

NAVIGATING THE REGIONALIZATION OF SUPPLY CHAINS

INDUSTRY

Auto Parts

GEOGRAPHY

Global

OUR ROLE

Identify and quantify supply chain strategy risks and opportunities

FEATURES

Demand planning
Cost and risk forecasting
Scenario analysis
Geopolitical analysis
Economic modeling

CLIENT'S PERSPECTIVE

A **global auto parts manufacturer** was considering how best to **position its supply chain strategy in the long term**. A top concern was the impact of numerous recurring issues, such as **protectionism, conflict and political instability, US-China and US-EU relations, and ESG policies across the world**. The executive team sensed that a **regional strategy** bringing **supply chains closer to end markets** was necessary, but the specifics of reshoring and nearshoring depended on the **actual trajectory of global geopolitical issues** (e.g., the future of US trade remedies on China), and also the **future** of infrastructure, stability and especially labor costs in several **potential sourcing, production and assembly locations**.

THE CHALLENGE

The auto sector is highly exposed to changes in trade and ESG policy, as well as to labor costs and standards across the world. Forecasting the **trajectory and quantifying the impact of geopolitical and macroeconomic issues with a bearing on sourcing, production and distribution costs is essential**.

However, forecasting the future of an **extremely large number of existing and potential global locations** presents a **high degree of complexity** to most global firms across the board and automakers in particular given the vastness and intricacy of existing networks.

ONYX SOLUTION

Onyx focuses on building actionable insights at the intersection of economics and politics. Our team of geopolitical and macroeconomic experts is uniquely positioned to:

- Identify and map the client's detailed network design, including cost drivers and impact, geographic footprint and dependencies or vulnerabilities
- Use macroeconomic, industry, and company-specific models to quantify economic and financial outcomes of trade and ESG policy over multiple existing and potential locations
- Identify optimal options and attractiveness of domestic labor and infrastructure
- Develop signposts to monitor and provide early warning signals



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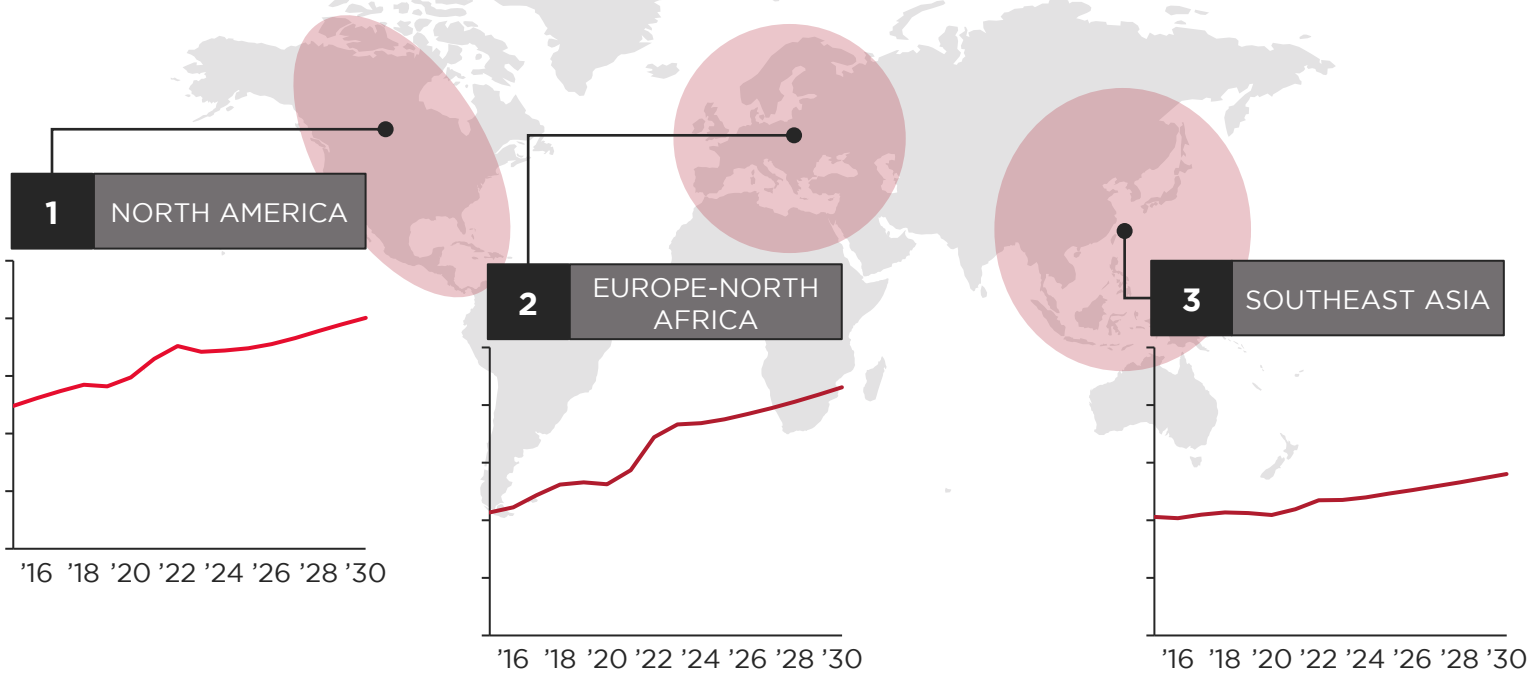


