

GA Supplier Day 2022

Supply Chain Resilience

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Supply Chain Resilience

Topics we will explore in this session:

- What is Supply Chain Resilience?
- Why is it important?
- Case for Action!
- What are your challenges and how are you mitigating supply chain risk?
- How can GA help?

Supply Chain Resilience

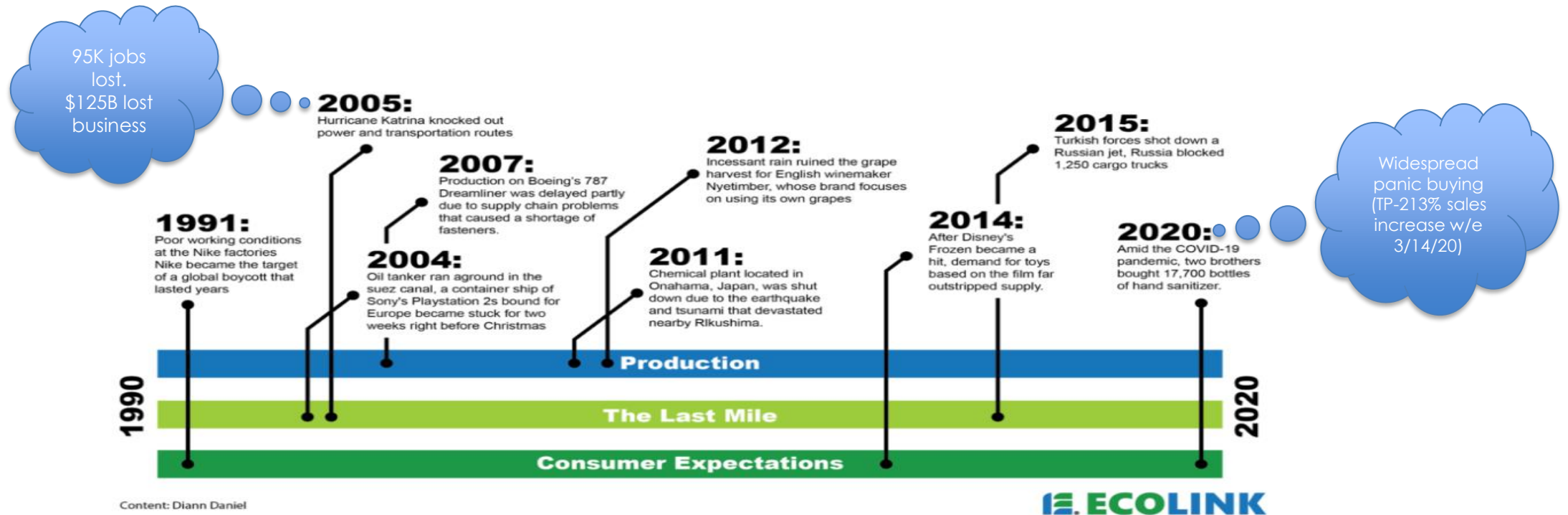
- What is Supply Chain Resilience?
 - The ability to anticipate, adapt, and recover from risks realized from large-scale disruptions that have a negative impact on the supply chain.



Having a Resilient Supply Chain **IS** a “Competitive Advantage”

Supply Chain Resilience

- **Examples of large-scale Supply Chain disruptions:**
 - The numbers and types of threats that can undermine a supply chain are many, some examples include; natural disasters, pandemics, strikes, terrorism, cyber attacks, and geo-political disruptive events (i.e., acts of war, sanctions, tariffs, etc...).
- **Most notable historical events:**



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- **Examples of a resilient supply chain:**
 - Resilient companies can absorb shock within the supply chain by developing and implementing sustainable strategies.
 - Minimize risks of network shutdowns (redundancy, off-site locations, etc..)
 - Agility to switch from primary material flow paths to secondary (and beyond).
 - Rebalancing orders among supply sources and/or changing to alternative sources of supply.
 - Consider new inventory targets/trigger signals that can be 'activated' during high-volatility periods.
 - Use predictive forecast modeling to identify 'at risk' material based on current demand, past consumptions, and future demand (using high-win probability proposals).
 - Advanced funding (internal/customer) to order long lead 'at risk' material.
 - Ability to bring in-house critical components when needed.
 - Ability to proactively manage suppliers.
 - Frequent capacity monitoring and evaluating/aligning order fulfillment strategies.

