



COVID-19's Impact on the Supply Chain and How Analytics Can Help



Introduction

From the very beginning of the pandemic, it became clear that COVID-19 would affect the supply chain in a number of industries. From the images of bare shelves in the supermarket and closed-down construction sites to the stories of farmers having to dump excess milk and euthanize animals, there were constant examples of the ways supply chains were being interrupted.

In this white paper, we will look at 5 ways in which COVID-19 has had an impact on the supply chain, and how analytics can help industries adjust to the new realities of business today.

1. Diversification of distribution

Even if every step of their supply chains remained intact, a number of companies found themselves in something of a dead-end when the pandemic hit. With schools and restaurants closed and many office buildings sitting unoccupied, many of the products that were previously shipped to those places no longer had anywhere to go.

For some companies this means they are unlikely to lock themselves into long-term contracts moving forward. The companies that allow themselves flexibility are the ones that are most easily able to adjust when a disaster strikes and the economy is turned on its head.

How analytics can help

Most organizations are already collecting the data they need to be prepared for this kind of a shift. As long as they have the flexibility in their contracts, they can re-route transportation to ship milk, for instance, to a grocery store instead of a school.

Financial flexibility is important, too. Some companies have chartered planes that have been left empty due to a decrease in travel during the pandemic and used them to fill in holes in their ability to move goods.



2. Moving from global to local

For many organizations, the pandemic has forced them to take a look at their entire supply chain. The shutdown of a factory in another part of the world can still catch some businesses by surprise, and that is something that many companies are now taking steps to make sure they prevent down the road.

The companies that were best prepared for the pandemic were the ones that learned from previous disasters, such as hurricanes or earthquakes. Solutions such as supply chain mapping software may be more expensive, but they can help keep a company in operation when everyone else is forced to stop working.

How analytics can help

Those companies invested in supply chain mapping software that gives an organization more visibility into their supply chain right down to the source of their raw materials. The most expensive solutions allow companies to see every step from the raw materials to the final destination, but not every organization needs that level of detail. Some supply chain software can provide data like the suppliers of the top five products by revenue, the functions of a primary site, and alternate sites that are able to do the same thing.

By mapping out their supply chains, some companies are finding that even though it might be cheaper to manufacture products in another country, moving forward it might be more beneficial to keep their entire supply chain in their home country.



3. Diversification of resources

Supply chain mapping allows organizations to see the potential for disruption, but it doesn't mean anything if they don't take steps to be prepared for those disruptions. As a result, many organizations have tried to diversify their supply chains at as many points as makes financial sense.

By having more than one location providing resources, for example, or more than one transportation option, companies set themselves up for success when something out of their control interferes with their production.

How analytics can help

Supply chain mapping software can show organizations how long it would take to move operations to an alternate site, if a primary site is out of commission for any reason. It can also show how much longer (or shorter) it might take for products to be shipped from secondary sites instead of the primary ones.

For some companies that have facilities in other parts of the world, automated applications have been an effective solution. The applications provide alerts to possible shutdowns in the facilities, some of which might be unmanned. These real-time notifications allow the organizations to act immediately in a situation where any delay can be costly.



4. Changing workplaces

The workplace won't be the same for the foreseeable future. Whether a business was forced to close during stay-at-home orders or it was deemed an essential service and remained open, the workplace set-up was forced to change. In many respects, those changes will be here to stay.

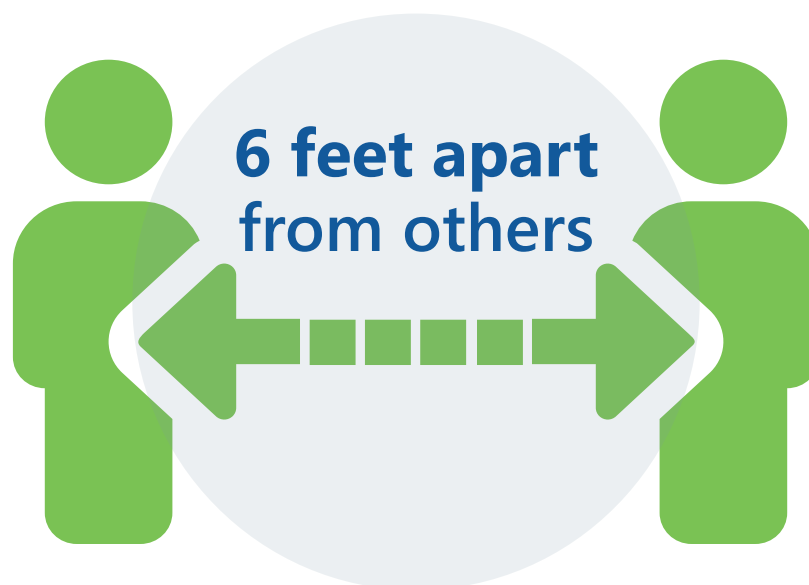
Social distancing measures were put in place, and in some cases where six feet of separation was not possible, barriers were installed between workers. If people couldn't work from home, the number of workers allowed on-site was adjusted so fewer people were in a workplace at one time. Temperature checks became commonplace, and most offices have eliminated shared social spaces.

In a disproportionately affected industry such as meat processing plants, major adjustments might have to be made, like adjusting the speed of a production line to account for more distance between workers. Whether such a major industry change will remain in place until there's a vaccine remains to be seen. Changes that go against the standards the industry has fought to implement have been met with resistance.

How analytics can help

Technology can help enforce social distancing measures. Some companies have been using wearable devices that buzz or send out some other alert when someone has moved too close to another person in order to help maintain the recommended distance. Others use cameras or sensors that monitor the number of people in a building or in a specific room, continuing to use those cameras to keep track of occupancy, but also re-purposing their use to see how close people are to one another.

Some companies have started to use work shift software to keep track of increasingly difficult scheduling as they try to limit the number of employees in one place. There are also contact-tracing programs that can help keep track of employees who might have been exposed to COVID-19 at work.



5. More aware consumers

When certain products became unavailable in grocery stores at the beginning of the pandemic, consumers got creative. They started to seek out what they needed from places they might not have considered previously.

If someone couldn't find certain vegetables in the grocery store, maybe they would have more success in signing up for a farm share. Similarly, maybe that person had a better shot of getting milk and eggs from a farm than the market.

How analytics can help

Being able to react to the adjustments consumers make underscores the importance of a scalable analytics solution. For many companies, the idea of consumers cutting out certain middlemen in their buying practices reflected an expected change in behavior...but one they weren't expecting for few more years.

For corporations, the data they were collecting wasn't changing, but the way they needed to produce financial reports and predict what might happen down the road might have been drastically different. Being able to change the way they look at their data based on this accelerated action on the behalf of consumers is only possible if they have a flexible analytics solution.



About Diver Platform

Dimensional Insight's Diver Platform is a data management, analytics, and performance management platform that is trusted by its customers in the manufacturing and transportation industries.

Diver Platform helps customers in the supply chain increase efficiency, reduce operating expenses, increase profitability, improve results, and achieve ROI. Combined with the knowledge of Dimensional Insight's industry experts, Diver Platform provides the information people need to make informed decisions.

To learn more about Dimensional Insight's Diver Platform and associated applications, please visit: <https://www.supplychain.dimins.com>.

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