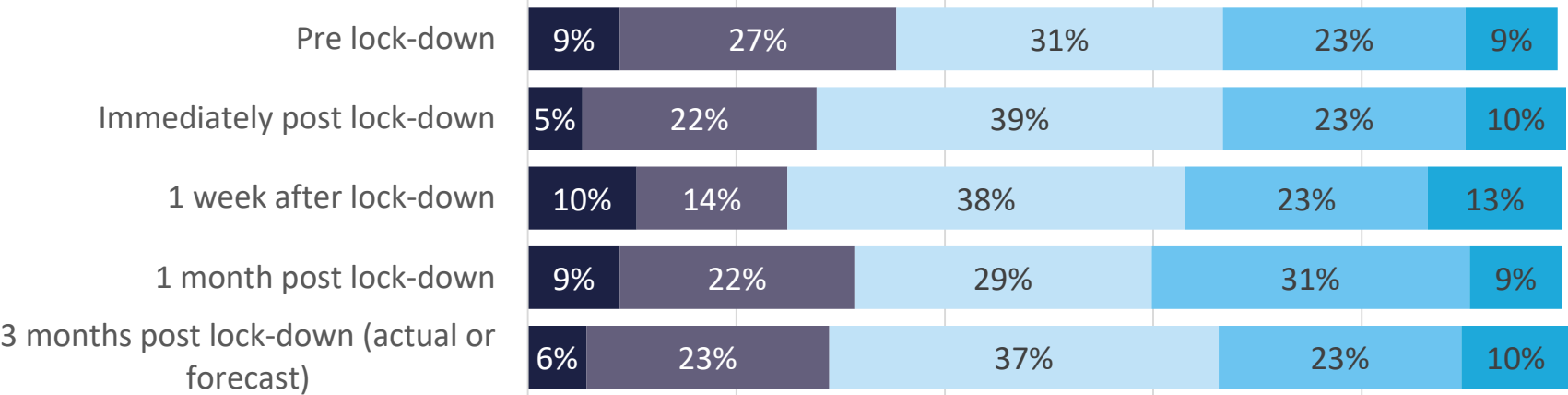
Impacts of Covid 19

58% firms are still experiencing a decrease in demand 3 months post lock down...

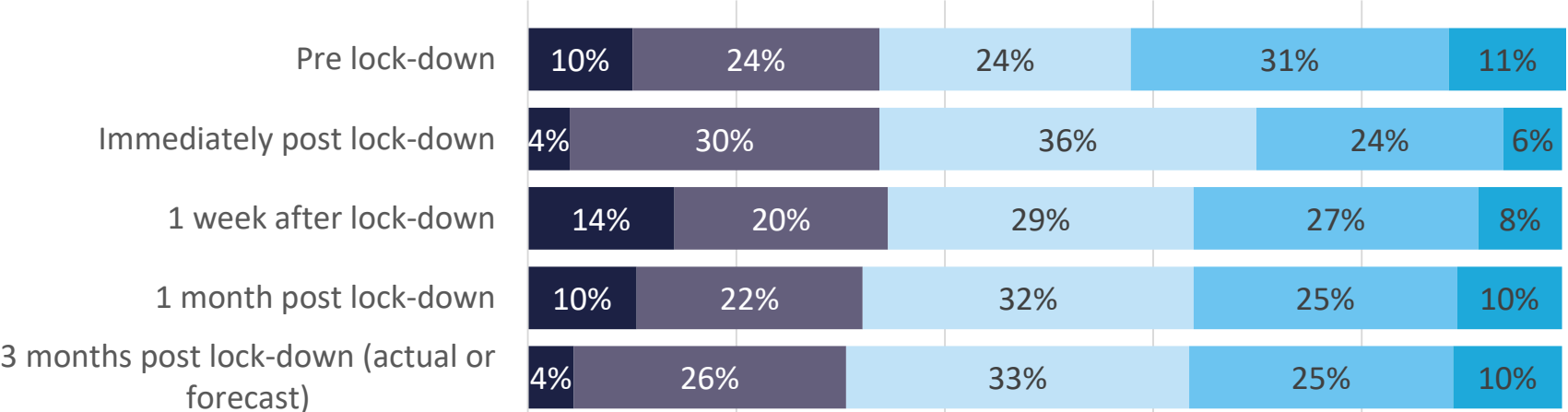
What changes in demand has your organisation experienced?



66-73% of firms have been effective to responding to increases and decreases in demand...



