

Adapting to a Changing Retail Supply Chain

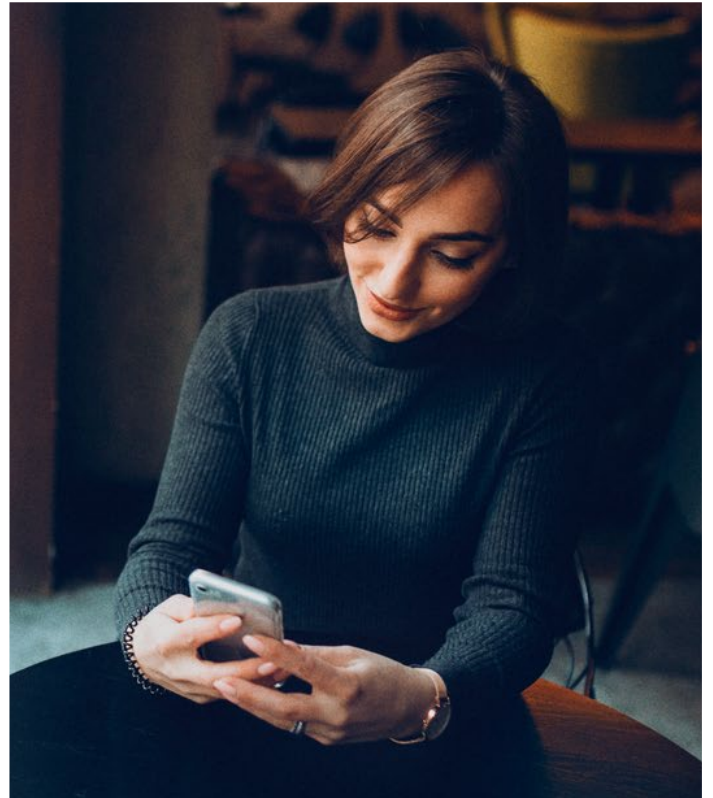


Stay Connected

Stay Connected

Adapting to a Changing Retail Supply Chain

Executive Summary



The spread of COVID-19 and ensuing isolation measures has led to a drastic shift in consumer demand that is presenting huge challenges to retailers. For many retailers, forced shop closures and cautious consumer spending has led to a significant downturn in demand for non-essential items resulting in a massive surplus of inventory. Conversely, essential items such as food and medical supplies have seen unprecedented spikes in demand resulting in significant out-of-stock scenarios.

As such, the retail industry is scrambling to address an inventory imbalance by slowing down the production and delivery of low demand goods while simultaneously increasing the production and delivery of high demand goods. At the same time, global supply chains remain heavily disrupted with limited and changing transport options, acute staff shortages, economic uncertainty, and suppliers operating beneath capacity.

In this report we explore the key challenges facing retailers, how companies can develop their supply chain recovery plans, and speak with Johanna Hainz, Global Head of Retail at Maersk, and Manav Jain, Head of Supply Chain Development (North America) at Maersk, about what COVID-19 means in the long-term for retail logistics.



Key learnings

- Retail industry has needed to correct large-scale imbalance of inventory caused by volatile changes to consumer demand and forced closures.
- Impacts of COVID-19 are likely to be long-term and permanent. Businesses must adapt to a new norm of supply chain management.
- The priority for supply chains will shift away from cost and towards resilience and reducing exposure to regional or global disruptions.
- Demand for higher levels of supply chain integration will grow as flexibility becomes more important.
- Retailers need to be prepared for long-term impacts and disruptions even after the recovery of COVID-19. If you haven't already contact us now to learn how a dedicated logistics service partner can facilitate the process.

Stay Connected

Adapting to a Changing Retail Supply Chain

The Changing Face of Demand

Consumer demand today is completely unrecognisable to what it was just a few months ago. The usual data models that retailers and suppliers rely on to determine what to send, where, how much and when, have been completely turned on their head. As a result, we are seeing two extremes; large amounts of excess stock lying dormant in storage facilities that retailers are unable to sell on the one hand; and significant out-of-stock scenarios with retailers unable to restock fast enough on the other.

