



COVID-19 Supply Chain Checklist

Businesses need to ask some critical questions of their supply chains and while some may seem obvious, getting clear answers can often prove challenging. Use this checklist to identify possible opportunities to improve your supply chain in light of COVID-19.

Step 1

To identify the immediate risks COVID-19 presents to your supply chain and business, consider the following questions and answer either **YES** or **NO**. Where you have answered **NO** this might identify opportunities and potential actions you need to consider to protect your supply chain.

COVID-19 Risk Management:

YES NO

Do you understand the implications to your business if one (or more) of your suppliers are unable to deliver product to you?	YES	NO
Do you know where your raw materials / parts / purchased products are coming from?	YES	NO
Have you mapped your supply chain (key suppliers) to identify the locations and movements of your procured goods / raw materials?	YES	NO
Do you know how your suppliers (and their suppliers) are being impacted by COVID-19?	YES	NO
Do you know what the logistics route looks like for your supply chain?	YES	NO
Have your significant suppliers undertaken a similar assessment of their supply chain?	YES	NO
Have you reviewed contracts with critical suppliers – liability (i.e. supply shortage / delivery), contingency, operational continuity clauses, duty cost and other taxation liabilities?	YES	NO
Have you considered how COVID-19 will affect existing / future contracts – rebates, consignment stock, payment terms etc.?	YES	NO

COVID-19 Risk Mitigation:

YES NO

Have you identified risk mitigation actions?	YES	NO
Have you identified contingency supply options (i.e. are there alternative suppliers and / or manufacturing facilities that could be called upon) and if so, do you know how quickly and at what cost?	YES	NO
Have you reviewed all your suppliers?	YES	NO
Are alternative transport / logistic routes available?	YES	NO
Have you a process to monitor future COVID-19 hotspots in your supply chain to mitigate future disruptions?	YES	NO
Have you thought of business continuity / contingency plans if there is a future wave of COVID-19 / a limited-warning notice of return to lockdown conditions?	YES	NO

Step 2

To start thinking about actions that need to be addressed in preparation for recovery, consider the following questions and answer either **YES** or **NO**. Where you have answered **NO** this might identify opportunities and potential actions you need to consider to build resilience into your supply chain and conserving cash.



COVID-19 Inventory Management:

	YES	NO
Have you contacted customers to establish future demand / requirements?	YES	NO
Have you identified existing inventory levels, particularly key inventory, components, parts etc.?	YES	NO
Do you know if you are carrying too much inventory?	YES	NO
Do you have a process in place to minimise the cost of carrying too much inventory?	YES	NO
Have you identified components and raw materials that will have the highest impact on revenue / cash?	YES	NO
Do you effectively manage your inventory to prevent over-stocking / stock-outs?	YES	NO
Have you identified proactive actions to address potential / anticipated shortages?	YES	NO

COVID-19 Supply Chain Management:

	YES	NO
Do you have contracts in place for key suppliers?	YES	NO
Do you have Key Performance Indicators (KPI's) and Service Level Agreements in place for your key suppliers?	YES	NO
Have you looked at opportunities to retender your purchases?	YES	NO
Have you implemented a structured cost reduction programme across purchased goods and services?	YES	NO
Do you understand the key costs in the business and which can be influenced? (i.e. bundle of communication services, service contracts, consumables, stationery, food etc.)	YES	NO
Have you reviewed how much you spend per supplier, rationalised your supply base?	YES	NO
Have you consolidated purchases to leverage additional cost reductions / supply?	YES	NO
Is there an opportunity to leverage collaborative buying power?	YES	NO
Have you looked at opportunities to collaborate with other businesses to reduce your distribution costs?	YES	NO
Have you looked at how you can forecast more effectively?	YES	NO
Do you have an adequate IT system and do you use it effectively?	YES	NO
Have you looked at opportunities where you could work with your customers to take cost out of the product / service?	YES	NO
Have you identified and evaluated re-shore or near-shore options to enhance your supply chain?	YES	NO

If you have any queries or would like to discuss further please send this query to opexquery@investni.com