

Is certainty the  
missing link in  
your supply chain?

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The better the question. The better the answer.  
The better the world works.



**EY**  
Building a better  
working world

# Traditional supply chains are no longer fit for purpose

Traditionally, supply chains have been tuned for cost and speed. This approach works well when there are few interruptions in the system, but collapses in the face of massive disruption. The sheer size and scale of the disruption of COVID-19 and accompanying global lockdowns have forced existing supply chain models to the breaking point. In the new normal, companies must move fast to elevate supply chain resilience if they are to survive.

94%

of Fortune 1000 companies are experiencing disruption in their supply chain due to COVID-19.

Source: Erik Sherman, Fortune Magazine, February 21, 2020

# Resilient supply chains are critical to recovery

COVID-19's unprecedented impact on global demand and supply networks has revealed fundamental weaknesses in the traditional supply chain model. Unless companies act fast to build new resiliency into supply chains, they risk severe and prolonged disruption from the effects of the pandemic.



## Why EY


**We'll help you build the supply chain that will deliver a stronger future.**

In an uncertain world, we'll help you transition from a linear supply chain to a networked ecosystem with the flexibility, resilience and agility to navigate whatever comes next.

## Navigating a saw-toothed economic recovery

As the world's economy recovers, we envision a slow-paced, uneven recovery trajectory with varying rates of growth for sectors and geographies, and periods of acceleration offset by setbacks. This saw-toothed shaped return to growth demands organizations be more flexible, resilient and adapt fast. Supply chains must be reimagined with a new focus on risks and resiliency, and the ability to pivot with agility.





# Key actions to recover stronger

## Adapt operations

1. Improve your supply chain planning function to navigate erratic demand signals and better align supply and demand.
2. Collaborate with internal stakeholders, suppliers and customers for better visibility, using analytics, digital twin, control tower and other technologies to improve monitoring.
3. Reinvent your supply chain operating model to drive sustainable supply chain cost reduction.

## Increase resiliency

1. Transition your supply chain to a networked ecosystem where you and your suppliers use cloud-based data to collaborate and make real-time decisions.
2. Build out end-to-end supply chain visibility to predict situations and respond quickly.
3. Develop an agile crisis management framework, including governance and operating models, to mitigate future risks and disruptions.

**6%**

of companies are very confident in their systems and capabilities for end-to-end supply chain visibility, including cross-border trade.

Source: EY research Reinventing the Supply Chain for an Autonomous Future, 2019

Only **25%**  
of companies consider themselves digitally networked.

Source: EY research Reinventing the Supply Chain for an Autonomous Future, 2019

# Respond faster. Recover stronger. Reframe your future.

In a global crisis that impacts every part of the business, EY has the global network and whole-of-business approach to lead you through each stage of COVID-19 and beyond. Let us help you transition your supply chain to a networked ecosystem fit for an uncertain future.



## Key actions

- ▶ Move from a linear supply chain to a supply network of the future.
- ▶ Implement and utilize technology to improve supply chain visibility.
- ▶ Trim supply chain costs in ways that don't compromise future growth and reduce enterprise agility.
- ▶ Build out your supply chain resilience capabilities by investing in key capabilities such as monitoring, finding alternate sources of supply, and embedding network flexibility.
- ▶ Create a global trade strategy to mitigate risks and cross-board supply chain breakdowns.

Contact us for supply chain support. For more information, please visit <https://www.ey.com/EYSupplyChain>



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