

# How to Build a Resilient Supply Chain

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# “Navigating the waves of resilience”

Supply Chain resilience is more than just a buzz word these days..it is essential. What we mean by this is a Supply Chain that is agile, flexible and robust to tackle the day to day challenges that come our way. We need to be predictive of issues using tools and strategies to keep our businesses out of harms way.

In this document we will share our expertise, tools and strategies and give examples of opportunities that exist to create value and resilience.

## Key Takeaways



**View** your supply chain as a profit chain



**Give** you practical solutions to build resilience



**Identify** risk and issues within your own supply chain



# Issues we are seeing today!

## Panama Canal

### Delays caused by drought - 2023

Since December 2023 delays have been caused by the drought in the Panama canal where they believe by February vessel transits will be reduced by up to 50%,

## Suez Canal

### Spate of attacks on ships - Dec 2023

The Red Sea is one of the worlds most important routes for oil and fuel shipments, as well as consumer goods.

- The Suez Canal has also been impacted due to a spate of attacks on Cargo ships by rebels. All major shipping giants (BP, Maersk and a host of others) all paused shipments and re-routed.
- We will definitely be feeling the impact throughout Q1 and Q2.
- This has caused a 12 to 15 delay in shipping time one should:
  - In the short term prioritise stock, who is going to get what?
  - Adjust future shipping quantities as an interruption of this kind will impact what was originally planned
  - The additional 15 days stock holding needs mitigating, so increase payment terms if you can and reduce lead-times





## Voice of Customer

The pressure on supply chains across suppliers and retailers has never been so intense, and neither has the expectation been so great on us all

I believe Supply Chain excellence is now compulsory

**I want a really wide  
assortment**

**Next Day  
delivery**

**I expect you to be  
responsible**

**I don't expect you to  
use unnecessary  
plastic**



# What can we do?

## Supply Chain Tool Kit



**Balance your  
Sourcing Strategy**



**Reduce Working  
Capital**



**Better terms and  
improved profitability**



**ESG – Environmental  
Social Governance**



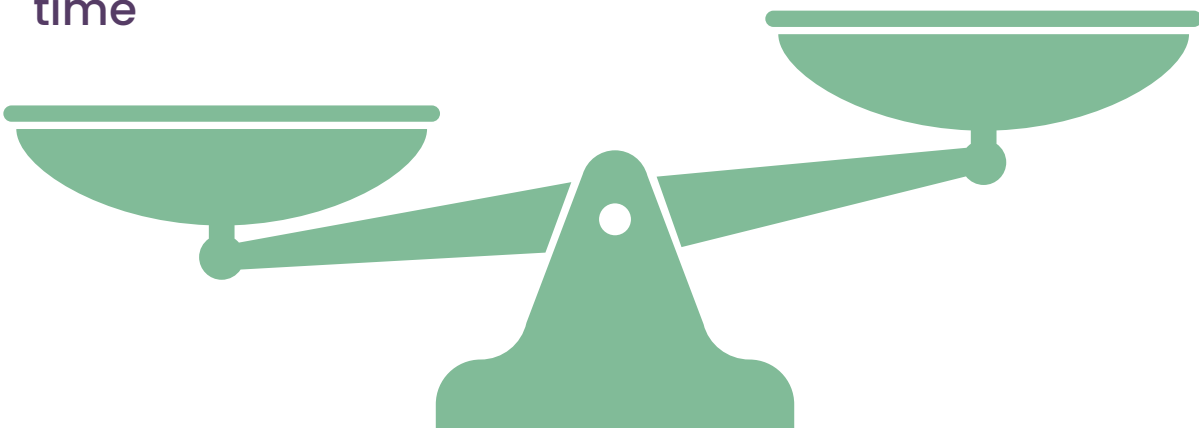
# BALANCE YOUR SOURCING STRATEGY

If you are over reliant then move

- Set your goal (eg. ASIA %:ROW%)
- Invest in resource & support
- Act now as it will take time

Check the resilience of your current supply

- Management & succession plan
- Production planning (ERP) & processes
- Tier 2 relationships (inc power & raw materials)
- Financial checks for stability



# Reduce your working Capital



## Lead time Reduction

Challenge the  
60 days  
It's out of date!  
Ask for 25  
days



## Better Planning

Is delivered by  
better  
collaboration  
and  
consensus  
between  
commercial,  
planning,  
marketing  
and finance



## Inventory Management

Understand the  
levers, target  
service levels,  
order  
frequencies,  
MOQs and  
fulfilment pack  
sizes.

# Better terms and improved profitability



Lets create some funds  
from the supply chain itself



## Increase payment Terms

Challenge those traditional 30 days  
payment terms - if you are buying  
FOB you are effectively paying for the  
goods as they hit the dock if not  
before. Ask for 60 days plus.



## Rebate for Growth

Time to negotiate those rebates,  
factories will be on your side when  
talking about rebates that reward  
growth.- draw plans up together.



## Drive Costs Out...and do deals

Don't allow your processes to hold back  
your buyers. Allow them to buy big,  
buy clever, do deals especially when  
things are quiet. Factories are always  
up for deals.



