

# Sourcing Safety Supplies During a Pandemic

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“In Emergency response,  
Perfection is the enemy of the  
good. Speed trumps”

*Michael Ryan. World Health Organization*

# Agenda

Current status of your Portfolio

Procurement Emergency Response

Resources available

The Sourcing

The Next Pandemic

The Future of your Portfolio

# Checking your existing portfolio

Your current set up will drive how to act/react



SCOPE

Are all critical materials under same portfolio?

| One vs multiple owners |

ACCESS TO  
MANUFACTURING  
/DISTRIBUTION

Do you have the right portfolio balance?

| Local vs global reach |

REPUTABLE  
VENDORS

What access to you have to reputable vendors?

| Even the greatest will fail |

2<sup>ND</sup> TIER  
SUPPLIERS

What type of 2<sup>nd</sup> tier supplier reach do you have?

SAFETY  
STOCK

What type of safety stock do you hold?

| Stock Pile |

BURN  
RATES

Which are your burn rates?

| Full vs critical personnel only |

# What was/is the current Market for critical items



Production footprint could impact access

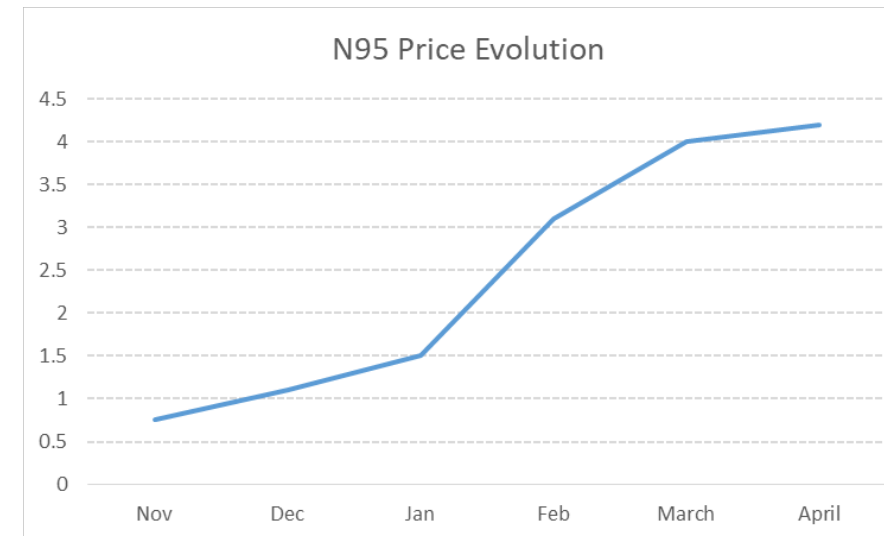
Trade could be impacted

- as per regional spread of the pandemic
- previous geopolitical factors

Stretched Supply Chain

- Flights
- Rail
- Trucking
- Detail Point to Point delivery

Raw Materials



# How do you structure a Procurement Emergency Response Team?

Your global strategy does not work, your regional reach can have challenges  
Access to local Market insights, local supplier relationships is key

Client Geographic footprint?

Check on Everybody and ensure they are capable to work on a very demanding schedule

What is your most flexible, yet controlled purchasing process?

- ✓ The leader should have enough authority, focal point to centralize needs
- ✓ An expert on supplier relationship with reach to Supplier Sr. Management
- ✓ Supply Chain expert, Local/International
- ✓ Focal point, Speed to commit
- ✓ Group to source, Experts and executioners
- ✓ Public Affairs contact
- ✓ Technical Experts with authority to compromise



# Knowing your resources (will help expedite solutions)



There is no recipe to succeed



Changing Gov. Rules  
Financial monitoring  
Critical Infrastructure

Centralizing or Multiple delivery points?  
Clear reach to multiple sources  
Clear R&Rs

What is your Budget?  
Global or Regional decisions?

## How to “hunt” for the right materials

You didn't buy it until it is in your hands

- Your **AML might not be enough**, you will need to **compromise**
- Direct access to **technical experts with authority** to decide (1 focal and a replacement)
- Be **ready to double commit**, trust but double check
- **Monitored logistics** is key
- Be ready for **uncertainty**
- **Over-communicate** an aligned message
- Can you **source in one country/region for another?**
  - Access to Freight Forwarders

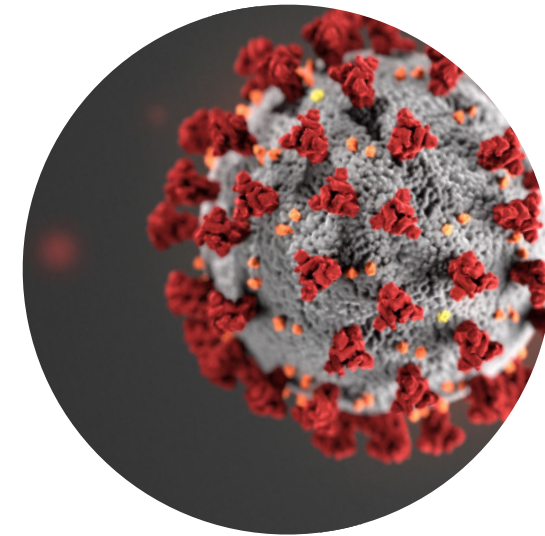




# The Next Pandemic

What would you change?

- Was information available when you needed it?
- Were the safety stocks sufficient?
- Did all parties react at appropriate time?
- Business continuity plan
  - Did it apply to this scenario?
  - Who was in charge?



# What “experts” are expecting

## Supply chains will shift closer to home for critical goods

- New incentives for local, regional sourcing, reduce dependence on China
- New trading regulations, export restrictions
- Global sourcing new challenges

## Premium for supply security

- Alternate suppliers, safety stocks
- Scenario-based sourcing strategies
- Sustained effort on business continuity planning and testing

## Industry consolidation

- The strongest will benefit from covid-19 > impact competition
- High debt level will limit investment capacity in hard hit sectors

# Your future MRO portfolio

How does it look?

- Does your scope need to change?
- Who do you trust now?
- Who excelled?
- Who showed weaknesses?
- What access do you have to direct manufacturing?

Questions?