



CORONAVIRUS: **CPOs' Response** **to the Crisis**

a CAPS webinar

March 26, 2020

9 a.m. PST

Hosts: Deborah Stanton, Executive Director

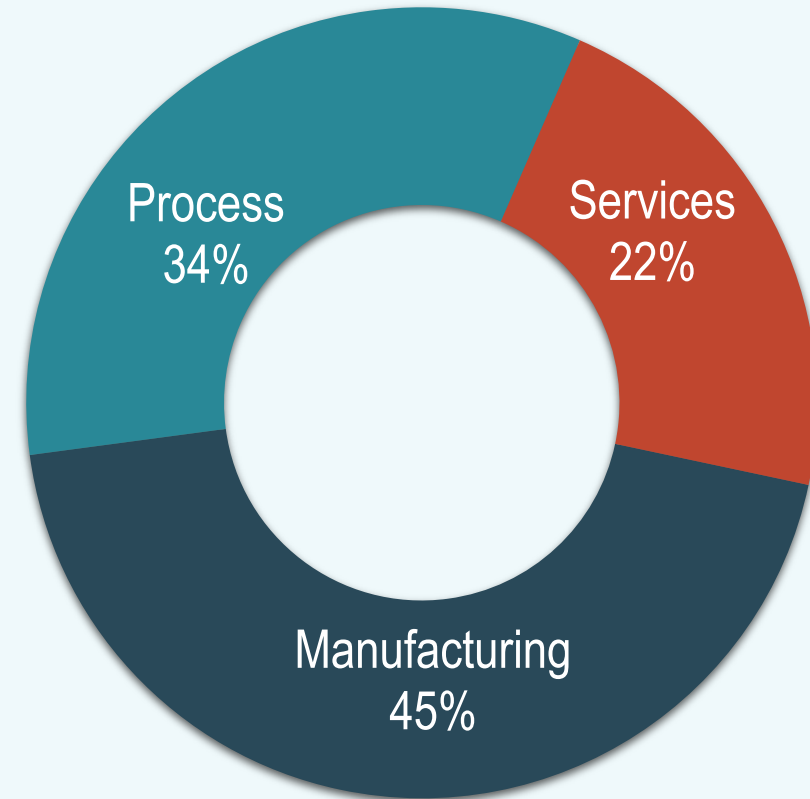
Nicole Leonardi, Director of Corporate Accounts

Material based on the CAPS Research CPO Insights Survey conducted March 12-19, 2020

CPO'S RESPONDING TO THE CORONAVIRUS PANDEMIC



CPO Respondents by Sector



- 74 CPO's from major companies
- Revenues: ~\$1.8 trillion
- 84% HQ in the US
- 16% HQ outside of the US
- Responses collected: March 12 – 19, 2020

CPO'S RESPONDING TO THE CORONAVIRUS PANDEMIC

NATURE OF
ACTIVITY YOUR
COMPANY IS
TAKING IN
RESPONSE TO
COVID-19

High level of action underway
across the enterprise

97%

Only taking action in specific
"hot zones"

3%

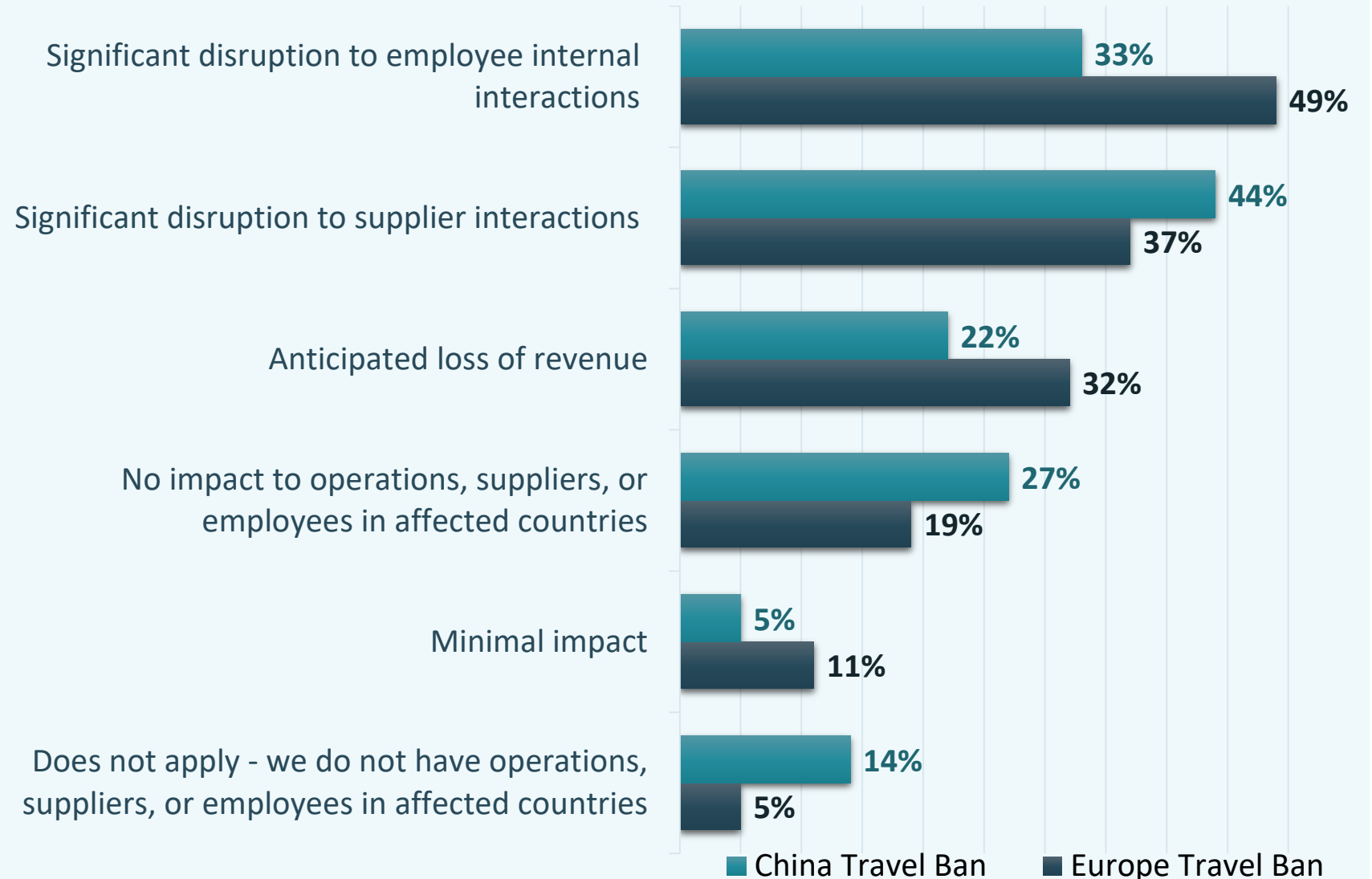
Not doing any planning or
taking action

0%

■ % of Companies

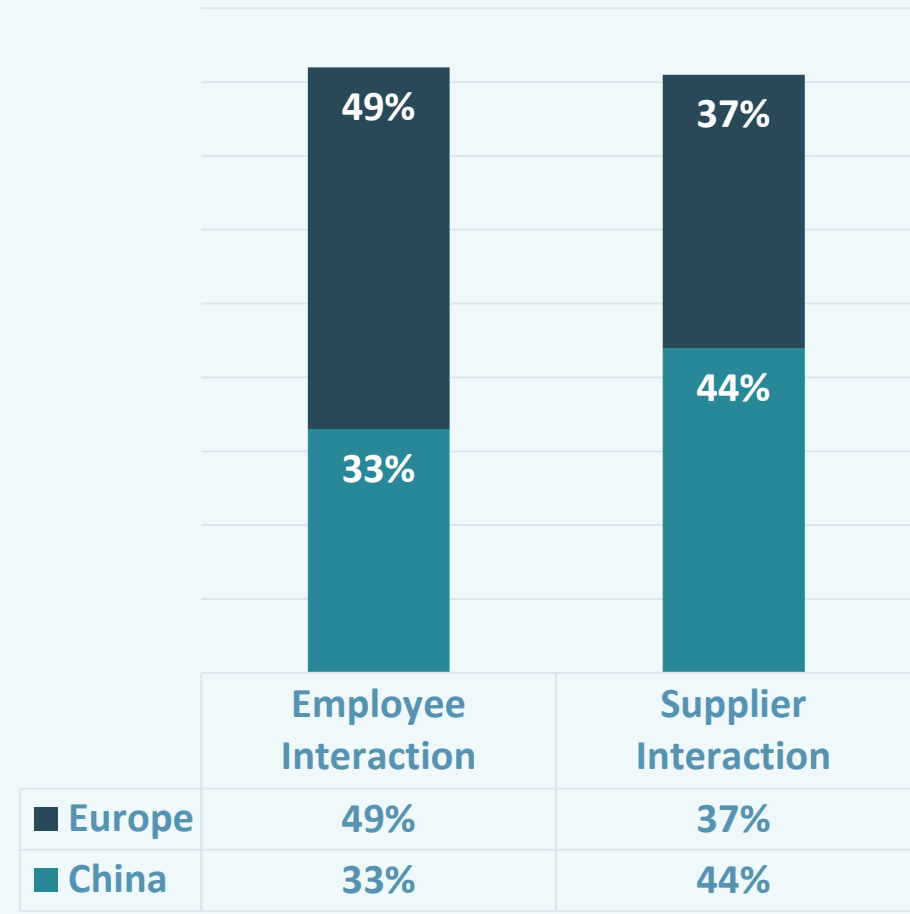
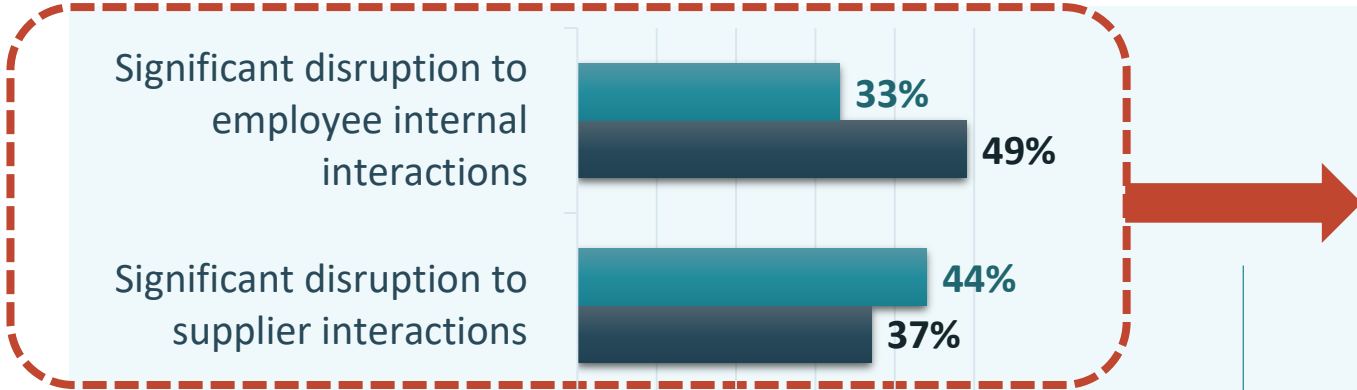
CPO'S RESPONDING TO THE CORONAVIRUS PANDEMIC

