**CFO Forum Lehigh Valley Minutes** **Supply Chain challenges and best practices May 2021**

**Today’s ZOOM event focused on a the wide range of challenges in the domestic and international supply chain.**

We were fortunate to have a panel of three experts-Jonathan of Rogue Wave International (located nearby in Bethlehem), Fred-of Derby Supply Chain Solutions (also based locally) and Anthony of CS Solutions-a global company based in Michigan however Anthony is based in greater Philadelphia.

The presentation was data heavy and very well organized-created especially for the CFO and not the logistics expert. The key points are that there is a freight Armageddon (Anthony’s term) that started in the last year due to the combined effects of weather, global pandemics, change in manufacturing, customer demand, upheavel in every component of the supply chain, political events, shipping lane issues (Suez Canal to the Mississippi River), port congestions and labor challenges as company shutdowns, unemployment bonuses and people not wanting to return to work.

There were many key points and I will highlight a few. Many thought this was one of the best presentations in our six year history so I encourage you to visit the slides and ZOOM recording to understand the history, current situation and some options going forward.

The key points that I gleaned include:

Traditional logistic models are out the window. Work with an advisor.

Shopping carriers, truckers and brokers is not the best practice. Hopefully you have a good relationship now that will help moving through the next year or two and shopping around AND being indecisive are exactly the wrong actions to be doing right now. Relationships always trump saving a dollar during a crisis and, as our panelists explained, many premium surcharges and other costs are being layered on now-because they can-and the inconsistent and unreasonable buyers will find themselves politely punished.

Expect some surprises-shippers have all the leverage and premium costs and good shippers will get your shipment moved. Tough shipper and not willing to pay a premium will suffer!

This is the new normal-two or three more years.

Temper your CFO expectations about ability to budget or reduce costs. Budget high and hope you are lucky! Don’t blame procurement-they can’t control any of the variables. Think beyond the short-term costs and make decisions based on your long term balance sheet and P&L.

Join the Lehigh Valley Traffic Club. <https://www.trafficcluboflv.org/>

The slides are on the website and the ZOOM session was recorded.

If you need a second opinion or an assessment of your current situation, reach out to any of the experts below.

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**Next sessions: Wednesday June 16th. Topic-Could Colonial Pipeline hack happen to you? Could you survive?**

**Housekeeping:**-Minutes, slides and CPE letters are available at [www.thecfosolution.org](http://www.thecfosolution.org) under the past events tab. CPE letters usually take about a week to get posted. If you are missing one from last year, let me know and I will provide it. The password for our content is mrc(lower case). Customize your CPE letter and then download it.