How effective has your supply chain been in responding to **decrease in demand?**

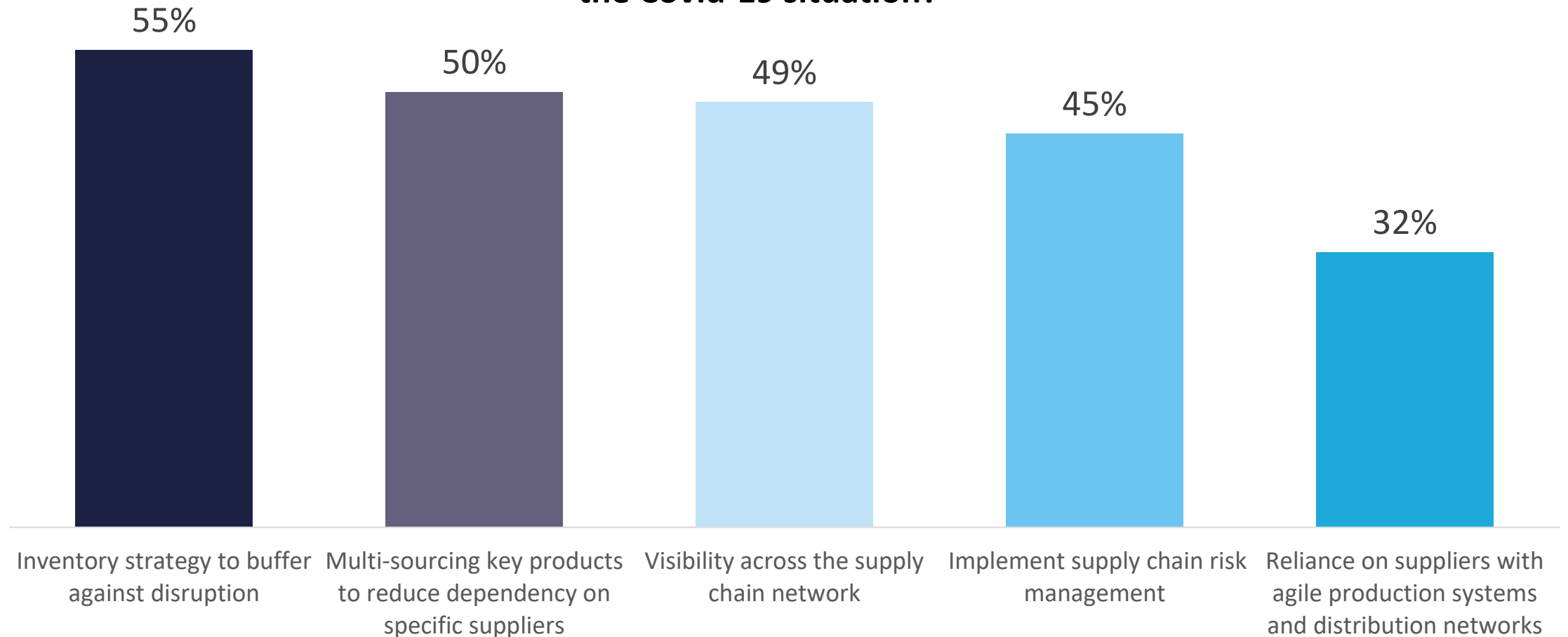


How effective has your supply chain been in responding to **increase in demand?**

Not effective at all
 Slightly effective
 Moderately effective
 Very effective
 Extremely effective

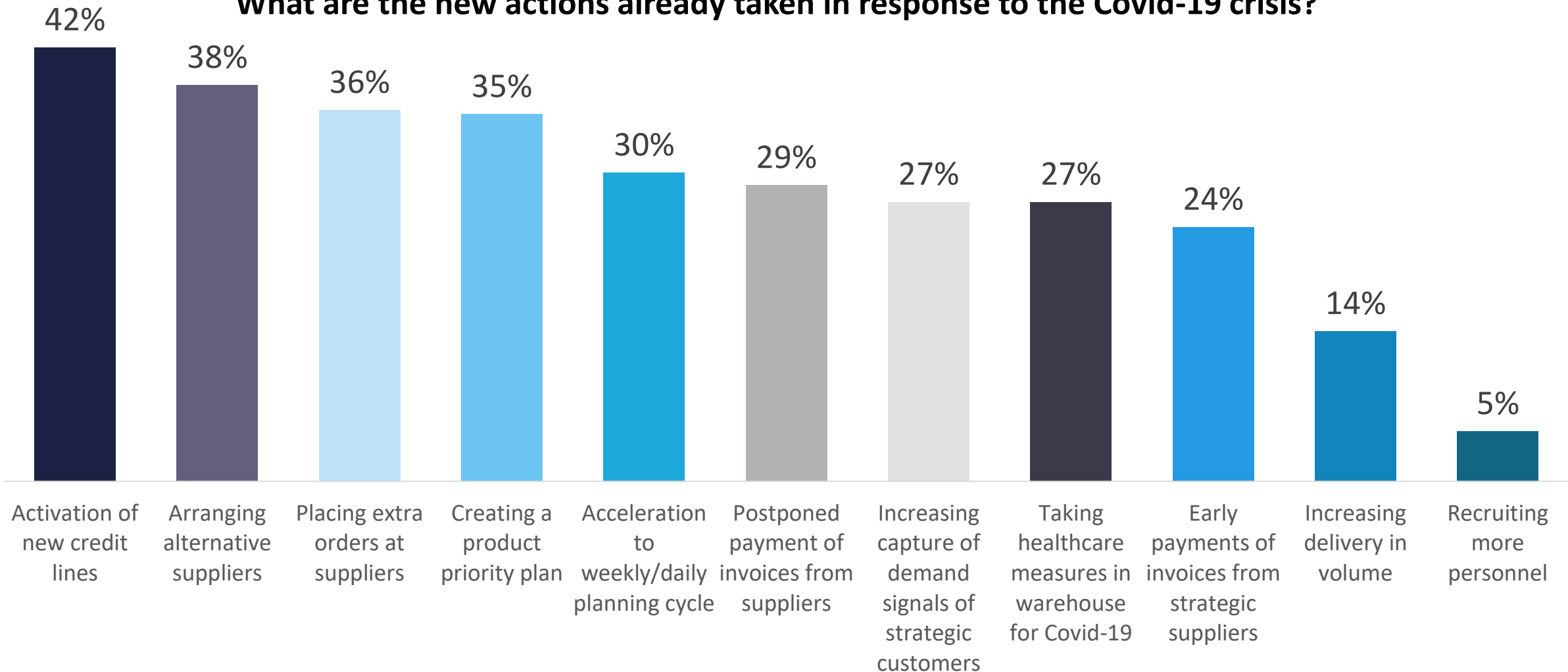
Buffer management, multi-sourcing and visibility were favoured over agile production networks...

