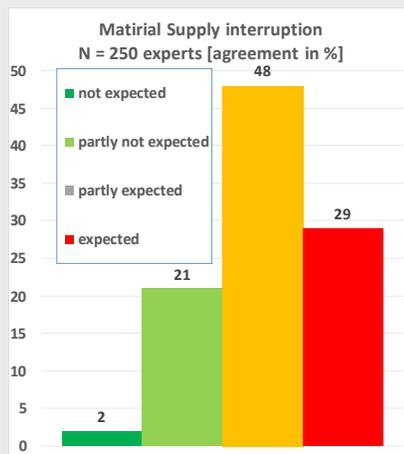


# SUPPLY CHAIN RESILIENCE?

Risk management - learnings form pandemic shortfalls within Supply Chains

## Interruption of Supply Chains during Corona Pandemic

A recent survey of 250 Supply Chain, Production and Logistics experts from German companies [Abels&Kemmer, April 2020] revealed that 77 % of the experts expecting or partly expecting interruptions of their material supply.



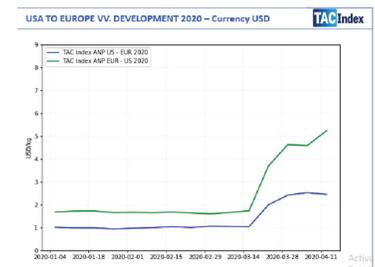
In summary - the majority of the participants is expecting demand deviations, material interruptions, limited transport capacity from overseas and more months of unstable supply and demand.

Increase of safety stock could only be an intermediate solution because cost pressure will remain a key driver.

## Is your supply chain still not back to normal?

The coronavirus pandemic has raised several disruptions within the supply chain:

- Shortage of workforce
- Unplanned peak demand for goods of daily usage, medical and hygienic products
- Unforeseeable low demand for consumer goods
- Shortages in material supply of raw materials, sub-assemblies and finished goods especially from China, Spain, Italy and subsequently from a lot of other countries
- Bottleneck in transport capacity due to lockdown of harbors and logistics providers
- Higher freight cost due to significantly lower air-freight capacity because of at times 90% international flight cancellations reducing air cargo capacity.



Most of the companies underwent tremendous efforts by their supply chain teams to fight the everyday chaos during the last couple of weeks. The question at hand is now how to master the re-opening of national and world wide economies.

## Creating a more resilient supply chain

The impact of the coronavirus pandemic on global supply chains is “a major disruption, along the lines of having an earthquake or a tsunami” [source: Veeroaraghaven, March 17, 2020, Wharton University]. But did you have or do you remember your mitigation plan from the 2011 Tsunami in Japan?

Currently many of our clients are hustling to

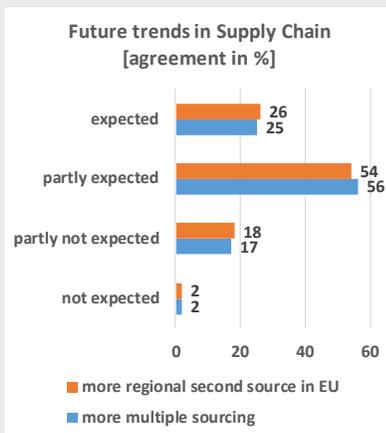
- prepare better for the next crisis whenever it will come and
- to figure out how to “start up” or ramping up.

Aperia International’s senior operations experts can support your efforts in making your supply chain bullet proof.

## How will the supply chains look in a post-corona future?

How will the new normal look like?

The above mentioned survey also investigated the changes in supplier portfolios and the purchasing markets in Europe.



Again, more than 3/4 of the respondents expect a more regional and multi supplier sourcing. This is consistent with our own observations across our clients.

For many companies this might be a change from the strategies and procedures which had worked in the past. For others it might be the acceleration of already existing plans.

Just in Time-processes, short and reliable delivery times might take preference over sourcing from low cost countries.

We can help you to find the right approach and balance for your business.

## How does it work?

We will carry out a detailed supply chain analysis looking at i.e. identifying red flag suppliers or carrier reliability and will provide a comprehensive improvement program to achieve a much more reliable and resilient supply chain for your company.

Our services include:

- Supply chain efficiency survey: we will survey all relevant functional supply chain connectors either providing input into supply chain or receiving supply chain output. This helps defining areas for deeper analysis and improvement.
- Detailed analysis: we will i.e. cluster all materials into categories and perform an ABC analysis. This includes the definition and assessment of red flag suppliers. We will assess current KPIs, input/out variables, working capital management and relevant processes.
- Supply chain complexity map: we will produce a mapping of your supply chain processes and activities and assess their impact. We will point out areas for improvement.
- Supply chain organization assessment: we will review your current organizational set-up, KPIs, past/current performance
- Assessment of your supplier/vendor strategy and management programs
- Detailed analysis report and management presentation, mapping out findings, improvement proposals and recommendations.

During the analysis we will already work with your team on low hanging fruits. We will then propose improvements including cost, impact, benefit and timelines.

Our projects are typically carried out WITH the client and not for the client. This keeps your cost in check and trains the organization during the project. We will not leave you with just a slide deck.

Aperia International, with its experts across the entire packaging value chain is uniquely positioned to provide more detailed information and assist with further discussions.

Please contact us for more details.

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“...looking forward creating value for your organization...”