IMPACT OF US-IMPOSED CHINA AND EUROPE TRAVEL BAN

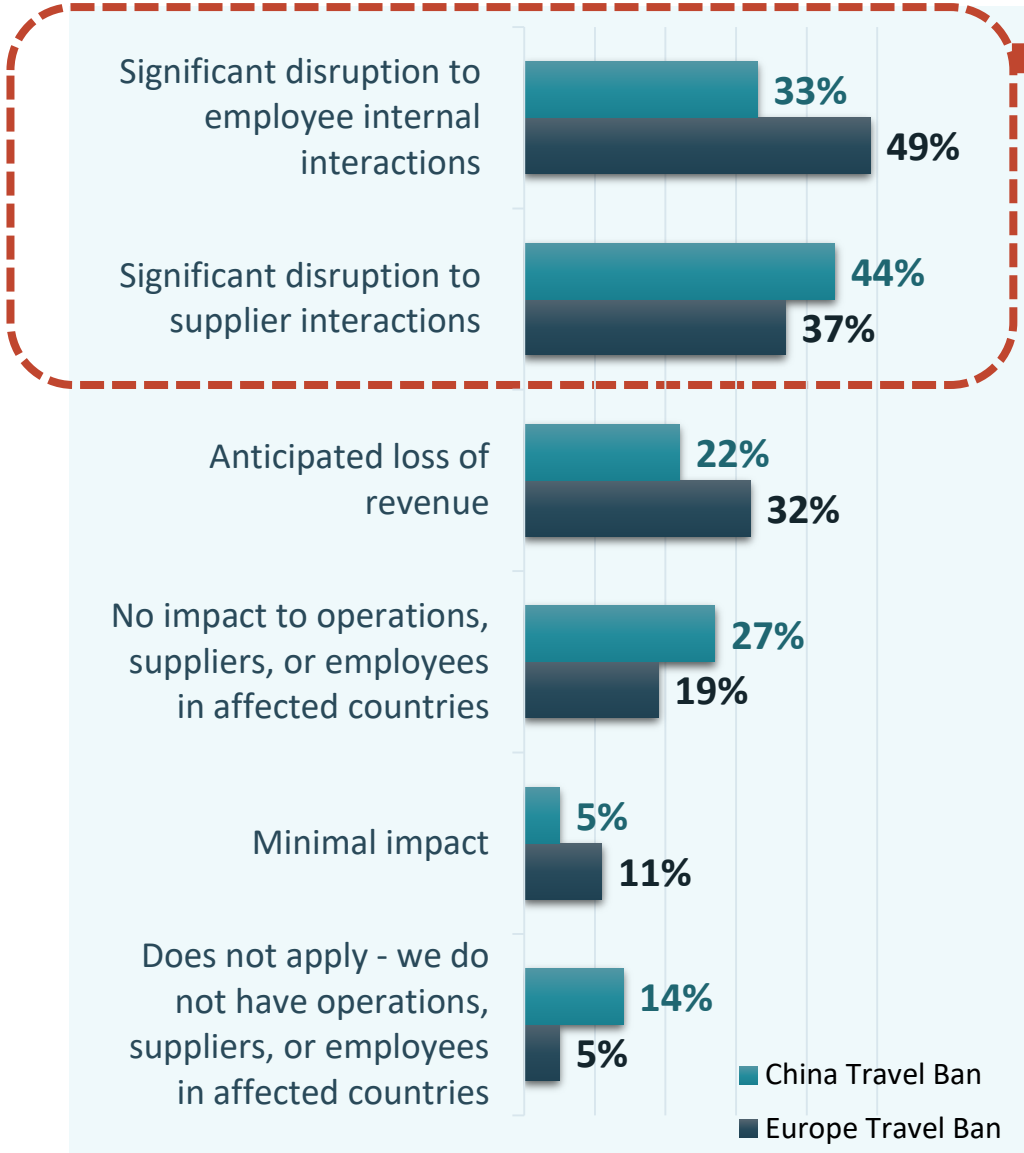


Percent of companies. Multiple options could be selected.

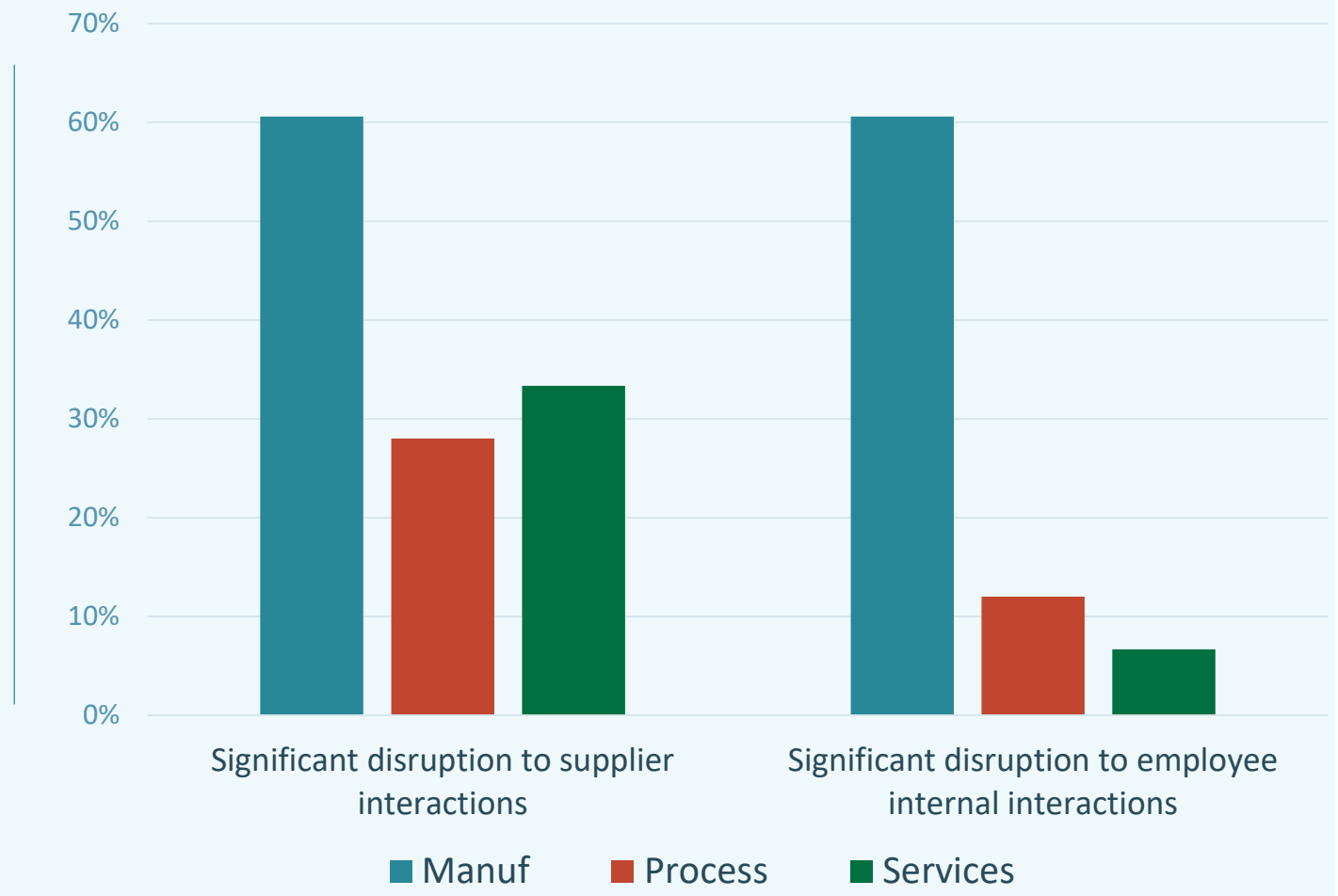
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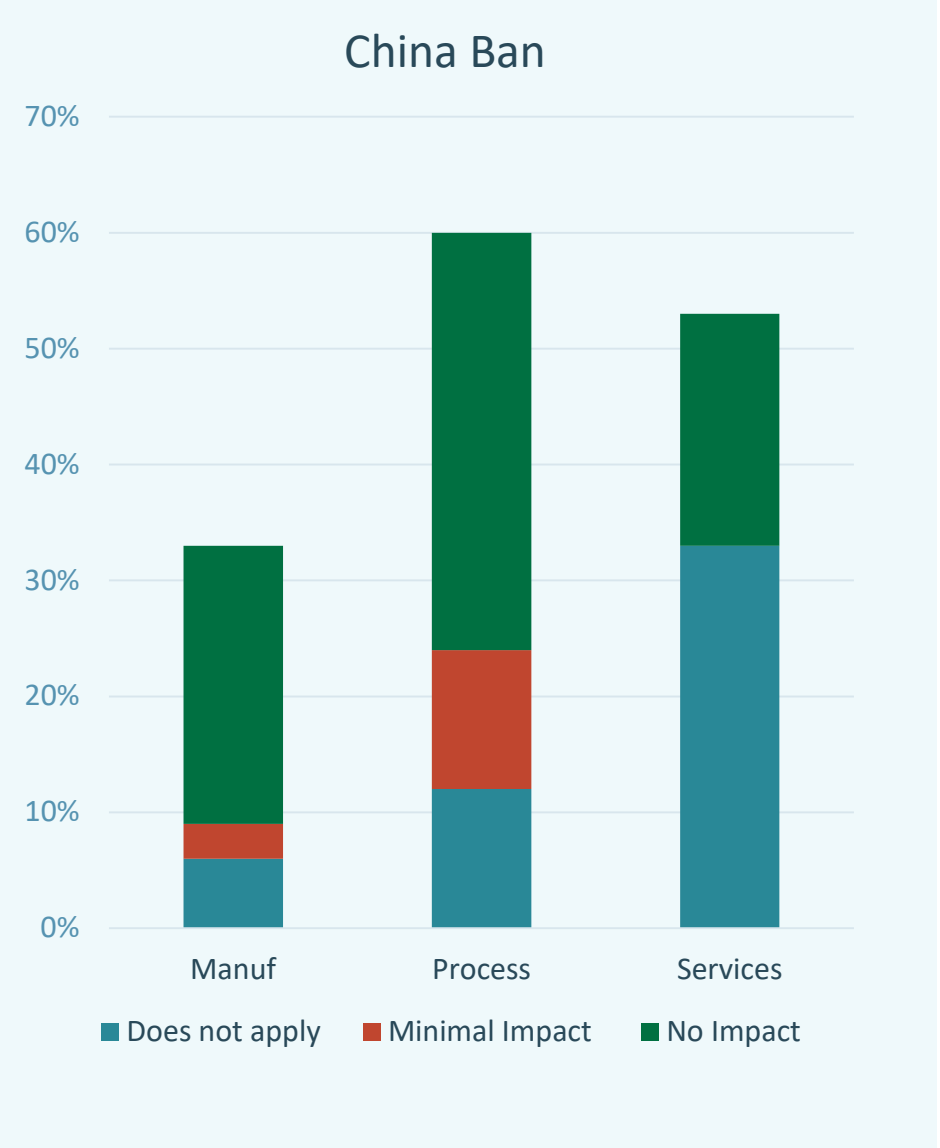
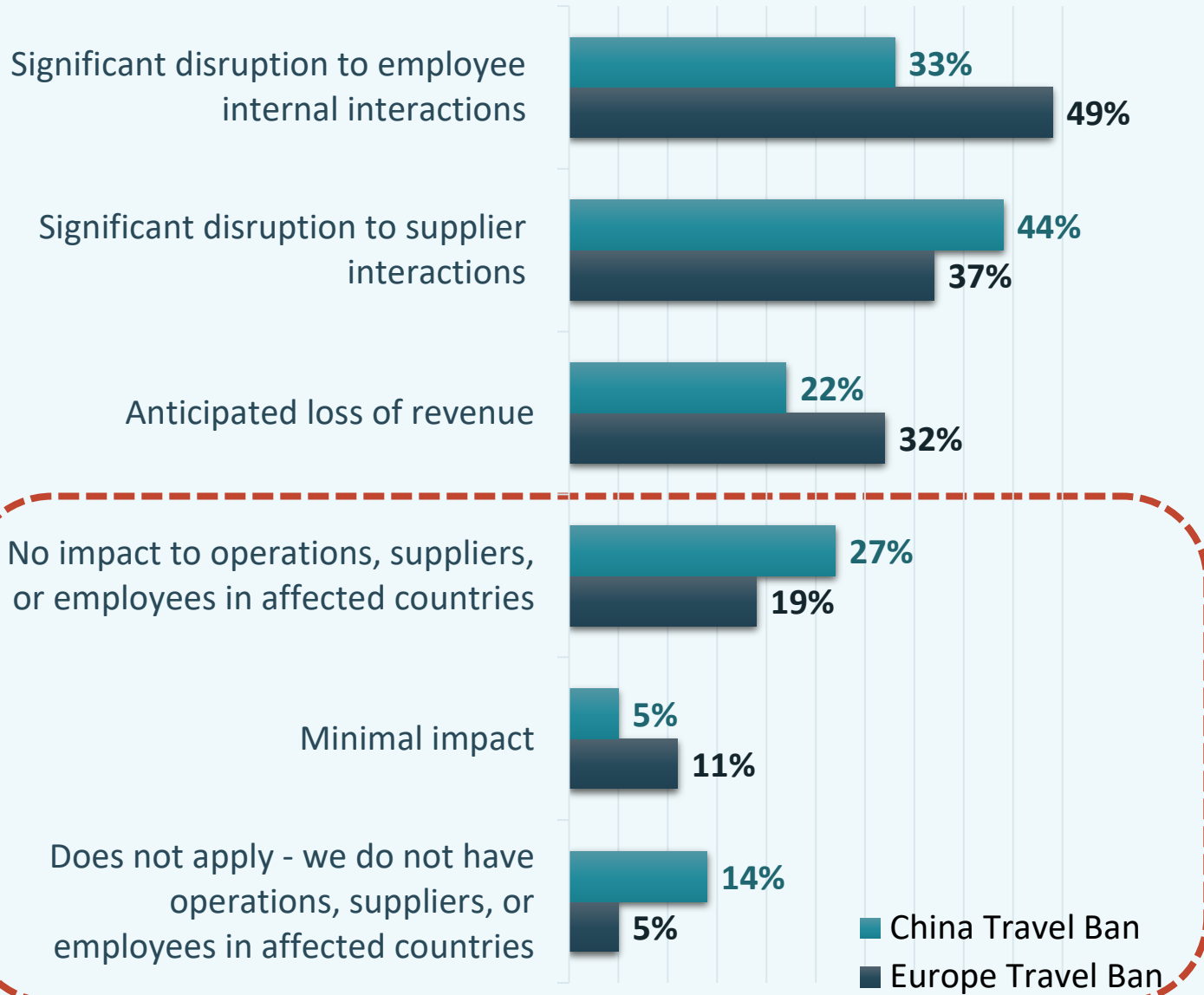
IMPACT OF US-IMPOSED CHINA AND EUROPE TRAVEL BANS