## Getting more from factory partners

What is often missed is understanding  
what your factories want to achieve .  
This is not always just doing more  
business. Find out what they want and  
when you deliver it, you will unlock more  
benefits and value.



# ESG

63% of all consumers studied say that sustainability and being environmental is important

Remove plastic Packaging

It is good for the environment  
Avoids plastic tax  
consumers demand it

Ensure strong procedures to prevent child labour

Remove harmful substances

CHEMICAL DANGER

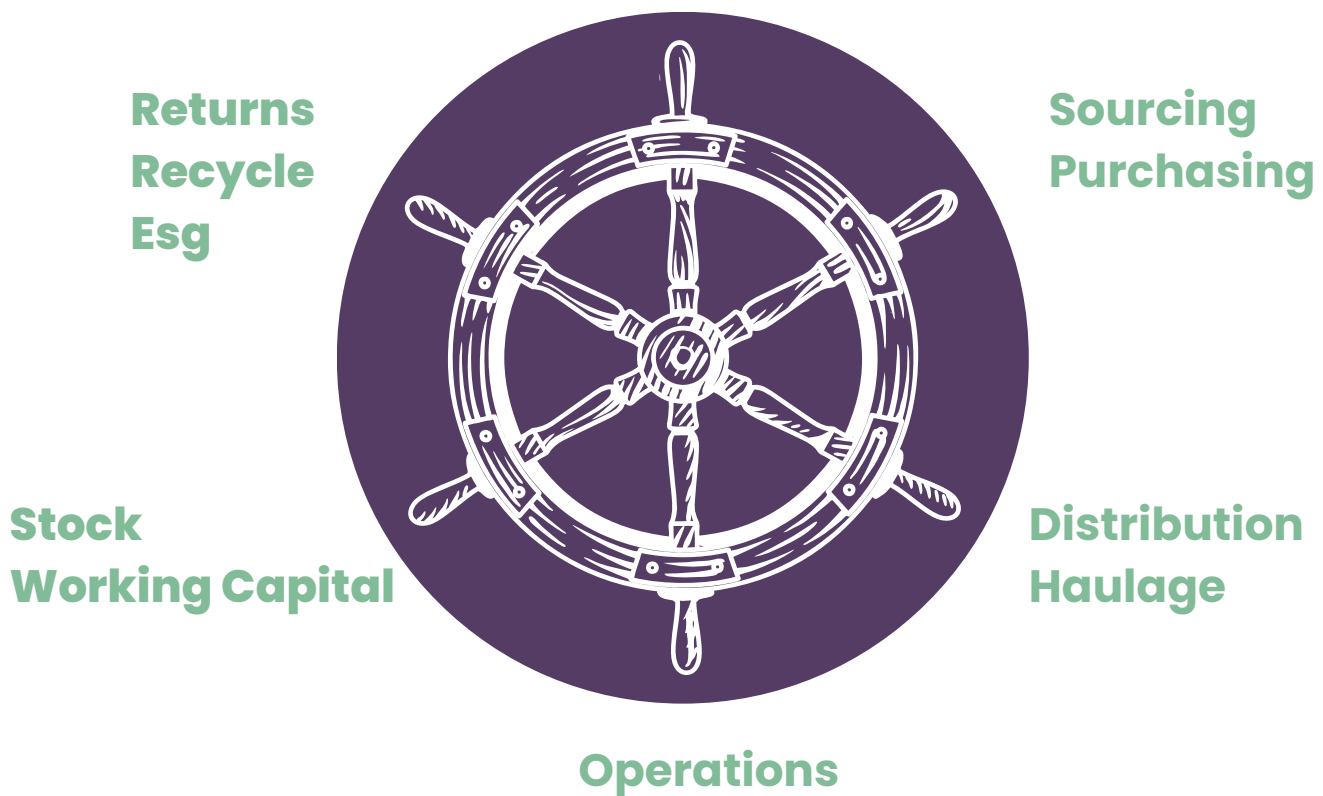
Deal with your returns responsibly - no landfill!

Reduce CO<sub>2</sub>





# Supply Chain Cycle



**Individually all these elements can cause disruption or even crisis, but in order for business to be optimised they all need to be running in harmony**



# **Disruption!**

# **The Global Impact**

Are we causing our own disruption?

- **Yes probably....I believe the things we are doing will cause disruption to the global supply chain . This does not mean we are doing the wrong things, but what we are doing will cause disruption. It is our responsibility to manage carefully the implications of what we do, which is critical**

**Indicators that predict significant changes a foot**

- **Whilst China is still the manufacturing powerhouse of the world... they are looking for business, they have just dropped to the second largest import region into North America below Mexico.**
- **China export is depressed, small factories are closing quicker than UK pubs or Starbucks refresh programmes...with many more predicted to close in Q1 2024.**
- **and the China domestic market is quiet, the fact that Xi Jinping is travelling is a mark that things are challenged for China**

# Thank You



FREE  
*Supply Chain  
Healthcheck*

Get in touch  
today!



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