What has proven to be the most effective strategies for your supply chain when dealing with the Covid-19 situation?

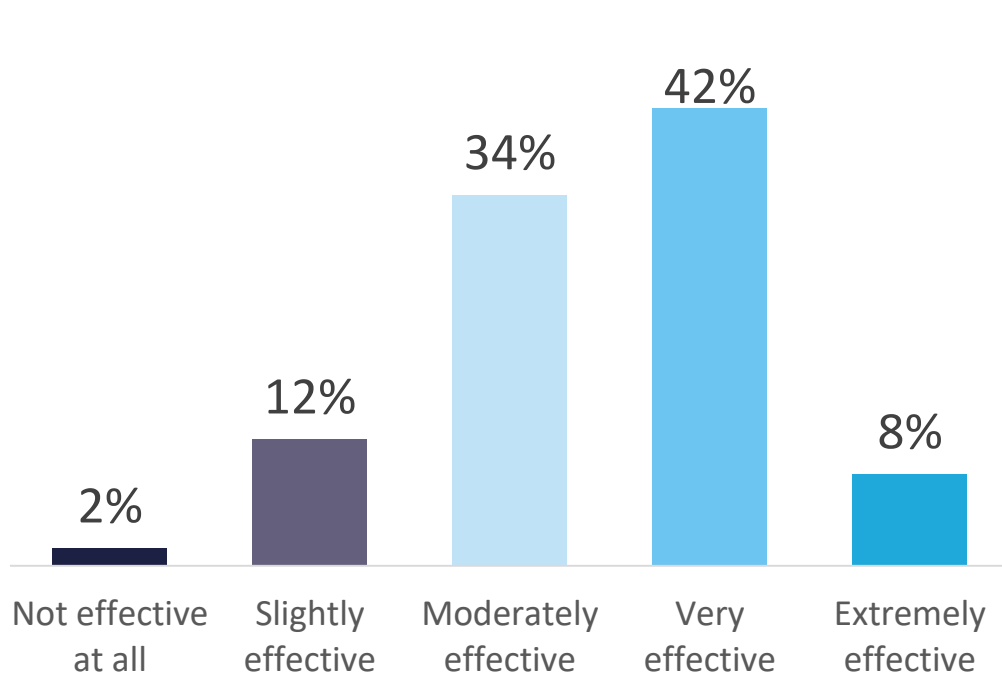


Cash management and securing supply were critical initial responses...

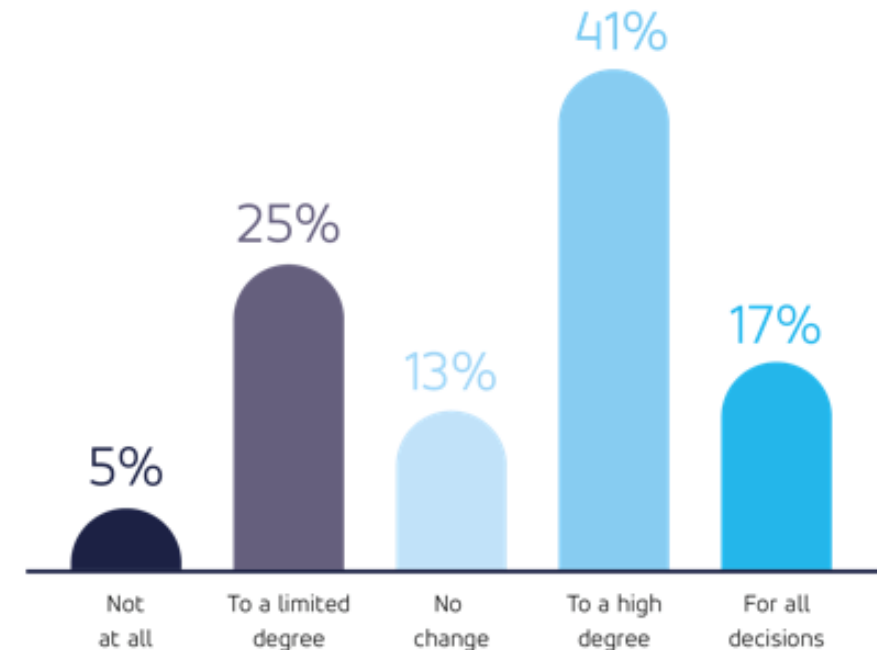
What are the new actions already taken in response to the Covid-19 crisis?



