Coronavirus Collaboratory #4: Re-architect supply chains during the Pandemic

May 7, 2020
# Collaboratory Objectives

<table>
<thead>
<tr>
<th>Outline</th>
<th>Describe</th>
<th>Develop</th>
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<tbody>
<tr>
<td>Outline overall impact of the Coronavirus on global supply chains, especially on the redesign of this customer focused process</td>
<td>Describe actions being taken across companies on the supply chain, provide specific examples of company actions</td>
<td>Develop recommendations that help your supply chain win with customers and with your shareholders</td>
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Collaboratory Agenda

9:00 AM

DSCI: Observations and recommendations

- George Bailey, Executive Director & CRO

9:10 AM

SAP: Perspective and recommendations

Hans Thalbauer, SVP Digital Supply Chain and IoT

9:20 AM

NCR: Perspective and recommendations

Marija Zivanovic-Smith, SVP Corporate Marketing, Communications, Chief External Affairs Officer

9:30 AM

Q & A

9:55 AM

Closing observations and summary

10:00 AM

End Collaboratory
Companies are focused on the present, but preparing for the future

- Huge uncertainty on the health impact of opening up economies, but resolve to go back to work
- Industries have significant supply chain challenges
  - Pharma example: China is the main supply source for USA 95% of ibuprofen, 91% of hydrocortisone, 70% of acetaminophen, 80% of antibiotics*
- Demand remains repressed and recovery difficult to predict
- Reliable unemployment figure is unavailable, bust estimated to be the highest that they have been since the Great Depression
- Never waste a good crisis: Companies are preparing supply chains for the new normal

Supply Chain Actions

Set DSC Strategy
- Determine New Customer, routes to market, on-line strategy, supply chain benefits

Location, Location, Location
- Assess supply chain risk, past needs, current requirements, future of New Customer

Align people
- Reduce expense, Build skills Customer focused Healthy/energized

Build Resiliency
- Set alternate suppliers, Diversify locations, Develop agility

Recover the customer and business
- Manage cash flow, Invest in future, Provide

Horizon Near Shore Heroes Tough Financials
SAP: Perspective and Recommendations
The COVID-19 Crisis
Accelerate Industrial Transformation

Hans Thalbauer, SAP
May 2020
Supply Chains Are Distressed
Supply Chains are accustomed to local disruptions but are not built for pandemics

Local weather or geopolitical events are not breaking supply chains

Current supply chains are very transactional and it can take months to adjust supply chains

Supply Chains need to be real-time, data-driven and predictive
What is the New Normal
Global Supply Chain with Local Execution

<table>
<thead>
<tr>
<th>Outsourcing</th>
<th>Same Day Delivery</th>
<th>Personalized Products</th>
<th>The New Normal Execute Locally</th>
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</thead>
<tbody>
<tr>
<td>make products available</td>
<td>fast delivery of products for</td>
<td>create customer specific products and deliver fast</td>
<td>design everywhere, produce</td>
</tr>
<tr>
<td>for the mass market</td>
<td>the mass market</td>
<td></td>
<td>everywhere and deliver fast</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>everywhere</td>
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<tr>
<td>2000’s – 2010’s</td>
<td>2010’s – 2020’s</td>
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<td>2020+</td>
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</table>
Design for Sustainable Supply Chain
Building a resilient supply chain means qualifying local suppliers

“The new normal is about building on the ideas to provide personalized products to the mass market fast, but doing that in a more resilient and sustainable way”
Accelerate the Industrial Transformation
What is needed now for the future of productivity

Move digitalization and Industry 4.0 from factory-focused initiatives to a company-wide, competition-beating business strategy. Combine manufacturing automation with enterprise business execution.

1. Center on Customers
   so their input and preferences are the source of all you do

2. Reinvent Production
   using intelligent assets and processes that dynamically adapt to production priorities and deliver customization at scale

3. Connect the Entire Company
   orchestrating sales, service, and logistics with production to transform how you work
Thank you.

