

# Disrupted Supply Chains



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# What's Disrupting Supply Chains

## Int'l logistics constraints

Reduced cargo capacity has limited global movement of goods & increased supply time & cost



## Regulatory

Export embargoes, trade barriers and impediments have emerged and continue to do so



## Restricted supply of critical supplies

Some commodities have become highly sought after (eg PPE) and are critical not only for the health sector but other key sectors such as food manufacturing, mining, etc.



## Supply impacts through the tiers

Impacts to production have been disrupted by suppliers up the value chain (eg Tier 2 and 3 suppliers)



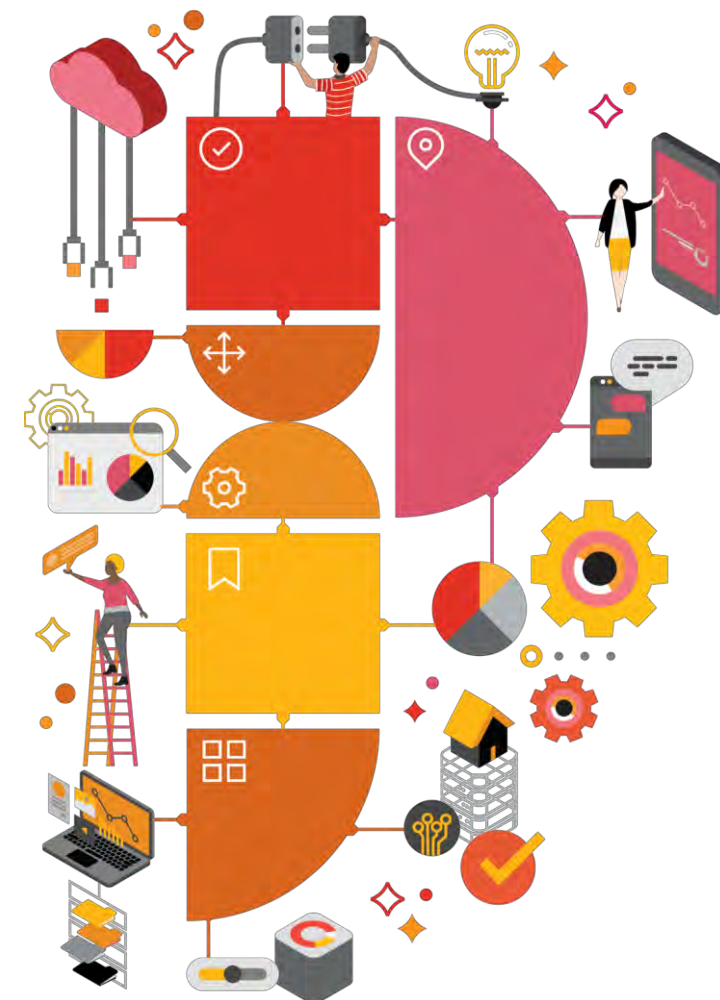
## Distressed suppliers/customers

Increasing incidents of distressed suppliers and customers impacting on continuity of supply



## Lack of global mobility

The halt to international travel has limited the ability to visit customers or int'l suppliers



# PwC Global CFO Survey

80%

of CFOs expect a **profit/revenue decrease** of up to 50%



36%

of CFOs have identified **new distribution channels** as a key strategy to responding to disruption.



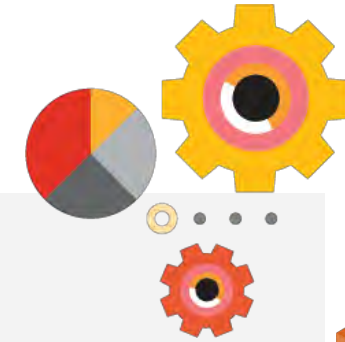
While 20%

of CFOs say they are looking to **diversify product assembly and/or service delivery locations** to shorten delivery lead times.



51%

of local CFOs are **adjusting their supply chain and sourcing strategy**.

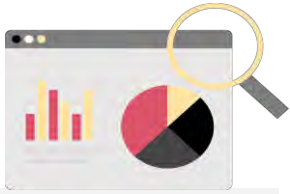


30%

of CFOs believed that their organisations' need to invest in technology to **increase supply chain transparency** and to **improve the speed and accuracy of decision-making**.



# How can business respond



## Increase **supply chain visibility**

Supply chain transparency allows business to make data-led decisions and obtain immediate line of sight over areas of potential delay, disruption and risk.



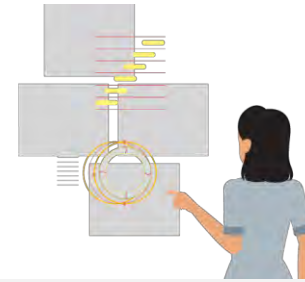
## Review E2E **supply chain costs**

Review end-to-end supply chain costs to identify and unlock 'hidden' costs and potential cost down opportunities in the supply chain to mitigate rising costs.



## Assess **logistics arrangements**

Explore alternate logistics arrangements (eg multimodal transport) to get products moving outside of traditional transport routes.



## **Diversify** sourcing or markets

Identify alternative sources to diversify supply base, especially if using a single-source of supply. Look to new markets or channels to market if constrained.



## **Near or on-shoring**

Can lead times be improved by manufacturing or value adding in market. Alternatively, is the use of a 'regional' hub/warehouse an option to hold stock closer to market.

# Technology enabled supply chains

## Supply chain visibility

PwC's Global Trade Analytics Platform (GTAP) provides **enhanced supply chain visibility and insight-generating analytics** utilising import and export trade data to produce a comprehensive profile of a company's import and export activity displayed via interactive maps, graphs and tables which can be interrogated and analysed to identify supply chain disruption, risk and opportunities. GTAP can be augmented with ERP or other data sets to provide even greater insights into your supply chains.



Value delivered

**Holistic view of global trade portfolio**

**Mapping of trade (by volume and value) across all trade lanes**

**Visibility over int'l transport and supply chain costs**

**Duties & taxes paid; & FTA uptake**

**Freight forwarder rationalisation and delivery performance**

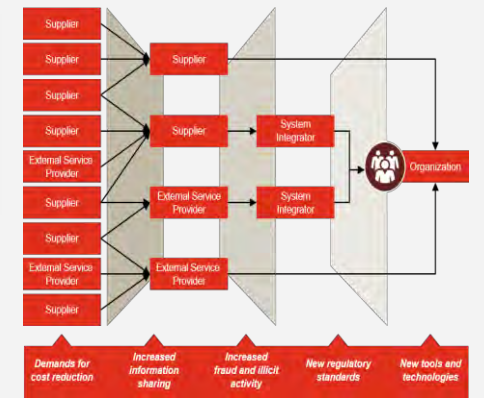
## Provenance

PwC's 'Food Trust Platform' allows businesses and consumers alike to have **confidence in their food and where it came from**. It compiles authentic data, tracked via unique invisible tags, from **across the commodity supply chain to track and trace food products from paddock to plate**.



## Vendor monitoring

PwC's 'Know Your Vendor' solution is a **continuous monitoring solution that: performs enhanced due diligence over global vendor networks**; quantifies the risk surrounding vendors; reveals areas of risk to consider mitigation measures. Corporate social responsibility laws (eg Modern Slavery) now requires businesses to know who their suppliers are through the supply chain tiers.



# Thank you

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