
Press Release

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Beyond COVID-19: Supply chain of tomorrow

Hanoi, June 09, 2020 - Supply chains today are made of many complex and interconnected links that when disruption happens, impacts will be felt on a human, social and economic level. The COVID-19 pandemic exposed how vulnerable and interdependent the supply chain ecosystem is as we see its effects rippling across countries and industries. With drastic shifts in demand and disruption in trade activities due to the consolidation of suppliers by geography, the impacts on companies' supply chain has been far-reaching and is no longer temporary.

Looking to the future, supply chain operations will need to move toward more comprehensive and proactive modeling. This sentiment is already reflected in recent May results from PwC's **Global CFO Pulse Survey**, where world CFOs expressed their plans for supply chain and wider third-party recalibration to better prepare for future shocks. In particular, more than half (51%) of CFOs cite developing alternate sourcing options as the most pressing matter in their supply chain strategy. Meanwhile 45% CFOs expect to change contractual terms and 45% like to understand the financial and operational health of their current and future suppliers better.

Being among the first countries in the region to reopen its economy, Vietnam should take the advantage to build upon the foundations for proactive resilience. Vietnam as a country has moved from managing the crisis to leading through recovery. It's time for businesses to bring their supply chain strategy into sharper focus by asking how to build long-term resilience post pandemic.

"With learnings from the outbreak, businesses need to leverage on their newfound agility. Supply chain of tomorrow no longer centers around efficiency and cost management but rather on building a secure and resilient supply chain. Looking at the current situation strategically and aligning your supply chain actions smartly will likely pay off as a competitive advantage for businesses in the long run." said Grant Dennis, Chairman of PwC Vietnam.

Companies should understand their position in the supply chains more deeply and in more dimensions. In PwC's latest publication, **Beyond COVID-19: Supply chain of tomorrow** we explore 10 major supply chain and third-party challenges which will result in the reconfigurations of the pre COVID-19 supply chain ecosystem:

10 supply chain and third-party challenges

	Supply chain mapping and analytics		Digital operations and cyber security
	Logistics and security		Environmental, social and governance and regulatory compliance
	Distributors, agents and resellers		Contract and commercial
	Critical labour availability in the supply and service chain ecosystem		Claims and losses
	Financial health of suppliers and third-party service providers		Tax

The publication also sets out three key actions for each of the challenges so that businesses can take to better prepare themselves for future shocks.

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Download the full publication:

Vietnamese: <https://www.pwc.com/vn/vn/publications/vietnam-publications/supply-chain-of-tomorrow.html>
 English: <https://www.pwc.com/vn/en/publications/vietnam-publications/supply-chain-of-tomorrow.html>

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