

PROCUREMENT REFOCUS AND RELAUNCH

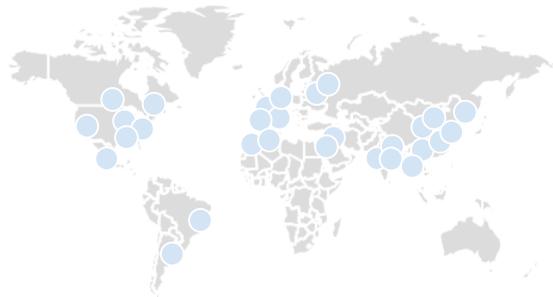
How can Procurement leaders adapt their agenda to
strive in the COVID-19 relaunch?

CURRENT SCENARIOS LEAN TOWARDS A SLOW RETURN TO “NEW NORMAL”

Scenario 1

Serial outbreaks lasting 3–4 months

Pandemic spreads along several infection outbreaks with a rapid back to normal



Supply impacted by local lock-down, but followed by a rapid rebound

Scenario 2

6–12 months to rein in pandemic

Pandemic spreads with progressive back to normal due to health measures



Supply heavily impacted from multiple geographies in lockdowns and slow-paced deconfinement

Scenario 3

12+ months; ongoing epidemic

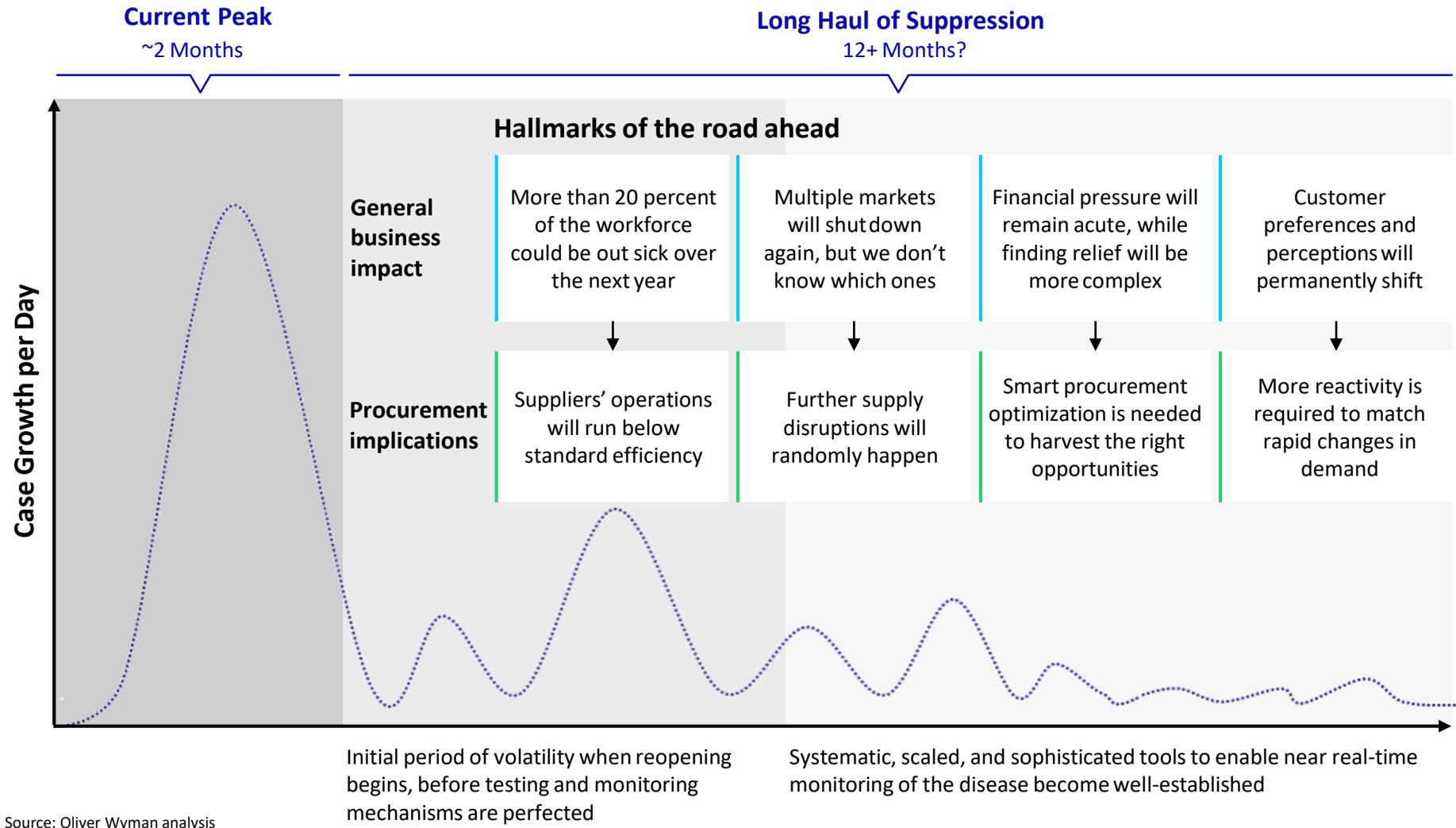
Potential reinfections as long as herd immunity or treatments are not in place



