

Škoda Auto: Navigating the Future of Supply Chain Resilience

Transforming Risk Management for a Volatile World

The Challenge: A Risky Road Ahead

Škoda Auto's vast global supply chain, involving tens of thousands of suppliers, faces increasing complexity and fragility. Traditional manual risk management is no longer enough to navigate today's volatile landscape and regulatory demands.

The Current State: Overwhelmed by Complexity

Manual processes, static spreadsheets, and supplier self-disclosures create critical blind spots. This reactive approach struggles to identify hidden dependencies and regulatory red flags, leaving Škoda vulnerable to unforeseen disruptions.

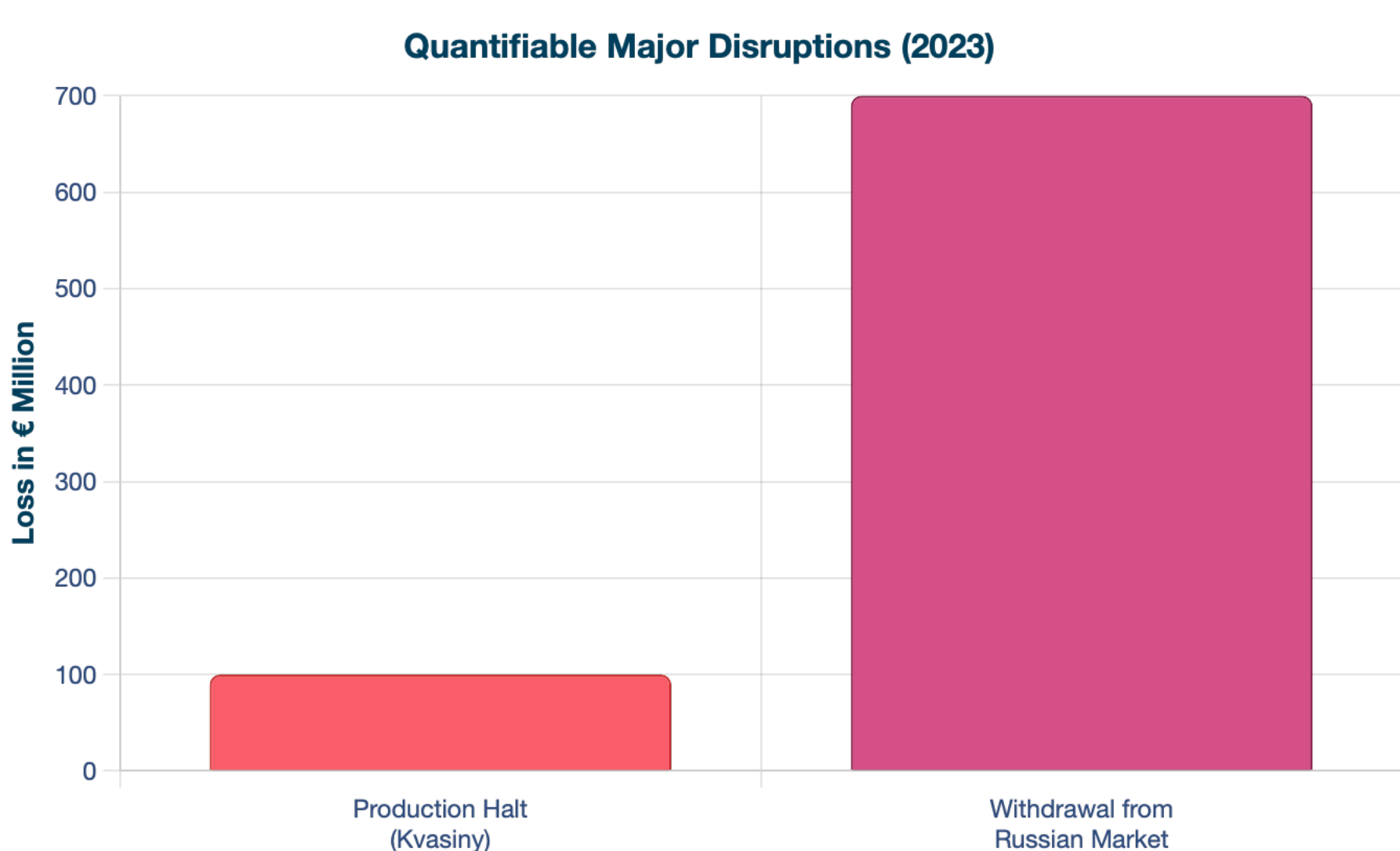
- Resource-intensive manual checks
- Lack of end-to-end supply chain visibility
- Difficulty tracking evolving compliance (Sanctions, ESG)
- Reactive responses to supplier failures



The High Cost of Unseen Risks

Recent history painfully illustrates the severe financial and operational impact of supply chain disruptions on Škoda Auto. These events underscore the urgent need for proactive risk foresight.

Past Disruptions & Estimated Financial Losses



Global Chip Shortage (2022)
~250,000 cars cut from production. Impact: **Hundreds of Millions in Lost Sales** (Not precisely quantified).

