

Crisis Management - Procurement

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Insights to help Procurement Leaders prepare and sustain the business during major business interruptions.

SynFiny Advisors has developed a series of Crisis Management Insights to help you strengthen and grow your business after having faced a major business interruption. Our objective is to provide a framework that allows any business (*no matter how big or small*) to maintain focus while dealing with the multitude of distractions that take you away from your core business. Our advisors' share their seasoned experiences and "been there, done that" practical advice to not only survive but thrive in a crisis situation.



Procurement Leaders and Teams will be placed under significant stress during periods of major business interruptions arising from unexpected natural disasters, civil unrest, massive economic disruptions like the 1997 and 2008 global financial crises, and the COVID-19 global health pandemic of 2020. This Insight outlines 3 Key Action areas that Procurement Leaders and Team need to focus on with speed and urgency, during the onset of a crisis:

Stakeholder and Business Alignment

- Identify Mission Critical Materials or Services
- Conduct Risk Assessments on Potential Disruptors in Supply of Goods/Services
- Call out "Red Flags" and request leadership for help or support needed to resolve

- Create Rapid Action Plans to address and mitigate risk areas
- Align Procurement Strategy with Company Leadership and your teams regularly
- Secure functional leader support where needed and keep them regularly apprised.

Supplier Management

- Create a Supplier and Business Partner Communications Plan outlining business Impact and Support Needed from them.
- Deploy your Supplier Communications with Strategic Suppliers first.
- Have your teams meet regularly with suppliers and ask them to share the impact of the crisis to their business and what their own mitigation plans are to address risks.
- Push Back on Price Increase Requests until after the situation has stabilized.
- Get your Functional Leaders or CEO in top-to-top supplier engagements, to underscore mission-critical support from key suppliers, as needed

Supply Assurance

- Protect supply of goods and services to keep your factories or selling channels is usually paramount in any crisis. This should be called out by your Business Leadership as an important priority.
- Calibrate the Supply Planning with the front-end commercial side of the business (Sales and Marketing) to ensure synchronicity with demand.
- Put priority on single-sourced items and find alternate sources or even a second sources.
- Conduct effective partnering with the

appropriate stakeholders to undertake rapid qualification, especially where the primary supplier is failing to deliver what is needed.

- Regularly review of safety stock levels and increase inventories for high risk items.

Key Takeaways

Crises situations usually present rapidly changing conditions early on, putting the onus on Procurement leaders to be closely engaged with internal stakeholders, suppliers and external partners, to monitor and regularly communicate high risk areas, and create rapid response action plans to protect sufficient supply of goods and services throughout and beyond the crisis.

Conclusion

SynFiny Advisors exists to bring talented “been there, done that” experience to bear on solving client problems during business disruptive situations. Each engagement results in measurable, pragmatic, and actionable recommendations. We can assist you in developing Procurement continuity solutions to minimize disruption to your organization and enable your team to bridge any crisis in the most effective manner. Our approach is very simple, we Define, Design and Transform. And in doing so, transform your business from ‘existing’ to ‘exceeding’.

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