A key factor has been the introduction of a new dichotomy of essential vs non-essential goods. Although the details differ from country to country, government-mandated closures have meant that only essential services, namely grocers and pharmacies, have been able to remain open during the lockdown and the overall impact on the retail industry has been staggering.

In March, the US retail sales fell by 8.7% from the previous month, the largest single-month decline since 1992¹ while in the same month, UK sales fell by 5.1%. It is worth noting that, for the UK, forced closures only occurred on March 23 – meaning this monthly drop, occurred with just a single week of the closures being implemented.

In response, where possible, non-essential retailers have shifted focus online. However, while there are some notable exceptions, e-commerce channels have also seen significant drops in demand for non-essential goods and having an online channel is no guarantee of sales. In short, people have stopped buying what they don't need and are instead buying what they do need in huge, previously unpredictable, volumes.

The upshot of this is two-fold; on the one hand retailers selling essential high demand goods, whether online or off, are struggling to ramp-up production and speed up supply chain lead times to keep up with demand. On the other hand, retailers selling low demand non-essential goods need to slow supply chains down of surplus stock they cannot sell.



¹ https://www.census.gov/retail/marts/www/marts_current.pdf

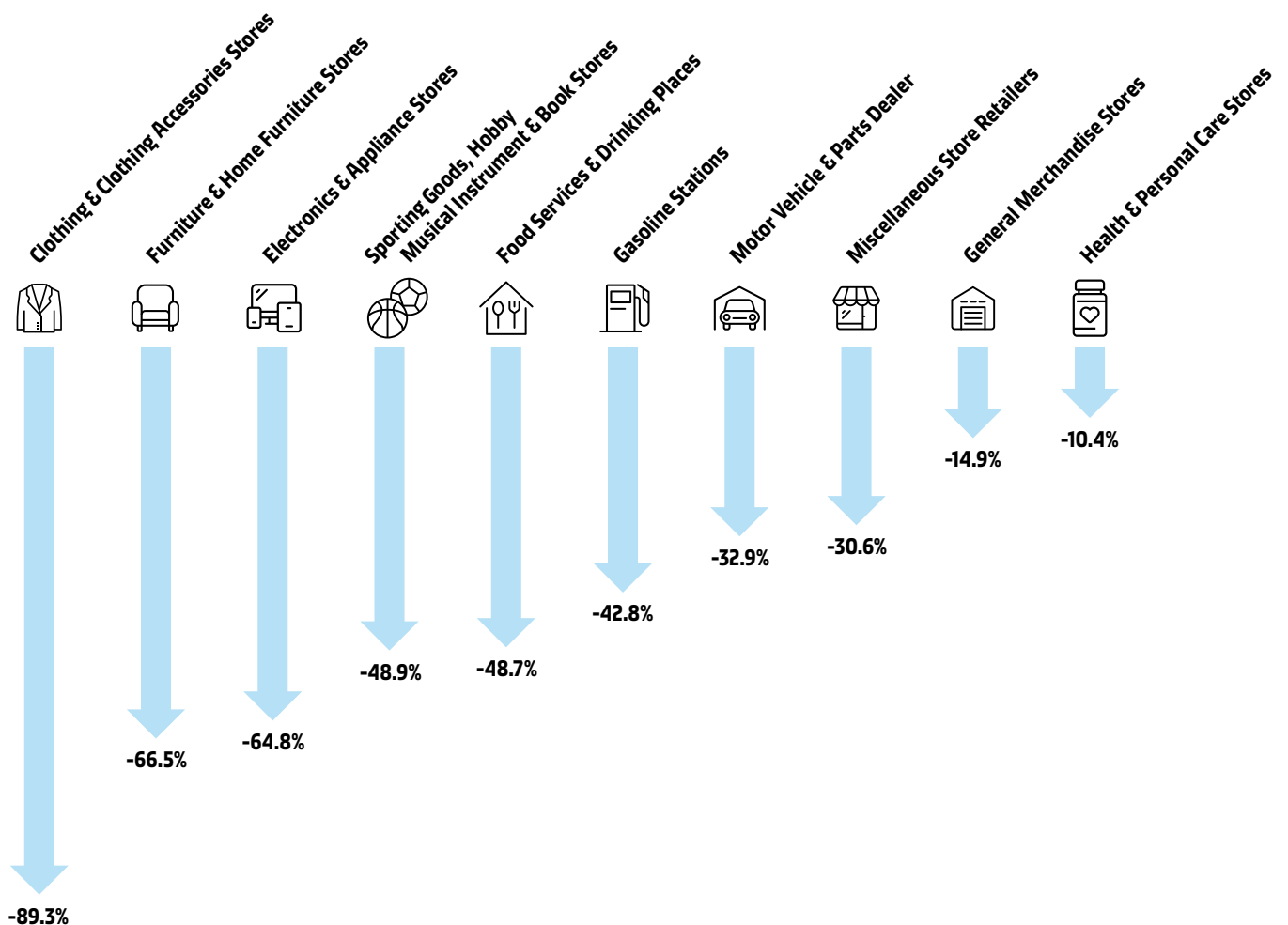
Stay Connected

Adapting to a Changing Retail Supply Chain



Biggest Hit Retail Sectors

Estimated Drop in Monthly Sales (April 2020 vs April 2019, across US)*



* Estimates are based on data from Advance Monthly Retail Trade Survey, Monthly Retail Trade Survey, and administrative records
Source: U.S. Census Bureau, Advance Monthly Retail Trade Survey, May 15, 2020.

Stay Connected

Adapting to a Changing Retail Supply Chain

High Demand Essential Goods

Demand for food and medical items have gone through the roof with the sales of items such as pasta, toilet paper, face masks, and hand sanitizer reaching extraordinary levels. This is perhaps unsurprising given the context however, the speed and volume with which demand rose has had enormous impact on the system with panic-buying for very specific items sending shockwaves throughout the entire supply chain.

In the US, food and beverage sales in March were up 28% compared to 2019 and 2020 Q1 sales were up more than 11% compared to 2019 Q4. In the UK, supermarkets posted a 10.3% increase in sales volumes for March with the volume of alcohol sold soaring by 31.4%.² However, demand is not limited to food and medicine, items related to consumers alleviating boredom during lockdown have also seen dramatic increases in demand. Online sales of home exercise equipment for example, increased 307% in March while retailers have been selling out of bread machines amid a remarkable 652% rise in sales.

