Resilient: Confronting the COVID-19 crisis
Actionable insights to help businesses respond and recover

Episode 5: Keeping the supply chain flowing

Host:
Mike Kearney, Partner and Chief Marketing Officer, Deloitte Risk & Financial Advisory LLP

Guests:
Adam Mussomeli, Principal, supply chain and network operations lead, Deloitte Consulting LLP
Dan Kinsella, Partner and third-party risk leader, Deloitte Risk & Financial Advisory, Deloitte & Touche LLP
Jim Kilpatrick, Global Supply Chain & Network Operations Leader, Deloitte Canada

Mike Kearney: Welcome to Resilient. My name is Mike Kearney the Risk & Financial Advisory CMO. I’m also spending a lot of time with my clients on COVID-19, and I will say every day it’s full of new issues and even opportunities for them. That’s why this new Resilient series is so important to me personally. We are focusing all of our attention on the evolving impact of COVID-19 and our focus on providing you with actionable guidance to help you respond to the crisis and also to start to plan for the future.

Supply chain and the web of third parties has become one of the most important issues that companies are dealing with. Can you get the right inventory and supplies that you need?

Do you have a good understanding of the third and fourth parties that you are relying on? Do you have suppliers concentrated in one part of the world? These are some of the challenges that I am seeing companies deal with.

Today, we are lucky to have three leaders who have spent much of their career in this area. Adam Mussomeli, principal, supply chain and network operations lead, Deloitte Consulting LLP; Dan Kinsella, a partner and our third-party risk leader, Deloitte Risk & Financial Advisory, Deloitte & Touche LLP; and Jim Kilpatrick, making a cameo on our first COVID-19 podcast, and he is Deloitte’s global supply chain and network operations leader, Deloitte Canada LLP. We continue to record these conversations virtually and in our homes. And for me it has been a dance with my wife and kids in the house. Let’s just say keeping everybody quiet during these interviews has been an exercise in futility. The audio has actually been pretty good, but it is certainly not as crisp as when we do it live. But we are prioritizing, like we said before, speed over elegance. So enough prattling. Let’s get to our conversation with our Deloitte leaders.

Mike Kearney: It is obviously apparent, especially prepping for this podcast, that all of us are working virtually. And I would say just the challenges of working...
with our clients and then you throw in the mix of our family life. There's just a lot of challenges. But I wanted to start this conversation out on a light note, Jim, Adam, and Dan, and just ask each of you, what's the one thing that you're doing to manage your well-being? And let's start with Jim.

Jim Kilpatrick: Well, I think the first thing I do is I'm starting every morning with the jog on the treadmill, which is actually far easier to do than my normal travel schedule allows. And my dog feels that she's won the lottery with me home all day. So, she gets me outside a couple of times at least to see the sunlight and get a breath of fresh air.

Mike Kearney: That's great. Adam, how about you?

Adam Mussomeli: Yeah, so similar to Jim, I, too, am starting my day with exercise. I started doing different forms of high intensity interval training about two years ago, and so that's how I start. And I guess the other thing that is a little bit different not being on the road is every morning I'm able to say good morning to my wife and have a cup of coffee with her.

Mike Kearney: There is definitely some upside, Dan, what are you doing?

Dan Kinsella: Mike, you know me, it's all about props, right? So, I'm using this opportunity to show off different kinds of hats, different wigs, different fun items that we can share on video with our clients and colleagues. On a personal note, with our family with my four kids, two in high school, two in middle school, focused on how do we thrive and not just survive. How do we, 50 years from now, tell a story to those that we might know with how we used the time during this interval. And we're having some fun times sharing stories for what we're going to tell folks in the future when we reminisce what this challenge provided us.

Mike Kearney: Well, I know Dan. And Dan, I'm sure you do have all those props. But let's get into some serious questions. I'm going to start with Jim. I can't believe it.

We were talking before the conversation that we're now almost a couple of weeks in. I've been sheltered in place now for two weeks. It's been going on for a little longer. But we're into this. And what are you seeing companies do to evaluate their supply chain and all of the associated risks? And I think last time you and I chatted was literally two weeks to the day, so I'm guessing it's probably evolved quite a bit in the last couple of weeks.