Supply heavily impacted by **recurring waves of lockdowns** and **deconfinements** taking place in **different geographies** and **times**

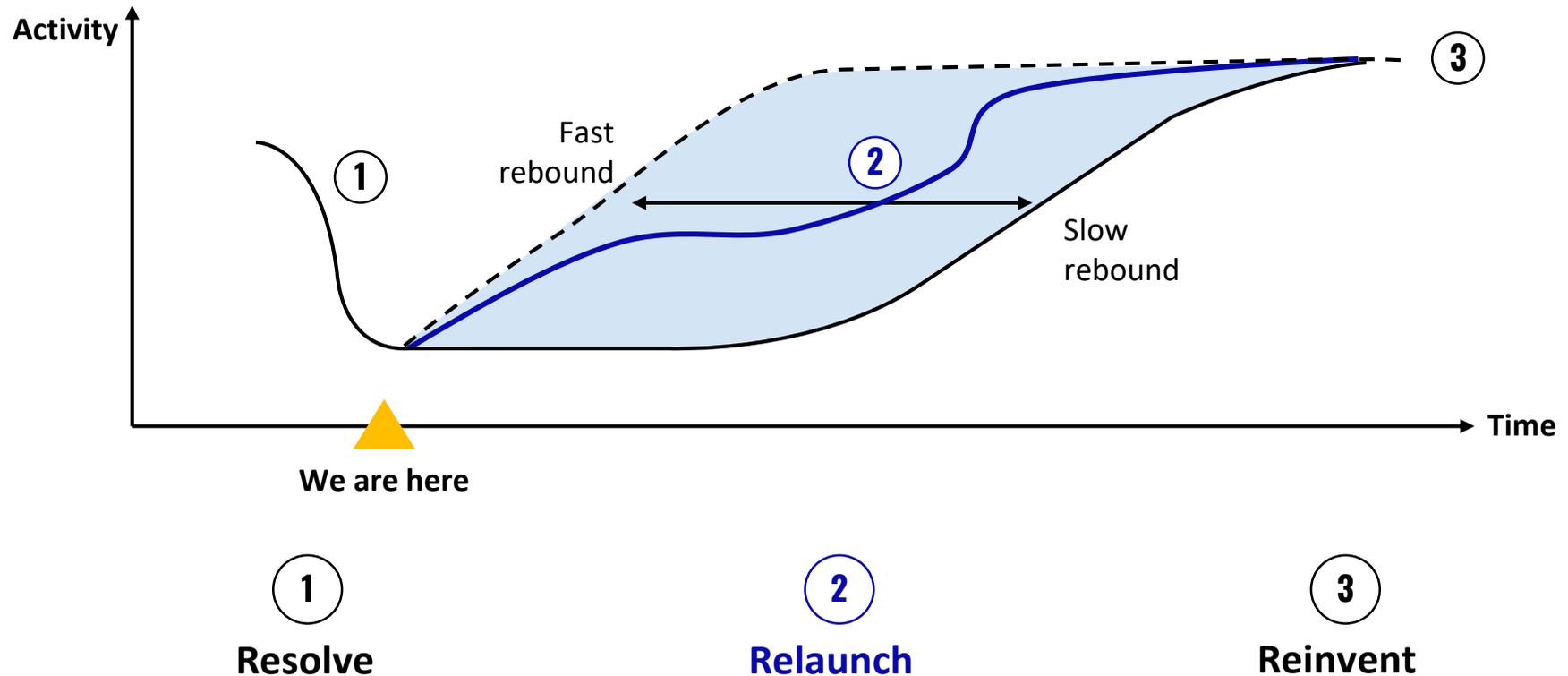
Source: Oliver Wyman analysis

THE LONG HAUL OF SUPPRESSION IS MARKED BY PERVASIVE RISK OF DISRUPTION THAT WILL HAVE A DIRECT IMPACT ON PROCUREMENT FOR MONTHS OR YEARS



Source: Oliver Wyman analysis

ORGANIZATIONS SHOULD GET READY FOR A LONG AND COMPLICATED RELAUNCH WHICH COULD EXCEED 12 MONTHS



Work on business continuity, cost and cash savings,
and operating model adaptations

PROCUREMENT LEADERS SHARE A SENSE OF URGENCY AROUND BUSINESS CONTINUITY, COST AND CASH WHILE PREPARING FOR THE FUTURE

Supply continuity

Despite low visibility and predictability

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Many of our critical suppliers' production has stopped. How do we compensate for this right now?

Looking to the future and to the easing of the lockdown, there are many uncertainties. We are planning for different scenarios.

Will that be 70 percent of past "normal", 50 percent, 30 percent?

Cost and cash savings

Despite widespread financial stress

Cost is critical and cash is king. Our restart needs to be nimble and lean.

We have contacted key suppliers to renegotiate conditions. Many are willing to go the extra mile; Some are not; Some may not be here after the crisis. We're working on "Plan B" and even a "Plan C".