84% of firms found that their planning systems were effective, but still required human intervention...



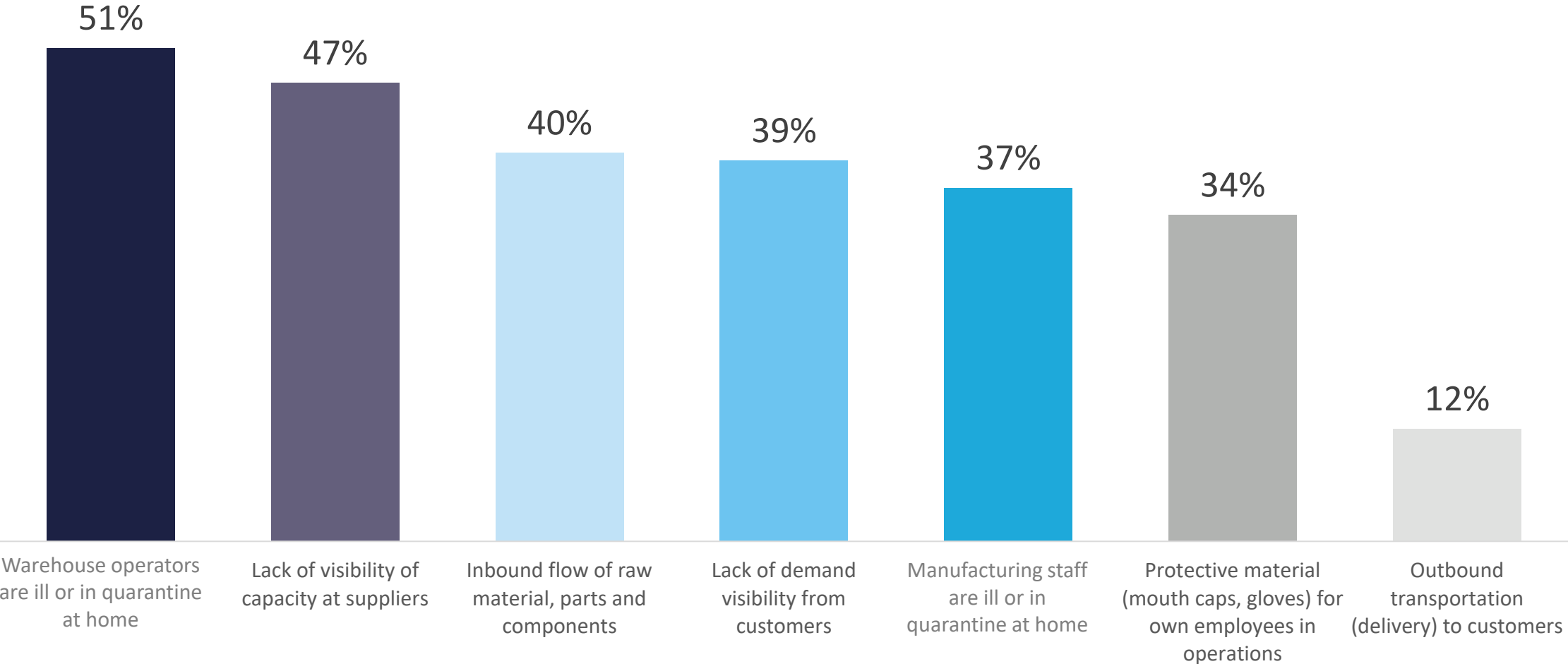
How effective were your planning systems in automatically responding to these demand changes?



To what extent was human intervention required to augment your planning systems?

**Findings for Retail Survey
(April 2020)**

People issues and visibility created the biggest bottle necks...