Jim Kilpatrick: Yeah, it's amazing how fast it's come to think that only in early March most of us weren't afraid at all to jump on a plane and do business travel and, you know, take our families on, you know, March vacation breaks. But, you know, the world has changed dramatically. I think there's a number of companies that are still focused on understanding the risks, understanding whether there's any supply side disruptions and suppliers that can't produce more of them. But most of the risks now are fundamentally on the demand side. You know, when markets have shut down, establishments are being closed, non-essential businesses are being closed. Even if you're able to restart your operations, you might find that your customers and the channels you'd normally work through aren't available to you. Certainly, China and Korea are finding that as they've been able to restart.

So, I'm working with a number of companies right now and in the discussions I'm having at senior levels are still a lot of focus on inventory management strategies and planning specifically around cash flow. There's a number of organizations that are spending a lot of time ensuring workforce safety, from screening procedures at plants, to how to deal with, you know, an issue should an employee be found positive for COVID. But, you know, I think right now the attention is also starting to shift from the response phase to what will ultimately be a rebound and a recovery. So, while organizations have done a decent job in understanding supply chain risk, I believe that the pivot they need to make is going to be more important. And, certainly, it's going to require, you know, a lot of planning for that.

Mike Kearney: Jim, are you starting to see companies now actually start to think of that pivot, and what are you advising them?

Jim Kilpatrick: Yeah, absolutely. I think as any crisis evolves and caught us so off guard, you know, the initial reactions were to form crisis command centers and really go into a command and control mode to understand supply side and demand side risks and get specific scenarios run and make sure the cash flows were protected. But, you know, everybody needs to think about the three phases of any crisis and start to shift their attention appropriately to how to recover and then ultimately how to thrive. And so, what I've seen is that I think that recovery phase is going to be very tricky for companies to manage. There's not going to be an all-clear signal globally where people just return to work. The supply chains are gonna take a while to resynchronize.

There may be some companies that don't make it through this, you know, companies that were precariously positioned from a financial or cash flow state before the crisis happened. There's no shortage of announcements of companies that are in a very precarious state. So, restarting supply chains is not going to be easy, and we are going to be in a period of economic contraction. I think that's known. Now, obviously the degree of contraction around the world will vary, but in many countries they're forecasting 15 maybe 20 percent GDP contractions. So, this isn't about popping back to a world pre-COVID instantaneously. It's going to take a while to get back to the levels of economic activity that many companies are familiar with.

Mike Kearney: Adam, let's go to you. What are you seeing as companies assess their supply chain risks and, really, are there any unexpected steps that you've seen them take? Maybe something that maybe surprised you?

Adam Mussomeli: Well, I believe at this point we're now living history where most supply managers and executives and executives across companies are realizing
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they haven’t built the risk management processes and tools required to handle a major event. Which is, you know, something we seem to be reminded of every four or five years as one comes along. We have low-cost or high-service supply chains, but I don’t think we really have done a great job of understanding the risk profile of the supply chain and that’s popping up. So right now, and you know, as Jim mentioned, I’m seeing a lot of executives ensuring to think about, you know, all tiers in their supply chain and what they could do about that. You know, there’s talk of having to move forward, illuminate the supply chain. But we’re not there yet.

Adam Mussomeli: Right now, it’s more about scenario planning, largely financial, starting to think about how that can go further into operations and all the tactical things that Jim mentioned, the near-term things, just to keep the supply chain flowing—the enhanced screening, figuring out how to social distance when you go to work, figuring out how to set up IT systems to do more virtual work, repositioning inventories. That’s near and dear I think to most companies’ hearts, I’d say, you know, as we start to look beyond that and think a little more strategically, what we’re seeing companies do are very capability and industry dependent. So, assuming there is demand, and that’s not always a safe assumption, people are looking for alternatives. So, do I have, and did I develop, alternative sources of supply that I could use? Do I have additional production capacity, be it internally or externally, that I can perhaps employ? Distribution—am I able to get some distribution capacity if and where needed, which is a little bit of a problem right now in some industries. Are there different channels I can go through such as direct to customer—if that’s something that was not necessarily endemic to that particular industry. I’d say, you know, the other thing is now as we’re seeing new types of demand, spikes in demand take place, companies are looking for alternatives to what they can produce and supply to the marketplace. Right? Huge demand for different types of products, PPE, and companies that traditionally have not been in those markets are trying to figure out how to use their asset base to help. I think the one thing that’s probably less expected, at least as this started, but it really comes to bear is the way governments in industries and companies are trying to work together.

