

Importance of Supply Chain Disruption Planning

As the COVID-19 health crisis impacts global supply chains, Impact Washington is stressing the importance of having a plan in place before disruptions to your supply chain. The following checklist can help your company react to and prepare for disruptions.

If your supply chain is already impacted:

- Let Impact Washington know so we can advise of available resources or support.
- Consider short-term and long-term impacts when making decisions (your ability to make sales, impacts on production schedule, staffing, etc.).
- Realize alternative suppliers are probably getting similar requests from other companies and have capacity limits and/or higher prices.
- <u>Contact</u> Impact Washington to see if we are aware of any alternative suppliers within Washington or nationally through the Manufacturing Extension Partnership National Network™.

If you suspect there may be disruptions to your supply chain:

- Contact your suppliers, carriers, forwarders, and brokers immediately to confirm.
- If possible, build inventories of your short raw materials and secure production and transport capacity from your supply chain partners.
- Start sourcing alternative suppliers as needed.
- Identify a resource at your company to monitor the crisis and potential impacts to your supply chain.

Preparing for the next disruption:

- Conduct a Total Cost of Ownership (TCO) analysis to revisit overseas sourcing.
- Conduct a risk assessment of your supply chain and implement changes to handle risks.
- Consider dual sourcing (locally and overseas) for critical components.
- Have a disaster response plan in place.
- Have a process to monitor global events to identify potential supply chain disruptions early.

Other Considerations:

- Communication is key—talk to your customers, suppliers, carriers, forwarders, and brokers about potential supply chain disruptions, and how you can work together to mitigate issues.
- Remember that the impacts vary across the global supply chain, so local suppliers can also be affected based on their sources of supply.
- Travel and workforce issues overseas can impact your local supply chain.
- Remember that you face competition for global product and transport resources.

For help responding to the COVID-19 emergency, implementing a disaster response plan or supply chain disruption planning, contact: Deloit R. Wolfe Jr. by <a href="mailto:emailto:emailto:mailto:emailto:emailto:mailto:emailt

Additional information:

Visit our COVID-19 Resource page or

To understand the current Status of COVID-19 in Washington State visit the <u>Department of Health (DOH)</u> U.S. Food & Drug Administration (FDA) Coronavirus Supply Chain Update

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