

# Supply Chain

*Rebuild your supply chains to ensure timely access to all inputs  
your business requires*



Building Back  
Business from  
Crisis

**MSME**

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## Key questions to be addressed

1

- Why do we need to focus on supply chain?

2

- Which component(s) of the supply chain to focus on?

3

- What are the strategies for restoring supply chains?

4

- What are the action points for each strategy?

5

- What shall be the approach for implementation of the action plan?

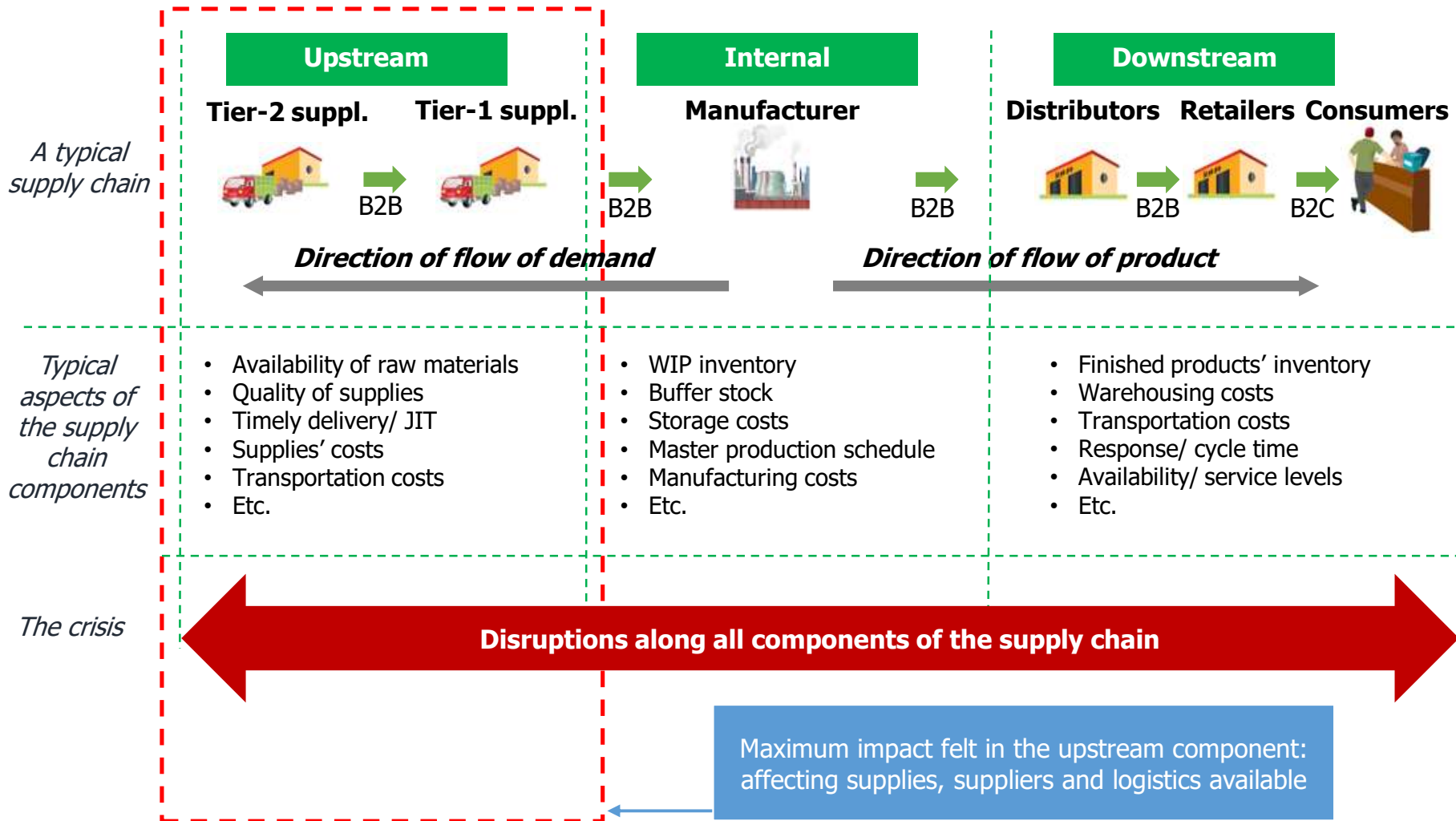
## The need to focus on the supply chain

