



How to Inoculate your Supply Chain Against COVID-19

ACTION PLAN



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Introduction

COVID-19 has greatly impacted many businesses and caused a lot of stress and uncertainty. As the current circumstances are constantly changing, it can be challenging to stay up to date and plan for the future.

Here is an action plan to help businesses prepare and plan as best they can.

We have thoroughly researched the many implications of COVID-19 on the market, businesses and operations, and have summarized our findings in the action plan below. This action plan will help your organization to understand which steps need to be taken in the short and medium term in order to protect your business. This plan acts as a guide to aid in ever-changing times, and offers suggestions based on research, best practices, and subject matter experts.

Please keep in mind as the situation changes and evolves, this is merely a guide designed as a starting point for action and is not an all-encompassing solution.

Let's read through to learn how we can assess, plan, and carry out solutions to help your business.



SHORT TERM

Maximize Employee Safety

First and foremost, companies need to keep their workers healthy and safe. They should provide the necessary tools and protocols for employees to remain safe.



Implement protocols designed to facilitate social distancing, and inform employees of any updates to how they need to perform their jobs



Provide proper sanitization (wipes, hand sanitizer, disinfectant, additional cleaning, etc.)



Provide and enforce the wearing of protective gear



Provide the right tools so employees can work from home



Follow all the instructions provided by our medical officers



The company also needs to document its operational approach as to how the above tasks will be executed. For example: how long these new measures will be in place, if they can help employees by providing support for their families, and the consequences for not following the rules.

SHORT TERM

Create COVID Task Force

It is necessary to protect your supply chain against risks such as war, terror attacks, data breaches, theft, damage, high risk scenarios, and frequency (a spike or downturn in demand).

This involves gathering all the Subject Matter Experts (SME) in your company to rethink how things are done in procurement, operations, warehousing, production and transportation. This includes an overall assessment and an operational and administrative audit on how your business is conducted.



Maximize each task for efficiency - assess what it takes to get the job done, is it being done the best way possible, and are you optimizing your current resources to do so.



Do you need to add new infrastructure to accomplish any of the changes, such as new equipment, machinery, systems, employees, etc. How will it impact your current business in terms of time and money to install the new measures and continue current output? Keep in mind any measures taken at this juncture will immediately impact cash flow, so it's important to be selective on what can be achieved in the midterm without too much impact on your current business.



If your organization shifts production or even business models, will it be sustainable when demand shifts back? Changes made during the pandemic may not be feasible once it has ended. Can you revert back to your original lines of business without any or much disruption?



One of the tasks the COVID task force is responsible for is to assess success, failure and competency for each task that was affected. This will provide an accurate picture to management showing what changes should be kept, what changes should be tweaked to maximize performance, and what changes did not work well and should be discarded. This approach will help to strengthen the organization.

SHORT TERM

Facilitate

Companies that manufacture and have a surplus of stock can look at donating equipment, food and consumable items. Not only will this benefit the community, but the products will not go to waste - especially if there is an expiry date on the product. As an example, Nestle partnered with a hospital to develop a feeding protocol for COVID patients. Nestle provided the ingredients, solutions and equipment required, and bakeries donated day old products to food banks.

SHORT TERM

Improve Operating Procedures

Companies may have to rethink how their product is either delivered, prepared or made. As an example, companies can make changes to basic tasks such as contact-less delivery.

It is imperative that companies document how they shift directional and operational strategies.

Organizations can look for cross manufacturing opportunities that will allow them to use existing equipment to produce different goods (without much retooling), while maximizing current resources.

Cross manufacturing strategies will lead to more partnerships where one manufacturer makes one thing, and another will complete production, assembly or delivery. This new operational model may also share, leverage and strengthen each individual supply chain. An example of this is the partnership between Ventec and GM who are working together to make ventilators. Arrangements like this could prove very valuable in increasing access to raw materials, more sourcing flexibility, and the ability to leverage each other's supply chains.

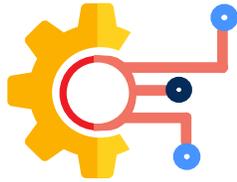
MEDIUM TERM

Switch Production Capabilities

If this is something that your organization is considering, it is crucial that you work with your existing suppliers to create a business continuity plan before you begin.

This operation is not simple. Organizations should make contingency plans to shift not only their operations but also their production capabilities. This could mean either a pivot from the company's existing manufacturing process or a complete change from the original product. Having a plan is only the first step.

Factors to consider are:



Alternate equipment must be sourced.



Different raw materials are now needed, so it's important to look for the most economic products in terms of lead times, cost, transportation, resource constraints and delivery to consumers.



Consider multiple domestic suppliers to ease costs and ensure supply.



Tax relief may be offered to companies who switch focus.

MEDIUM TERM

Work with Partners

Working closely with partners now makes more sense than ever before. Not only can it strengthen your own supply chain, but working with partners can help you to regulate supply and adapt to changes in demand (e.g. a spike or downturn). It can also help to fine tune your operations and smooth out your supply chain. All in all, the inclusion of partners will ensure a seamless transition should a risk occur.

For organizations that manufacture original or specialty grade products such as military or medical equipment, often these items have to pass regulatory standards. Now these organizations have the opportunity to work with their partners to secure their supply chains by adopting technologies such as block chain. This enhances security, further protects their brands and discourages gray market reproductions.

Working with verified and certified partners will:



Ensure more trust



Provide opportunities to expand existing product lines



Provide more supply visibility



Leverage resources



Improve working relationships



Allow access to an expanded network

Control and management of these factors can also control costs and better manage price certainty. Therefore, as you can see, partnering can provide many benefits if done correctly.

Summary

We hope you found this action plan beneficial!

Remember, reading through and implementing these steps is only the beginning. You need to stay up to date with changes, and adjust your actions accordingly.

As time goes on, business operations will shift to a new “normal”. When this time comes, it’s good to be prepared.

Make sure you keep track of changes you made during the pandemic, to see what you liked, what worked for you, and what wasn’t successful. This way, you can implement the appropriate changes to your business long term and alter any operations that didn’t work.

By doing your best to stay safe during these unusual times, analyzing your options and making a plan for the future, you’re putting yourself and your organization in a better position to succeed.



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