

[SUPPLY CHAIN RESTART GUIDE]



**GET BACK
TO BUSINESS WITH
MINIMAL DISRUPTION**

PENSKE



Disruption is everywhere.

From pandemic-related economic concerns to ferocious hurricanes, winter storms, traffic snarls and holiday-related closures, disruption poses a greater long-term threat to the global supply chain now than at any time in recent memory. Every time a production line shuts down, a business must pivot quickly. Doing so after a short break might be relatively easy. But doing so after a weeks- or months-long interruption brings increased complexity.

While shutdowns bring plenty of bad news, they also carry a silver lining: the opportunity to plan better and build a more resilient supply chain.

This eBook provides businesses with a five-step supply chain restart guide. These key considerations will help you create a more responsive, agile and flexible supply chain, helping your business withstand future shutdowns and drive business forward, faster.



[STEP 1]

EXAMINE YOUR CARRIER BASE



Economic turndowns bring volatility. During the Great Recession, several carriers declared bankruptcy. While some carriers can restart their businesses after a prolonged shutdown, others lack the long-term cash flow to do so. That means businesses must get wiser about choosing the right carriers.



Some tips:

- ✔ **Review your current carrier base.**
Do a financial analysis to determine which suppliers are still strong and which may be facing economic turmoil. If procurement isn't your strong suit, consider asking a third-party logistics (3PL) firm to help.
- ✔ **Examine your entire book of business.**
Review all lanes and learn which are profitable and which aren't.
- ✔ **Have a frank discussion.** Talk openly with carriers about profitable and non-profitable lanes. Collaborate to find a win-win.
- ✔ **Prepare for the worst.** Consider what to do if a shipper declares bankruptcy. Ask: *Will spot-buying lanes be an option? Are there other alternatives?* Remember, spot buying rates often increase when capacity tightens.

[STEP 2]

REVIEW YOUR SUPPLY BASE



Like carriers, suppliers face financial strain during prolonged shutdowns. But keeping a constant flow of supplies is vital. Manufacturers and retailers can miss out on huge revenues due to supply shortages.



A few ways to keep a steady supply of needed goods after a shutdown:

- ✔ **Review your capabilities.** Shutdowns provide an ideal time to identify capacity, equipment or facilities that may be needed when shipments resume.
- ✔ **Prepare for the resumption of overseas shipments.** Make sure you're ready to process them when they arrive. Consider the impact of demurrage fees on containers if you can't unload them. Think about any short-term warehouse space needs.
- ✔ **Keep your suppliers updated.** Talk with them about their current state and future capabilities, and anticipate any post-shutdown concerns.
- ✔ **Seek new options.** If one area is impacted by a weather event or widespread illness, look for suppliers in other regions that may be able to provide product without interruption.

[STEP 4]

EVALUATE YOUR ENTIRE NETWORK

All supply chain interruptions expose vulnerabilities. Shutdowns afford you the time to review your company's network design, identify pain points and solve for them. Each improvement will allow you to mitigate future business interruption, whether the cause is bad (a natural disaster or pandemic) or good (an acquisition or business growth). Some tips:

- ✔ **Run "what-if" scenarios.** Test options such as different ports, routes, alternate suppliers, inventory levels and transportation modes. Penske Logistics experts help customers run such models to evaluate the impact on their network.
- ✔ **Seek new horizons.** Effective network design helps companies identify which channels should be served by which locations, ideal supplier base locations, best ports of entry and optimal warehouse positioning.
- ✔ **Identify improvement opportunities.** Analyze shipment or demand data to seek quick wins.
- ✔ **Model key constraints.** Run scenarios that account for manufacturing limitations, delivery time frames and costs.
- ✔ **Prepare for the future.** Network visibility can provide early insight into when things are changing, which also can trigger a network redesign.



[STEP 5]

SEEK GREATER VISIBILITY



Visibility affords companies with both a high-level and a detailed view of all supply chain components. The more visibility you have, the better you can manage inventory. Penske Logistics uses its [ClearChain™ Technology Suite](#) to provide real-time insights that help companies use the supply chain as a competitive advantage. With ClearChain, companies can:



✔ **Make data-driven decisions.** Updates on load status, potential weather or traffic delays, location tracking and delivery time provide shippers with the information they need to plan appropriately.



✔ **Reduce stock outages.** ClearChain communicates with production facilities, helps fine-tune production schedules and labor, and monitors potential supply issues to keep production lines moving.



✔ **Improve warehouse efficiency.** By monitoring product velocity and providing advance notices of arrivals, ClearChain helps increase the flow of inventory.



✔ **Embrace e-commerce.** Having the right data allows warehouses to properly slot products, manage SKUs and handle the most intricate supply chain challenges.

Business interruption creates stress, and the longer the disruption, the greater the anxiety level. But getting back to business should bring a sigh of relief. If you need help with restarting your supply chain, the experts at Penske Logistics can provide proven and customizable state-of-the-art solutions to help you meet even the most complex supply chain challenges.



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