- ! Estimated 75% of companies are seeing disruptions in supply chains as a result of COVID19 pandemic and lockdown
- ! Even after the lockdown, the next crisis is not so much a matter of 'if' but 'when'
- ! Uncertainties and their impacts are difficult to model and assess; hard information is lacking
- ! Suppliers & customers in lockdown areas → depleting/ depleted/ idling stock and work in progress inventory
- ! Major risks in meeting contractual obligations → potential time- and cost- overruns
- ! Decades-long focus on supply chain optimization → minimized costs, reduced inventories, high asset utilization → minimized buffers and flexibility → high vulnerability to supply chain disruptions

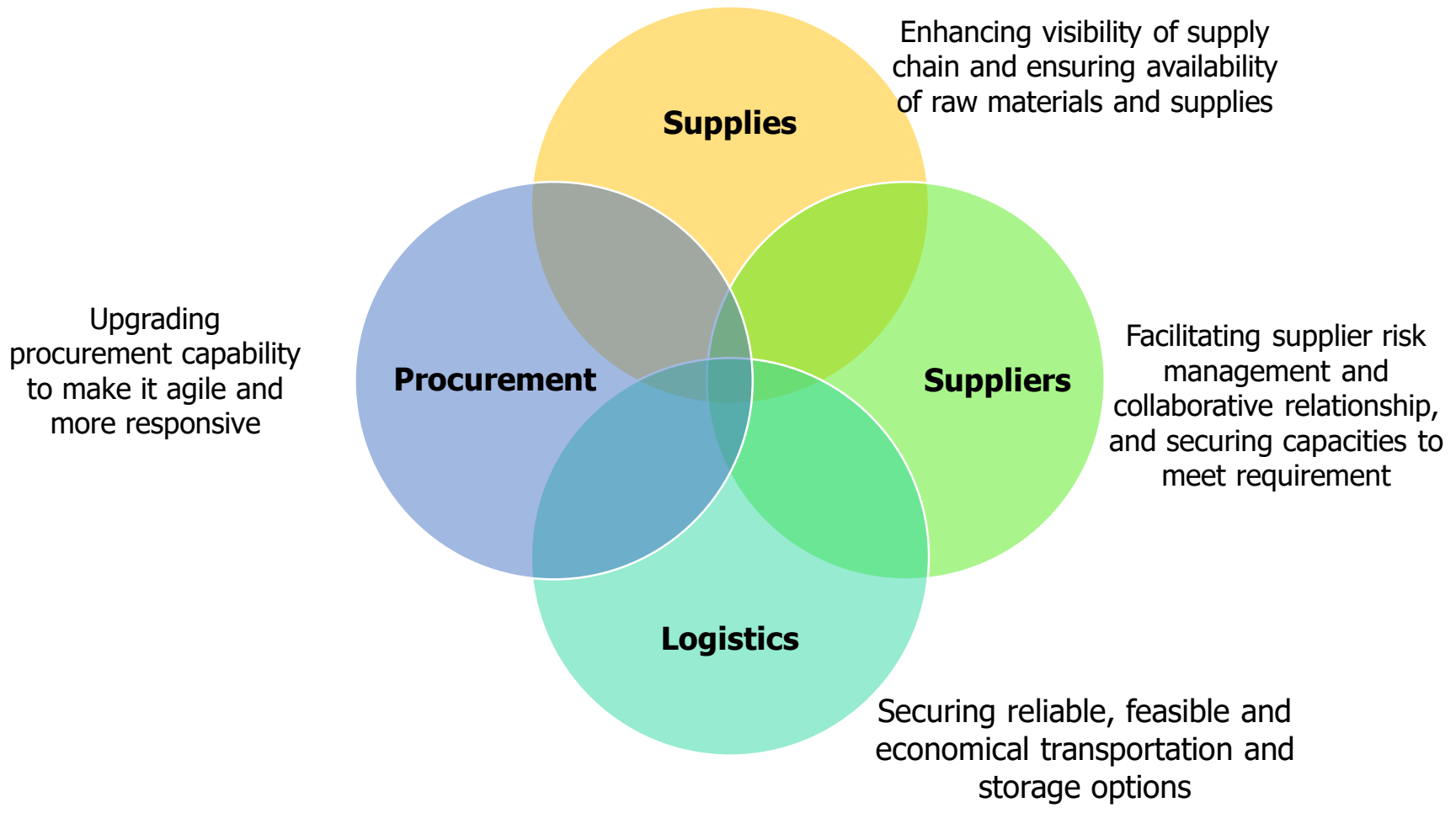
*Current disruption provides an opportunity to*