China Travel Ban
(by Sector)

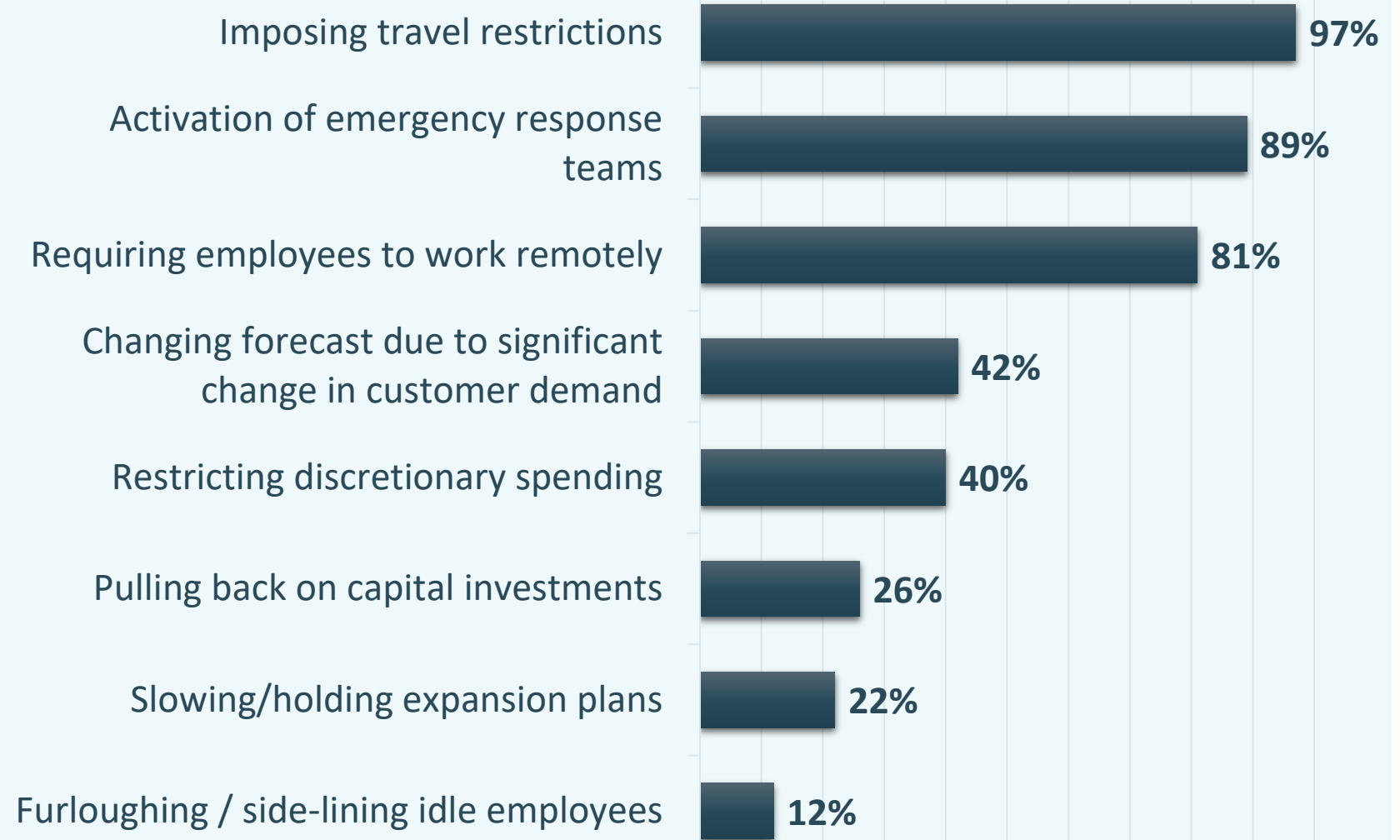


IMPACT OF US-IMPOSED CHINA AND EUROPE TRAVEL BANS



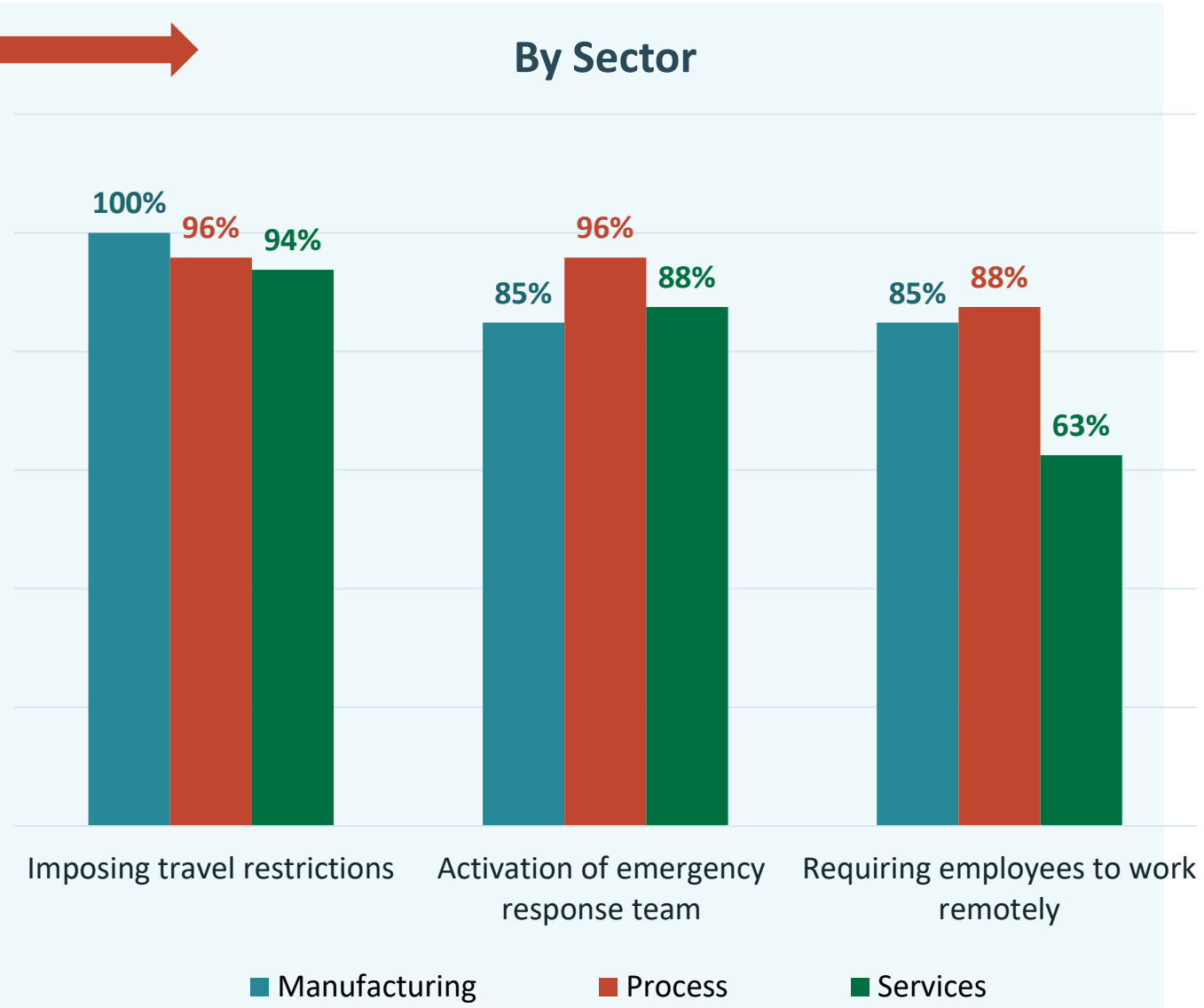
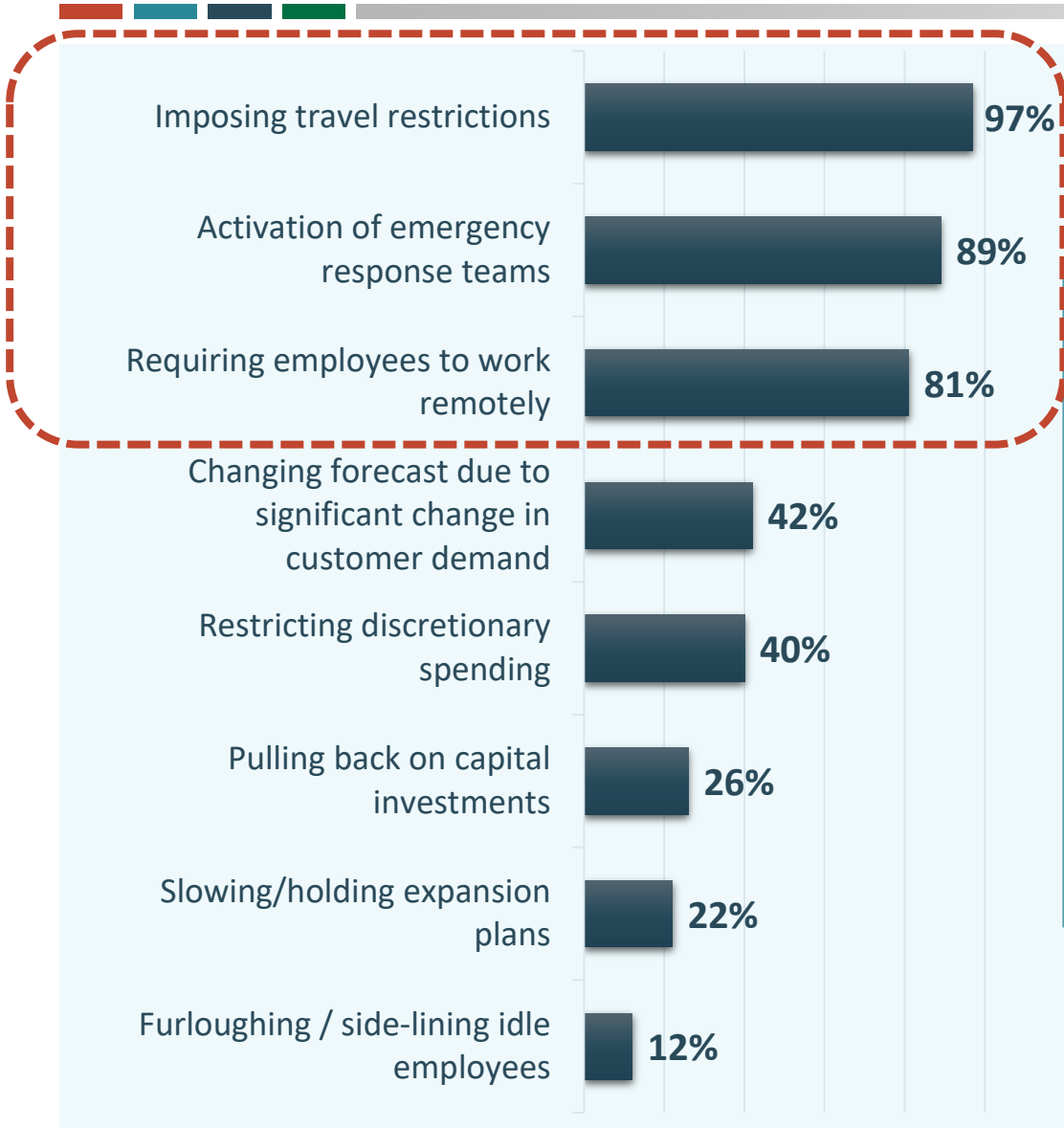
