



## Supply Chain Resilience

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### Lesson 01: Volatile Economic Environment

Lesson number one, volatile economic environment. Uncertainty in the economic environment creates volatility, requiring businesses to be resilient to survive and thrive. Before we lived in the SPOD world, it was steady, predictable, ordinary and definite and we could apply the past experience to solve current tasks and issues. Currently, we live in VUCA World. It is volatile, uncertain, complex and ambiguity. What companies should do to thrive in this situation. They should have a clear vision of their operations, understanding of their supply chain, they should have clarity about their activities and they should be very, very speedy to cope with the constant changes. During the 2019, we also experienced the BANI world. It is brittle, anxious, not linear and incomprehensible to cope with that. The companies should have the high potential to be resilient. They should have more empathy and consideration to their staff. They should be flexible and adaptable to the constant changes and they should have transparent supply chains to cope with the situation. The situation of volatility and uncertainty continued in 2020 and 2023. The market disruptions impacted industries worldwide. We experienced fluctuations in GDP growth, inflationary pressures, geopolitical tensions, technological advancements and ongoing COVID-19 pandemic. With all that resilience became crucial for navigating the volatile environment for the companies. Business Environment Outlook 2024 The World Banks latest report highlights risks and uncertainties in the global economy. Global growth will slow during this year before ageing up. In the next year. We will have the impact of escalating conflicts in the Middle east that will have the impact on oil prices and global inflations. We will experience downside risks in China property sector that could have significant implications for global growth and commodity export. In developing economies, the business landscape will become even more complex. We will experience fast changing consumer preferences, the product customization, increased demand and supply shocks, expectations for sustainability and intensified competition on the market. The pace of technology will change and will expedite, but the crisis can lead to a new stage of development for the companies. Every country is facing an economic volatility. A crisis is a turning point in the economy that can bring both negative and positive consequences, followed by a new stage of development, and it might bring improvement and success. In this case, embracing the change becomes a competitive advantage. Here, let me advise you to read one very interesting book about the changes and how to embrace the change. It is called who move my cheese? It says that those who can't change don't survive. Restructuring is inevitable and necessary. We should embrace discomfort for growth and changes must be expected and prepared for. We should focus to change and adapt to it more quickly. We should be ready for new changes and enjoy them. This is the end of lesson one. You will have some question to check your understanding. If you answer correctly, then you can move further to the lesson two. Thank you.

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