- ▶ To gain deeper understanding of strategic operations and supply chains
- ▶ To spot 'areas of improvements' within current supply chains
- ▶ To develop more collaborative and resilient relationships with critical suppliers & key customers
- ▶ To instill agility & resilience in operating models to strengthen preparedness to face any disruption

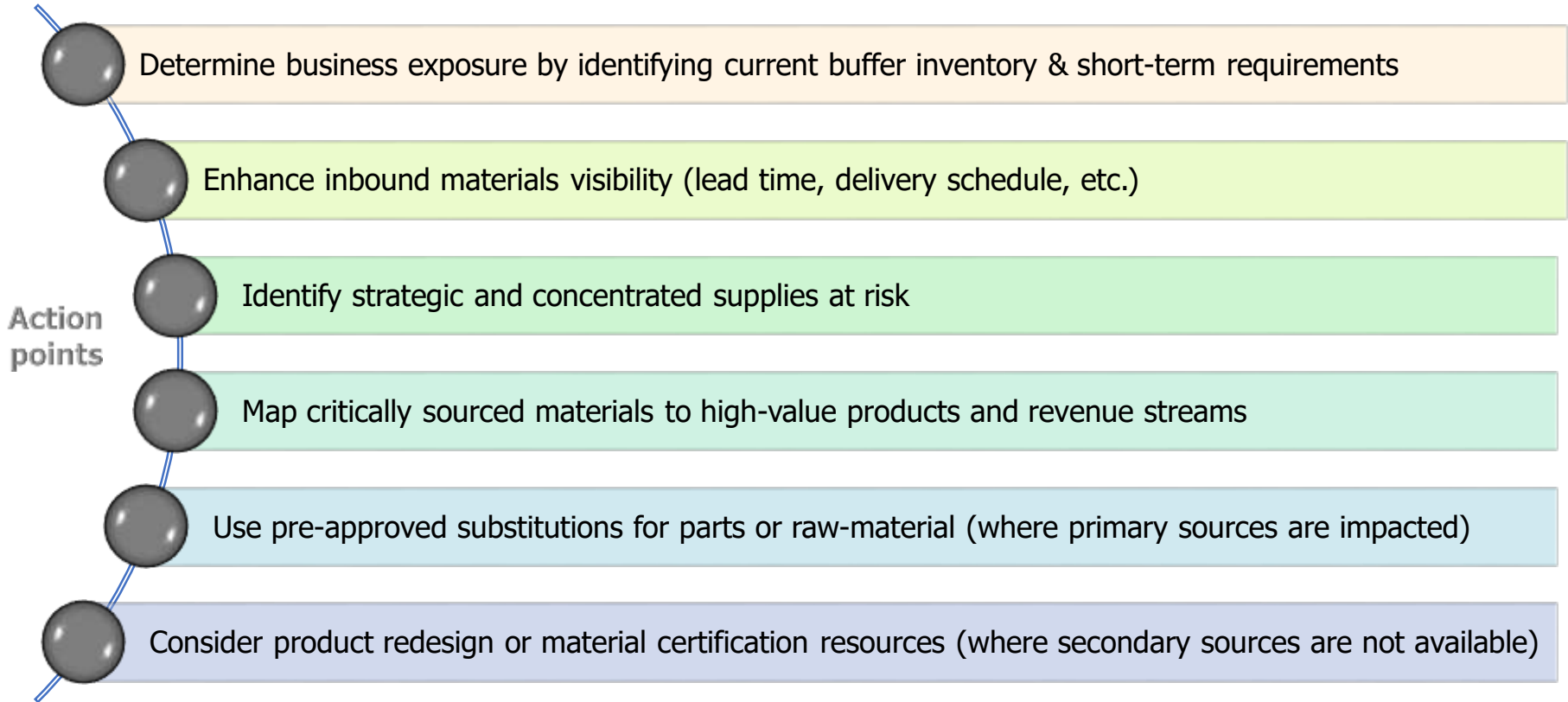
# Which component of the supply chain to focus on?



