



## Supporting & Transforming Customer Supply Chain During and Beyond Covid-19: Inventory Management Playbook Development

### Current Environment

COVID-19 will change customer behaviors and demand patterns in nearly all industries. At the same time, demand stimulation mechanisms are introduced not only from companies, but also from governments. This adds additional complexity to supply chain and inventory management.

The data base-line needs to be re-established as time-series that were previously used in forecasts are broken and long standing assumptions require re-validation. When establishing the new baseline, learnings and new factors such as resilience and flexibility need to be considered .

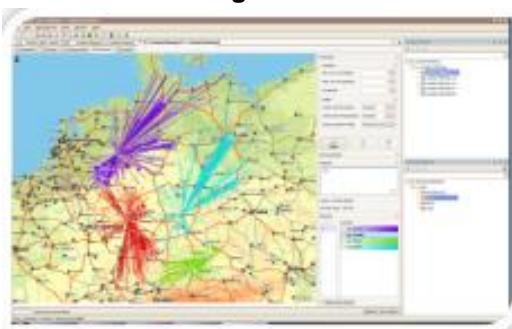
**33% of the customers**

Confirm that RESILIENCE is their focus in the next month

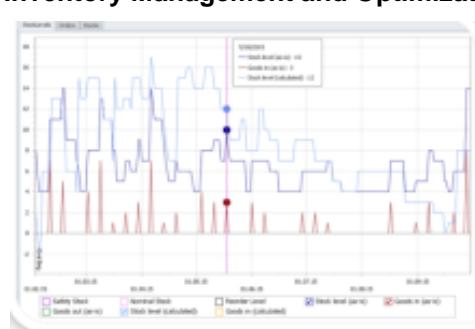
**Up to 30%**

SKU rationalization as a response to the current situation

#### Network Design and Simulation



#### Inventory Management and Optimization



To learn more about Kuehne+Nagel's Integrated Logistics Covid-19 service model and how they can support your supply chain short, mid and long term needs, email us at [integrated.logistics@kuehne-nagel.com](mailto:integrated.logistics@kuehne-nagel.com)

## Customer Challenge

The new normal forces customers to put their inventory strategy under scrutiny.

As a consequence of demand and supply shocks, some customers are facing excess stock, others go through a rationalization program of their SKUs. As a consequence, new inventory allocation scenarios need to be evaluated between keeping customer promises and keeping down cost to serve.

This has implications on network locations, stock levels, batch sizes, shipping frequencies and time-to-market.

## How Kuehne+Nagel can Support You

We accompany customers with our Logistics expertise, data and experience developing a play-book considering the options, take the right decisions and implement quickly and effectively. We integrate multiple data sources from sales forecast to supplier data to generate actionable insights.

### Inventory and supply chain modelling:

- Network design for customers who evaluate near shoring scenarios
- Inventory optimization for customers looking to rationalize their SKU
- Creation of an inventory baseline that includes plans, timelines, and decision points to pivot the inventory across various scenarios 12 months out or further
- Deriving stock- and order-allocation programs

### Developing supply chain resilience:

- Mapping-out supply chains and identifying potential points of disruptions and risks such as potential stock-out items, overdue purchase order or excess stock
- Set-up and review of business contingency plans
- Lane risk assessments for logistics contingency planning

This service is designed for customers looking for support in realizing quick wins with limited risk exposure and contractual engagement.