

COUNTRY RISK ASSESSMENT FOR SOURCING AND PRODUCTION

INDUSTRY

Retail

CLIENT'S PERSPECTIVE

A **large retail firm** engaged in a comprehensive evaluation of **supply chain vulnerabilities** following the COVID pandemic. After the initial findings, the top leadership team became concerned with its single-source **dependencies in China**, given the evolution of domestic, regional and global geopolitical issues. The team considered the relative risks and merits of **diversifying its sourcing across multiple locations within Asia**, and whether alternative locations would offer an optimal **balance between geopolitical risk mitigation, reliability and cost effectiveness**.

GEOGRAPHY

Southeast Asia

THE CHALLENGE

Country risk assessments take a high-level view of political, economic and social drivers. This exercise provides a high-level picture of the risks and opportunities present in each country. However, supply chain decisions require zooming in on additional factors, like **effective congestion, port efficiency and private-public relations**, that are often not obvious in traditional macro data. Confident supply chain strategy decisions require a clear understanding of the macro factors as well as insights from **“boots on the ground”** logistical experts.

OUR ROLE

Identify and quantify opportunities for supplier diversification, decrease client exposure to geopolitical risk

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 the key political and economic factors driving long-term growth, stability and investment in 5 select countries in Southeast Asia
- Use that analysis to present multiple options with quantifiable risks.
- Work with clients to develop multiple solutions that take advantage of opportunities, increasing the resiliency of their supply chains
- Develop signposts to monitor the accuracy of key political and economic risk forecasts to allow the client to pivot to alternative plans early, if necessary

FEATURES

Resiliency planning
Scenario planning
Geopolitical forecasting
Economic modeling



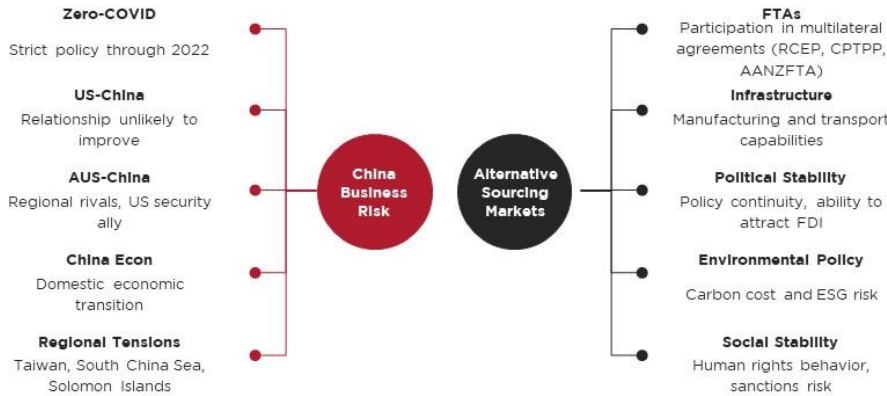
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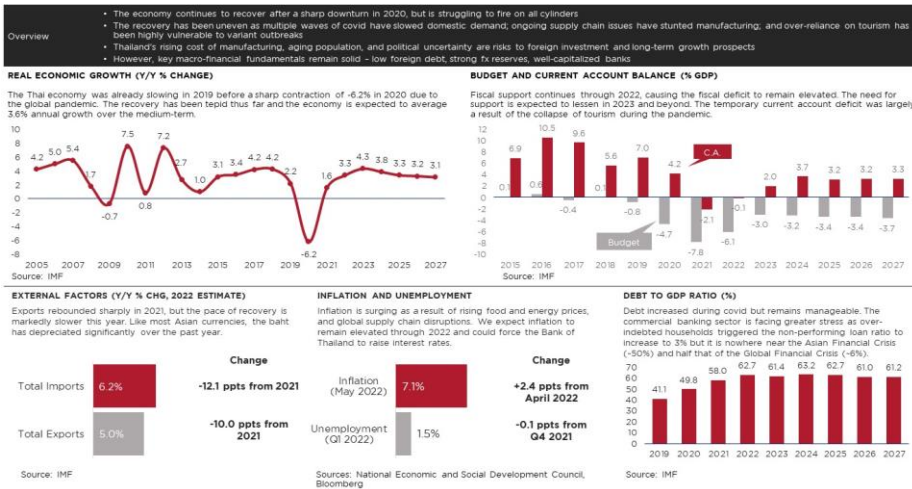
ASSESSING GEOPOLITICAL RESILIENCE

Our team of experts can develop litmus tests for evaluating resilience to geopolitical and macroeconomic uncertainties in China and assess country risk for various alternate sourcing strategies.



“CHINA+1” STRATEGY

Onyx can develop an evaluation tool for comparing the risks of sourcing in China versus alternate locations



MACRO FORECASTING

We incorporate our economic forecasts into sourcing assessments to understand future risks including cost inflation and financial stress among other factors

CLIENT VALUE

- 1 IDENTIFY RISKS
Identify and compare the risks of maintaining current sourcing versus alternate sourcing options to inform strategic and tactical decision making
- 2 A FLEXIBLE DECISION FRAMEWORK
Examine how outcomes change if your priorities or external circumstances change – thereby identifying the “no regrets” strategies versus those that are dependent on particular scenarios
- 3 MAKE INFORMED STRATEGIC DECISIONS
By understanding the key drivers of different scenarios, prioritize risks and opportunities and make conscious decisions based on those trade-offs



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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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