# Strategies for restoring supply chains: Focusing on 4 key areas

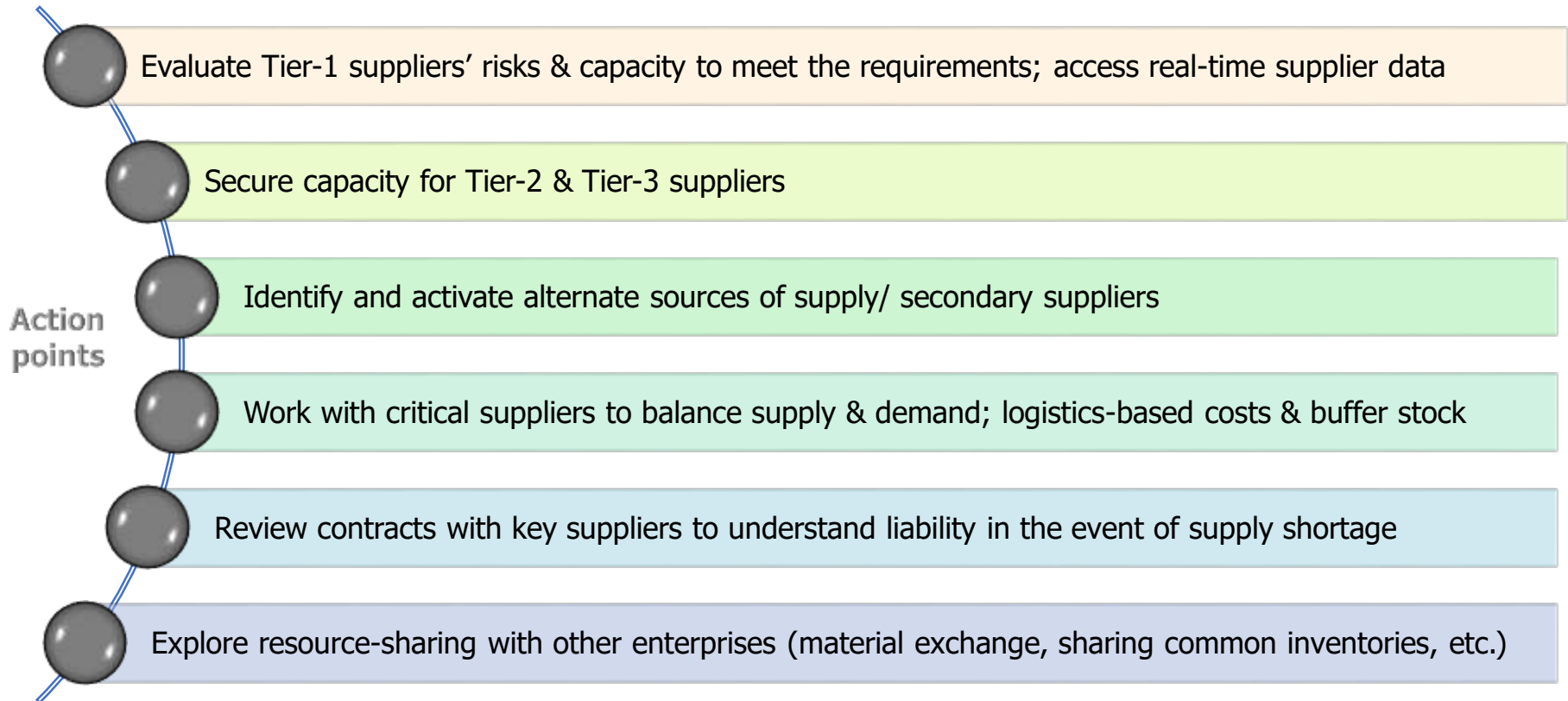


## Supplies



Targeted outcome:  
**Enhanced visibility of supply chain and Secured supply-capacities**

