



*There for you.*

# RISK ADVISORY & CONSULTING SERVICES

***WE HAVE TO BE READY***

ISCPO

March 5<sup>th</sup> 2020

2020 Global Supply Chain Security Conference

# WUHAN- TO PROVIDE PERSPECTIVE



# HUBEI PROVINCE



# Hubei Province, China- a global economic powerhouse, commercial and high-tech center

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- 58.5 million population
- Economic and Technological Development Zones
- Dongfeng Motor Works
- SAIC
- GM
- Honda
- Renault
- Software
- Apple
- The [Wuhan–Guangzhou High-Speed Railway](#)
- [Wuhan Tianhe International Airport](#)
- Steel Making
- Logistics Hub
- Electronics

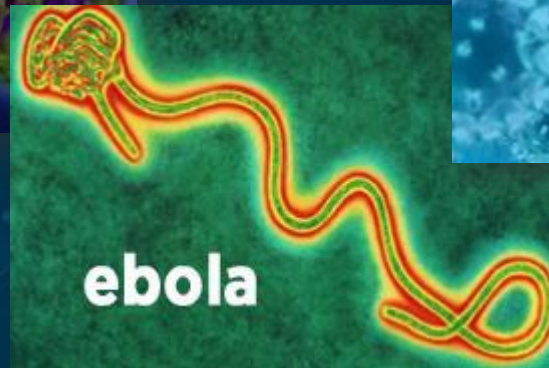


# Ready & Resilient



# WE'VE BEEN THERE BEFORE OUR RESPONSE HAS BEEN- SADLY PREDICTABLE

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# FIRST WE PANIC- THEN AS THESE PANDEMICS EBB



- We forget to plan for the next one

- SARS
- AVIAN INFLUENZA
- MERS
- EBOLA

# COPING WITH CRISIS IN A COMPLEX WORLD

- Expecting the Unexpected
- Avoidance
- Planning
- Awareness
- Containment
- Resolution
- Recovery
- Lessons Learned





# OBJECTIVES OF OVERSEEING AND MANAGING ANY CRISIS-RELATED ACTIVITIES

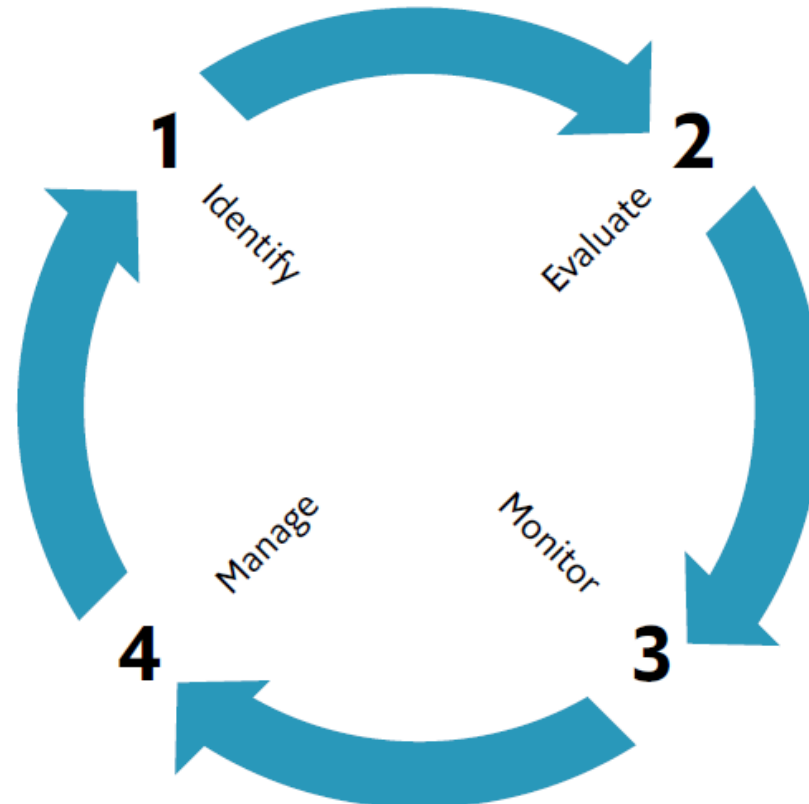
- Protect the lives of all people involved, including minimization of further physical injury or peril
- Comply with all government laws and regulations governing event
- Save all affected physical property from further destruction or harm
- Establish & maintain communications
- Protect the organization's image and reputation
- Create and implement a program to recover from the effects of the crisis