For the most part, shifts in demand have closely followed public announcements as the pandemic has developed. For example, according to research group Nielsen, a presidential press conference held on February 26 in the US "shifted public concern from the 'reactive health management' level to the 'pantry preparation' threshold" resulting in 'added sales of an even broader set of health and household safety products, while sparking higher demand for shelf-stable food essentials.'" Accordingly, following the press conference, for the week ending February 29, sales of hand gel increased by 65% YOY while sales of pasta rose 10.4%, rice 25.3%, and powdered milk an astonishing 84.4%.³

For essential and other high demand items, whether a physical outlet that has remained open or through online sales, there is an overriding need to speed up production and delivery to get goods into the hands of consumers. There are key challenges throughout the supply chain however and businesses have been forced to find creative solutions to keep up with demand and address the shortages.

Speeding up the supply chain

In order to restock as fast as possible, retailers and suppliers need to reduce overall lead times but currently, cross border logistics are challenging. Airfreight, the quickest delivery mechanism, has been the hardest hit by the virus. For the week 17-23 May, overall airfreight capacity was down 26% compared to the same week last year. This is largely due to a significant reduction in commercial flights, which normally accounts for the majority of airfreight capacity, with freight capacity on commercial flights down 72% compared to 2019 during the same period.

To compensate, there has been a comparative increase in airline and express freighter capacity which rose 17% and 18% year-on-year respectively. Importantly, the industry already experienced the peak decline in capacity in April, and, as more commercial flights re-open, the situation is steadily improving week-on-week.⁴

Nonetheless, the increase in demand and drop in capacity has forced businesses to utilize alternative routes with longer lead times, making it harder to correct the imbalance of supply. For the most part, however, though unable to achieve the same kind of lead times as airfreight, combination routes that utilize a mixture of train, shipping, trucks, and air (where available) can maintain reasonably quick lead times to meet demand.



At Maersk, we offer a combination of alternative transport solutions to make sure your goods arrive at your customers safely, striving to minimise the impacts brought by the epidemic.