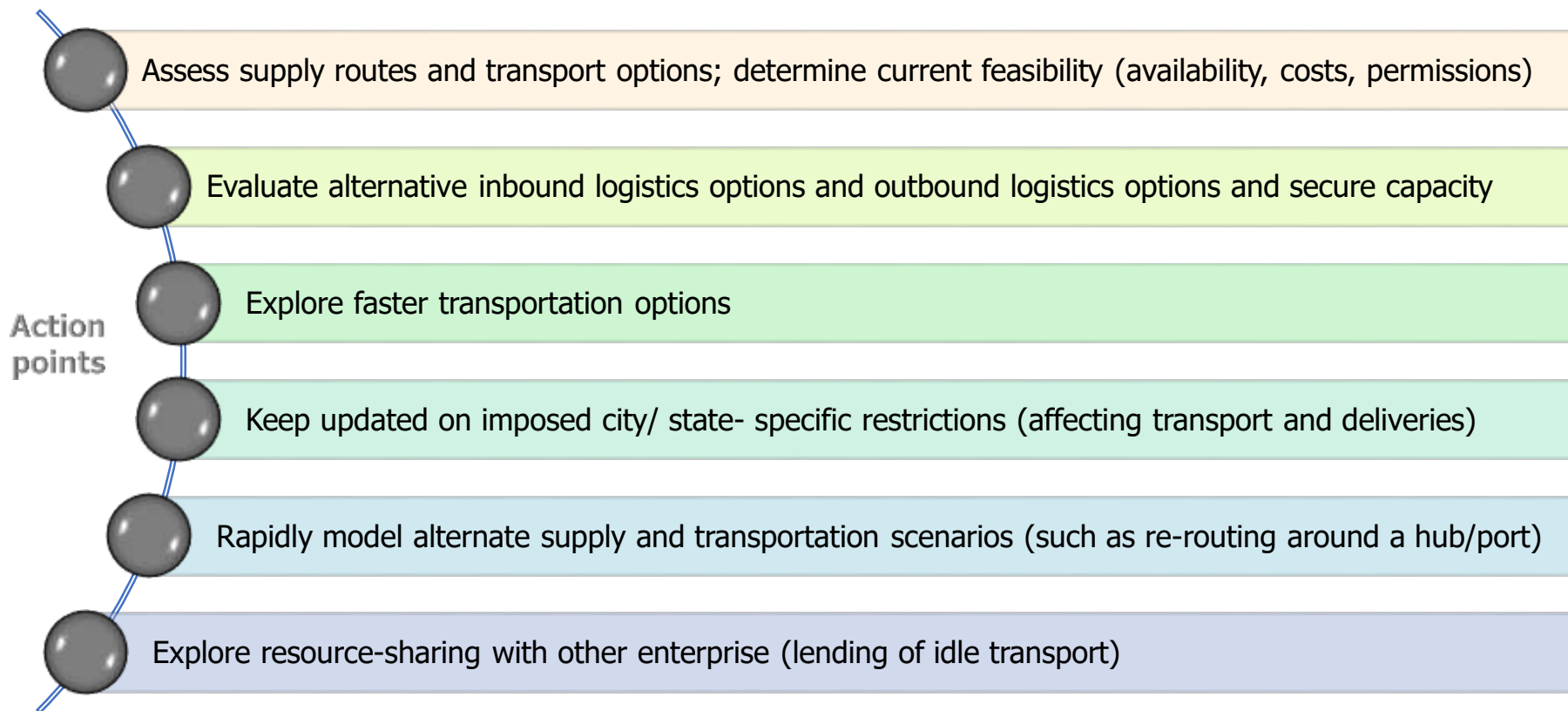
## Suppliers



Targeted outcome:  
**Supplier risk management and Collaborative supplier relationship**