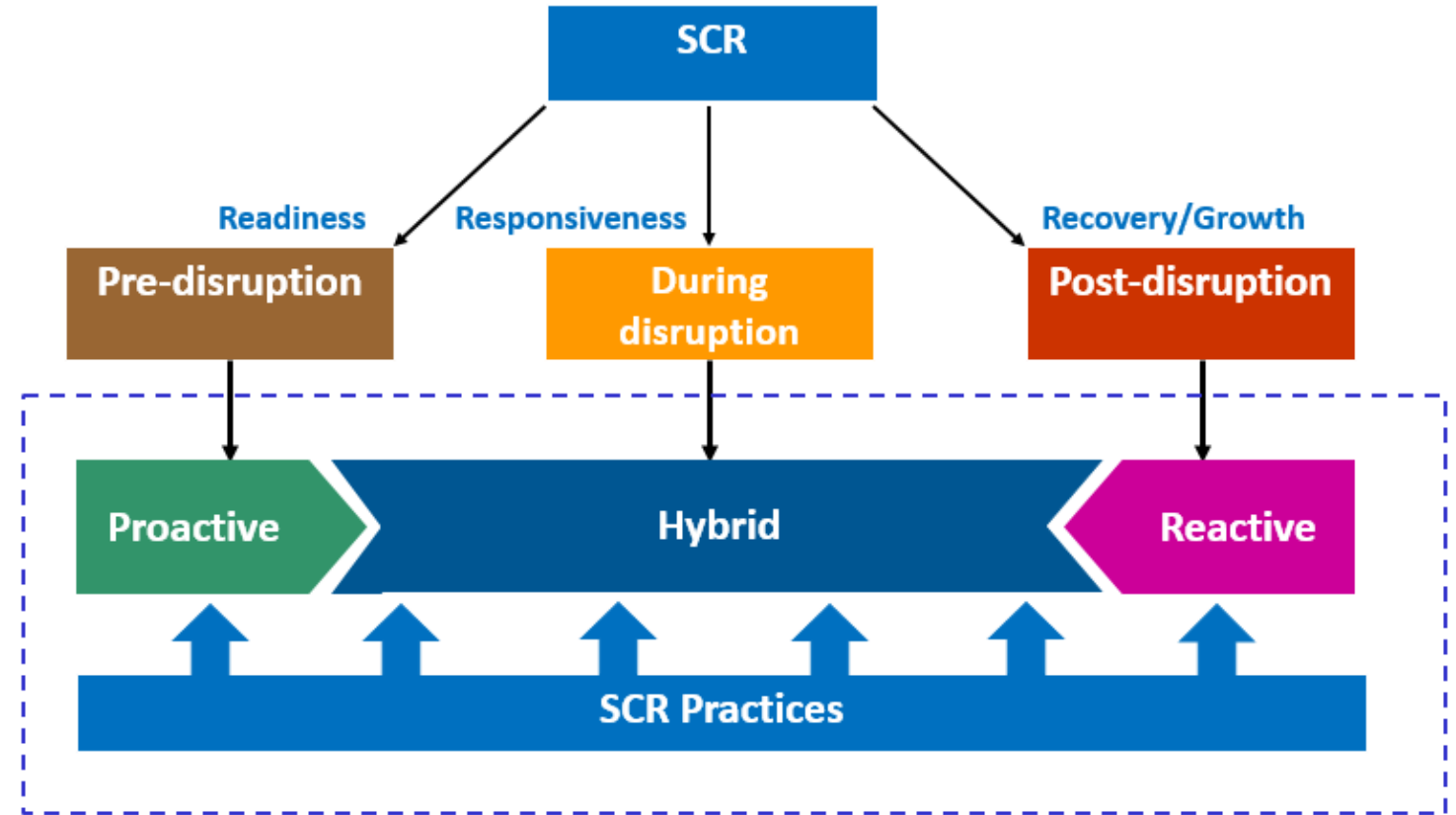
What are the apparent bottlenecks to your supply chain in the current Covid-19 crisis?

Six practices to improve supply chain resilience (SCR)

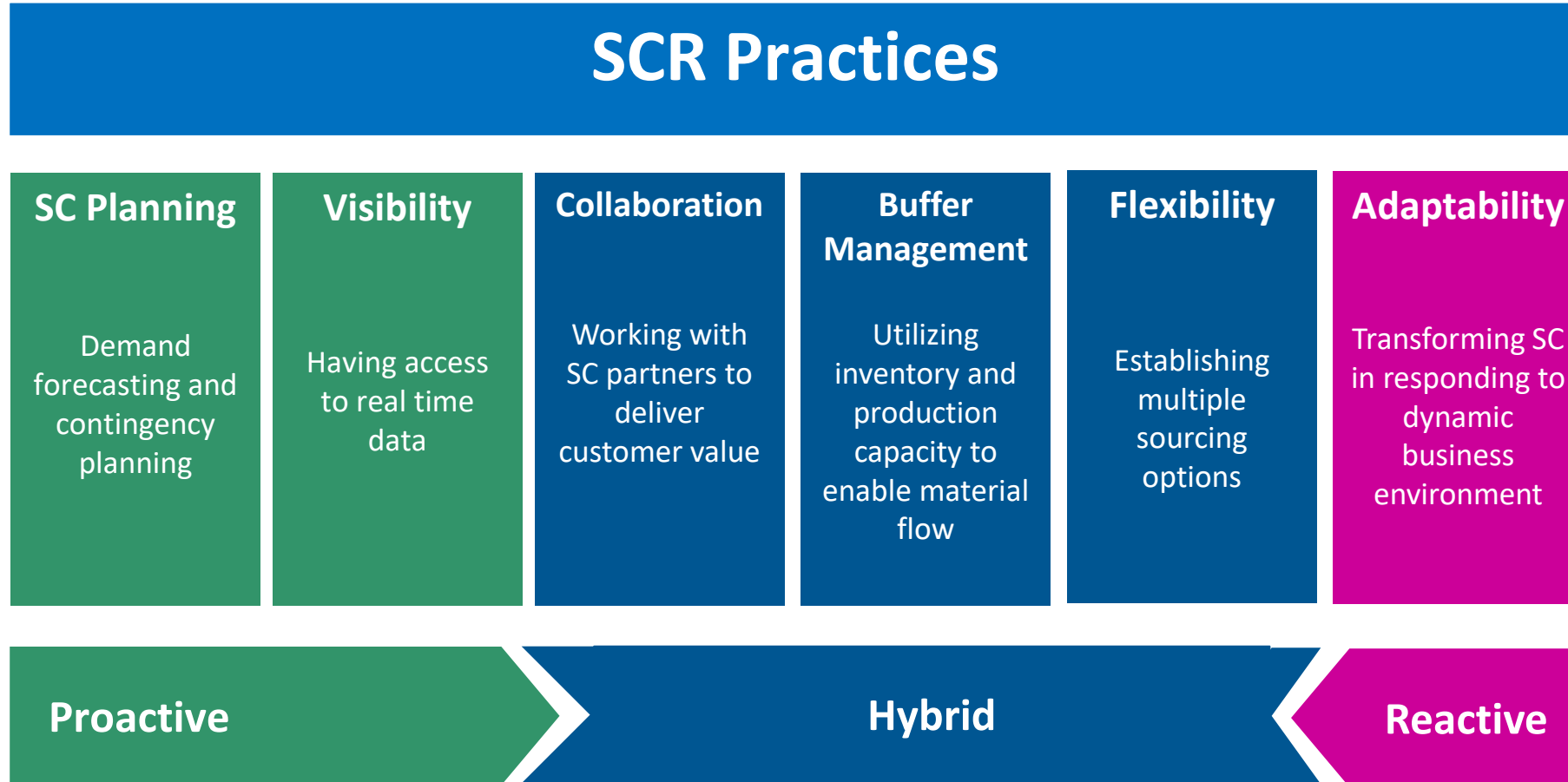
Supply Chain Resilience is...

