

The Impact of COVID-19 on Supply Chains – Q&A

Webinar series on crises management

Turku School of Economics
April 29, 2020



UNIVERSITY
OF TURKU

AGENDA

- IMPACT OF COVID-19 ON SUPPLY CHAINS
- COMMENTARY AND *KESKO* POINT OF VIEW
- Q&A
- UPCOMING WEBINARS

QUESTIONS RECEIVED FROM ALUMNI

- If western companies start building alternative supply chains outside China, will the other Asian countries like Indonesia and Vietnam be winners in this?
 - Corona is a global phenomenon.
 - Flexibility, and ability to analyze and implement alternative solutions are key.
 - During the past years, some companies have moved their manufacturing from China, for example, to Vietnam and Indonesia. Most likely this will continue.
- Which supply chains are most/least affected, and why?
 - International and global supply chains are affected the most
 - The ones which require physical, human interaction
- Which industries or sectors are the best and which the worst placed to mitigate the shock, and why?
 - Crisis readiness differs across industries.
 - See Lauri Ojala's presentation and slide #10
- Goods keep on moving but people need to distance themselves. How to analyze the magnitude of the crisis?
 - See Lauri Ojala's presentation and slide #10
 - Industries which require physical, human interaction, and the ones that are dependent on international supply chains are affected the most
- How will corona influence return of production to home countries.
 - A number of international companies are analyzing and implementing that alternative already
 - Relocating production to your home base is not a general solution but depends on the structure of your supply chain
 - Companies are evaluating the opportunity cost of the relocating of the production what comes to cost and delivery times
 - Global supply chains are built over time and if companies have a network of trusted suppliers it is not easy to change in a short term

QUESTIONS RECEIVED FROM ALUMNI

- In terms on digitalization, what are the effects the corona virus will leave to maritime logistics for good?
 - According to research, companies that have invested in technology solutions are less likely to exit the market in the long run
 - Corona will boost digitalisation most likely
- Is this the beginning for the end of globalization, i.e. back to local supply chains?
 - Goods must move globally in the future as well
 - Solutions covering safe alternatives for the movement of goods are being investigated and prepared
 - A “glocal” approach is expected
- What are the most common low hanging fruits to fix regarding supply chain during crisis?
 - Flexibility and short-term alternative channels
 - Seek partnerships not transactions
 - Set targets, analyse alternatives, choose your option, implement
- How do you think the crisis will influence discussion on autonomous supply chains? E.g. will this idea be viewed more positively from a safety perspective due to the lack of human contact?
 - Autonomous supply chains are being developed independent from corona
 - Corona may facilitate the development further
- How to build resilient and sustainable supply chains in the complex and uncertain environment?
 - Set targets, analyse alternatives, choose your option, implement
 - Keep a strategic view and identify future scenarios
 - Flexibility of structure and options allows companies to change their supply chains when required
 - Safe solutions in avoiding contamination are important



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