² <https://www.ons.gov.uk/businessindustryandtrade/retailindustry/bulletins/retailsales/march2020>

³ <https://www.nielsen.com/us/en/insights/article/2020/key-consumer-behavior-thresholds-identified-as-the-coronavirus-outbreak-evolves/>

⁴ Seabury Consulting, Accenture

Stay Connected

Adapting to a Changing Retail Supply Chain

Online solutions

Unsurprisingly, many retailers are shifting online for the first time. Mostly this has been smaller businesses⁵ who are able to pivot faster however German discount supermarket chain Aldi began selling groceries online for the first time ever, alongside other supermarkets including Marks & Spencer and Morrisons.

That said, even existing online retailers are struggling to cope with the sudden influx of demand with global online retail transaction volumes rising by 74% in March compared to the same period last year⁶. As a result, same-day and next-day delivery services have been hugely impacted with Amazon announcing a suspension of next-day delivery services alongside relaxing returns policies for customers.⁷



If you're a retailer with an e-commerce presence, we advise you to also view our previous report "*The Changing Shape of E-commerce Logistics*", to learn more about what challenges your supply chain is facing and what you can do to overcome them.

One creative solution seen in China has been employee sharing schemes allowing closed businesses with surplus staff requirements to temporarily switch them to retailers. For instance, Alibaba-owned supermarket and grocery delivery service Hema temporarily hired more than 1,000, otherwise furloughed, employees from restaurant chain Xibei.

Increasing production

Manufacturers have been ramping up production to meet the increase in demand, especially for medical items such as face masks and hand sanitizer. Measures include shift working, overtime, and reducing the variety of items produced to just those that are in demand. However, manufacturers can only increase production by so much and their ability to do so is complicated by staff shortages, the introduction of new virus-related health and safety measures, and shortages of materials from lower-tier suppliers who are facing similar challenges.

Pivoting for new customers

Some wholesale retailers who have lost their customer base have had to rapidly seek out new customers. Restaurant suppliers for example, who have lost a large number of customers due to forced closures, have pivoted directly to consumers. However, adjusting supply chains and distribution requirements is complex. In this scenario, it is smaller producers who have been able to pivot faster quickly establishing online services and routes to local customers.¹¹

Staff shortages

Across the supply chain, staff shortages have been a huge problem and according to PWC, this acute shortage of delivery personnel has become a new norm that retail companies need to adapt to.⁸ As such, businesses are rapidly expanding their workforce to compensate. For example, in March Amazon announced the need to hire some 100,000 additional staff primarily to work in fulfillment centres and transportation operations.⁹ Likewise, in the UK, with some 55,000 employees absent from work, supermarket giant Tesco hired 45,000 new staff in just 2 weeks. These new roles were needed across distribution centres, delivery drivers, and in-store with estimated additional cost to the company of \$1.1 billion.¹⁰



⁵ <https://www.rte.ie/news/business/2020/0407/1129150-covid-19-prompts-hundreds-of-businesses-to-move-online/>

⁶ <https://www.aciworldwide.com/news-and-events/press-releases/2020/april/covid-19-crisis-drives-changes-in-ecommerce-sales-aci-worldwide-research-reveals>

⁷ <https://ecommercenews.eu/amazon-closes-fulfillment-by-amazon-for-most/>

⁸ <https://www.pwccn.com/en/retail-and-consumer/publications/impacts-of-coronavirus-turn-into-opportunities.pdf>

⁹ <https://www.forbes.com/sites/jackkelly/2020/03/17/amazon-is-hiring-100000-workers-will-this-good-news-ultimately-crush-small-businesses/>

¹⁰ <https://www.dailysabah.com/business/economy/tesco-hires-45000-new-staff-amid-covid-19-outbreak-expects-costs-to-surge-by-11-billion>

¹¹ <https://www.bbc.co.uk/news/technology-52066764>

Stay Connected

Adapting to a Changing Retail Supply Chain

Low Demand Non-essential goods

While essential retailers struggle with vast increase in demand, at the other end of the spectrum non-essential retailers are struggling with the exact opposite. With stores closed and the loss of foot traffic, retailers without an online channel for sales have been particularly hard hit with huge surpluses of goods they cannot sell. Even retailers with e-commerce channels are struggling with an unpredictable drop in demand and in the current environment, being able to sell online by no means guarantees sales.

