

In Times of Crisis Partnership Matters

Advantage China conducted a Special Report focused on effective collaboration at the height of the Covid-19 Crisis.* Nearly **300 senior and mid-level managers across more than 50 FMCG Companies** including Wal-Mart, CRV Metro, Coca-Cola, Pepsi, P&G, Unilever, L'Oréal, Kimberly Clark, Mondelēz, Mars and Nestlé shared their voices.

*Research was fielded from February 13 to 25, 2020.

What We Heard:



experienced improved partnerships during the outbreak.

Actions Making the Greatest Impact:

- ✓ Accountability
- ✓ Limiting negotiation behaviours
- ✓ Accelerating problem-solving
- ✓ Increasing frequency of communication
- ✓ Enhancing capabilities
- ✓ Upgrading capacities

Both retailers and suppliers reported the **increasing importance of and improvement in the following behaviours:**

Trust

Increased Trust was driven by an improvement in **accountability** from key counterparts. The crisis environment meant there was little time to follow-up or manage other parties. Trust enabled partners to focus on delivering on their commitments during this time.

Transparency

A crisis setting created an environment that increased Transparency, **limited negotiation behaviours** and reduced the fear of judgement or blame. As a result, **problem-solving accelerated** and time was saved getting to the right solution.

Communication & Responsiveness

Business communication **increased in frequency** from monthly to daily and in some cases hourly, as the crisis evolved and required collaboration to solve issues quickly. Being clear about actions and being available to respond to requests were key differentiators for retailers and suppliers working together.



Along with demonstrating improved collaborative behaviours, the **following competencies were deemed critical in the crisis environment:**

Supply Chain

94% of retailers rated Logistics Support as the competency they most needed during the crisis. **Factory closures** in China severely limited production, yet **retailers needed to provide their consumers with products** across a diverse network. Supply chain became the critical focus area for collaboration and continues to be crucial as businesses continue to evolve with the ramifications of the crisis.

Offline To Online (O2O)

The shut down of many major cities in China significantly reduced the number of people going into stores. As such, **home delivery via online ordering increased exponentially** for all retailers with online capabilities. **73% of Suppliers** and **79% of Retailers** reported online shopping as critical and that they needed to **upgrade their capacity and capability in 2020!**