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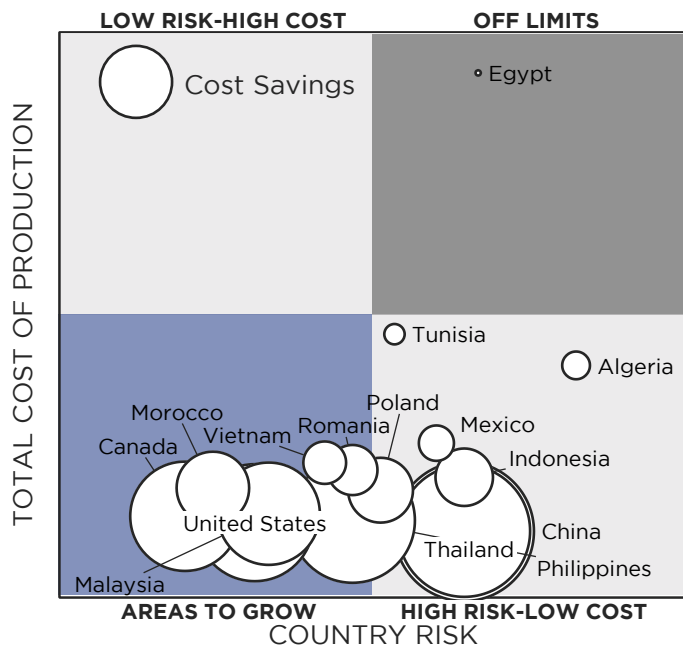
QUANTIFYING IMPACTS

Our regional and industry experts can develop customized cost indices and forecast their trajectory over the next ten years, taking into consideration how economic, financial, political, energy, and ESG factors would influence costs over time.

PRODUCTION COST INDEX BY REGION



OPTIMIZING RISKS AND COSTS



CLIENT VALUE

- 1 **IDENTIFY COST DRIVERS**
Break down production costs into key factors including raw inputs, labor, energy, and regulatory; and forecast their long-term trajectory
- 2 **QUANTITATIVELY COMPARE OPTIONS**
Make apples-to-apples comparisons across geographies to make clear decisions about risks and opportunities
- 3 **IDENTIFY OPTIMAL SOLUTIONS**
Utilize models and analytical frameworks to analyze and optimize across a wide number of variables



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Build strategy and manage risk through the lens of geopolitics and macroeconomics.

Understand the forces shaping the future of your organization

Assess their economic impact

Separate noise from signal

Find better options

OUR DIFFERENTIAL

We see the world differently.

100+

countries

350

locations

A unique global network

We are a division of Expeditors, one of the world's foremost supply chain companies. Our core team of global, regional and industry experts is complemented by our extended network of logistics and supply chain practitioners on the ground in 350 locations in 100+ countries globally.

Quantifying impact is at the heart of our value

We believe that geopolitics and macroeconomics can shape any business. But understanding them is only half the story: we combine qualitative analysis and proprietary data to quantify impact on your business and produce actionable insights.

We focus on what matters

We fully integrate macroeconomic and geopolitical analysis, unlike any other consulting firm. Our approach is tailored to the issues, geographies and industries you care about, and not boiling the ocean. We focus on getting to the so-what of politics – so you don't have to.

OUR SERVICES

We meet you where you are.

Consulting engagements

Tailored projects to identify insights, risks, and value drivers. Our experts collaborate with you to incorporate findings into your organization's strategy and planning.

Retainers

An ongoing relationship to ensure decisions remain aligned with emerging events.



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Build strategic resilience and adaptability

Strengthen risk management

Improve competitive positioning

HOW WE CAN HELP

Our capabilities help you address critical issues on global and regional strategy, supply chain resilience and risk management, including if you are:

- 01** Considering changing your global, regional or country-level strategy
- 02** Contemplating new market(s) for your products or services
- 03** Planning sourcing from new markets
- 04** Concerned about anticipating geopolitical risks to our existing strategy
- 05** Evaluating a potential partnership/JV
- 06** Conducting M&A due diligence

GLOBAL, REGIONAL, AND INDUSTRY EXPERTISE

Strength in numbers

Our project teams include experts in economics, geopolitics, policy and industry, drawn from our in-house practices and extended expert network covering a wide range of topics:

- Global, regional and country analysts
- Industry experts, including technology, retail/consumer, industrials and mobility/auto
- Energy and commodities
- ESG

PROPRIETARY DATA AND ANALYTICS

Data is at the heart of our work.

With proprietary data and analytics we quantify scenarios, assess future impact on client businesses, and elicit real trade-offs among strategic options.

We focus on the intersection of global, regional, country and client-level data to produce unique insights.

Our strength lies in the uniqueness of our data and modelling. We invest in analyzing and forecasting strategic variables typically overlooked by traditional data providers.

UNIQUE GLOBAL NETWORK

On the ground, in real time.

Covering 350 locations in 60+ countries, our network of on-the-ground supply chain and logistics experts is unique.

It allows us to develop unique strategic perspectives based on real-time developments on the ground. It adds strength to our client work by connecting strategic-level analysis with operational realities.

We keep our feet firmly on the ground and bring in our own field experience to produce unique insights.



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