Mike Kearney: It’s actually a nice tee-up for you, Dan. One of the things that Adam said at the beginning of his answer was that there potentially was not sufficient investment in risk management capabilities. That’s where you spent your entire career. So, can you talk about some ways that companies that you’re seeing are addressing the risks throughout their supply chains and maybe even what they may do in the future to make some of those appropriate risk management investments?

Dan Kinsella: Yeah, absolutely. And right now, to the points that these two gentlemen just made, the reality is that for many tier one suppliers, we’re already down the road as far as understanding and responding to the situation at hand. Right. So, the reality is what are folks doing related to that? There’s a couple of approaches. First is a direct contact with your different suppliers and, again, for the tier ones, most of our clients have already done that. Now the reality is that we’re starting to see a movement to tier-two and tier-three suppliers, and some of that is through direct contact and some of that is through an online risk-sensing type analysis, which would allow an organization to try and look at maybe what’s not impacting them today but what might be coming at them over the next weeks and months as they start to see a full ripple effect of the chain throughout the ecosystem. As far as evaluating, again, near-term risks, of course, the financial wherewithal of the supply chain is at hand, of course, timeliness and quality of the material. But as we look forward, there’ll be a number of different risk domains that will have to be considered. For example, geopolitical and some of the challenges there. When we start to pivot as well and kind of look at, “How do I start to use risk management for the upside potential for what is actually going to come back, when it’s going to come back, and how strongly it’s going to come back.” You’ve heard some of the economists talk about a “V”—meaning the descent down was fast. Will the ascent up be as fast? It’s difficult to tell, but what it’s going to challenge many organizations to do is look at different kinds of indicators and some financial indicators. Economically, of course, looking at what happens with our friends over in Asia and how quickly they’re able to come back.

Also, some pretty atypical nonfinancial measures may be that you as an organization hadn’t looked at before but might be an indicator. So, example, home sales, right? Home sales will only come back once investors get confidence in the actual financial situation and the health situation. Other kinds of situations, like the bond yield curve, commodity price indexes, and those types of things. So, you’ll see risk management start to pivot a little bit from some of those traditional measures to new measures and having to look at our entire ecosystem of the supply chain, not just our tier-one suppliers, but having to start moving down the supply chain.

So, quite frankly, it’s going to be a dynamic environment.

Mike Kearney: Hey Dan, I’ve got a few follow-up questions. First, you had mentioned risk sensing and using that to essentially monitor second- and third-tier suppliers. What are you talking about? What is risk sensing and how does that actually help organizations that have implemented or, maybe better yet, for organizations that haven’t implemented it, what is it and how can it actually help them monitor their suppliers and maybe just get a bit tactical so that people can understand what it is?

Dan Kinsella: Yeah, we all make it crunchy. So, it’s using publicly available information either through, some organizations have built a capability internally, others have leveraged
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technology that you can acquire in the marketplace, either through a tech company or a managed service capability to look at information that is available around how the organization is doing, what's happening. For example, with social media posts from a consumer sentiment perspective, to get information to allow you to sense and to have a perspective before or even during the direct communication that you may be having with that particular supplier. The reality is for our large organizations with multinational supply chains, you only have so many resources to do that direct touch. The reality is you have to leverage technology to try and tell you and help you prioritize where you spend time with your tier-two, tier-three, tier-four type suppliers.

And so, this will allow you to prioritize that time to focus on those areas that might cause a challenge going forward. As far as the tactical execution of that, again, there are several different technologies that are available. But suffice it to say that if you go out and take a look online, you can start to understand some of those opportunities that might be available.