CPO'S RESPONDING TO THE CORONAVIRUS PANDEMIC

ACTIONS YOUR COMPANY IS TAKING OR PLANNING ON TAKING

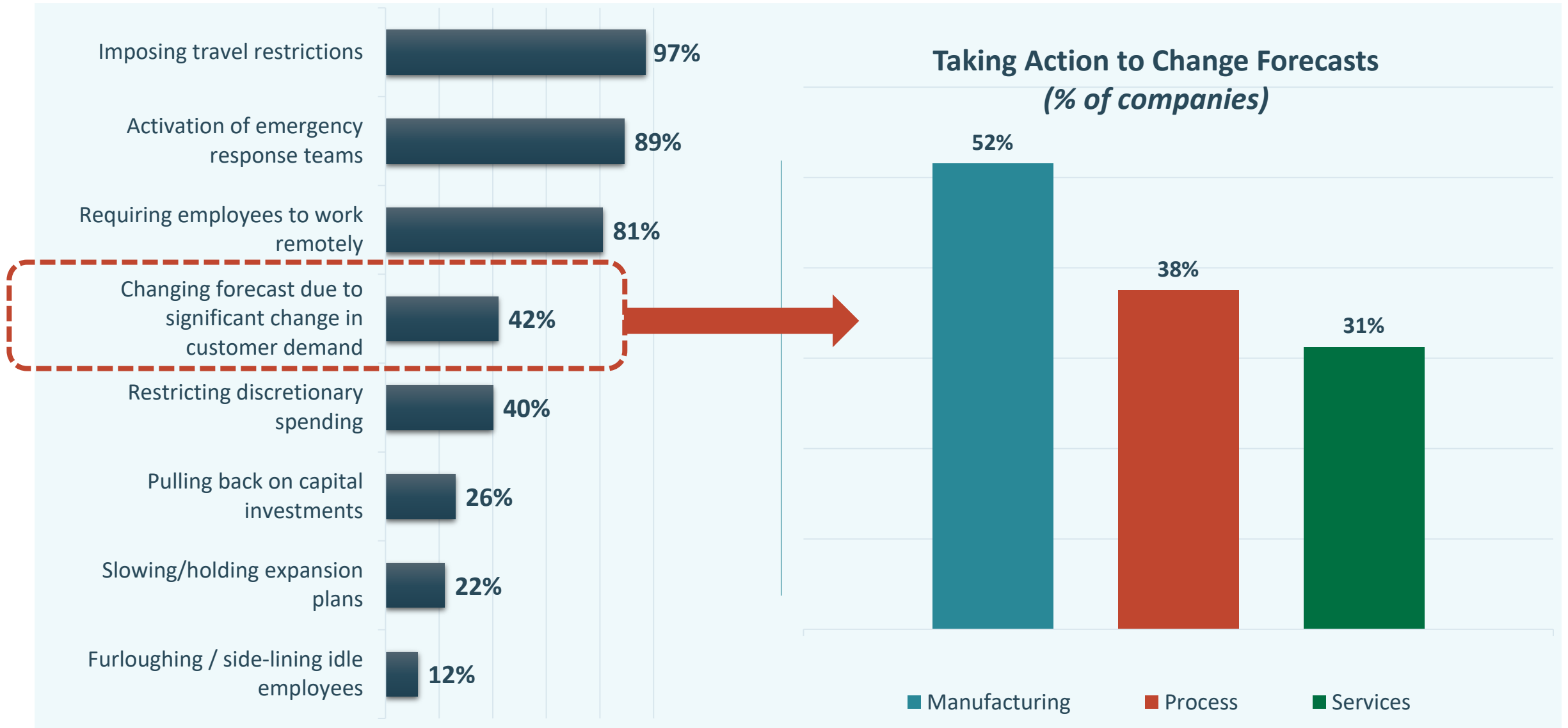


Percent of companies. Multiple options could be selected.