...the capability of the firm to be alert to, adapt to and quickly respond to changes brought by a SC disruption.

(Ambulkar et al., 2015)



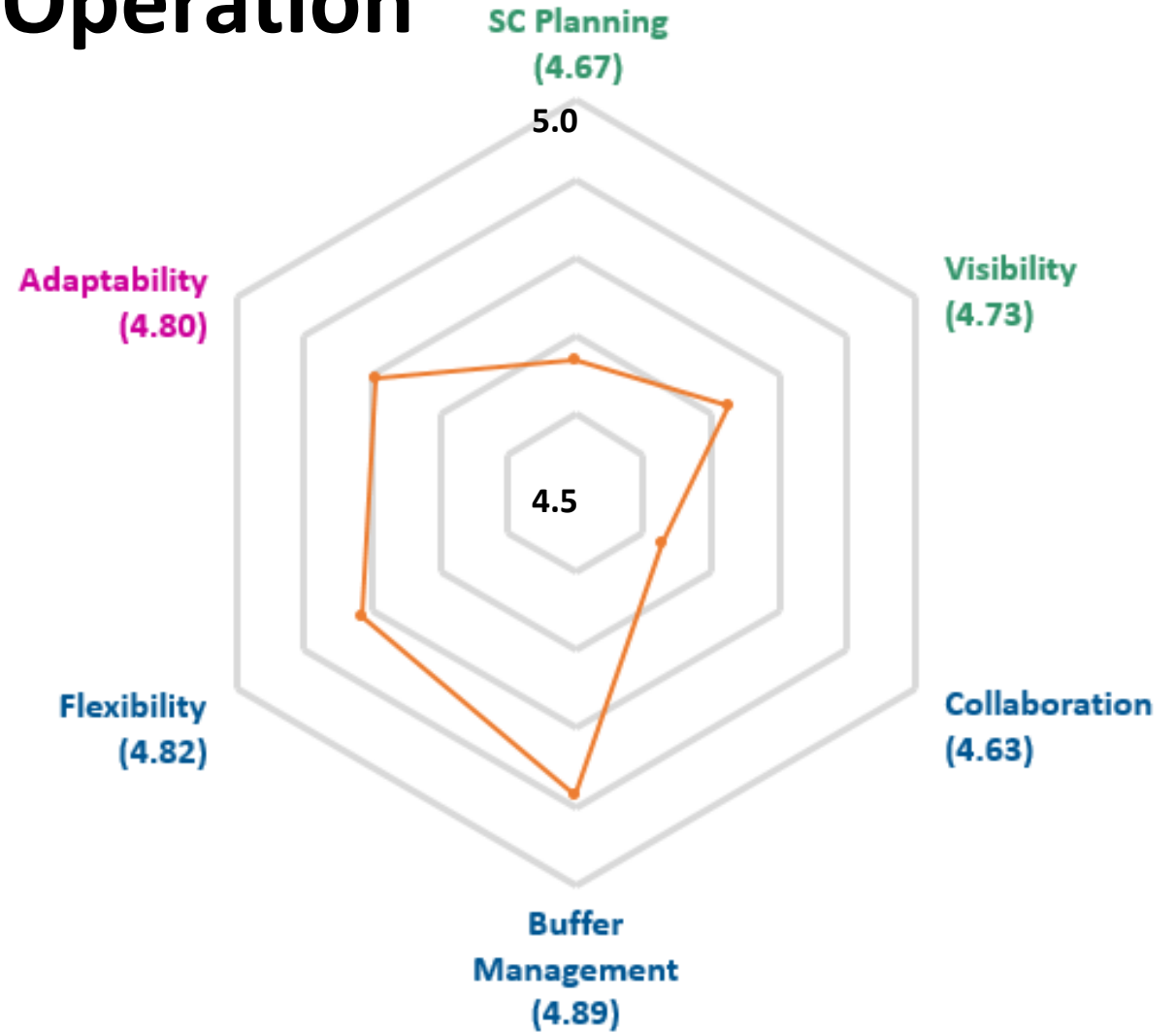
Six SCR practices



SCR Assessment – Normal Operation

(Not effective 1 – 7 Very effective)

- Firms found their SCR practices to be quite effective (scoring between 4.5-5.0) with slight variations