Rapid response working model to address urgency

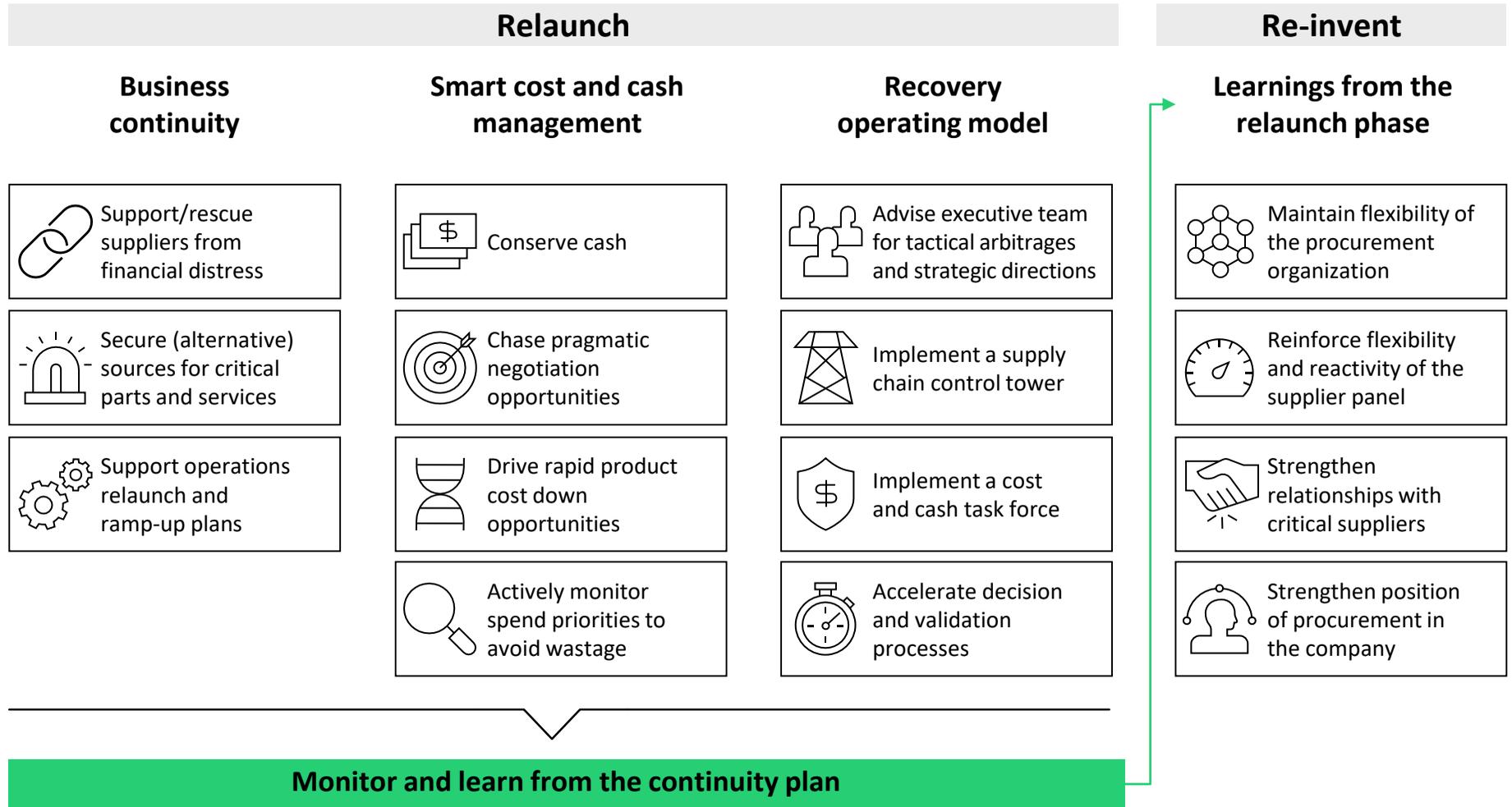
But invest time to observe learnings

Client wise, how will our industries be impacted?

Consumer buying habits have changed drastically: Online has grown from 5 to 35 percent of our business, and the infrastructure was not there to support the shift.

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PROCUREMENT LEADERS WILL NEED TO ADAPT THEIR AGENDAS TO SUPPORT THE RELAUNCH



Source: Oliver Wyman analysis

MAKE SURE YOU DON'T MISS THE TRAIN!

Call for action in the next weeks



01

Create transparency

- Mobilize people and suppliers
- Identify and qualify risks



02

Start to act

- Develop mitigation plans
- Setup and empower agile project execution
- Monitor real-time



03

Look ahead

- Synthesize learnings from day-to-day execution
- Capitalize on experience to set up your future operating model

READ OUR LATEST INSIGHTS ABOUT COVID-19 AND ITS GLOBAL IMPACT ONLINE

Oliver Wyman and our parent company Marsh & McLennan (MMC) have been monitoring the latest events and are putting forth our perspectives to support you clients and the industries you serve around the world. The Coronavirus Hub will be updated daily as the situation evolves.



[Visit our dedicated COVID-19 website](#)