Mike Kearney: And Dan, one of the things that I've heard and I've read is that while organizations may have had their arms around their primary suppliers, one of the things that they may have been more vulnerable in was really understanding that network of second-, third-, and fourth-tier suppliers. But, in your experience, did they have their arms around these kind of extended enterprise suppliers or what? What's been your experience?

Dan Kinsella: Yeah, it's, you know, it's a 50-50 to be honest, Mike. I, you know, a lot of times the rule of 80-20 applies. In this case it's 50-50. About half of our clients when we asked about fourth and fifth party would say, "I'm still trying to get my core suppliers under control. I'm not worried about their subcontractors." The others would say, "Listen, I know what my suppliers are doing, I'm deathly afraid of what their subcontractors are doing. So, I've got a specific focus on those." And I'll tell you that those organizations that had a focus on subcontracting are currently now—and really going forward because now those ripple effects are going to go through the supply chain—they are going to be in much better shape to have perspective on that multi-tier, what we call multi-tier, and I want to make sure that I'm providing some clarity here. In definition, the tier-one, tier-two, tier-three suppliers, those are just suppliers of a less intense support level to your organization.

Whereas what I'm talking now with multi-tier is third, fourth, fifth, even sixth levels of relationships that are supporting your direct supplier, right? So, they're different topics and the ability to, as we've used the term a couple of times, illuminate who are my fourth and fifth and sixth different organizations that support my supplier. That is something that we need to be focused on. Now, how do you do that? Again, there are technologies that you can leverage to illuminate that multi-tier. You can also do some very simple things like look at bills of lading with your most critical products and/or your outgoing supply chain. Make sure that you understand where and how that particular product has been touched, right? So, those are some things really tactically that you can do. Now, if you haven't already come into this with the anticipation of looking at those different multi-tiered organizations that might support your supply chain, so, at the end of the day, this is an area that we're now starting to see come in. Immediately in response, we were focused on those tier ones. And now as we start to look at the recovery in anticipating the recovery, and hopefully a V-shape recovery, we're going to really have to understand what additional ripples we may have in our supply based upon those nested relationships.

Mike Kearney: So, Adam and Jim, I've got a question for both of you. And the question goes as follows: How are resilient organizations looking ahead and anticipating how to rebound once the crisis moves from respond to recovery? And you touched a bit about this, but you actually have an incredible white paper that I just read that I think whoever hasn't read it should probably download it (see COVID-19: The recovery of organizations and supply chains*) and I think starts to get into some of these issues. But what would be your thoughts on that question when we move from respond to recovery?

Jim Kilpatrick: Yeah, great question. I think, you know, alluded to earlier, there is an important pivot that organizations need to make from responding to the immediate threats of the crisis and understanding risk to starting to prepare for the rebound. And I think that really starts to change how organizations are positioned. And one of the key pivots that I see is moving from a command and control structure to one of central orchestration. Given the amount of disruption that many companies have felt, this is going to require to use the term unprecedented levels of internal collaboration between sales, operations, and finance to understand the levers that can be pulled to get back into synchronization internally. In some cases, sales will send the signal for demand. Operations needs to quickly understand through their supply base whether they can meet that demand and close the loop. But there's an important cash flow consideration that finance needs to bring to ensure that we're not tying up, you know, valuable money in inventory that might not move immediately.

So unprecedented levels of internal collaboration, at the same time, unprecedented levels of external collaboration. And we talked earlier about the fact that some suppliers might be very constrained, some might still be shut down, some may have gone out of business, some may have material constraints in their extended supply base of their own. So, the level of external collaboration to get the supply chain moving again is going to be critical. I made a comment earlier about the importance of ensuring the health and safety of employees, but recognizing as they come back to work and start to return to a bit more of a normal work environment, there's bound to be levels of stress . Also, you know, many people's personal
lives have been disrupted with kids that are home from school, perhaps sick relatives that add to the stress. So, I think there’s a number of things that people should be doing now to plan for the resynchronization of supply chains and to plan to start getting cash flows moving again.

Mike Kearney: Adam, what would you like to add?