- SC planning needs significant improvement to enable better visibility and collaboration
- Firms have been effective in managing buffers in normal operation



Proactive

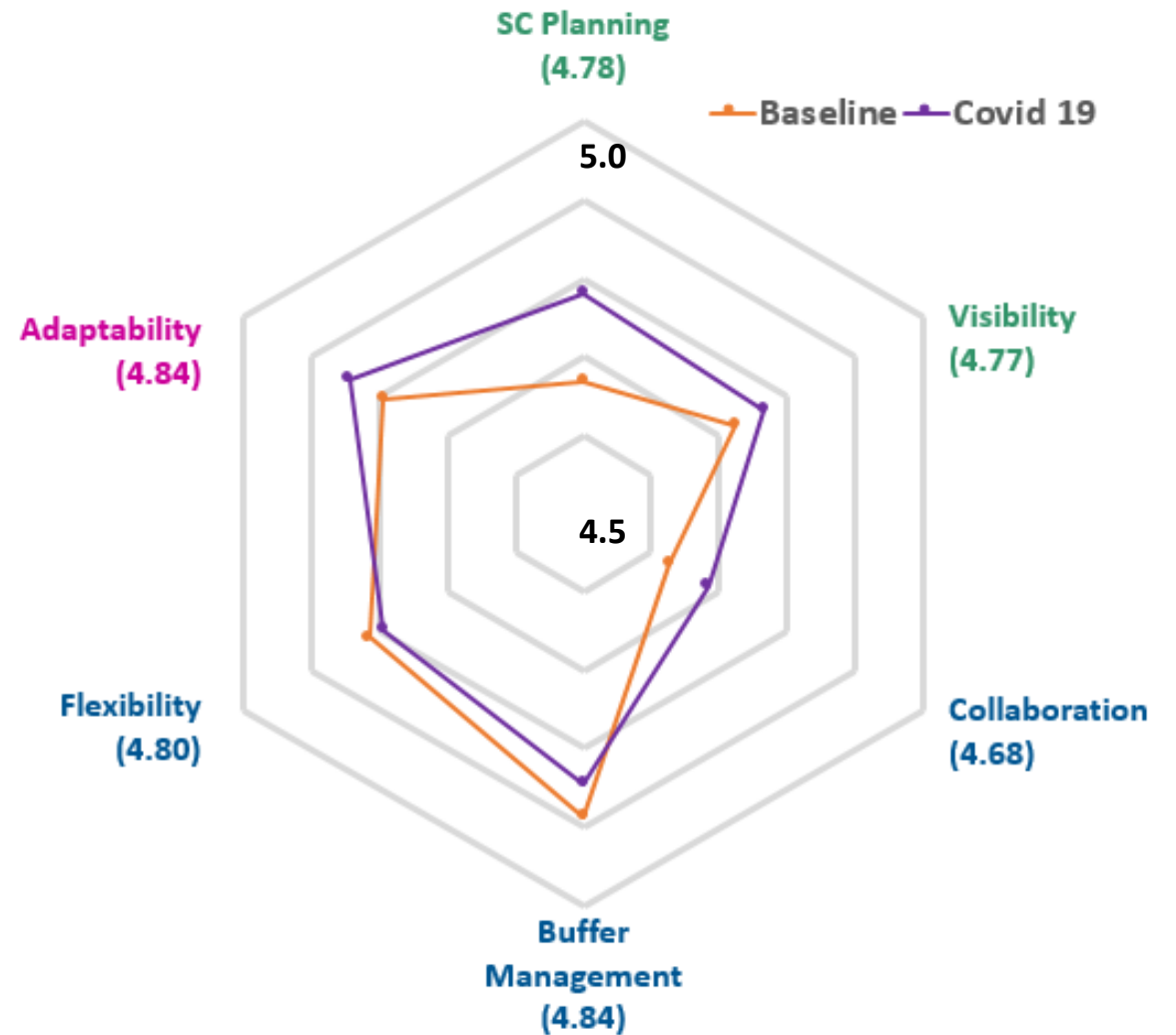
Hybrid

Reactive

SCR Assessment – Covid 19

(Not effective 1 – 7 Very effective)

