



## Post-coronavirus start-up guidance: Supply chain risk

This document has been prepared specifically to provide some additional guidance to businesses starting back on site after the initial Covid-19 shutdown.

**These guidelines do not override any existing policy conditions.**

All applicable health & safety legislation and regulations remain fully in force, including but not limited to:

- Health & Safety at Work Act 1974
- Management of Health & Safety at Work Regulations 1999
- Workplace (Health, Safety & Welfare) Regulations 1992
- Fire Safety Regulatory Reform Order
- The Road Traffic Act 1988
- The Road Vehicles (Construction & Use) Regulations 1999

**The fact that a business is deemed essential, or is permitted to operate, does not mean its legal obligations are in any way relaxed or reduced. Indeed, in the present climate the duties owed to employees and others are enhanced.**

**All activities must only be undertaken in line with the current guidance issued by HM Government.**

Please click on the headings below for links to further information:

[Social Distancing in the Workplace Guidelines](#)

[HSE Coronavirus information](#)

[HSE Advice on Social Distancing](#)

[Working safely during Coronavirus](#)

[HSE Working safely during Coronavirus](#)





# Coronavirus Response

## Supply chain

Restarting a business following partial, or full shutdown, due to the Covid-19 lockdown not only requires your attention to the immediate issues concerning the premises, machinery and plant plus your customer and staff welfare, but extends to re-establishing your supply of stock, raw materials, components and goods.

The lockdown and temporary closure of businesses will have included your suppliers, who themselves may have completely stopped or drastically reduced production or supply of goods. Additionally, there may be an impact to the logistics and transportation of goods, especially if this included any overseas shipments.

Understanding your supply chain has always been important to optimise and balance supply and demand in a cost-effective way. All businesses, including your suppliers, customers, partners or competitors, will be experiencing the same challenges, so early review and attention to your own situation, with a clear recovery strategy, should be a priority agenda item. Whether you are a retailer or a manufacturer, there are some simple strategies to consider, which will of course depend on the type of business you are running and the complexities of the supply chain you rely upon.

The following items are not exhaustive, but a general guide to assist you when considering your supply chain management to get your business up and running:



## Business Continuity Plan (BCP)

- If you do not have a formal BCP in place, or have not already invoked one, now is the time to look at this and implement any pre-agreed actions specifically related to your supply chain and supplier relationship management strategy.

## Review Inventory and Stock

- Regularly review your current stock levels. Do you have buffer stock / raw materials? If so, estimate how long the stock levels can last whilst your supply chain ramps up.
- Review stock turnover regularly if perishable goods are involved, to ensure quality is maintained.
- Key stock, components or raw materials – you should pay particular attention and focus on maintaining the supply of critical items.
- If available, consider other sites within your company, or any subcontractors you use, who may be able to assist temporarily with mutual assistance. This can be a two-way strategy and will help form closer relationships.
- Prior to commencing the use of any temporary premises, you should contact your insurance broker to ensure appropriate cover is in place for temporary storage.
- If you are a manufacturing business, you should also review your stock of, or availability of, critical spare parts and consumables to keep production machinery running.



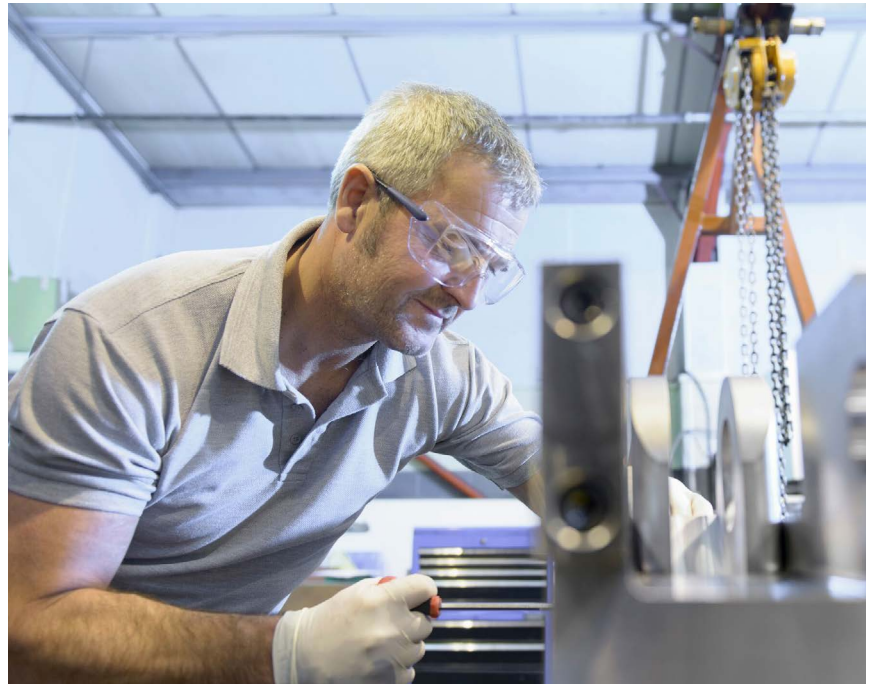
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## Supplier visibility

- Communicate regularly and work closely with your key suppliers, so they can respond to your needs as you restart and ramp up your business.
- You should focus on tier 1 suppliers initially, especially if they provide key items. Keep the communication regular, to ensure they understand your needs, and so you can react to any challenges that may be introduced if they are unable to meet your requirements.
- Build a more detailed understanding of tier 2 suppliers, and further up the supply chain, as their performance can affect your tier 1 / key suppliers.
- Consider any material or product you may require where third-party quality checks/certification may be required, as these could have longer lead times.
- Where possible, consider diversifying your supplier base to increase resilience – this may present further challenges such as product certification and quality.