# Coronavirus Crisis or Pandemic- the case for Business Continuity



- Our increasingly complex and interconnected world demands we conduct risk analysis in a systematic and ongoing manner



# Business Continuity

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An Ongoing Process to Successfully:

- Identify the impact of potential losses
- Apply viable recovery strategies and plans
- Maintain continuity of services

Needed When Interruptions or Loss of. . .

- Technology: hardware, software, data, connectivity
- Operations: critical facility, building, process, system, equipment
- Transportation: air, land, over the road
- Communication: essential personnel unavailable

# Key Considerations & Preparations in overcoming Coronavirus

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## People Issues

- Prepare for being understaffed and everything that goes with that
- Report any suspected cases of virus to staff surveillance team
- Encourage remote working
- Ensure information technology teams are available to provide support for remote workers
- Invest in remote working communications technology and tools
- Ensure effective health protection measures like sterilization of workplace are in place and communicated to workforce



# Key Considerations & Preparations in overcoming Coronavirus

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## Finance Issues

- Prepare alternate budgets
- Prepare for short-term dips in domestic demand for services/goods
- Ensure outstanding Accounts are cleared as soon as possible
- Increase ways to motivate staff to return to work- bonuses, incentives
- Seek alternative suppliers from less disrupted regions or out of the country

## Focus On

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- Protecting your employees- Develop a plan to support employees. Business as usual for many companies has not or will not be the same
- Leaders should communicate with employees with right level of frequency and specificity
- Set up a cross-functional COVID 19 response team- led by a direct report of the company CEO or President- Employee Health & Welfare; Financial Stress Testing; Supply Chain Monitoring; long-term resiliency; marketing & sales. Adjust continually as well as weekly
- Insure liquidity is sufficient to survive the storm
- Stabilize the supply chain- define the exposure to tier 1,2 and 3 suppliers and inventory
- Begin to plan to products, clients that will see spikes once restarts begin to kick in
- Stay close to customers- try to anticipate customer behaviors as the situation shifts needs
- Practice and Plan- roundtables, simulations, gaming
- Demonstrate purpose- try to determine how to support response and recovery efforts best by offering different services

# Implement Proactive Steps and Intelligence

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- Proactive monitoring getting and staying ahead of current and emerging conditions, developments can help you deploy or redeploy staff, substitute and secure supply chain- the key is gathering information, providing analysis, curating, prioritizing it and sharing it internally and within your critical industry sector
- Information Sharing- we're all in this together- establish an information sharing portal- example to follow with interactive tools. Could be a consortium of a hundred customers and demonstrate great good will and customer support sentiment for future customer relations and the overall good- positive for the industry as a whole
- Will show you a tool that can accomplish this for your Industry Group

# Key Considerations & Preparations in overcoming Coronavirus

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## **CSR Issues** (Corporate Social Responsibility)

- Consider planning a campaign designed to support the management of the outbreak
- Make Donations in the healthcare authority to demonstrate support and goodwill



## Consider Mutual Aid Within Your Industry

### Key to maintain logistic services to the global economy

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- Consideration should be given to establishing specific Pandemic Mutual Aid agreements to help manage the strain placed on the Supply Chain from end to end. The world economy rests on the ability to move materials, goods and products. It might be considered as a single point of failure
- Staffing
- Warehousing
- Transportation/Logistics

# Integrated Plan

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Hopefully your plan does not look like this one!



## Resources

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### Centers for Disease Control (CDC)

- <https://www.cdc.gov/coronavirus/2019-ncov/index.html>

### World Health Organization

- <https://www.who.int/emergencies/diseases/novel-coronavirus-2019>

### TX 360- Situational Intelligence Monitoring

- [https://www.aus.com/sites/default/files/inline-files/TX360\\_0.pdf](https://www.aus.com/sites/default/files/inline-files/TX360_0.pdf)

### Group Do Lists

- <https://groupdolists.com/>



## Contact Information-

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