

BENCHMARKING COMPETITOR BEHAVIOR IN RE/NEARSHORING

INDUSTRY

Advanced materials

GEOGRAPHY

Global

OUR ROLE

Benchmark client footprint against competitors, identifying points of diversion and associated risks/opportunities

FEATURES

Resiliency planning
Cost and risk exposure benchmarking
Geopolitical forecasting
Economic modeling

CLIENT'S PERSPECTIVE

A **global advanced materials player** was interested in understanding how its competitors were responding to geopolitical and macroeconomic pressures on supply chains.

Having just decided to reshore and nearshore its supply chains to the fullest extent possible, the company's leadership was concerned about **which new locations would offer the best opportunities, while minimizing unforeseen risks in new locations.**

In that vein, **the behavior of its competitors – and how their geographic footprint was changing from inputs to sourcing and production** – was a key element in the company's decision-making process.

THE CHALLENGE

While mapping the geographic footprint of various competitors in a market is relatively straightforward, **forecasting exposure to cost and resilience risks in specific locations is key and presents a challenge to any company.**

Assessing the risk exposure of competitors to current geopolitical and macroeconomic risk – raging from wars to economic crises and commodity crunches – is no simple task; **forecasting that exposure into the medium and long-run is extremely complex.**

Moreover, **assessing the financial and operational impact** of geopolitical and macroeconomic factors onto competitors is also a complex endeavor.

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:

- Map the geographic footprints of competitors from inputs/sub-tier 1 suppliers to production and distribution
- Forecast the key political and economic factors driving cost and risk across the various geographic footprints
- Compare and contrast cost and resilience risks for the client and its competitors, highlighting areas of vulnerability and opportunity



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OUR APPROACH/DELIVERABLES

- 1 Map **competitor and client geographic footprints** end-to-end
- 2 Identify **macroeconomic and political factors impacting footprints** identified by country/region/node
- 3 **Build qualitative 5-year forecasts** for macroeconomic and political factors identified
- 4 **Model the risk exposure, financial and operational impact of qualitative forecasts over client and competitors**
- 5 **Compare client and competitors' risk exposure and financial impact** across each supply chain node
- 6 **Highlight areas of under and over-performance versus competitors**

The manufacturing recovery will vary across end-use
Aerospace and construction see stronger demand in 2023-24

Industrials firms will continue to battle cost inflation
With recovering demand, input cost pressures are set to pick up in H2

Industrial policy will create winners and losers
Firms serving US-based manufacturing should see gains in 2023-24

Stubborn cost inflation + soft demand = margin pressure
2023-25 will be a difficult environment for raising selling prices

CLIENT performance versus competitors
End-to-end regional business units

What it means for CLIENT
Revenue forecast and key market segments

PROCESS

- Timeframe: ~12 weeks
- Sources: Onyx analysis, proprietary data, external data providers

CLIENT VALUE

- A **QUANTIFY RISKS AND FIND BEST OPTIONS**
Identify and compare the cost/risk of footprint options to inform strategic choices
- B **MITIGATE EXTERNAL COST RISKS FROM POLITICS AND MACROECONOMICS PROACTIVELY**
Incorporate external risks into your sourcing strategy to be best positioned to control and mitigate exposure
- C **MAKE INFORMED STRATEGIC DECISIONS**
By understanding the behavior of competitors, 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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