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USAID GLOBAL HEALTH SUPPLY CHAIN PROGRAM
Procurement and Supply Management



Recovery Strategies for Supply Chains from a Post-Black Swan Event

September 14, 2022



Agenda

- Background
- Scenario mapping for recovery
- Recovery strategies with country examples
- Links to guide and additional documents
- Q&A

Background

- Recovery strategies from black swan events center on scenario mapping, product groupings and iterative planning
- Supply chains can suffer:
 - demand
 - supply and/or
 - concurrent supply and demand disruptions
- Recovery Strategies are based on previous learnings to help plan for recovery by weighing the information and advice received to make informed decisions.

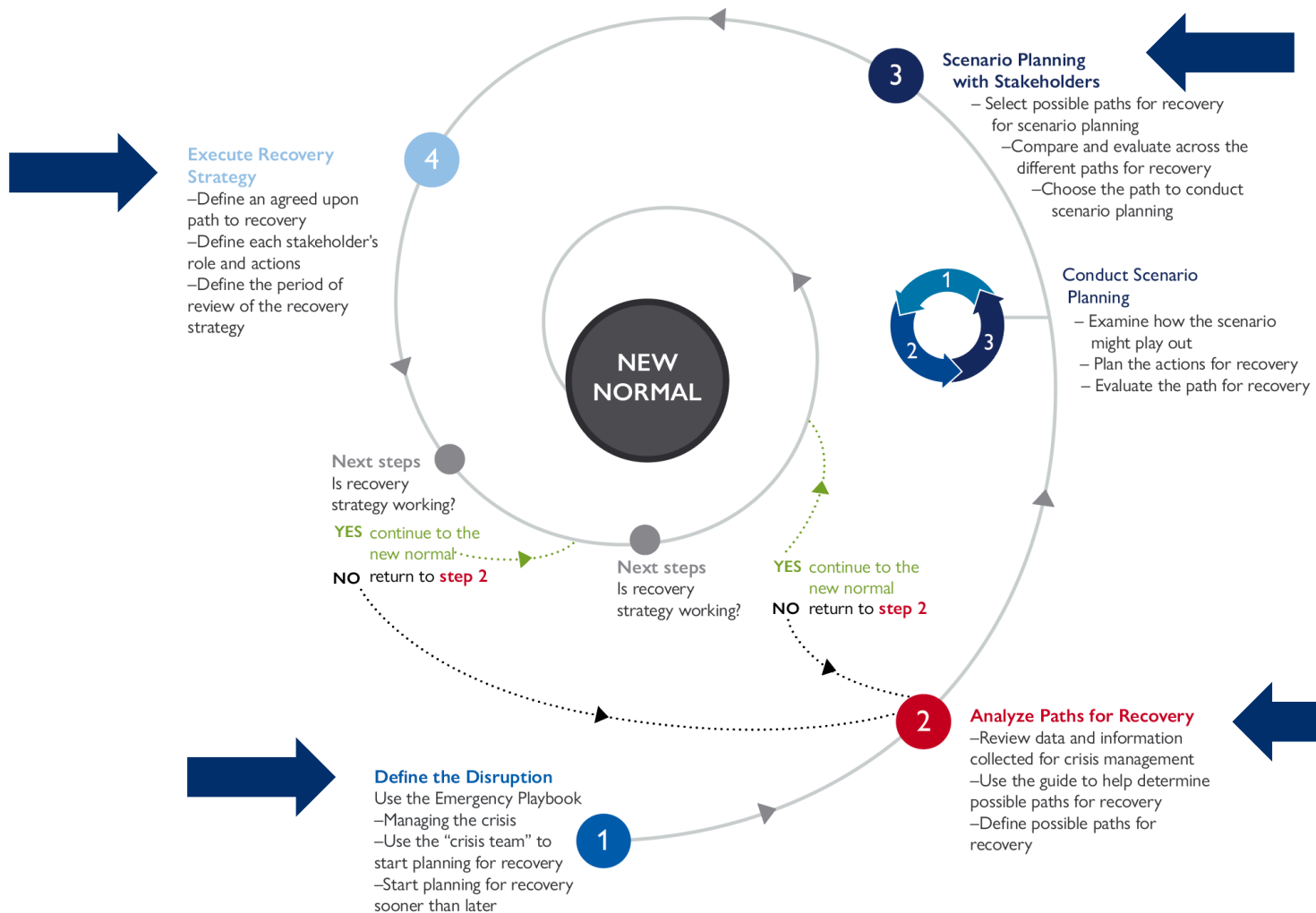




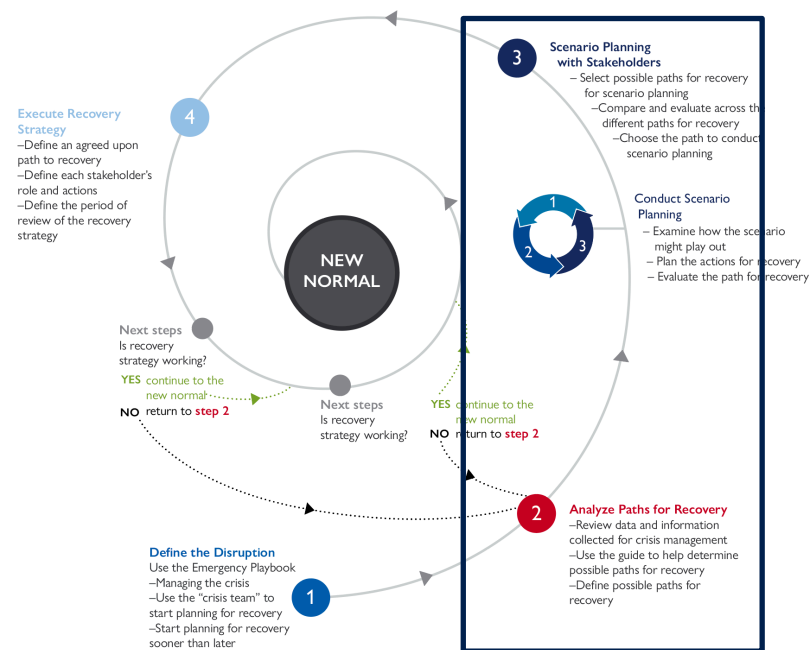
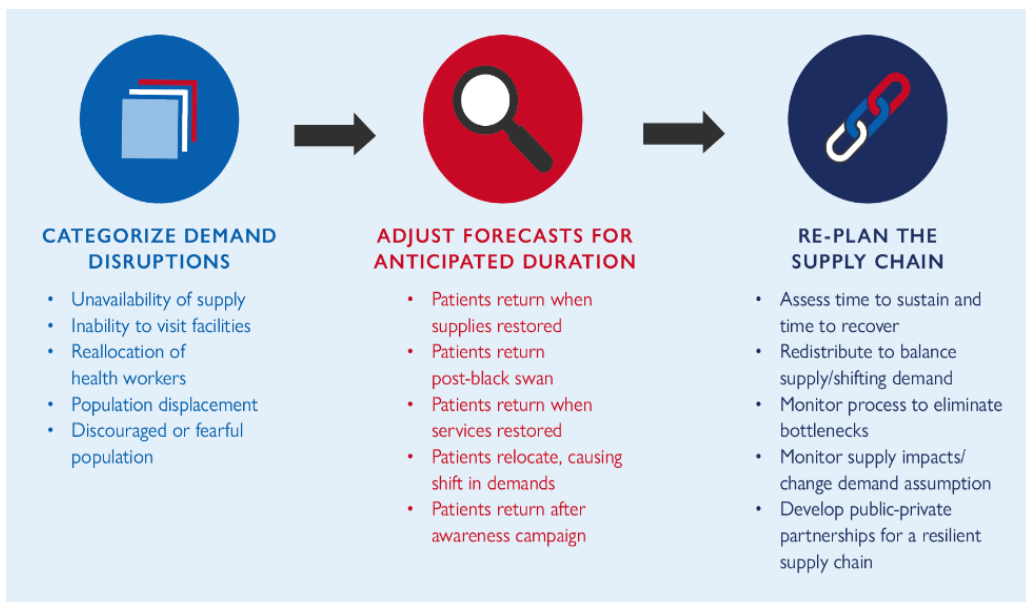
Lessons from previous black swan events