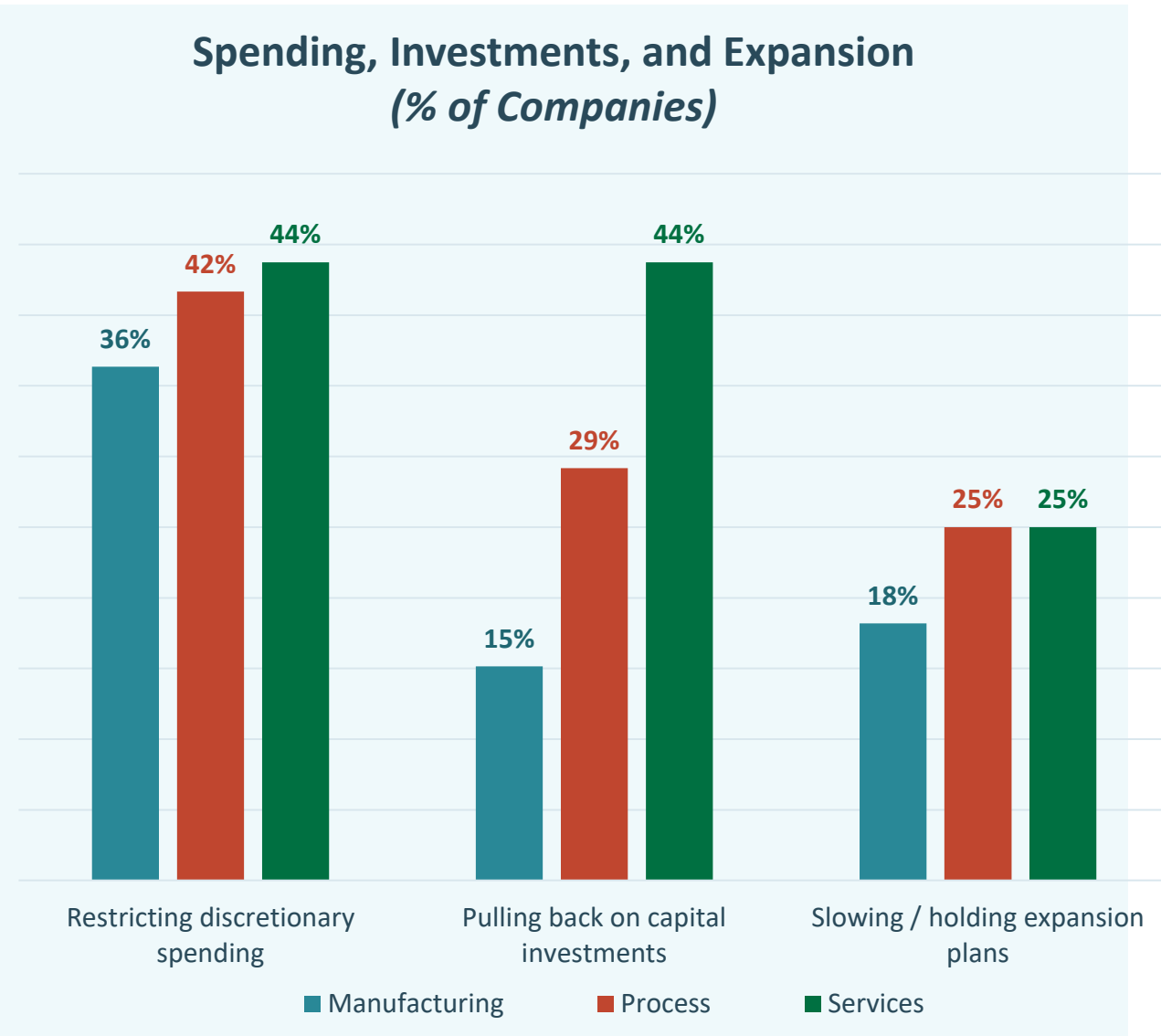
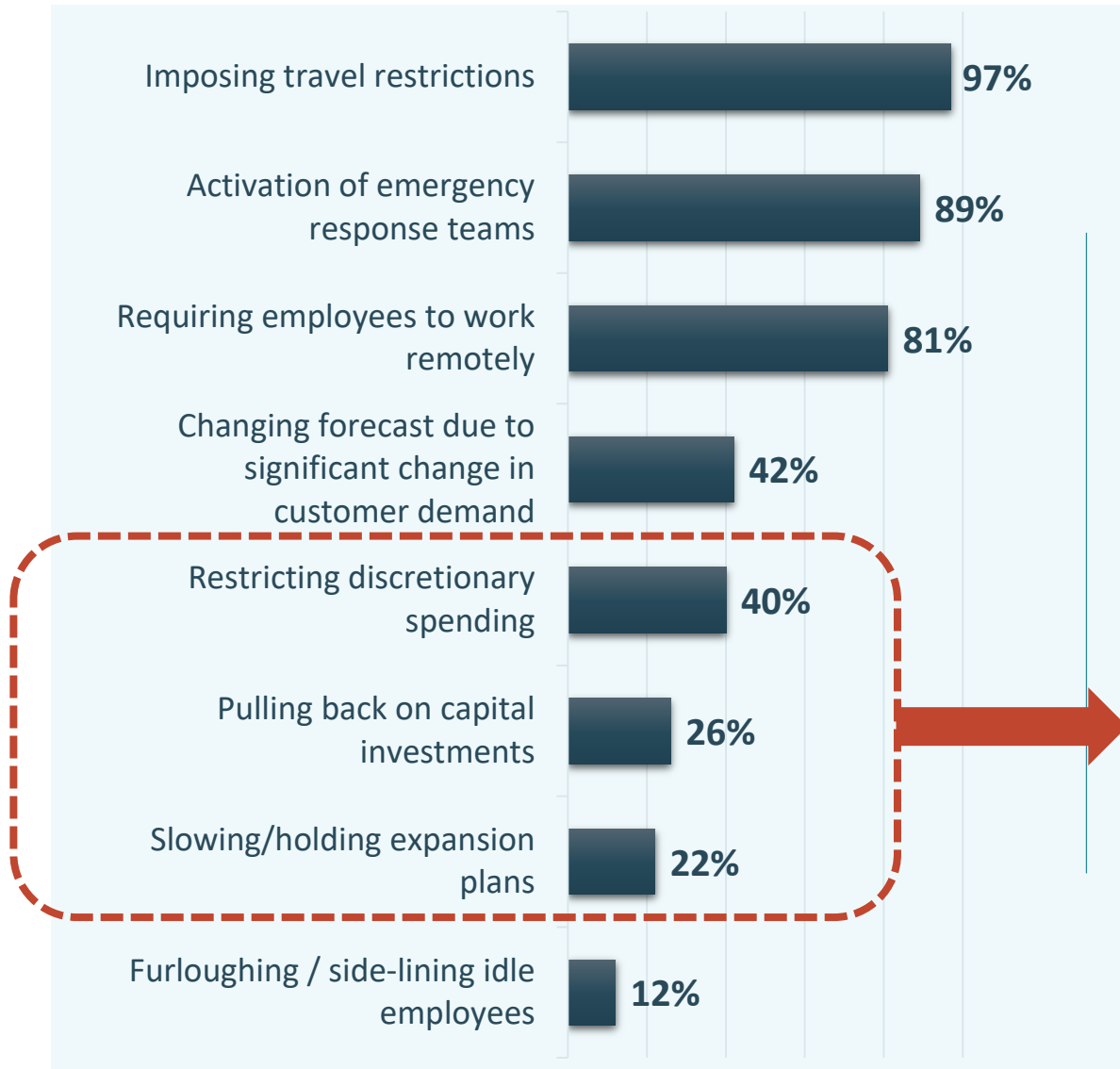
ACTIONS YOUR COMPANY IS PLANNING / TAKING



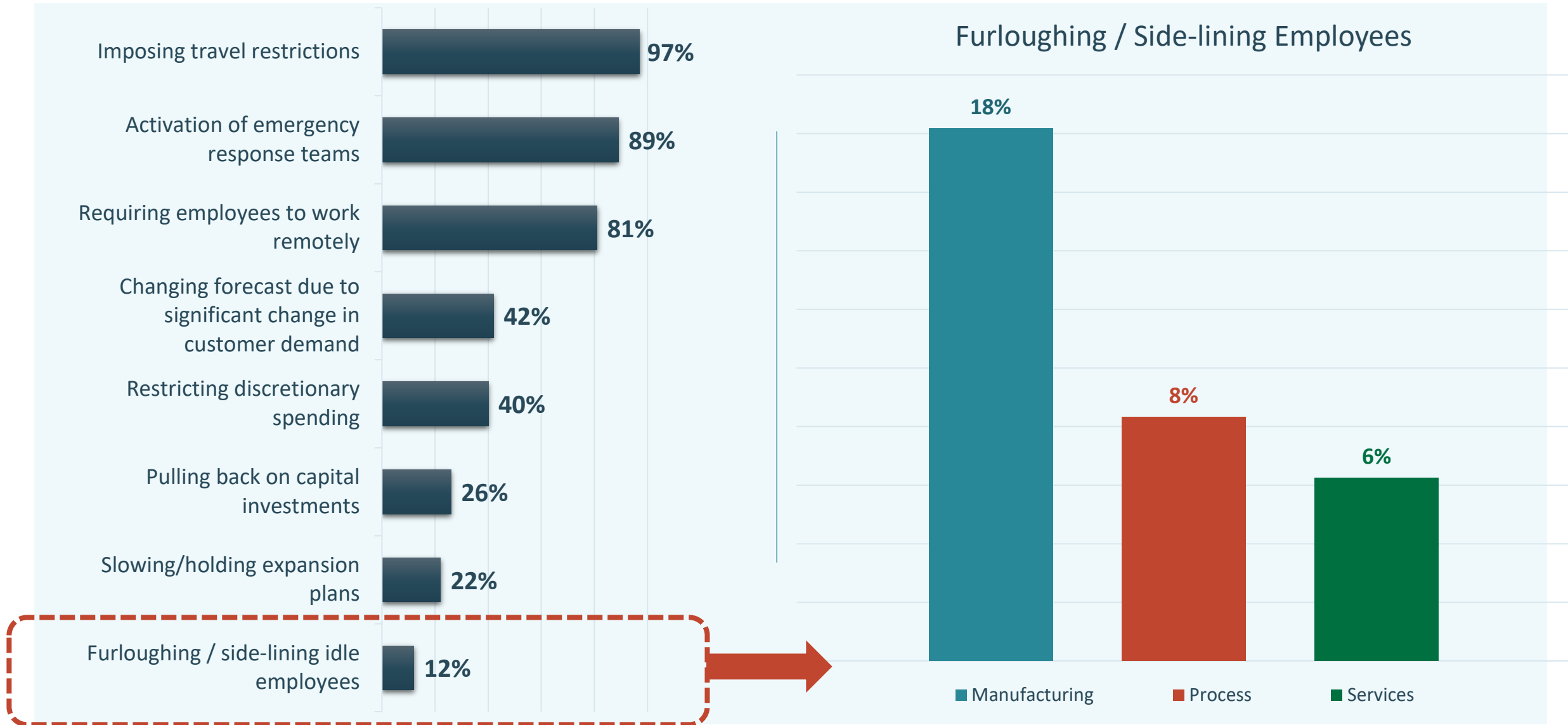
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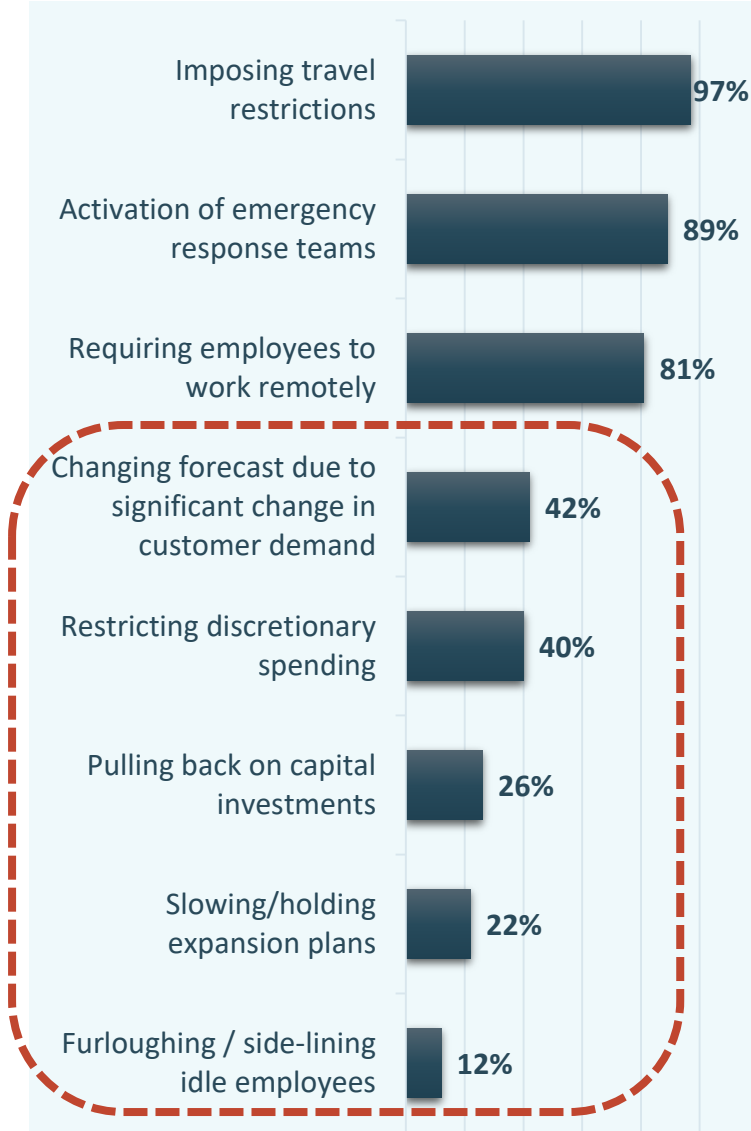
ACTIONS YOUR COMPANY IS PLANNING / TAKING