Resilient Supply Chains Reduces Risk & Supports Company Growth & Profitability

Supply Chain Resilience

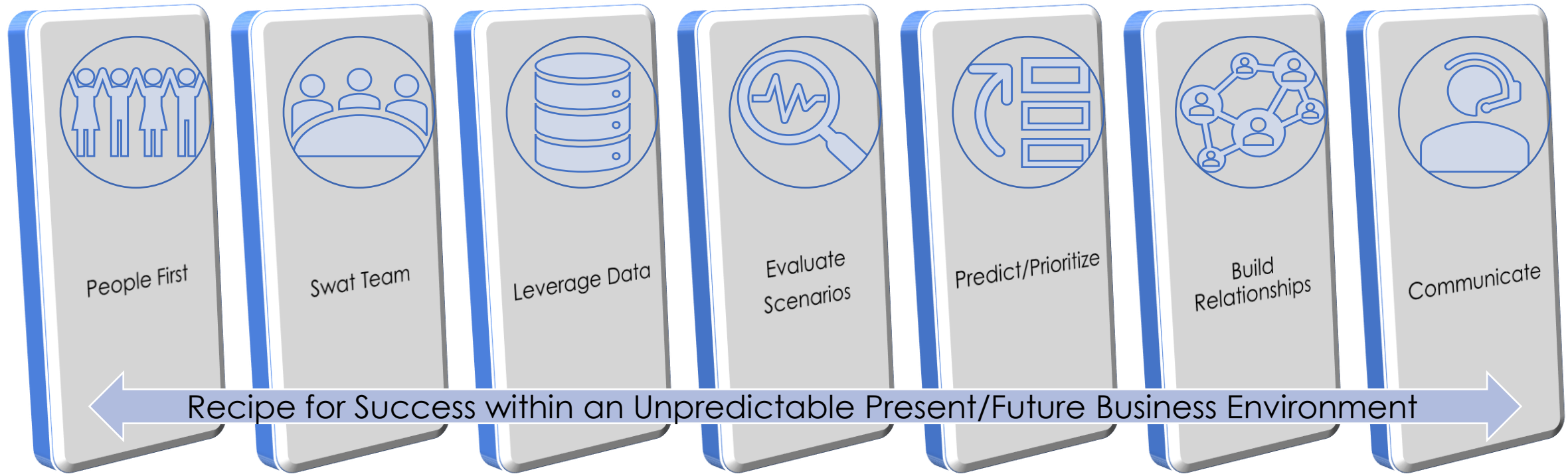
- **Why is Supply Chain Resilience Important?**
 - Without Supply Chain Resilience it could lead to a drastic loss in productivity, loss of revenue, loss of profitability, and loss in customer satisfaction.
- **Accenture Survey – COVID-19 Impact to Business**
 - 75% of Companies reported negative or strongly negative impacts on their businesses.
 - 94% of Fortune 100 companies are seeing supply chain disruptions from COVID-19.
 - 55% of companies plan to down grade their growth outlook (or have already done so).

Businesses MUST Use Lessons Learned from Supply Chain Disruptions & Make Meaningful Change

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Case for Action:

- COVID-19 pandemic and current Geo-Political disruptive events are not just a short-term crisis – it's a warning shot across the bow.
- What next? Consider these 7 supply chain priorities



The Time is NOW for Developing Long-Term Resilient Supply Chain Strategies!

Supply Chain Resilience

- 1. PUT PEOPLE FIRST:** Keep your workforce healthy and productive by supporting new ways of working.
- 2. Build a Supply Chain 'SWAT' Team:** Mobilize a dedicated team for planning, prioritizing, and executing that are empowered to identify risk and undertake mitigation interventions to enable rapid and effective response.
- 3. Leverage data and improve visibility:** Maximize visibility into demand, inventory, capacity, supply availability/lead time and finance constraints. Including the Front-End-of-the-Business (K award forecasts, SOW/Spec/Dwg release timing/impacts on supply chain, etc...).
- 4. Evaluate supply chain scenarios:** Run simulations to predict when and where excesses and shortages are likely to occur. Run end-to-end scenarios to gain actionable insights that will lead to operational optimization and risk mitigation.
- 5. Define segmentation to prioritize demand:** carefully analyze demand and define priority (i.e. high risk global shortage components).
- 6. Build Strategic Customer and Supplier Relationships:** Customers help you to focus/prioritize. Strong supplier relationships help maintain free flow of critical information to support mitigation interventions.
- 7. COMMUNICATE!**

Supply Chain Resilience

- **Supplier Feedback**

- Most significant supply chain challenges (i.e. raw materials, COVID-19 impacts, staffing, etc...)?
 - International shipping (delays)
- What do you see as your greatest supply chain risk for 2022 and beyond (i.e. environmental concerns, supply logistics, cost inflation, geopolitical uncertainty)?
 - Inflationary pressures and raw material availability/on-time shipments
- How can GA improve their engagement with you?
 - Improve communication regarding outlook/forecasts and combining requirements to capitalize on economies of scale.

- **Open Discussion**

- What are your challenges and what are you doing to create your own resilient supply chain?
- How can GA help?

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