- Examined the histories of several black swan events and how supply chains were impacted
- Different types of events impact in different ways, and differently across different groups of commodities
- Lack of resiliency exposed when supply and distribution lines are impacted
- Recovery is always iterative as conditions change (worsen and improve sporadically)
- Frequent planning and replanning is needed to continuously monitor interventions that are deployed

Road Map: Scenario mapping for recovery

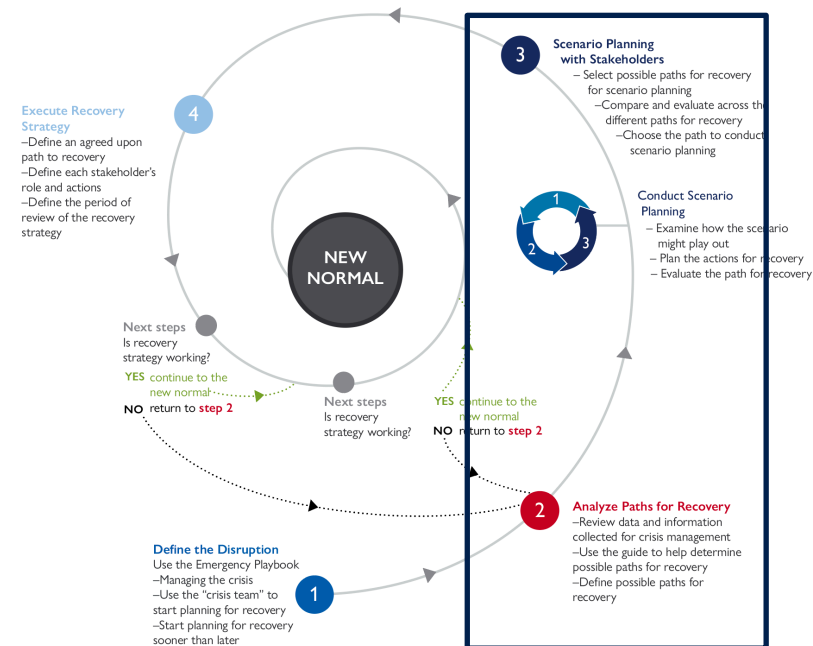
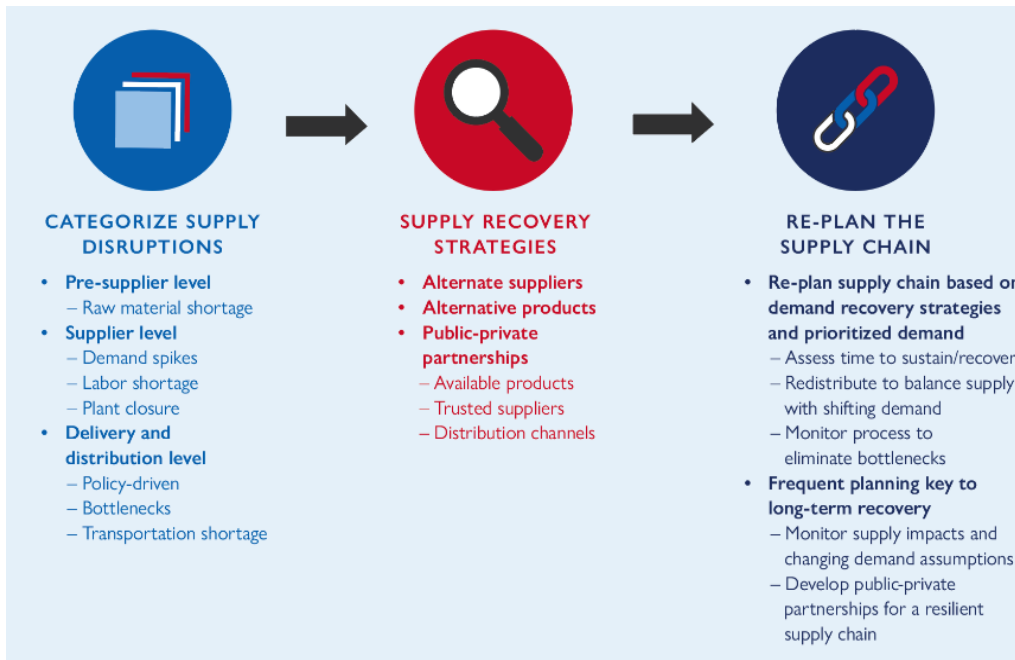


