

Managing Supply Chains During COVID-19



During this challenging time we are working with businesses to ensure they can keep producing, although this may involve diversifying, adapting and changing products and customers; maintaining a robust supply chain is key.

Below you will find our top tips for managing your supply chain in these unprecedented circumstances. If you require any help with the following, please do not hesitate to get in touch. We are here to help you through this challenging time – remember no question is a silly question.

- 1 Forecasting** – Create some business forecasting scenarios - this can be as simple as planning how you would fulfil orders if delivery fell through, your workforce halved or if demand of a particular product increased.
- 2 Optimising Production** - In order to fulfil orders ensure your manufacturing process is efficient and only prioritise those products which are in demand and/or most profitable.
- 3 Price Increases** – Expect an increase in raw ingredient prices – to ensure this doesn't have a negative impact on your business, see what increases can be realistically be passed on, even if the % is small, it could make a big difference.
- 4 Suppliers** – Have a discussion with your key suppliers regarding their pricing and to see if they can look at a supplier/manufacturing agreement to help you maintain your current pricing structure.
- 5 Maintaining Stock Levels** – Carry out a risk assessment on the stock you currently hold and consider whether or not you may experience a problem securing items going forwards. Consider if you could start to produce these items yourself, or do you need to look at alternative suppliers? – Carry out more regular stock takes, just in case delivery times are extended.
- 6 Imported Ingredients** – If you import ingredients for your products from outside of the UK, consider the supply of these items in terms of the disastrous impact the pandemic may be having on growers or producers across the world. There will be a time in the not so distant future that products sourced from Italy and Spain will start to see a lag in supply, as their own stocks start to diminish – this is to be expected and you should look at the risk this poses to your products.
- 7 Depleting Stock Levels** – If you have put a halt on production, consider using/selling off/ donating any items of food with a short shelf life that will not be used over the coming months.
- 8 Buy Big** – You may find that suppliers to food service can provide you with stock you require but in larger quantities, these organisations have been hit by the fall of the hospitality sector, and it is possible you may be able to buy stock that was earmarked for them.
- 9 Identifying New Suppliers** – We are seeing a pattern of suppliers only working with larger manufacturers at present to ensure that the big brands are catered for to keep products on supermarket shelves, this may continue and you may find a discussion with your suppliers ensures that they can/will continue with your orders. If you are looking for new suppliers, do not delay, some suppliers of raw ingredients that are in short supply may not take on new customers.
- 10 Logistics** - Transport and distribution seems largely unaffected at present, but shortage in delivery drivers may impact this industry going forwards.
- 11 NPD** - Consider swapping out items that you know will be in short supply with alternatives – remember to get your labels and nutritional values checked if the change of ingredients alters the integrity of your products in any way.
- 12 Brand Attack** – In a crisis don't worry about specific brands of ingredients, try out others to ensure you can keep producing your products.
- 13 Packaging** – If your packaging is integral to your product – speak with your supplier to ensure that you will not run out in the next 3 months, carry out a risk assessment on your packaging levels just in case this happens.
- 14 New Product** – Although most independent retailers are only interested in maintaining existing stock levels at present, you may find you are able to diversify and supply other products that are in short supply and plug the gap.
- 15 Work in Collaboration** – Although an easy one and one most of you do already - if you are struggling with any aspect of your supply chain please contact us. Now is the time to start building up those links you have within the food network, we are happy to help and support you!

To discuss further contact The Food & Drink Forum

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