Although many retailers were facing difficult economic challenges prior to COVID-19, the closure of shops and drop in demand threatens to accelerate this trend. In the US, Fitch Rating Service downgraded nine retailers in a single day including Macy's, Levi Strauss, and J.C.Penney. According to Fitch's model, it was estimated that revenue for these retailers would fall by an alarming 90%, even if stores were to re-open in mid-May.¹² Meanwhile, high-end US retailer Nordstrom announced an \$800 million loan to stay solvent during the crisis, J.C.Penney reportedly skipped a \$12 million loan payment, and denim maker True Religion filed for bankruptcy citing COVID-19 and the closure of retail stores as the key driver.^{13,14}

In the UK, a study by Alvarez & Marsal suggests that half of UK retailers could be wiped out with 5 out of the 34 non-food retailers analysed already having negative cash flow at the outbreak of the pandemic and a reduction of just 10% in sales could result in more than two-thirds of major UK retailers falling into negative cash flow.¹⁵

One of the hardest hit retail sectors for instance has been the clothing industry. In the US, clothing and clothing accessories sales dropped more than 50% YOY in March.¹⁶ Inditex, the world's largest fashion retailer, said sales in its stores and online plunged 24% in the first half of March.¹⁷ A poll by Euratraz, the European Apparel and Textile Confederation, found that 80% of fashion companies are already laying off workers and more than half of them expect a drop in sales and production by over 50%.



Slowing down the supply chain

Aside from the loss in revenue, non-essential retailers have had to deal with huge surpluses in stock in warehouses, in transit, waiting at suppliers or in production. To tackle this, logistic partners have been slowing down the supply chain at key points and shifting transit to routes with longer lead times.

With volatile fluctuations in demand, retailers have been shifting towards solutions that increase the flexibility of supply and they can have better control over when goods arrive at market. To do this, one of the best solutions available to businesses is storing stock along route at key points throughout the supply chain. This allows retailers to slowdown the inflow of cargo to better manage the current fluctuations in demand while simultaneously reducing pressure on existing storage facilities.

For example, Maersk Flex Hub, a solution which enables customers to store stock at key hub ports, has seen a marked increase in demand from retail customers. In response, we've earmarked multiple new locations to expand the initiative as well as rolling out a similar solution in the US Gulf.

¹² <https://www.forbes.com/sites/pamdanziger/2020/04/03/retail-companies-on-death-watch-is-growing-fast-as-covid-19-puts-non-essential-retailers-on-life-support/#1b73693725ea>

¹³ <https://uk.reuters.com/article/us-health-coronavirus-true-religion/denim-retailer-true-religion-files-for-bankruptcy-protection-amid-virus-crisis-idUKKCN21V222>

¹⁴ <https://www.bloomberg.com/news/articles/2020-04-15/j-c-penney-skips-interest-payment-mulls-strategic-alternatives?sref=437r7DCu>

¹⁵ <https://econsultancy.com/how-is-coronavirus-impacting-the-retail-industry/>

¹⁶ https://www.census.gov/retail/marts/www/marts_current.pdf




¹⁷ <https://www.theguardian.com/business/2020/mar/18/profit-warnings-from-firms-across-europe-mount-as-covid-19-bites>

Stay Connected

Adapting to a Changing Retail Supply Chain

Maersk Flex Hub - offering flexibility and control

- 
Slowdown the inflow
 of customers cargo to better manage demand fluctuation
- 
Position cargo closer
 to key markets in 5 key hub ports
- 
Speed up "time to market"
 with full control to when and where to deliver the cargo

- 
Full visibility
 of inventory and storage time in online dashboard
- 
Reduce supply chain cost
 compared to traditional warehousing
- 
Relieve pressure
 on existing storage facilities

Depending on how recovery occurs, retailers who could expect a bounce in sales will need to be able to pivot quickly should demand ramp up again and having cargo positioned closer to key markets may prove crucial. This is especially the case for delayed purchase items which are likely to see a bump in demand once quarantine measures are eased.