Adam Mussomeli: Yeah, I would agree. I mean, you know, Jim just mentioned an important point around collaboration internally and externally and how this is going to drive much more of that. And I think that’s exactly the case. You know, more broadly, I think that a lot of perhaps changes that were already in flight when this hit are now going to speed up dramatically. So, collaboration is one of them. But I think, you know, beyond that there was an increasing focus on social responsibility we were seeing in supply chains across the globe. You know, the notion of circular supply chain was in more and more discussions. I think that’s going to speed up. We’ve learned really quickly during this crisis how to work virtually, and certainly there were elements to that in the workforce prior to this. I think there’s going to be much more of that as we’re going to learn it very quickly now over the next coming weeks. Regional supply chains, you know, production always going back to in region and country versus extended supply chains that we’ve had for some amount of time. And I think we’re going to see much more of that too. And the other thing I would add, just complimentary to what Jim said around collaboration is, you know, within supply chain circles themselves, a lot of supply chain executives that have had careers as long as mine and Jim’s dating back into the, you know, early to mid-nineties, we grew up in more of what I would call a vertical supply chain world, where people tended to have functional or domain expertise and they tended to stay with them, a part of the supply chain. I think what this is showing, and we were moving in this direction, not originally, but the notion of more end-to-end supply chain knowledge and how to govern and execute a supply chain, and it is increasingly important. And I think this crisis is going to exacerbate that trend as well.

Mike Kearney: I’m a consumer and I’m actually learning a lot about supply chain right now, but how do you think COVID-19 and some of these changes that you’re talking about and how it’s going to impact companies, supply chains, how it going to impact me as a consumer? Do you think I’ll see it in the future or be more behind the scenes and, really, you know, not transparent to me.

Mike Kearney: Adam, how about you? What’s your thoughts?

Adam Mussomeli: You’ve had so many experiences over the last couple of weeks and will over the next couple of weeks of working in pretty much on an online easy-to-order sort of interface e-commerce or the business that, you know, historically B2B businesses have led, B to C has done. I think enough people are gonna be doing this on a routine basis that they’re going to want to bring it back to their work and extend there.

Mike Kearney: Dan, how about you?

Dan Kinsella: Yeah, it’s pretty interesting when I think from a consumer perspective and what some of the implications will be. And so we’ve seen a significant amount of panic buying and stockpiling and as a consumer, and so, you know, as a consumer, when I think about what’s going to get me back into the marketplace doing the things I was doing before, perhaps buying a car, buying a home, buying a significant non-essential product, if you will. And it’s really coming down to two things: financial confidence and personal safety. And so, what are going to be those steps, if you will, to getting to that level of comfort, and how am I going to feel that safety in order to execute whatever that transaction might be.

And our clients are thinking about how do I start to gain back the trust? How do I work with our government, both city, state, local? How do I work the actual direct marketing piece of that to get back that level of comfort so that I can get my supply chain moving again as it relates to the consumer. So really, Mike, it’s pretty interesting when you think about the long-term impacts and how quickly it will come back will be predicated significantly on that kind of mental willingness of the consumer to get back in the game.

Mike Kearney: So, you all have talked about some things that are going to happen when we move from the respond to recover. The question I have for you, if you’re an executive on and listening to this podcast and you’re like, I hear about all these changes are coming down the pike, but what are one or two things that I absolutely should be thinking about today? What would you say? Jim, we’ll start with you.

Jim Kilpatrick: Well, you know, if you’re focused on the thrive phase, you know, I do think, as Adam and I have talked about, there’s a lot of acceleration that will happen on things that were probably already in motion to some degree. And I think one of the challenges is that, you know, to build a resilient supply chain, we’ve thought about it physically and, you know, the concept of having extra inventory or extra capacity, you know, really is a lot of overhead and it’s a tough thing to swallow. But I do believe that today we have information. And so, we talk about supply chain flow and we’re reminded that, you know, funds follow products, but there’s an information flow that is absolutely critical. And if we leverage that information flow, we can better predict and respond in a way that hasn’t been possible, you know, only a few years ago. You know, information enables that end-to-end visibility we’ve talked about a few times. It’s going to be critical to driving end-to-end supply chain synchronization that is so important, not only in the normal course of business but in restarting supply chains. And it’s going to be very important to making sure we optimize decisions that aren’t necessarily just in our own company’s best interests but consider the interests and needs of our ecosystem partners.

