

## Report on Supply Chain Compliance Volume 3, Number 7. April 02, 2020

### Companies shift gears to accommodate economic shock

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Private companies across the world are finding ways to make do during the coronavirus pandemic. As the shock to both supply and demand ripples through the economy, supply chains are tested and recalibrated, business models are tweaked and entire manufacturing floor rooms are being retooled and reequipped.<sup>[1]</sup>

Some examples are the refitting of passenger aircrafts into freight ones.<sup>[2]</sup> Several airlines, including Deutsche Lufthansa AG,<sup>[3]</sup> American Airlines Group, Delta Air Lines and others, have already begun flying passenger aircrafts on freight routes. Other examples are perfume and liquor makers manufacturing hand sanitizer,<sup>[4]</sup> clothing manufacturers sewing protective masks,<sup>[5]</sup> and auto manufacturers considering the ventilator business.<sup>[6]</sup>

Food service companies have offered curbside pickup and delivery options to try to stay afloat, even as the world's food supply chain experiences bottlenecking and surges due to panic purchasing of staples and disruptions caused by employees in the logistics industry staying home from work and/or getting sick, as well as industry-wide uncertainty in the face of a fast-moving, invisible pandemic.

**1** Matthew Dalton, Ruth Bender, and Jason Douglas, "Companies Retool Operations to Assist in Coronavirus Fight," *The Wall Street Journal*, March 19, 2020, <https://on.wsj.com/2vTeZpA>.

**2** Jennifer Smith, "Passenger Airlines Start Shifting Idled Planes Into Freight Business," *The Wall Street Journal*, March 20, 2020, <https://on.wsj.com/3bquYKT>.

**3** "Airlines fill passenger seats with cargo to meet demand," Air Cargo News, March 25, 2020, <https://bit.ly/2JsBhBM>.

**4** Alex Ledson, "Across The U.S. And Europe, Alcohol And Perfume Brands Ramp Up The Manufacture Of Hand Sanitizer," *Forbes*, March 21, 2020, <https://bit.ly/2Ik9GIW>.

**5** Oscar Holland, Ananda Pellerin, "Fashion industry answers the call for masks and personal protective equipment to fight Covid-19," *CNN*, March 24, 2020, <https://cnn.it/3anvYiM>.

**6** Camila Domonoske, "Automakers Might Retool To Make Ventilators," *National Public Radio*, March 19, 2020, <https://n.pr/3dx4wBe>.

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