

AWMA Technical Conference

Supply Chain Challenges

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Environment Testing

- **EUROFINS SCIENTIFIC**

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- Published Code of Ethics outlining minimum standards suppliers are expected to adhere to
- Encourage suppliers to exceed these standards, promote best practice and improvement through their own supply chain
- Eurofins being a diverse service provider has several companies that provide environmental, social and governance auditing, as well as, food retail supplier audits

THANK YOU

Pensacola Lab Specific Challenges

- **Instrumentation**
 - Instruments have taken up to a year from order date for delivery
 - Waiting on moisture analyzers we ordered in April
- **Supplies**
 - Disposable goods, such as, pipettes, glassware are on regular backorder
 - Jumping between vendors leading to increase in costs
 - Sometimes, switching vendors not an option, had to change sizes of vials at added cost
- **Chemicals**
 - Acquiring Helium was a nightmare earlier this year. Had to selectively supply and run GC's based on holding time. No Helium for a week. Supplier declared force majeure. Forced to jump between suppliers and of course, pay a premium.

Commercial Air Carriers

- 1,000,000 plus packages go through FedEx Memphis each night
- Planes in around 0200, turned around for flights out between 0500-0600
- Planes to Mobile are always full - trucking down shipments adds a day to delivery
- Covid labor shortage. Pilots, sorters, baggage handlers, CBP, USDA/Agriculture
- During Covid all carriers were overbooked and backlogged, esp. the west coast.
- Carriers discontinued refunds & discounts for shipping delays or loss for any reason during Covid
- FedEx has a fuel surcharge that fluctuates with the price of jet fuel
- DHL has a current ESS (Emergency Situation Surcharge) of \$1-2 per lb shipped
- Excepted Quantity Dangerous Goods – domestically not issue, internationally majority of countries do not allow EQDG – cannot ship preservatives

- **Global supply chains are highly inter-connected**
- **Disruptions & bottlenecks continue as the world emerges from COVID and faces the impact of war in Ukraine coupled with inflationary pressure**
- **Continued delays receiving certain goods, particularly Asian imports**
- **Widespread shortages have declined, but some products may take longer to reach the US**
- **Inflation and rising costs impact the type and amounts of goods available**
- **Skyrocketing costs also create uncertainty for demand, making planning difficult and exacerbating delivery issues from suppliers to ESS to clients**

CHALLENGES FACED

- **Rising Commodity Pricing**
- **Logistics Disruption**
- **Production Delays**
- **Workforce and Labor pressure**

Labor Pool

- Inflationary pressure impacts wages and costs.
- Global labor shortages in logistics, railways, port and warehouse sectors drive up costs and negatively impact service performance

Energy Shortages

- Rising gas and fuel charges influence material, operational, and logistics expense, Geopolitical Uncertainty
- Post COVID economic uncertainty and risk was heightened as a result of the invasion of Ukraine—a key extender of higher energy, materials, transportation costs and inflation
- Trade tension between the US and China with added threat to Taiwan
- Threats from North Korea

Price Impacts

- Since 2020 Plastic & Resin up 36%, Glass up 16%, Corrugated boxes up 32%, Truck transport up 35%, Sea Freight up 40%, Local Transport & Warehousing up 22%

Impact Issues

Extreme Weather

- Hurricane Ian affected transportation, agriculture, building materials, insurance, power, retail & commercial businesses
- Yangtze River closing due to water levels 50% below normal – USACE having to emergency dredge Mississippi River to keep barges moving

Ransomware

- Organizations are at increasing risk through their extensive supply chains
- Vulnerabilities can be inherent in an organization or introduced and exploited at any point
- Lack of threat knowledge between partners and suppliers
- Risk mitigation efforts are hard to keep up



THANK YOU



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