Mike Kearney: Adam, how about you?
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Adam Mussomeli: I think that’s right. I think that what we’re seeing now is going to be a steep change in the gradient and curve in transitioning from classic vertical to more end-to-end and really network thinking. Where executives are going to want to be able to understand what’s happening across any part of their supply network that syncs up with demand and be able to make a holistic network decision on a dynamic basis when it comes to optimization. I think the informational capabilities are there now. The technical capabilities are there now, and this is pointing to the fact that it can be done and that’s the direction we’re going to go.

Mike Kearney: So, one of the silver linings, obviously in any crisis, and we’re beginning to see a lot of it in many different quarters, is that it spurs innovation. And you have already talked, all of you, about some innovation that you see on the horizon. Is there something that may be really exciting that you haven’t shared that could have a significant impact on supply chains of the future? From an innovation perspective that maybe has been spurred as a result of the COVID-19 crisis? Adam, let’s start with you this time.

Adam Mussomeli: Yeah, well, I think one of the major shifts here is innovation going to be in the way supply chain executives think about their supply chain. So, a couple of different times, Jim and I have noted how, you know, these “shocks,” sometimes people call them black swans, seemed in every year, but they always catch us by surprise. You know, if I trace back my own career, right? One of the first shocks was the birth of the internet and what that meant for supply chain. And then, of course, in North America we had 911 and the ramifications for that for a couple of years after, you know, we had Katrina and that impacted some industries, and we had tycoons in Japan and that impacted several industries, and you could keep going down the list. And there’s this growing awareness of, you know, we tend to call these black swans and see them as idiosyncratic events and they’re all different, but you could almost plan on something happening every couple of years, and we’ve never been prepared for it. So, in that new line of thinking, how do we start to think with these information tools that Jim’s referenced and I’ve referenced, how do we start to think multi-tiered thoughts, our supply chains across their supply networks and get more resilient, more dynamic, so we can better adjust and perhaps even better anticipate.

Mike Kearney: Jim, what’s your thoughts?

Jim Kilpatrick: Well, I agree with everything that Adam has said. I think that there’s fundamentally going to be a period of innovation and supply chain geared around technology. We’ve talked about enabling the entire network, and certainly as we’ve learned to work from home and experience bandwidth issues, the 5G technology is going to be a key enabler. Adding to my spending a lot of time on Internet of Things type solutions where we can connect devices to get better visibility across the extended supply chain that will be critical. It’s amazing what we can do with information today. I can tell you what foot traffic is, you know, in counter service restaurants in real time. Which would ride all for clients that serve the food service industry today to know when our bars and pubs and restaurants reopening and how do they get their supply chain back in motion. Information using AI and machine learning that wasn’t available just a few years ago is now available just a few years ago is now available to companies to leverage. I do think there’s going to be, you know, an acceleration of some of the physical robotics that we’re seeing in distribution centers, in plants around critical processes. So, I do think there’s going to be a fundamental technology era of innovation. I would add that I think there’s going to be innovation as well on the people side. You know, this has been an unprecedented time where organizations have really stepped up to show that they care for their people, they care for their health. There’s going to be more and more job shifting, as Adam alluded to earlier, to a remote work type environment. But I also think that there could be other
changes that, you know, really are around the people side of this equation as much as we focus on technology and robotics.

**Mike Kearney:** Dan, you’re a pretty innovative guy. What innovations do you see on the horizon?

**Dan Kinsella:** Innovation is fun, isn’t it? And that’s really, we have to smile when we think of the silver linings and the opportunities that are going to come out of this. Although it’s caused such a personal strain, we will prevail. We will get better. I’m quite frankly very intrigued by the opportunities in front of us here. I think of some very pragmatic, real world things like, for example, there’s no doubt certain aspects of our supply chain is going to become more regional or local and repatriated, if you will. And also in combination with what’s happening around mobile workforce, the ability for us to work, quite frankly, in a matter of two weeks, fairly seamlessly across the globe with each other. And then you think about things like 3D manufacturing and what we have done to create the various swabs and masks through 3D manufacturing in really no time to help shore up our supply chain needs. And you think about putting those together in combination in the future. How do I start to bring things closer to home, but to do so leveraging a virtual global workforce and using technology like 3D manufacturing, really the opportunities seem endless. And so whereby before we really just relied upon local workforce to help local work in a very physical type scenario, we think about putting those three things in combination. And really, I think it’s going to remake the way supply chains happen around the world.

