Navigating the impact of COVID-19 on transportation & logistics

The transportation and logistics industry plays a critical role in helping overcome the pandemic.

Warehouse management, distribution and third party logistics can save lives during this fast-moving scenario. It’s that simple. The transportation and logistics industry must marshal its forces and leverage all of its product-moving networks to ensure the healthcare infrastructure in the U.S. has the equipment and resources when and where it needs it – around the clock.

Top 8 immediate impacts

The most pressing issues disrupting the industry are challenging its ability to effectively manage vital network services:

• Workforce health and safety
• Liquidity and cash management
• Global and domestic capacity
• Disruption to supply chain (demand drop or surges in activity)
• Delays and contractual risk
• Government regulations and legislation
• Obstacles with automation and technology
• Logistical challenges (nonessential business closures, long haul shipments, etc.)

Looking at future impact & opportunities

As the COVID-19 pandemic moves through its stages with rippling effects to every aspect of society it will cause potential longer-term implications that need to be addressed.

Liquidity & Cash Flow Management

What financial impact will the pandemic have on your company? The need to collect data in real-time and document support for costs is critical:

• Limiting risk and exposure from vendors and customers by establishing tight credit limits and aggressive collection efforts on all outstanding balances.
• Securing and maintaining funding sources quickly (CARE/HHS, FEMA, insurance, etc.).
• Establishing a financial operating plan that provides a path toward solid financial footing and support from banks, rating agencies, etc.
• Exploring acquisitions to broaden service offerings, expand the customer base and extend geographical reach.
Supply & Demand
Applying new learnings from COVID-19 will change expectations in the transportation and logistics industry:

- Reviewing your supply chain risk management governance framework and linking underlying processes and key triggers to ensure your business is aligned with your continuity plan.
- Building a case for a sustainable business strategy by leveraging internal and external data to help you evaluate supply chain risks.
- Understanding deeply the supply chain risk management and resiliency capabilities of vendors, customers and other providers.

People & Labor
The experience of COVID-19 will likely be a defining moment for the transportation and logistics industry and its HR functions. This creates an opportunity for organizations and their people:

- Keeping your drivers and employees safe creates challenges for leadership but also provides an opportunity to implement new health and safety protocols.
- Communicating critical messages with drivers, staff, suppliers, customers and business partners may provide the opportunity for the deployment of automation and new technologies.
- Flexing and shifting drivers and personnel, while still meeting government regulations, could provide new ways of imagining workforce management.
- Working remotely changes how people see what lessons can be learned and provides a basis to re-evaluate workforce functions.

What the transportation & logistics industry should consider now
Immediate
- Identify all available avenues for improving cash flow, reducing costs and streamlining operations.
- Protect the safety and well-being of employees.
- Understand potential supply chain disruptions.
- Stay current on evolving legislation and government regulations.
- Focus on recovery funding assistance.
- Track and document support for recovery funding.

Long term
- Preserve and manage cash flow.
- Ensure clear communications with all employees, service providers, vendors and clients.
- Implement sustainable supply chain processes.
- Develop detailed plans to meet supply and demand surge as businesses return to scale.
- Document lessons learned.

We are here to help
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