ACTIONS YOUR COMPANY IS PLANNING / TAKING



ACTIONS YOUR COMPANY IS PLANNING / TAKING



MANUFACTURING

1. Changing forecasts
2. Restricting discretionary spend
3. Furloughing/side-lining employees
4. Slowing/holding expansion plans
5. Pulling back on capital investments

PROCESS

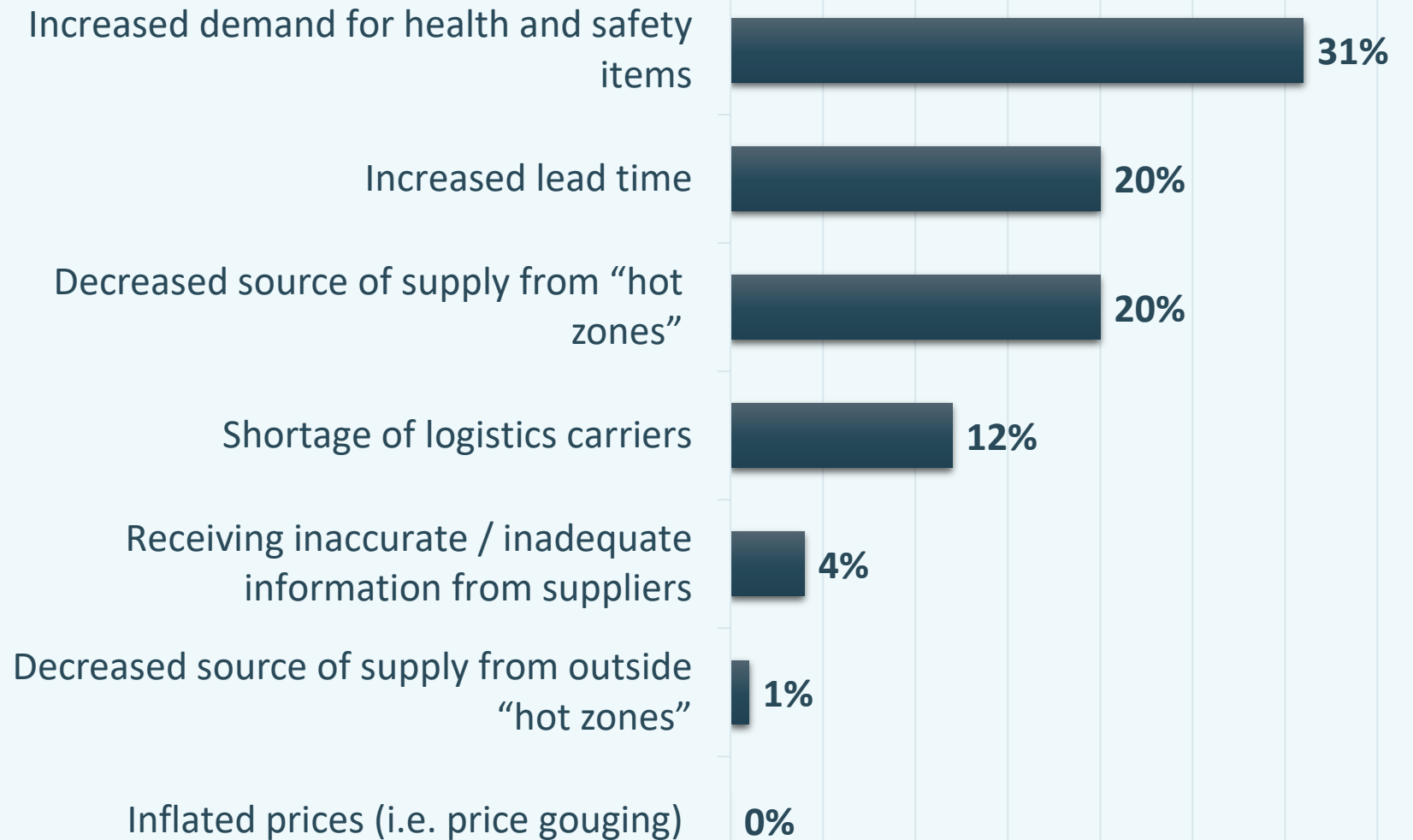
1. Restricting discretionary spend
2. Changing forecasts
3. Pulling back on capital investments
4. Slowing/holding expansion plans
5. Furloughing/side-lining employees

SERVICES

1. Restricting discretionary spend
2. Pulling back on capital investments
3. Changing forecasts
4. Slowing/holding expansion plans
5. Furloughing/side-lining employees

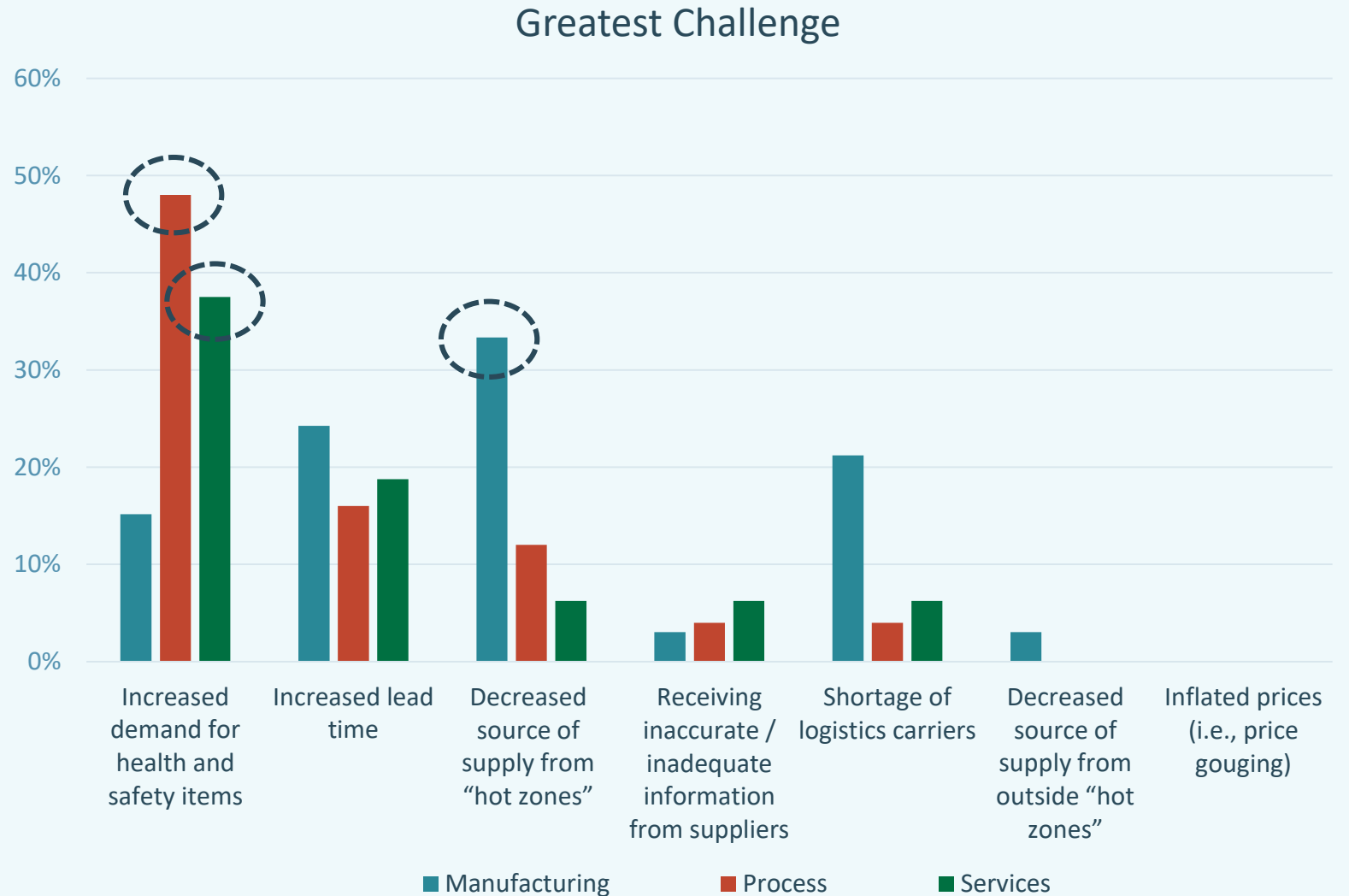
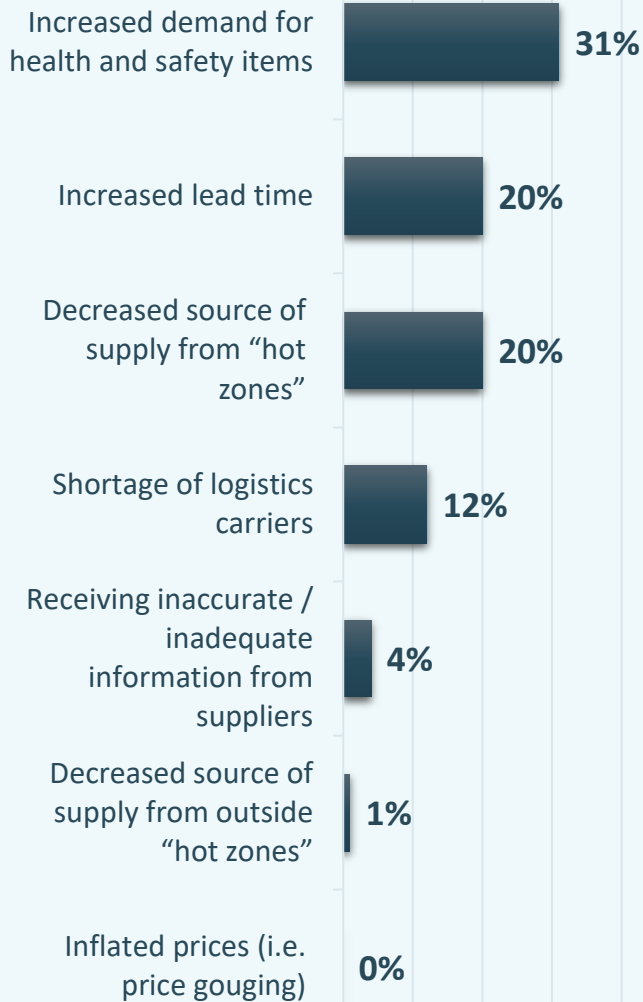
CPO'S RESPONDING TO THE CORONAVIRUS PANDEMIC

