



Managing suppliers and preventing a supply chain disruption

Third Party Credit Risk

The unprecedented rise of COVID-19 and subsequent government measures are triggering immediate pressure on businesses' supply chains across the world. This is caused by various factors:

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Reduced demand
Increased unemployment and uncertainty leads to reduced disposable income.
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Supply chain disruptions
Delays and shortages due to complex and international supply chains.
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Workforce disruption
Closure of non-vital factories and limited office accessibility.
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Irregular profits and cash flows
Sporadic buying habits lead to irregular and unpredictable demand planning.
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Uncertainty
Depth, length and regional dispersion of economic fallout still unknown.
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Instability in the financial market
Fluctuating share and commodity prices.

COVID-19 is placing stress on existing business models in the Swiss market

-  A 0.5% downturn expected in the Swiss economy.
-  Uncertainty as investors and consumers are unsure on impact and duration.
-  Heavy impact on firms with complex supply chains (manufacturing, chemicals and luxury products).
-  Reduced foreign investment on luxury goods and leisure.
-  Reduced consumption due to closures and travel bans.

Flexibility and innovation will help businesses weather the storm

-  Adjust growth and sales forecast using **artificial intelligence**.
-  Explore different revenue streams through business model **innovation and flexibility**.
-  **Illuminate E2E supply chains** in order to gain visibility over critical corporate suppliers.
-  Use technology to harness operational and public data to provide **risk intelligence**.

Where a key supplier is at risk of failure ...

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 - Deploy turnaround expertise to deliver **rapid cash and EBITDA benefits** for the supplier to **stabilise the situation**.
 - Whether customers, suppliers or strategic partners, quickly assess financial viability issues, identify a preferred action plan and **support effective engagement with stakeholders to minimise disruption across your supply chain**.
 - Solutions may range from working capital expertise, to on-site restructuring support, to fast track M&A, to **secure continuity of supply**.

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