



IMPACTS OF COVID-19 ON SUPPLY CHAINS

COVID-19 & LOGISTICS

As of June 2020, the novel coronavirus disease (COVID-19) has infected more than eight million people worldwide. In response to the global pandemic, cities have been put under lockdown, closing non-essential businesses and banning group gatherings, limiting urban mobility, and issuing stay-at-home orders, while nations closed their borders.

During these times, logistics became more important than ever in guaranteeing the uninterrupted flow of goods to city residents. At the same time, the same supply chain providing the goods experienced profound disruptions. Documenting the impacts the COVID-19 outbreak had on individual organizations and their responses is an important research effort to better understand the resiliency of the supply chain.

SURVEY RESULTS

The Urban Freight Lab, a structured workgroup of senior executives from major supply chains, supply chain related companies, and academic researchers from the University of Washington, carried out a survey to address two main questions:

1. What are the most common and significant impacts of the COVID-19 outbreak?
2. What short-term actions and long-term plans are supply chains taking in response to the pandemic?

Of the responses, 67% reported that the top impact of COVID-19 on their supply chains was the changes in demand.

ABOUT US

The Urban Freight Lab is a structured workgroup comprised of senior executives from retail and wholesale companies, carriers, manufacturers, technology companies and cities officials, brought together to improve the management of public and private operations of urban goods delivery system by engaging in strategic applied research.

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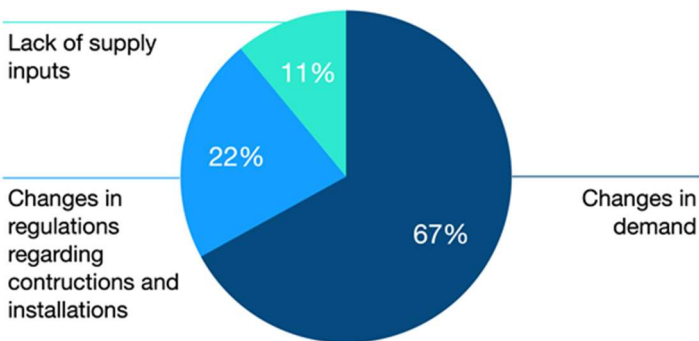
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The nature of such changes varied by type of company:

- Retailers have seen a sudden decrease in in-store demand, with a consequent increase in online shopping
- Carriers experienced an initial decrease in demand from B2B channels, with a consequent increase in demand from B2C and ecommerce channels
- Vehicle manufacturers experienced a decrease in demand for vehicles, especially micro-mobility vehicles, and converted part of their production to health technologies such as masks and ventilators
- Changes in State and Federal regulations regarding construction and installation in public places and the lack of supply inputs have been costly impacts for supply chain related companies
- Some of the respondents reported some positive impacts, including:
 - An incentive to develop online channels to keep serving customers
 - An incentive to develop and envision new ways to efficiently work remotely



ACTIONS AND PLANS

We asked different supply chains to describe the immediate actions taken to counteract the impacts brought by the COVID-19 outbreak, as well as some of the long-term plans.

- Common immediate actions taken were:
 - Re-focus on main business segments
 - Changes in daily work routines, including shift to remote work, personnel tracking, changes in work hours
 - Increase communication with customers to identify the range of immediate needs of individuals and businesses served
- Common long-term plans taken across different supply chains were:
 - Continue building resiliency in supply chains
 - Building new online business services
 - Making inventory more visible and accessible to online channels

67%

SAID THE BIGGEST IMPACT OF COVID-19 WAS CHANGE IN DEMAND

CARRIERS

INITIALLY EXPERIENCED DECREASE IN DEMAND FROM B2B CHANNELS; CONSEQUENT INCREASE IN DEMAND FROM B2C AND ECOMMERCE CHANNELS

MANUFACTURERS

INITIALLY EXPERIENCED A DECREASE IN DEMAND FOR VEHICLES; PIVOTED PRODUCTION TO HEALTH TECHNOLOGIES

RETAILERS

EXPERIENCED SUDDEN DECREASE IN IN-STORE DEMAND; CONSEQUENT INCREASE IN ONLINE SHOPPING