Nonetheless, globally there is limit to how much stock can be held and where, and not all logistics providers and transport hubs are able to provide long-term storage solutions. Businesses should work with logistics partners to where their current inventory is located, what demand there is for that inventory and what solutions are open to them in ensuring adequate stock is available close to market and evaluate the costs in traditional warehouse storage against potential revenue.

Cancelling or deferring orders

In the clothing industry, suppliers have seen orders cancelled, deferred, or subject to severely reduced payments. In Bangladesh, for example, one of the world's largest exporters of fashion goods as a total share of exports, some \$3.2 billion worth of orders had been cancelled or suspended as of the end of April.¹⁸

This is a drastic measure and one that businesses are likely to want to avoid. It can irreversibly damage their reputation and places huge pressure on suppliers already reeling from the effects of COVID-19, not to mention the impact on the livelihoods of millions of garment workers in their supply chains.

Pivoting production

Some manufacturers have successfully pivoted production from their usual goods to high-demand items. For example, luxury retailer LVMH switched from producing perfume to making hand sanitizer and iPhone manufacturer Foxconn has repurposed their factories to make masks.¹⁹ This comes with a number of complications however, not least for medical supplies which involve various regulations to be met before they can be certified for public use.



¹⁸ <https://www.bgmea.com.bd/>

¹⁹ <https://www.weforum.org/agenda/2020/03/from-perfume-to-hand-sanitiser-tvs-to-face-masks-how-companies-are-changing-track-to-fight-covid-19/>

Stay Connected

Adapting to a Changing Retail Supply Chain

The Road to Recovery



Although the situation is unpredictable, retailers need to prepare supply chains and inventories for recovery. China was the first country to experience the impact of COVID-19 and the experiences of Chinese retailers closely match those of Western retailers. As of end of February, total Chinese retail sales had fallen drastically for a number of categories including apparel & footwear (-33%), home & furniture (-34%) and electronics (-20%). At the same time, grocery trade experienced a 10% increase in growth (+10%), while online food delivery was up 26%.²⁰

Since mid-March however, isolation measures have been eased, and retailers began to reopen. While it is too early to tell for certain, early signs are showing a slow but definite bounce back.

Likewise, Chinese supply chains are recovering albeit also slowly. As of April 10th, 95% of large companies had resumed operations albeit at reduced capacity.²¹ This will have knock on effects for western retailers with delays in supply likely to linger for several weeks despite manufacturers reopening. For non-essential items, new orders have declined enormously and for the most part manufacturers are simply trying to catch up with a backlog. There is a bigger impact on essential items however, particularly PPE and other high demand medical supplies. Many manufacturers have opened new factories to compensate amid the expectation that heightened demand for these items will remain the new norm for some time. As such, new manufacturing centres are likely to play a crucial role in resiliency planning for businesses.

Importantly, despite reopening, warehouses and factories are also still operating according to strict health and safety measures and this is likely to be the new norm for some time.²² Businesses in the West can expect the same and retailers need to consider how they can adjust workflows at warehouses and distribution centres to accommodate COVID-19 related health and safety measures in the long-term. Overall, recovery is likely to depend on a number of factors that remain highly uncertain including how successfully COVID-19 is maintained, how and when isolation measures are lifted, and how quickly consumer confidence returns. Retailers in the West should therefore remain cautious about the scope and speed of a bounce back with a number of commentators touting a slower 'U- Shaped' recovery instead of a faster 'V-Shaped' one.^{23,24,25}

²⁰ <https://www.strategyand.pwc.com/de/de/implications-of-covid-19/how-retailers-manage-and-recover.html>

²¹ <https://daxueconsulting.com/chinas-recovery-from-the-coronavirus/>

²² <https://www.businessinsider.com/foxconn-iphone-factories-china-reopen-extreme-covid-coronavirus-safety-measures-2020-4?r=US&IR=T>

²³ <https://www.weforum.org/agenda/2020/04/global-ceos-coronavirus-covid19-recession-economics-recovery-crisis>

²⁴ <https://www.reuters.com/article/us-global-economy-poll/global-economic-contraction-to-be-steepest-on-record-recovery-u-shaped-reuters-poll-idUSKCN22600U>

²⁵ <https://www.jpmorgan.com/global/research/2020-covid19-recession-recovery>

Stay Connected

Adapting to a Changing Retail Supply Chain



What can retailers do now?