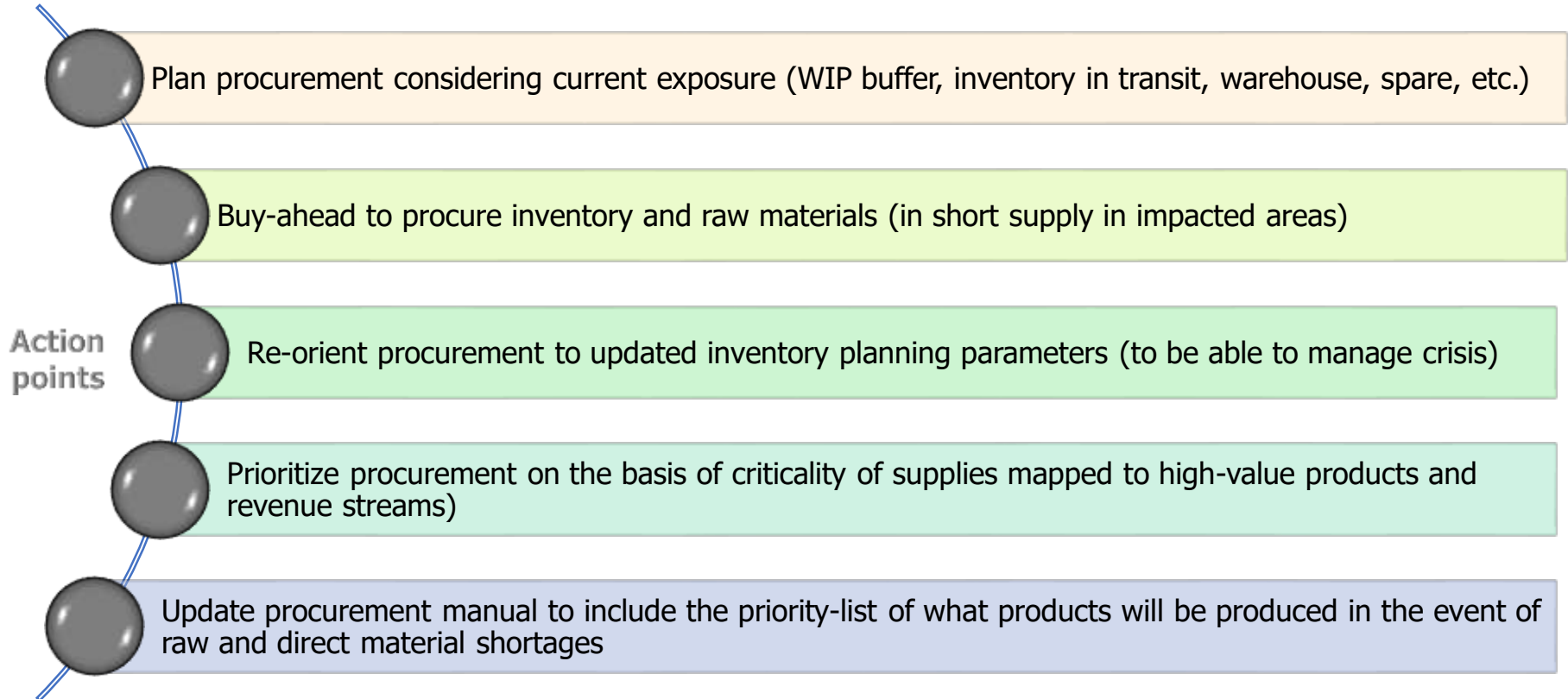
## Logistics



Targeted outcome:  
**Secure, reliable and viable transport and storage options**



