Importance of Supply Chain Disruption Planning

As the COVID-19 health crisis impacts global supply chains, IMEC is stressing the importance of having a plan in place prior to 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 IMEC 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.
☐ Contact IMEC to see if we are aware of any alternative suppliers within Illinois 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.

Additional information: Visit www.imec.org or www.ciras.iastate.edu/COVID-19

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