Contact information:

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Industrial Transformation Initiatives

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NCR: Perspective and Recommendations
The New Norm
WFH + WFO
(work from home) + (work from office)

NCR CV-19 Task Force

NCR Confidential
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Starting Point – Our Principles

- Employee Safety
- Customer Safety
- Business Continuity
- Clarity of Expectations

NCR 2 Employee
Employee 2 NCR
Questions to consider before designing your plan
Returning to office will be more complicated than transition to WFH

1. Is a government statement that is safe to return sufficient to prompt us to do so?
   - Do we have an independent standard separate from government permission/approval? Why?
   - If the government standard in a geography in which we have operations conflicts with medical expert advice, whose advice do we follow?
   - What factor does client/customer demand play into our decision to return?

2. What criteria is relevant to determine who returns to the office and in what order?
   - Key personnel / employees who cannot perform all/most of job functions from home
   - Considerations for “at risk” populations – by age, underlying health conditions, etc.
   - Employees with “immunity” where information is available
   - Considerations for levels of exposure during commute to/from office

3. Who decides who comes back?
   - Do line level managers decide because they know what work can and cannot be done remotely?
   - Is it a company-wide decision?
   - Somewhere in-between?

4. What about employees who do not want to come back?
   - Do we have criteria already for remote work and do they still apply?
   - Do we trust that an employee’s expression of fear is legitimate in all cases or do we investigate?
   - Is an expression of fear sufficient?
   - If an employee does not want to come back but we have determined that remote work is not appropriate for the employee’s position, do we terminate?

5. What about childcare and closed schools?
   - Do we have criteria ready for remote work and child care?
   - Will we offer childcare support? Will we extend flexibility via policy?

6. What do we do in the workplace to reduce risk?
   - Temperature checks as a condition of entry?
   - Staggered work hours to reduce in-office headcount? Red and blue teams?
   - Reconfigured workspaces to limit contact?
   - Facemask wearing mandatory?
   - No handshake rule?
   - Shuttering of communal kitchens/coffee bars so no one is touching the same things?
   - Bans on sharing of printed materials?

7. What about engagement with customers/clients?
   - Remote engagement continues?
   - If impossible what standards do we set to protect our employees going to customer/client offices?
   - How do we enforce those standards?
   - If a customer/client sets higher standards than us to permit an in-person visit how do we respond?

8. Are our current travel policies sufficient to protect our general workforce?
   - Who decides whether a potential trip is safe and based on what criteria?
   - If an employee does not wish to travel for fear of infection risk despite a demonstrated business need, do we discipline that employee?

9. What about a second wave?
   - If the state/region/country in which we operate begins experiencing a second wave of infection, do we await a government directive before shutting down again or do we make an independent decision?
   - Are we prepared for a second wave and what planning needs to begin now?
   - Does the risk of a second wave prompt us to rethink our return to work decisions?
Triggers for return to work from office

1. Government Indicators
   - Government restrictions lifted
     - Schools reopening
     - Gatherings permitted

2. Health Indicators
   - Two weeks sustained reduction in new cases
   - Testing availability – diagnostic & anti-body
     - Hospital capacity (beds, ICU beds)
     - Therapeutics available

3. Business & Market Indicators
   - SLAs
   - Absenteeism
   - Supply chain
     - Productivity trends

4. Other Indicators
   - Public Transportation
     - Travel
   - Other business reopening
Re-entry Filters: Inform Process & Operating Guidelines

PANDEMIC LEVEL

BUSINESS CRITICAL NEEDS

PHYSICAL CONSTRAINTS

INDIVIDUAL CONSTRAINTS

SAFETY, OPERATING GUIDELINES, POLICIES & TRAINING

RE-ENTRY

This is not about meeting a deadline. This is about BEING READY.
# DRAFT Guidelines Matrix for Re-entry

