

## Don't let a pandemic stand in the way of your supply chain

*A case study of supply chain risk management processes during normal circumstances and during the outbreak of COVID-19.*

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**On 11 March 2020, WHO declared COVID-19 as a pandemic. Entire countries have forcibly restricted the personal movements, public events, and business activities of its people. The disease presents a very high risk to both human life, but also the economic well-being across the planet, and as long as human interaction is assessed as dangerous, the business cannot return to normal. Companies with large global supply chains face large issues in securing their operations, and already in February, 94% of the Fortune 1000 companies saw supply chain disruptions from COVID-19. With a clear defined process on how to manage supply chain risks in the entire supply chain, even a pandemic can be handled successfully.**

What we suggest is a well-structured supply chain risk management process that tackles risks both proactively as well as reactively. Risks that originate from within the supply chain can usually be mitigated with different strategies, for example having more than one supplier for a certain product. However, risks that originate from outside the supply chain, for example, earthquakes, political decisions, and pandemics, are tricky to prevent. For those risks, the company has to be ready to work reactively instead.

We have been investigating and comparing Tetra Pak's and Ericsson's supply chain risk management before and during the outbreak of COVID-19 in a case study. Combined with a literature review, we have developed a supply chain risk management process developed especially for Tetra Pak, which was the purpose of the study. The process includes six different steps that are

all crucial for a process meant to manage supply chain risks. The process we recommend for Tetra Pak can be suitable for other companies as well, adjusted to different needs.

The steps are: risk identification, risk assessment, risk mitigation, risk monitoring, business continuity planning, and lastly, business continuity activation. The first four steps are together the proactive supply chain risk management process. Those aim to mitigate risks before the risk event has occurred. The last two steps are connected to the reactive supply chain risk management process. Business continuity planning prepares for what to do when something happens, and business continuity activation is the actions to deploy after the event has occurred. Further suggestions that should be taken into account when working with the six steps are (1) to work cross-functional, both intra- and inter-organizationally, and (2) to combine the process with a sophisticated information system that will simplify the analyzes, documentations, and assessments, and to more easily be able to work cross-functionally.

To summarize, it is of great importance to manage supply chain risks so that disruptions, such as COVID-19, can be handled in the best possible way and the supply chain can still be able to deliver results as during a stable environment. And for some risks, taking care of them before anything happens is even better.

The full study is published in the report "The Development of a Supply Chain Risk Management Process at Tetra Pak".