Regardless of how recovery occurs, businesses should not anticipate a return to the way things were pre-COVID-19. Rather, we are likely to see a new norm develop that will require retailers to abandon their existing forecasts and develop entirely new models. This is of course no small task with many unknowns still in play and limited data to make accurate projections. This means, for the foreseeable future, supply chains need to be as flexible as possible so that retailers can pivot quickly as the situation changes and their data modeling catches up.

The first step for retailers is to identify the storage locations for all their SKUs and build an accurate picture of what exists at various points in the supply chain and what the lead times are for each.

Next, they should assess what their immediate needs are in relation to fulfillment. What goods need to be prioritized? Which product lines are crucial? What POS need to be expedited? What bottlenecks exist in the supply chain? What challenges are their suppliers for these goods facing?

For example, deferred purchase items are likely to see the biggest bounce back in sales once restrictions are lifted. Retailers of these items are therefore advised to prioritize the movement of these SKUs to storage points that will give the most effective lead times to the POS where they expect the most demand.

However, with multiple unknowns, companies are advised to develop scenario plans that cover multiple eventualities. Such scenarios might include alternative dates for stores reopening, alternative demand projections, as well as scenarios that depict different levels of e-commerce demand as a share of total sales/demand.

For example, retailers selling non-essential and/or non-deferred purchase items, that they do not expect to see a spike in demand for in the short-term, should nonetheless explore scenarios where demand does increase so they can be prepared to pivot quickly if required.

In developing these models, it is crucial to identify and maintain open communication channels with critical partners within your supply chain. This will enable businesses to forecast and plan supply chain requirements more efficiently. In addition, ensuring critical suppliers understand the different scenario objectives and trigger points, means supply chains can pivot much quicker as the situation unfolds.

Businesses also need to incorporate new costs into these scenarios and plan accordingly. For example, safety measures in factories, warehouses, distribution centres, and outlets are likely to remain for the foreseeable future. Businesses need to assess how changes to work spaces, facilities, and work flows will impact costs in the long-term as well as estimate what impact social distancing measures will have on foot traffic when stores are able to reopen.

We recommend that all retailers reach out their logistics partners now to start planning recovery scenarios, determine what requirements they might have, how it impacts their costs, and understand what support is available.

Stay Connected

Adapting to a Changing Retail Supply Chain

Interview



Johanna Hainz

Global Head of Retail, Maersk



Manav Jain

Head of Supply Chain
Development (North America),
Maersk

How have retailers been impacted by COVID-19?

The key impact has been the introduction of a new dichotomy of essential vs non-essential goods and stores. For food and medical supplies, supply chains have needed to speed up enormously to meet demand. While prior to COVID-19, prepacked food might have travelled by ocean freight, demand has been so high that it simply hasn't been fast enough. It has also been a struggle getting items out of the source countries fast enough due to transport limitations and impact on production due to lockdown measures. Effectively, there has been a ripple effect running right through the entire supply chain.

On the other side of the equation there has been non-essential stores that have been forced to close and a huge drop in demand. So, retailers have had to implement strategies that slow down the supply chain or risk being saturated in goods they cannot sell.

To put it simply, we've seen a very sudden shift in demand which created a huge imbalance with the supply side that retailers and logistics partners have had to rapidly correct.

What can retailers expect post-COVID-19?

At this point, the future is difficult to predict. However, it is likely we will see a peak in demand once stores are reopened and consumers are suddenly able to visit physical stores again – so called 'revenge purchasing'. The most likely impact will be on delayed purchase items such as furniture. For the apparel industry recovery may be more challenging and retailers may have to accept the loss of summer stock revenues and look ahead to Q3/Q4 instead. From a supply chain perspective, retailers that may see a spike in demand are advised to choose a strategy that keeps stock close to market where possible, so they can pivot quickly as the situation changes. At Maersk, we are preparing to ramp-up capacity very quickly if needed, to make sure customers can get their goods to market as soon as demand starts to rise.