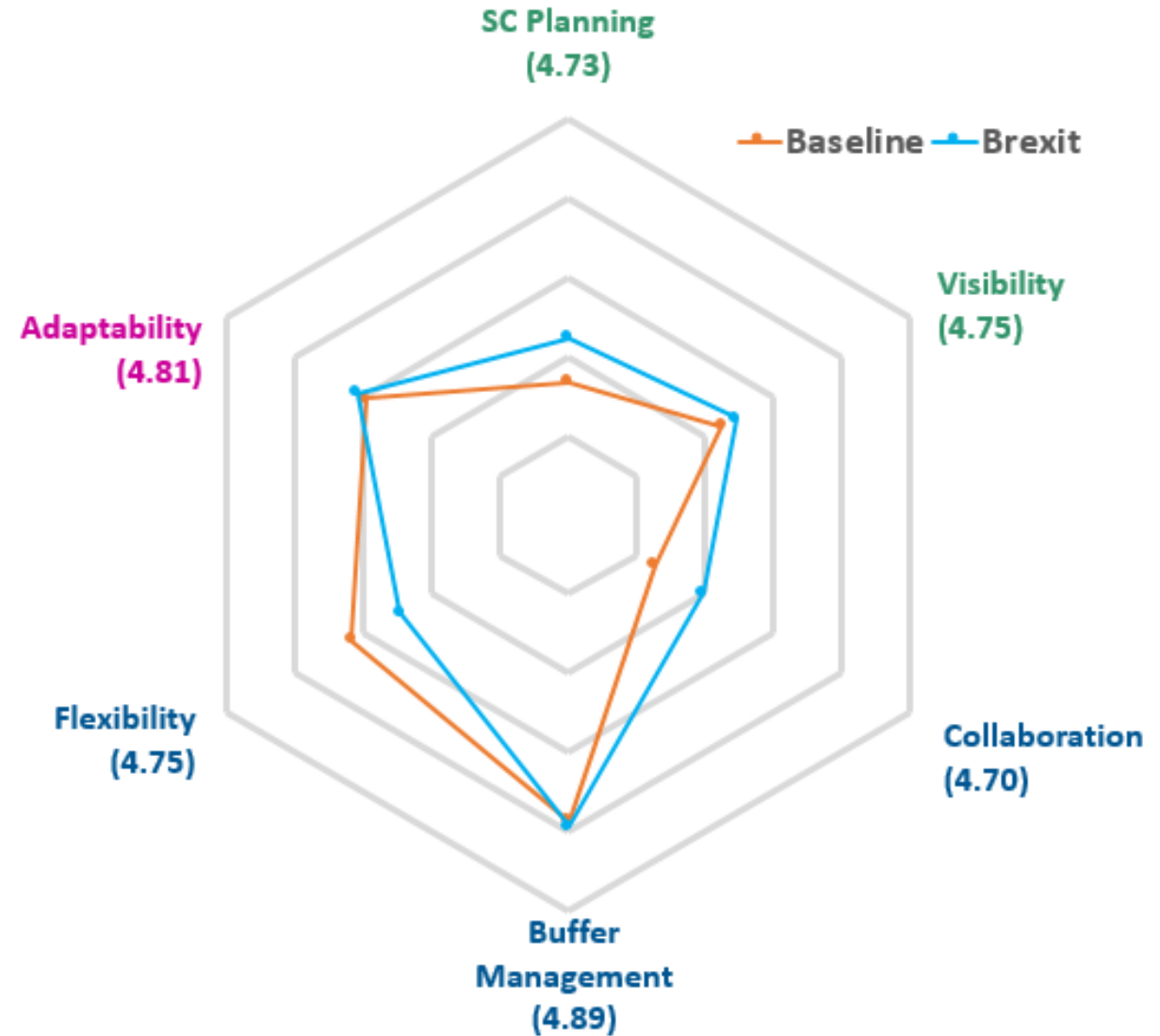
- Although SC planning was relatively more effective in responding to Covid 19, firms still to improve it to enable greater visibility and collaboration
- Buffer management and flexibility were less effective due to dramatic changes in market demand and SC network
- Firms exhibited a high level of adaptability



SCR Assessment – Brexit

(Not effective 1 – 7 Very effective)

- SC planning, visibility and collaboration are effective SCR practices
- Buffer management and adaptability remain at the same level
- Flexibility is less effective due to unforeseen Brexit result



Proactive

Hybrid

Reactive

3 things to consider...

1. **Understanding your SCR & planning ahead** - Assessing the current level of SCR to identify the vulnerabilities and plan for possible disruptions
2. **Managing buffers effectively** – Optimizing the inventory stock and production capacity can keep your SC resilient
3. **Being cooperative** – Taking a cooperative approach in SC planning enables greater visibility & collaboration and mitigates risks during disruptions



Keep in touch...

Next SCIP webinar: Tuesday 8th December 2020, 11:00 – 12:15

Sustainability and the Supply Chain: Lighting the path forward

<http://www2.warwick.ac.uk/fac/sci/wmg/research/scip/networking>

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