

COVID-19

Procurement risk management

6 focus areas to help reduce impact

1

Understand risks and exposure

- Assess supply chain risk across Tier 1, 2 and 3 vendors
- Identify origin of supplies
- Define inventory buffers – focus on critical goods
- Create scenarios based on the crisis duration and potential impact

2

Manage cash-flow and increase spending controls

- Create awareness across the organisation
- Limit/Reduce/Eliminate non-critical spending
- Delay non-critical Capex outlays
- Introduce spending controls

3

Secure critical supplies and anticipate shortages

- Ramp-up on critical supplies
- Assess/Revise dual sourcing strategies
- Assess operational changes

4

Engage with supply partners (SRM+)

- Jointly draw up supply security plans
- Consider short term economic incentives
- Ensure constant communication/interaction with key vendors

5

Evaluate alternative sources

- Assess the market to identify alternative sources of supply for critical goods
- Determine if some activities could be outsourced
- Test existing dual source agreements
- Consider ways to accelerate new supplier qualification processes
- Increase S&OP communication and alignment

6

Ongoing monitoring and communication

- Active and ongoing monitoring
- Create awareness and manage communications



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contactuk@ayming.com