Recovery strategies for demand disruptions



Collect demand data quickly and identify key products or product groups that are experiencing demand disruption

Recovery strategies for supply disruptions



The supply side shocks will be felt more immediately, presenting at both the manufacturing and distribution levels

Recovery strategies for coordinating actions for supply and demand disruptions

- When both **demand and supply** are disrupted, use demand recovery strategies to drive resupply strategies
- When both demand and supply are disrupted, it becomes even more important to adjust demand and calculate new supply requirements
- Get back to the basic steps:
 - Define the disruption
 - Analyze the path to recovery
 - Plan scenarios with stakeholders
 - Execute the recovery strategy
- Consider changing conditions as the supply chain progresses to the **new normal**

Country examples

Liberia

- GHSC-PSM collaborated with the Liberian Government to grant special access for distribution workers and project support staff, recruited and remotely trained health care workers to support LMIS reporting where distribution workers were unavailable
- Facilitated data flow to support forecasting and supply planning, and informed decisions about the redistribution of goods to the most needed areas
- Effectively planned warehousing and redistribution of personal protective equipment to the most affected areas based on shifting demands

Nigeria

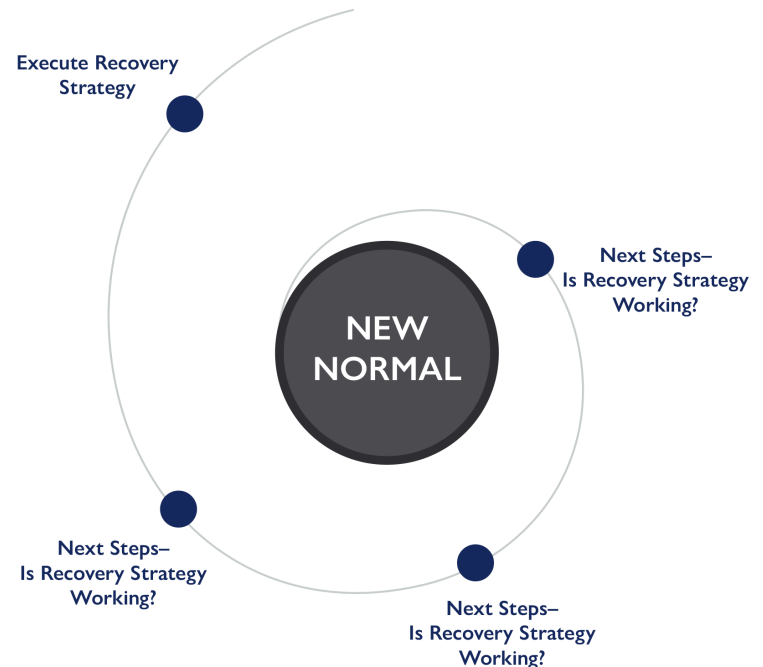
- Reducing the size of shipments and using ocean freight facilitated moving goods forward and minimized disruptions to the supply chain. Supply planning moved from quarterly to monthly.
- When international travel lanes were shutting down, recommended that countries prepare by moving most products out of warehouses and redistributing stock to service delivery points at the last mile in geographic areas most in need.

Nepal

- During COVID they used their LMIS to redistribute commodities to the last mile to prevent overstock and stockouts.

Path to resilient supply chains

- Each country will have a different starting point
- Establish a routine process where the resources and assessments of the overall strategies can be adjusted regularly
- Plan for these to become core processes
- The **new normal** should be different from pre-black swan, the processes that improved the overall response should continue



Supply chains recover when supply matches demand in a cost -effective way

Links to Field Guide and Other Products

- Link to Field Guide and 2-pagers
 - <https://www.ghsupplychain.org/index.php/recovery-strategies-public-health-supply-chains-post-black-swan-event>
- Link to the Podcast: Unbroken: Forging Supply Chain Resilience
 - <https://soundcloud.com/user-241724502/unbroken-forging-supply-chain-resilience>
- Link to the Emergency Supply Chain Playbook
 - <https://www.ghsupplychain.org/ESC-Preparedness-Response>

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