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<th>Guideline Category</th>
<th>Pilot Protection Protocols</th>
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<td><strong>Day-1 Foundational Guidelines</strong></td>
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<td>Criteria for Selection</td>
<td>Job Requirement</td>
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<td>Movement and Activity</td>
<td>Workplace activity</td>
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<td>Safety and Trust</td>
<td>Gatherings policy</td>
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<td>Hygiene and Cleaning</td>
<td>Physical Distancing</td>
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<td>Monitoring and Documentation</td>
<td>Travel</td>
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<td>Reporting and Compliance</td>
<td>PPE</td>
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<tr>
<td>Documentation</td>
<td>Special Measures for vulnerable population</td>
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<td>Screening and Testing</td>
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<td>Tracing and tracking</td>
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<tr>
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<td>Reporting &amp; Compliance</td>
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### Criteria for Selection
- Job requires or would be more effective with hands-on access to physical equipment
- Business-critical project requires tight and frequent collaboration within the working team
- WFH environment is impeding productivity or effectiveness of a critical role
- Individuals identified to ETO who do not want to or do not feel comfortable doing so should provide a high-level reason code to manager, HR policy team to define reason codes, i.e.: underlying medical condition, at risk individual, child care issues, sick dependent care, transportation issues, task force to work with manager to evaluate types of requests for coverage, i.e.: special masks, transportation, etc.
- Team resiliency planning

### Movement and Activity
- Gradual return, continue to encourage WFH to reduce density in the office
- Adjusted work hours and shift times
- No lunch breaks
- Limit and control third party provider access
- No large gatherings allowed
- Implement 6 feet distancing in workplace seating design (sitting out office set up), 1 person per elevator; controlled access and designated work areas
- All common areas closed

### Safety and Trust
- Face coverings required for all employees who are in frequent contact with others or who deal with supplies
- Gloves required for employees who are in frequent contact with others or who deal with supplies
- Disinfection of contacted surfaces daily
- Deep cleaning of exposed areas in the event of a positive identified case
- Frequent disinfection of high traffic areas and high-touch surfaces (bathrooms, door knobs, elevator buttons, vending machines)
- Shared spaces supplied with cleaning products
- Special accommodations and / or right to opt out (designated separate workspaces, adjusted hours, additional PPE)
- Follow ADA guidelines

### Hygiene and Cleaning
- Continuous health screening to enter the workplace (complete questionnaires, temperature checks etc.): employees to self-report symptoms
- Testing not a requirement (but CDC permits employers to create additional requirements)
- Conduct contact tracing and tracking when a confirmed positive case identified: presuming positive - TBD
- Identify and notify exposed individuals: request isolation and self-quarantine
- For each location define ratio of cases to population that indicate a cluster - which would initiate shut down playbook

### Reporting and Compliance
- Cluster Monitoring
- Standard reporting protocols of cases; following the playbook
- Identified reporting requirements to the Task force: (compliance issues: safety standards: adjustment recommendations,)
- Employees to practice self-policing and gentle peer-to-peer reminders, HR team will continue to conduct policies for each country, existing methods for escalations to be evaluated, i.e.: HR, HR Central, Etc.

### Documentation
- Prescribe documentation requirements to site leaders and HR managers
Preparations Required: Responsibilities by Team

**C-19 Task Force:**
- Framework, Templates, Tracking, and Governance
- PPE Guidelines, Procedures, Best Practices (food, meetings, gatherings, visitors, access controls, office workspace)

**Procurement:**
- Secure Safety and Cleaning Supplies

**BUs & Functional Teams:**
- Critical Red / Blue Teams & post C-19 biz cont. plans
- Redundancy Plans

**Marketing & Communications:**
- Narrative strategy
- Communications Playbook Templates
- NCR.com hub evolution
- Change Management Comms Plan
- Intranet hub evolution

**Transformation & Real Estate:**
- Work Redesign
- Site Redesign, (physical site selection & rationalization)
- Physical distancing measures by site
- Hub & spoke model design

**Security:**
- New Access Controls Implementation

**HR & Legal:**
- People, health and pay policy
- Travel policy
- Requests for WFH exemptions
- Child care policy
- Confidentiality guidelines (testing, immunity etc.)
- Home office equipment and expenses

**Site / Sales & Functional Leads:**
- Workplace Risk Reduction Plans (by site)
- Customer Engagement Plan (by site)
Q & A
Thank You