It is uncertain how long social distancing will continue to be implemented in physical stores. Essential and non-essential retailers alike will need to reevaluate their instore models to compensate for a reduction of foot traffic and factor this into their forecasts.

Will we see a significant shift to e-commerce?

The shift to e-commerce has been a long-term trend that is only likely to accelerate due to COVID-19. Retailers without any or only limited online capacity have been the hardest hit and for the clothing industry especially, we are likely to see a big ramp up of online capacity as a result of the virus. However, the cost of implementing e-commerce strategies can be prohibitive and some purely physical retailers are likely to remain. The big question is whether the new customers that e-commerce has generated because of the lockdown, will remain loyal after isolation measures are eased.

Stay Connected

Adapting to a Changing Retail Supply Chain

What are some of the long-term impacts we might see?

The long-term impact of COVID-19 is likely to accelerate some existing trends in logistics management. This includes diversification of suppliers, an emphasis on flexibility and visibility of the supply chain, and the adoption of more sophisticated tools. Overall, companies are likely to shift the priority away from cost and towards the resilience of supply chains, assessing how exposed they are to regional or global disruptions.

Retail is likely to diversify supply in the future, especially away from China. This was already happening prior to COVID-19 due to the US/China trade war but the trend is likely to accelerate. While having a smaller number of suppliers can simplify visibility, the risk is more focused and the impact of any disruption much bigger. The diversification of supply chains across multiple suppliers from multiple regions spreads that risk out making the entire chain much more robust. Businesses may also seek to regionalize supply chains where possible to keep stock more flexible and closer to destinations. A survey by the Business Continuity Institute, found that most organisations had already sourced alternative suppliers as a result of COVID-19, with some 33.1% have implemented measures to source from local suppliers.²⁶

How will these changes affect supply chain management?

A shift towards e-commerce logistics coupled with diversification of supply will add additional layers of complexity for retailers. This will likely accelerate the requirement for more sophisticated tools and logistics management solutions in order to maintain sufficient visibility across the entire supply chain. These will include new digital solutions, software, and trade & customs tools that will enable retailers to maintain a detailed and real-time understanding of how and where their stock is moving enabling them to react quickly to market changes.

We're also likely to see a move towards more integrated networks. Operators that own and manage multiple hubs, routes, and transport options will be able to provide more flexibility for customers and will be able to pivot much faster during disruption. The ability to store stock and prioritize containers at hubs or other nodes will become increasingly advantageous for businesses that need to build resilience into the supply chain. With added levels of complexity for multiple suppliers, logistics partners who need to also be able to deliver higher levels of visibility across the whole supply chain.



²⁶ <https://www.thebci.org/news/coronavirus-organizational-preparedness-learnings-from-our-fortnightly-survey.html>

Stay Connected

Adapting to a Changing Retail Supply Chain



Stay Ahead of the Crisis

If you haven't already, we advise that you contact us to understand what potential impacts there are on your business.

1. If you have a dedicated account owner or customer service team, please contact them directly.
2. Case Management: login to Maersk.com and raise a case. Our customer service agents will handle your case as quickly as possible.
3. Contact your local office: <https://www.maersk.com/contact>
4. Chat with us online: <https://www.maersk.com/help/support/#/chat?liveChat=true>

Stay Connected

Adapting to a Changing Retail Supply Chain

Prepare for the Recovery

If you are looking to the future when your stores may reopen, we can help you understand what it will take to adjust or turn on your supply chain flows. The integration of ocean and logistics services provides us with a unique advantage that allows us the flexibility to tailor solutions to the needs of our customers in form of both single products or product bundles including different ways of transportation and alternative routes to handle supply chain disruptions if needed.

There is no blueprint for all customers as every customer demand and supply chain is different. We can work with you to determine the appropriate next steps regardless of your supply chain vendors:

1. Reach out to your Client owner or program Manager
2. Begin with an agreement between your in-house Procurement team and your Logistics team – Where can you spend, if needed?
3. Establish your current buying mindset:
 - a. Do you need to ramp up your supply chain?
 - b. Are you looking to perform resiliency planning and logistics flexibility?
 - c. Do you need to change your buying or sourcing strategy?
4. Expect our dedication to having regular and frequent meetings to guide you through the next weeks and months.



ALL THE WAY

