

Post-COVID-19 Supply Chains Must Be Nimble

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Ronald M. Leibman

As COVID-19 spread from China to Europe to the U.S. and elsewhere, supply chains that for decades had operated successfully on “lean logistics” – which prized low-cost efficiency – suddenly seized up as parts made in Europe, for instance, couldn’t get to China for final assembly before being shipped to the United States for retail sale.

Why? “Well ... to be honest, we were not prepared to change quickly enough to deal with COVID,” said Ronald Leibman, a partner leading the transportation, logistics and supply chain management practice at law firm McCarter & English in New Jersey.

Lean logistics created supply chains that may have been cost-conscious and hyper-efficient, but they were not nimble, he said.

“No one listened to the warnings from the academics and pundits [after earlier global health scares and natural disasters] saying ‘you’re not ready guys,’” he added.

“COVID was the big wake-up call.”