THE GREATEST CHALLENGE FOR YOUR SUPPLY MANAGEMENT GROUP



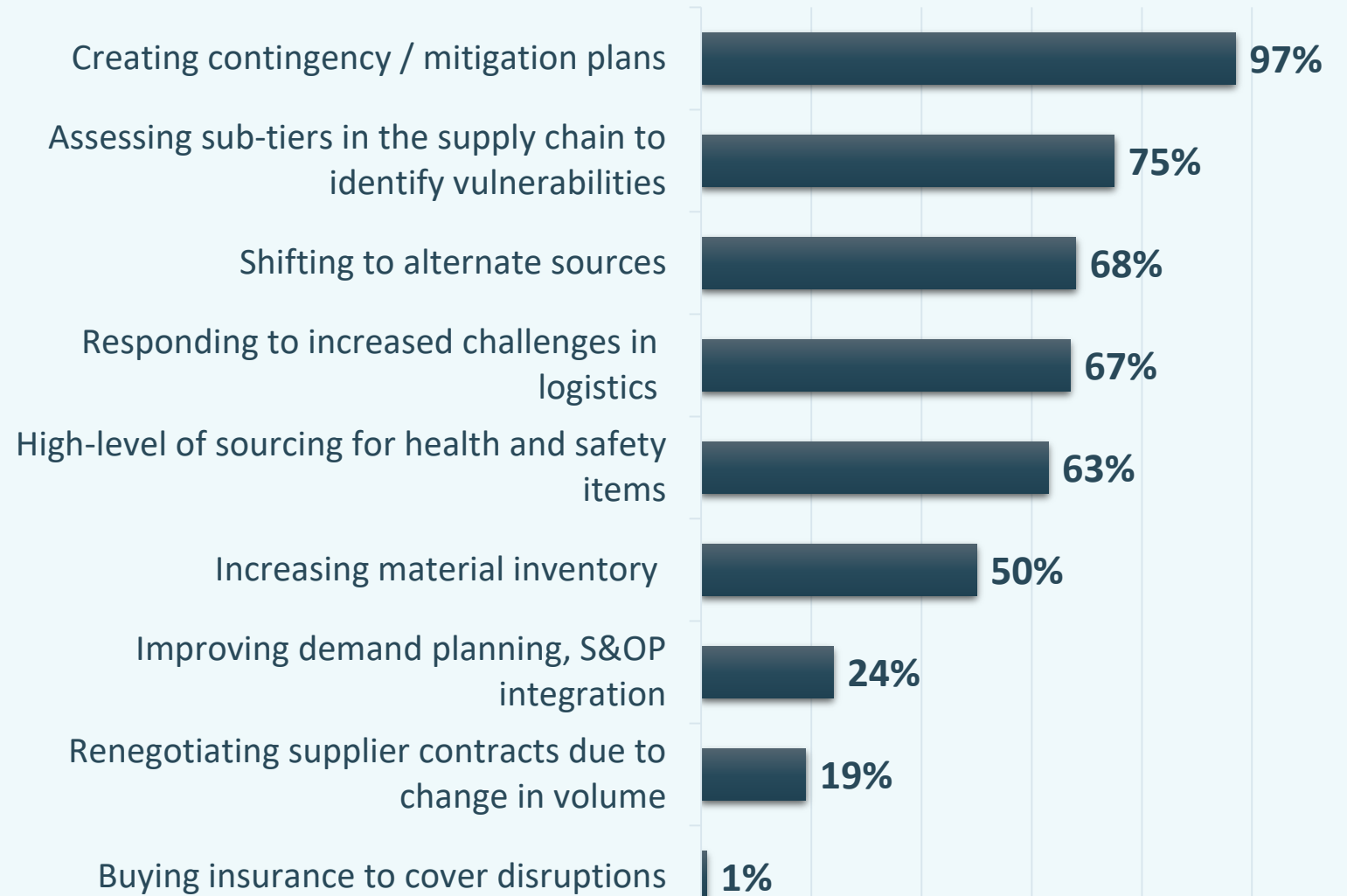
Percent of companies. Select one..

THE GREATEST CHALLENGE FOR YOUR SM GROUP



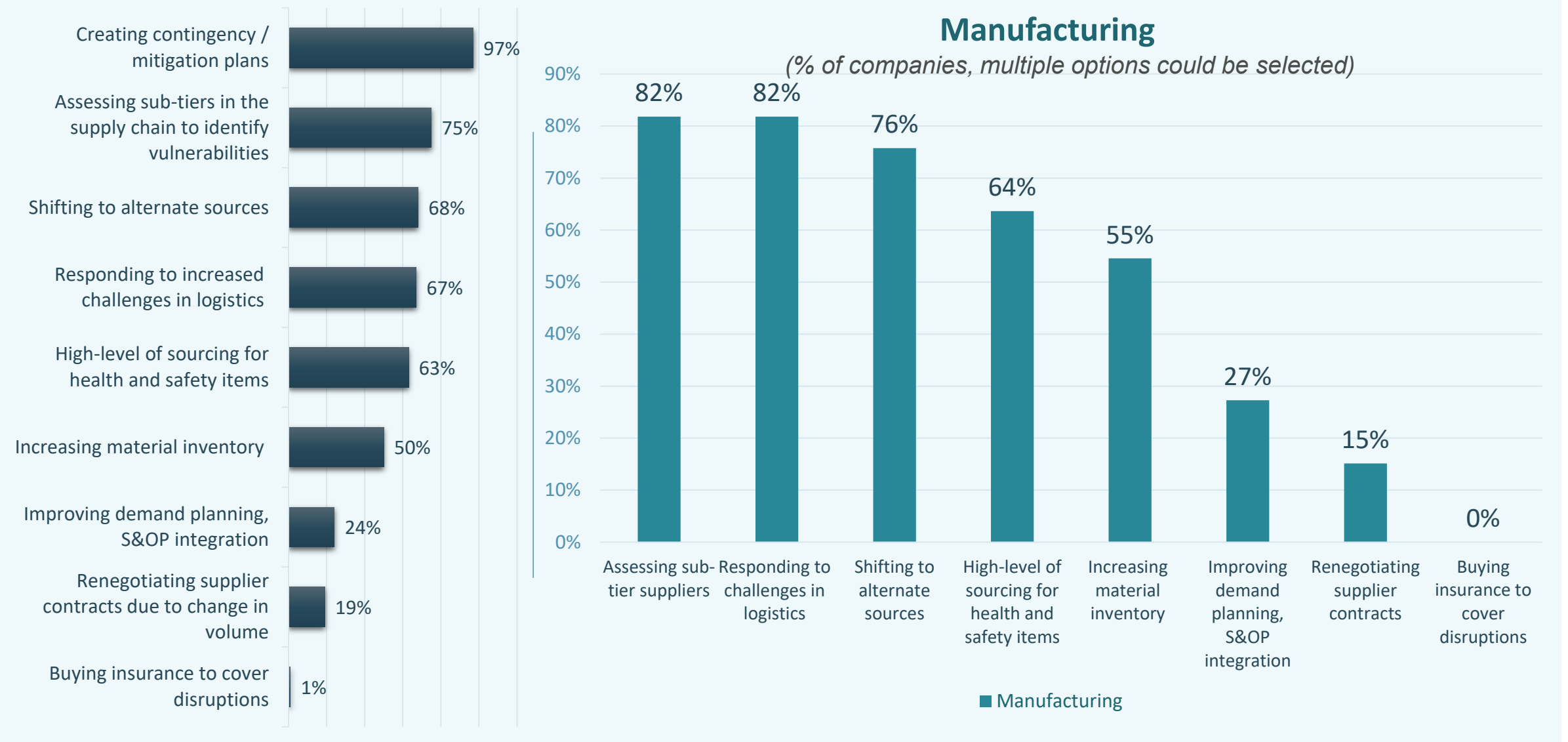
CPO'S RESPONDING TO THE CORONAVIRUS PANDEMIC

ACTIONS YOUR SUPPLY MANAGEMENT GROUP IS TAKING OR PLANNING ON TAKING

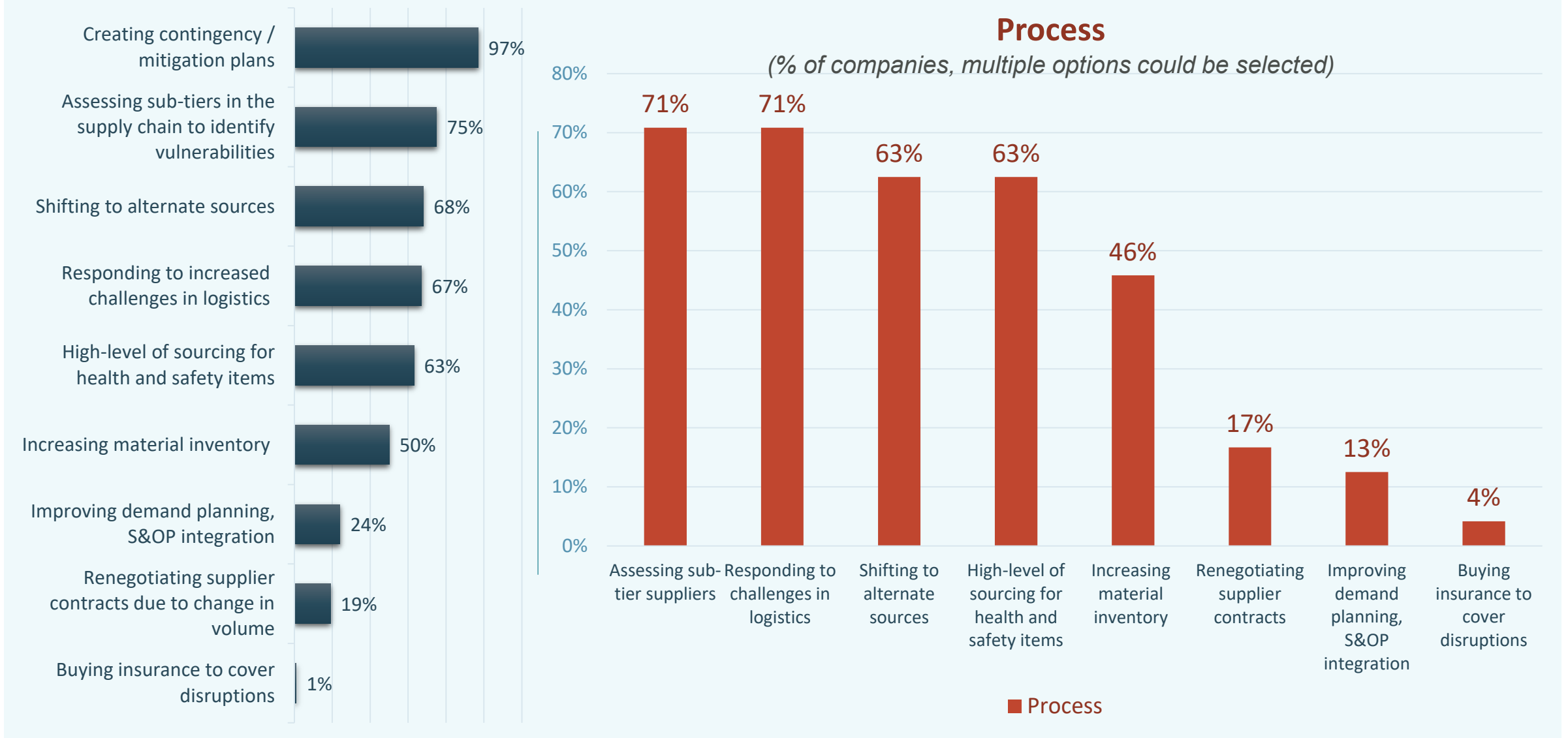


Percent of companies. Multiple options could be selected.

