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Importance of Supply Chain Disruption Planning

As the COVID-19 health crisis impacts global supply chains, KMS is stressing the importance of having a plan in place prior to disruptions to your supply chain. The following checklist can help your company react to and prepare for disruptions.

If your supply chain is already impacted:

- Let KMS know so we can advise of available resources or support.
- Consider short-term and long-term impacts when making decisions (your ability to make sales, impacts on production schedule, staffing, etc.).
- Realize alternative suppliers are probably getting similar requests from other companies and have capacity limits and/or higher prices.
- Contact KMS to see if we are aware of any alternative suppliers within Kansas or nationally through the Manufacturing Extension Partnership National Network™.

If you suspect there may be disruptions to your supply chain:

- Contact your suppliers, carriers, forwarders and brokers immediately to confirm.
- If possible, build inventories of your short raw materials and secure production and transport capacity from your supply chain partners.
- Start sourcing alternative suppliers as needed.
- Identify a resource at your company to monitor the crisis and potential impacts to your supply chain.

Preparing for the next disruption:

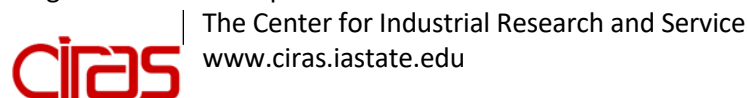
- Conduct a Total Cost of Ownership (TCO) analysis to revisit overseas sourcing.
- Conduct a risk assessment of your supply chain and implement changes to handle risks.
- Consider dual sourcing (locally and overseas) for critical components.
- Have a disaster response plan in place.
- Have a process to monitor global events to identify potential supply chain disruptions early.

Other Considerations:

- Communication is key—talk to your customers, suppliers, carriers, forwarders and brokers about potential supply chain disruptions, and how you can work together to mitigate issues.
- Remember that the impacts vary across the global supply chain, so local suppliers can also be affected based on their sources of supply.
- Travel and workforce issues overseas can impact your local supply chain.
- Remember that you face competition for global product and transport resources.

Additional information: Visit www.wearekms.com or www.ciras.iastate.edu/COVID-19

Original Source: KMS' peer MEP Center in Iowa



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