## Customer demand

- Review and understand your customer's demands to establish how to meet their needs.
- Focus on production or supply agility so you are responding to customer's needs.
- Key customers – it is particularly important to communicate frequently with any key customers reliant upon your production, goods or services to protect your share of their business.
- Consider whether you need to introduce a quota share of product to customers, ensuring your principal customers are given priority. Provide an estimate to your customers as to when you expect to resume full production.



## Manufacturing production

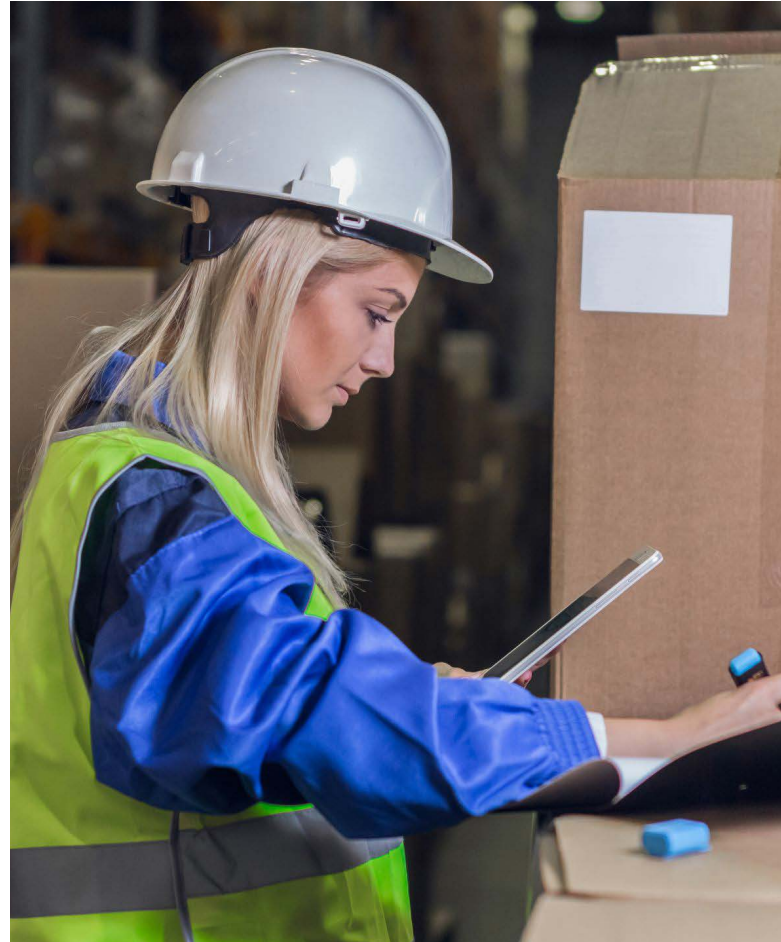
- Review and estimate customer demand, so you can optimise production both in terms of what is needed and quantity.
- Consider whether there is any agility in manufacturing process change to cater for shifting customer demands.
- Consider whether outsourcing part of manufacturing is possible and/or appropriate to assist you getting back to business as usual.



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## Logistics - distribution

- Regularly review your storage facility and goods stored, to ensure it meets your requirements and there is no deterioration of the stock.
- Ensure any vehicles that have been laid up are road legal, removed from the SORN requirements if used, thoroughly checked and cleaned as appropriate for the goods being carried.
- Communicate with your existing logistics partners, to ensure they are aware you are back in business and your specific needs.
- Estimate your distribution capacity demands, and how this will increase as you ramp up business, to ensure your logistics partners can respond.
- If you expect a higher than normal number of vehicles supplying you, ensure your vehicle movements are safely managed in and around the perimeter and in the yard. If using yard marshalls, ensure they are correctly trained on the procedures, and have high visibility clothing and the correct communication equipment.
- Where necessary, look to other logistics sources or alternative transportation modes so you can meet customer demands, ensuring that they meet your standards for vehicle types and drivers.



## Going forward – considerations to think about establishing a new ‘Business as normal’

- Review and update your BCP, based on the actions taken to restart your business and lessons learned from the recent interruption including supply chain and logistics.
- Review your supplier relationship management strategy, including:
  - » Diversity and multi-sourcing
  - » Geographic spread of suppliers, especially if international
  - » Product certification pre-approvals and quality assurance
  - » Understanding Tier 2 suppliers and beyond
- Review of strategy for inventory and buffer stocks
- Review resilience of ‘just in time’ procurement
- Review your logistics options, ensuring they meet your customer’s requirements, storage in transit and delivery times