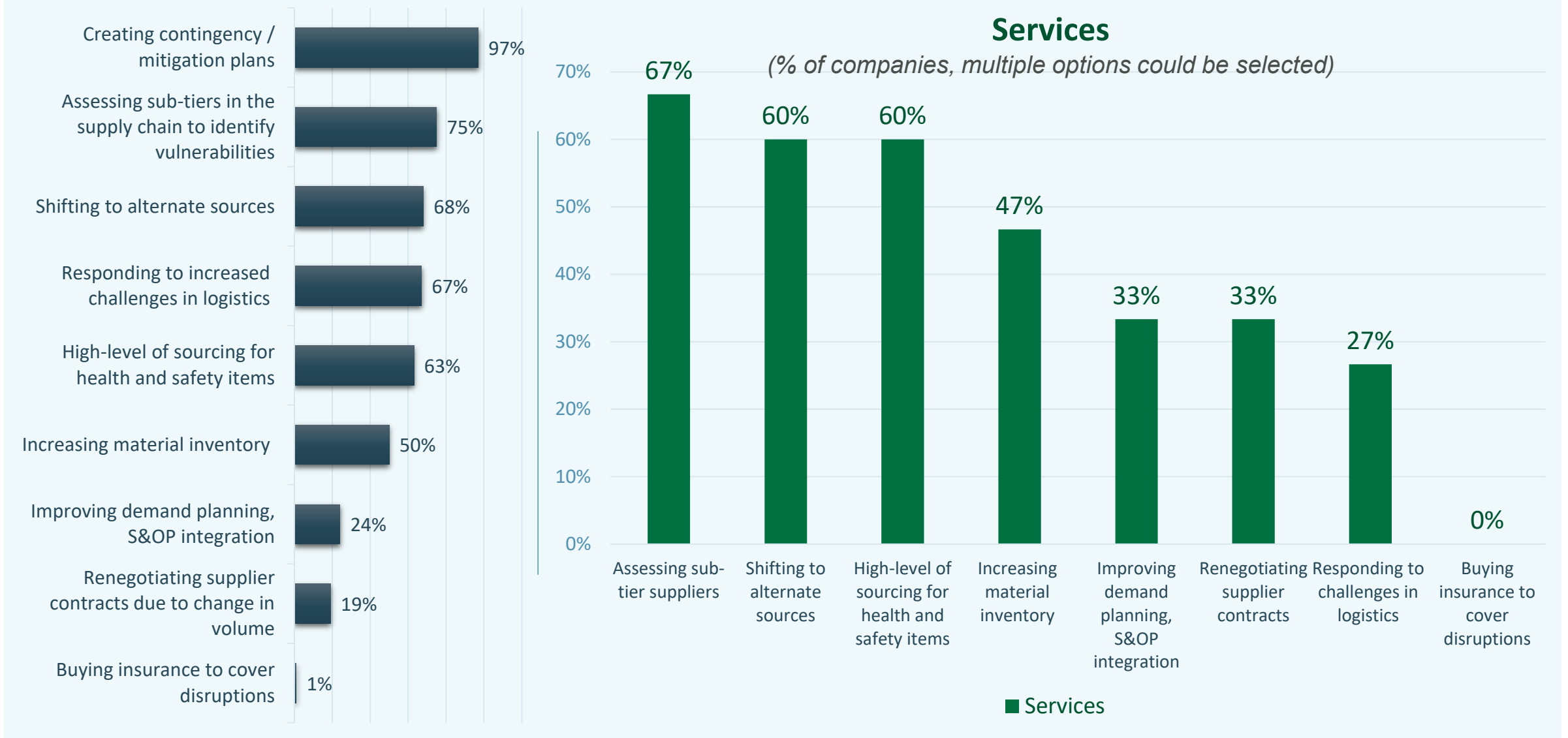
ACTIONS YOUR SM GROUP IS PLANNING / TAKING



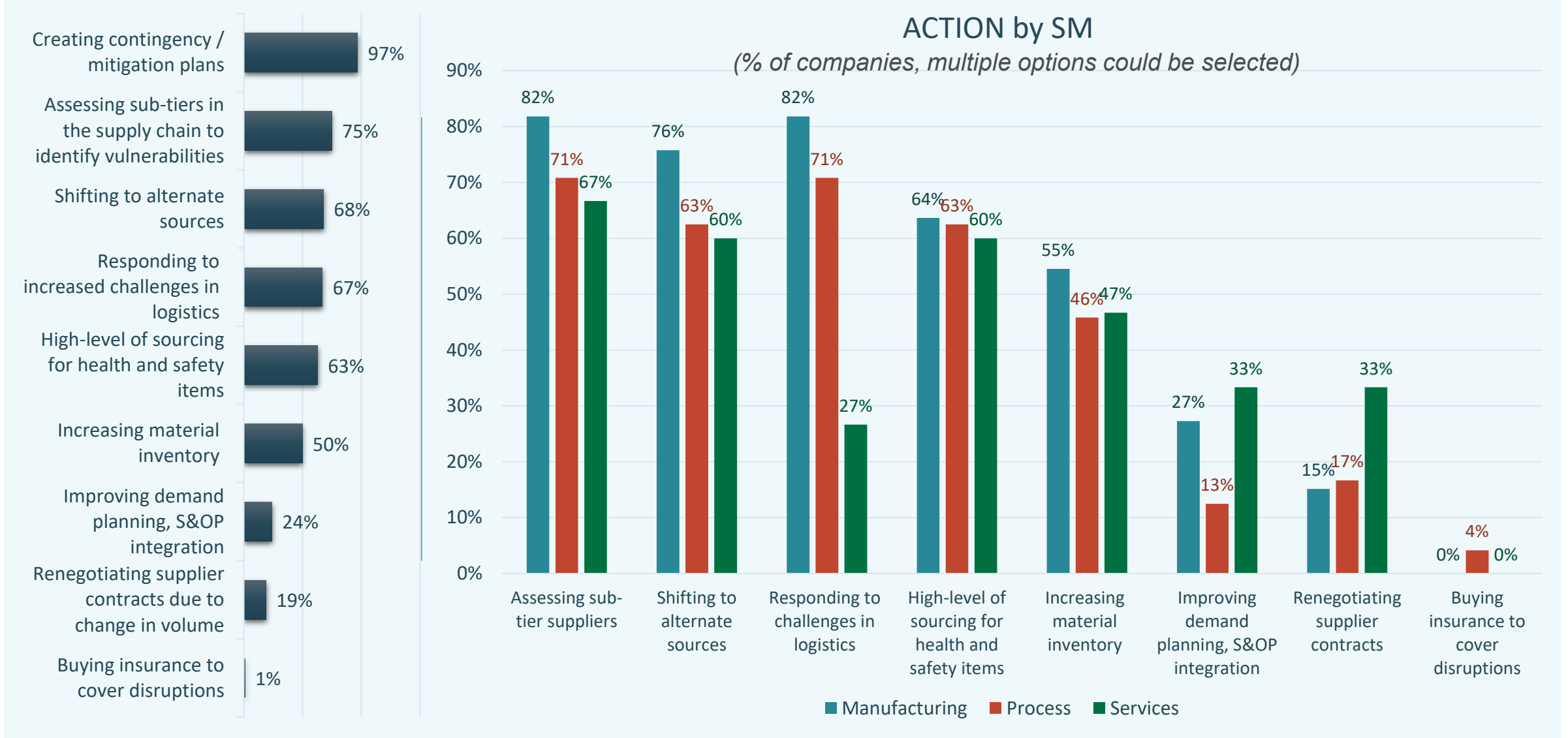
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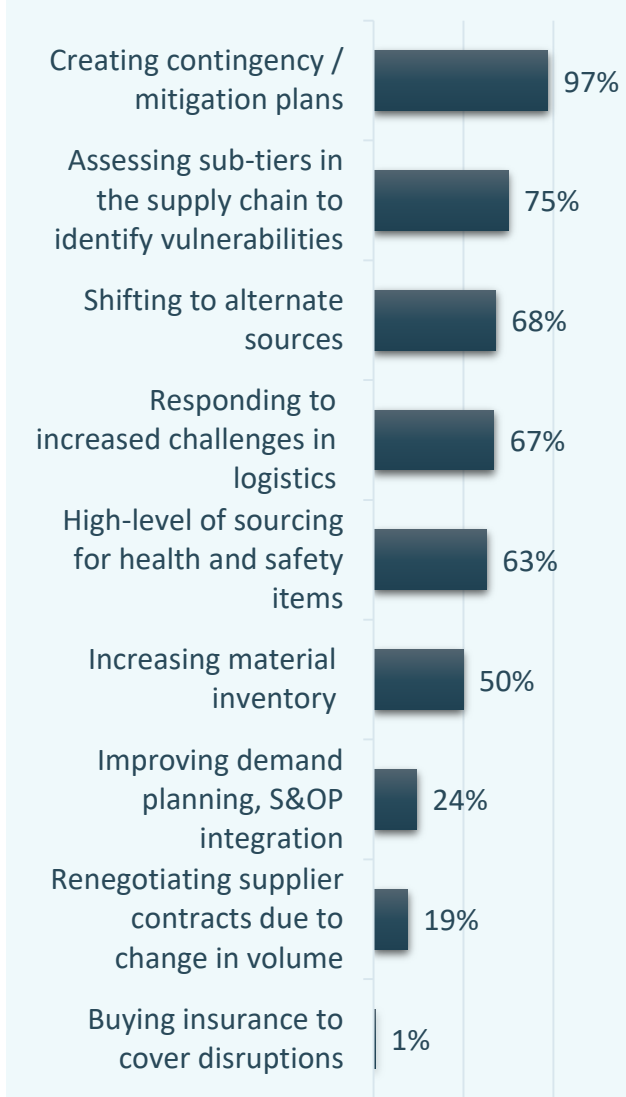
ACTIONS YOUR SM GROUP IS PLANNING / TAKING



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ACTIONS YOUR SM GROUP IS PLANNING / TAKING



1. Letters/communications to suppliers
 - Refraining from visiting company sites
 - Mission critical suppliers as recognized by the Department of Homeland Security ESSENTIAL CRITICAL INFRASTRUCTURE WORKERS to maintain normal work schedules
 - Addressing payment terms and restructuring of milestone payments
 - No change in supplier payments – accounts payables operating per standards
2. Ensuring supplier business continuity plans are activated
3. Vetting new suppliers
4. Working cash flow plans – both internally and with suppliers (SCF)
5. Assessing agreements and supplier relationships to improve “customer of choice” status
6. Getting ahead of Force Majeure notifications – 44% increase of companies declaring (RiskMethods)
7. Planning for reduced revenue
 - Review of open requisitions – cancel?
 - Review of existing commitments – terminated, reduced, postponed?
8. Reprioritizing and de-expediting non-essential orders
9. Negotiating deposit refunds
10. Tracking refunds and travel credits
11. Managing outsourced/contracted support services, including financial assistance
12. Creating split shifts and work hour rotations
13. Addressing needs/suppliers for employees working remotely
14. Encouraging community service/outreach (virtually)



ACTIONS YOUR SM GROUP IS PLANNING / TAKING

Poll:

Are experiencing significant increase of requests for donations or assistance?

Additional Input from the audience:

How are CPO's and their teams managing the influx of requests from their communities for donations and assistance in finding supplies?



Chat

Type your response in the chat box.

THANK YOU

All slides and a recording of today's webinar will be available, go to:

www.capsresearch.org/coronavirus/



Have additional questions?

Email us: metrics@capsresearch.org



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