

EPSA Industry Article

5 things that COVID taught us

BY MATTHEW RAE DECEMBER 13, 2021



Over the last two years, COVID-19 has tested even the most resilient Procurement and Supply Chain functions in businesses the world over. Initially only restricted to shortages of toilet paper, personal protective equipment and hospital supplies, the pandemic quickly spread to just about every single industry. So what role has procurement played addressing the challenges presented by COVID 19 and how can we continue to capitalise on this.

Anecdotally the global pandemic has seen procurement continue to demonstrate its worth as a core business function, solving supply chain challenges, ensuring security of supply, identifying operational efficiencies geared towards allowing the business they work for to run even leaner than they did yesterday and overall having greater alignment with the stakeholders (internal and external) we service.

With 2021 now in the revision mirror, and complete recovery (both economically and otherwise) still some distance away now is great time to look at our supply chains, and business continuity plans and our lessons learned

1. Disruption is the new norm

Our supply chains have been setup for optimisation under normal operating conditions, but COVID-19 has acted anything but normal, and will continue to cause chaos. Existing strategies, processes and business continuity plans need to be reviewed and stress tested to ensure certainty under adverse conditions. In a [Johns Hopkins University interview](#), business operations professor Goker Aydin said, “*A resilient supply chain must be able to detect early warning signs of a disruption and it must respond by shifting production to alternative sources.*”

2. Lock in procurement benefits

With organisation revenue decreasing, offset the cash crunch by preserving cash. Don’t just focus on discretionary spend look across all direct and indirect categories to run your business leaner and ensure the benefits are measured, controlled and savings locked down to see a positive impact on profitability and return on shareholder investment.

3. Create and Innovate

COVID-19 has taught businesses how to pivot quickly in response to changing circumstances, particularly in our use of technology. Digital platforms including video conferencing can foster reliable remote working and team collaboration, and procurement leaders need to consider what other levers to pull in redirecting innovation efforts both now in a post pandemic world.

4. Redundancy outweighs price

The threat posed by COVID19 has changed the sourcing decision with a heavy emphasis on those suppliers who have demonstrated redundancy in their supply chains, with a price taking a back seat to criticality of supply. This will affect buyer and sellers alike with the commercial reality impacting future sales and procurement practices

5. Collaboration is king

Whether it be the relationship with customer, internal stakeholder or suppliers, collaboration means things can happen more quickly. If it hadn't already procurement has learned that success is underpinned by the strength of these partnerships and the importance of being closely aligned moving forward.