## Procurement



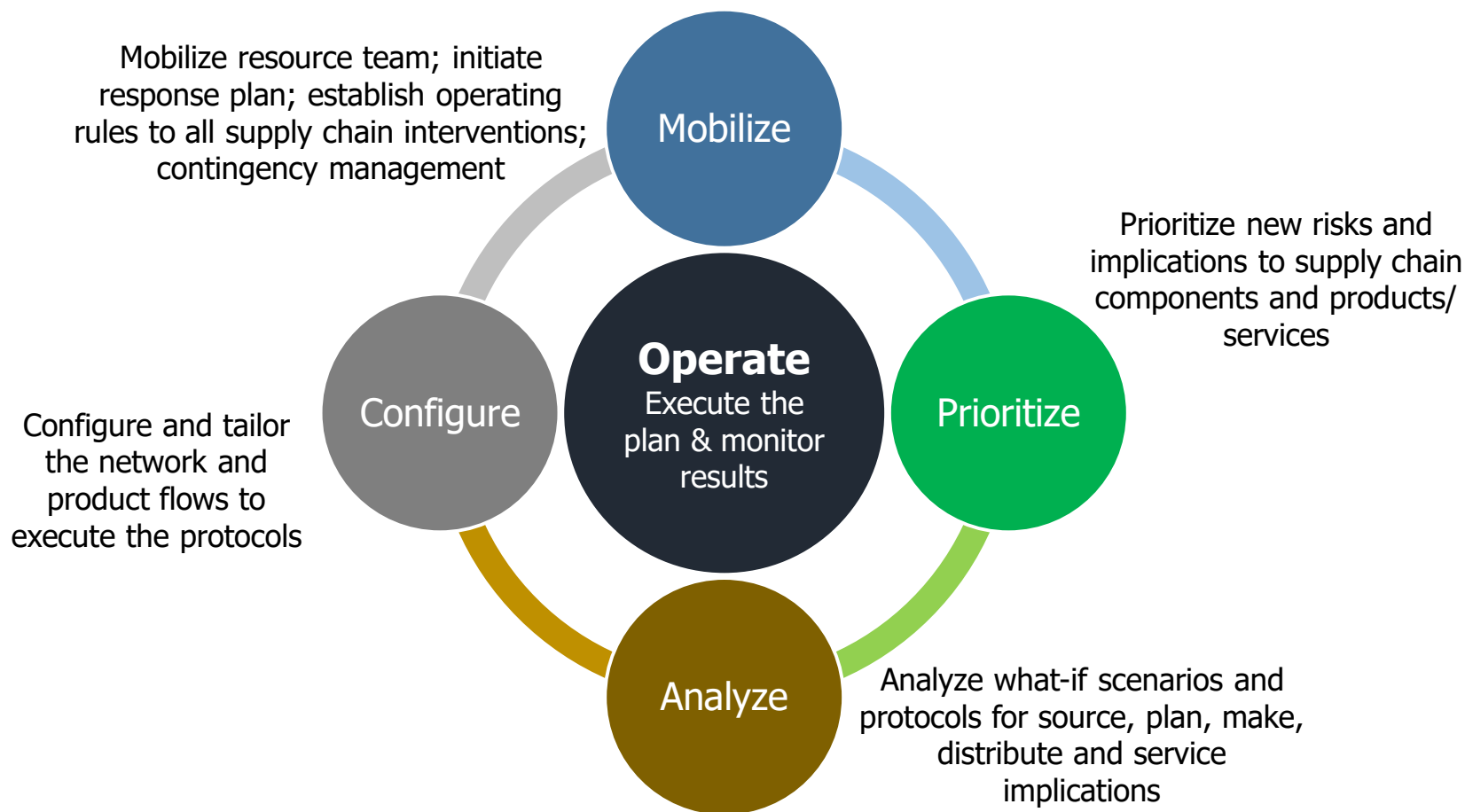
Targeted outcome:  
**Agile and responsive procurement capabilities**

## Cross-cutting approaches

- ❖ **Value chain assessment** of all risk factors that may escalate costs and impact service and inventory capabilities, taking proactive action to address anticipated shortages
- ❖ **Scenario planning:** Developing and implementing enhanced risk management practices; Creating pre-emptive action plans; Making effective trade-off decisions and to identify sweet spots
- ❖ **End-to-end supply chain management:** Ability to model and predict demand; Ensuring supply chains can cope with demand and expectations; Ensuring agile replenishment processes
- ❖ **Technology upgrades, ICT and analytics:** Re-designing the way employees collaborate with each other, customers and suppliers; Cloud-office technology and zero-touch models; Prepared for potential web-based fraudulent actions/ items such phishing, malwares, etc.
- ❖ **Focus on resilience:** With learnings from the crisis, moving toward more comprehensive proactive modeling; Controlling further dimensions of supply chain; Longer-lasting reconfigurations of supply chains to build resilience

## The approach for implementing the action plan

**The approach for implementation will be a mix of Kaizen and Business Process Re-engineering, and will comprise following steps**



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