**Mike Kearney:** So, one last question. I’m going to start with Adam and the question goes as follows: Adam, over the next month, what is one thing that you could see helping the supply chain keep on moving, and is there one thing that actually may stall it completely?

**Adam Mussomeli:** There’s probably two things if I was a supply chain executive I’d be looking at very closely right now. Operationally, it’s logistics and logistics capability. If we’re not able to move the materials in or move the materials along through distribution paths, we fundamentally don’t have a supply chain. We don’t have product flow. And unfortunately, as people get sick and as capacity is stuck in different parts of the country and as some different transportation modes are now grounded, that becomes hugely important. The other piece is really financial, which is cash and making sure that we’re managing our cash flows and helping our companies do that as much as we can. And I know Jim mentioned that earlier, but that’s going to be the lifeblood of companies as we move forward over the next couple of weeks.

**Mike Kearney:** Jim, what would you have to add?

**Jim Kilpatrick:** Adam’s made a couple of great points. What I would add is that I think fundamentally this is a shock for most organizations on the demand side. So, stimulating consumer demand and giving them confidence, to return to restaurants, to return to retail malls, to buy that car, to take that trip, is going to be absolutely critical for many industries and restarting supply chains. The good news is that there’s been a coordinated government response and stimulus like we’ve never seen before. But really, you know, we are going to come out of this health crisis with probably a pretty severe recession according to most estimates and stimulating demand and ensuring that that rebounds quickly is going to be critical to, you know, what most people are hoping is a “V”-shaped recovery. I would say at the same time that the rebound won’t happen consistently around the world. This isn’t going to be a day where the world declares all clear, you know, well, while certain geographies are coming back online, other geographies are likely to still be impacted. That’s going to cause a little bit of turbulence. And what I worry about is that the borders remain closed for an extended period of time. It would be quite easy to keep those borders shut. And when those borders are shut, as much as goods can flow through them, it makes it very difficult. So, without seamless, frictionless movement of goods and people, you know, we’re bound to see a slow and difficult recovery.

**Mike Kearney:** Dan, I’d love to get your thoughts on this.

**Dan Kinsella:** Both businesses and consumers being calm, vigilant, and probably, most importantly, brave. I think that is really the opportunity that we’re all going to have to embrace with each other, both domestically and globally, and get back at doing what we do best. It’s supporting each other and being a part of all that this world can become. When I think about what could be debilitating, it’s really the antithesis of that confidence that I just mentioned. I think if we continue to have resurgence in illnesses, if we have continual outbreaks, or if we’re seeing our folks in Asia start to have resurgences and we get that level of confidence staggered, that is going to be debilitating. The longer that we’re out of it, the longer that we’re unable to do all the things we want to do, the harder it gets to restart the engines. How do we restart this without the fear that we all hope that we don’t have to live with in the long run to make sure that our organizations don’t get stymied and instead can really get back to the levels that we’re capable of achieving.

**Mike Kearney:** Thank you, Adam. Dan and Jim, this is our fifth set of interviews, literally in 14 days, and we’re going to continue with these interviews until it has died down and we have exhausted COVID-19 from every angle. And I began to ask the question at the outset of these interviews as to what our guests are doing to take care of themselves. And I think in order for all of us to be successful during the crisis and when we rebound, it is critical that we take care of ourselves. And like I previously shared, I’m getting up early and working out and even meditating before I start work every day. And at the end of the day I’m eating dinner with my family. That is absolutely a
silver lining in everything that we're going through.

For more insights across all aspects of COVID-19, look to Deloitte.com. You can also find the Resilient podcast on Apple podcasts, SoundCloud, Stitcher, Google Play, and even Spotify.

And if you have any other stories you want to hear more about, suggest them at deloitte.com/resilient and our Resilient page.

Until next time, stay safe and remain resilient.