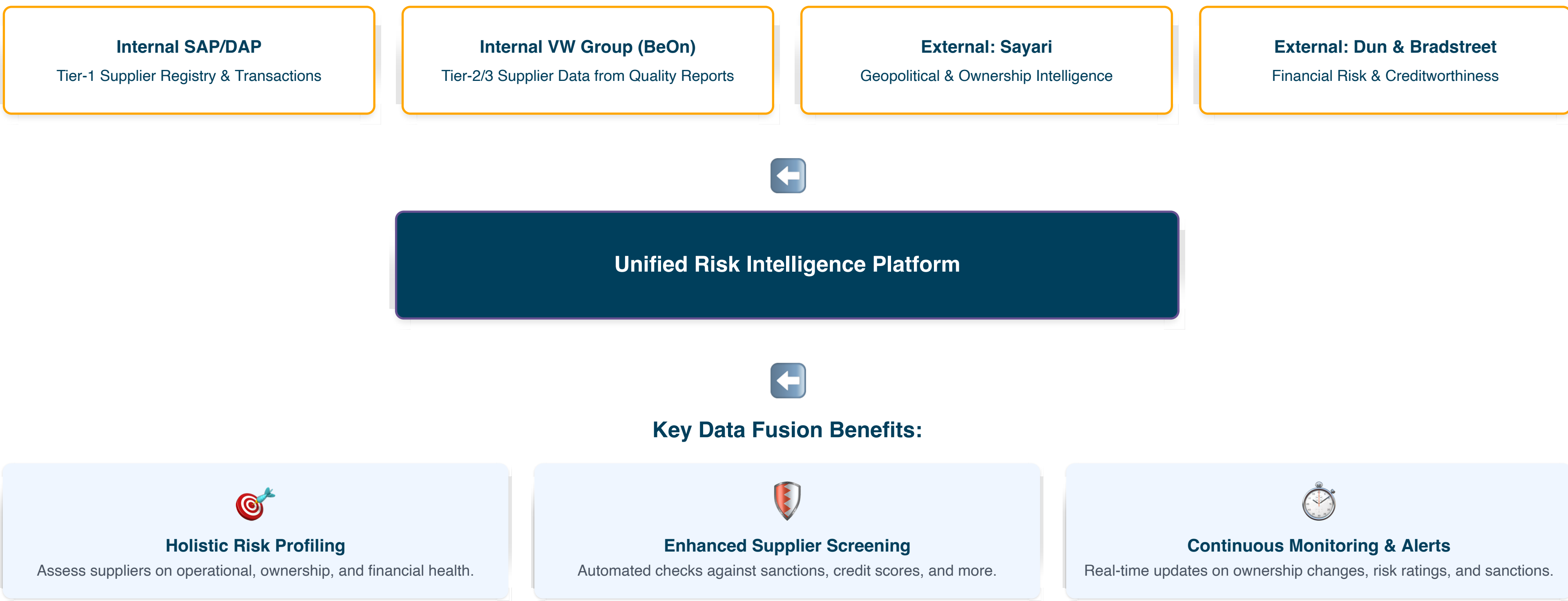
Enyaq IV Wiring Harness (2022)
8-week production suspension for Enyaq iV. Impact: **Substantial EV Production Loss** (Not precisely quantified).

These events represent **hundreds of millions of euros** in losses and missed opportunities, highlighting the need for a shift from reactive to proactive risk management.

The Solution: A Digital Shield

Škoda Auto proposes a comprehensive digital risk management solution, fusing internal and external data for full transparency and continuous monitoring across multi-tier suppliers.

Integrated Data Model: A 360° View of Supplier Risk



This integrated approach aims to identify risks deep in the supply chain, enabling **informed, timely decisions**.

Key Capabilities: Empowering Škoda's Teams

The centralized risk management platform will offer core functionalities to support procurement and compliance.



Multi-Tier Supply Chain Mapping
Visualize extended networks, identify concentration risks and single points of failure.



Unified Supplier Risk Profiles
On-demand profiles with internal/external data: ownership, sanctions, financial scores.



Risk Scoring & Prioritization
Aggregate risk scores to focus resources on highest-risk suppliers.



Automated Alerts & Workflow
Immediate notifications for sanctions, insolvency, or rating changes.



Reporting & Analytics
Executive dashboards on risk exposure, trends, and mitigation status.



Gradual Financial Change Monitoring
Track subtle financial shifts (credit profiles, payment histories) via D&B for early warnings.

Measurable Impact: Driving Efficiency & Resilience

Adopting this digital solution is expected to yield concrete improvements and significant efficiency gains.



~30%

Reduction in Manual RFIs & Supplier Questionnaires Annually



20-30%

Faster Supplier Approval & Onboarding Time



~50%

Reduction in Time for Periodic Supplier Risk Reviews

Improved Risk Response Times

Early warnings and better data will significantly reduce the time from risk identification to mitigation, turning potential unplanned downtime into planned adjustments. This is a critical, albeit less directly quantifiable, benefit.

The Smart Investment: Strong ROI & Strategic Value

The financial case is compelling, with potential savings vastly outweighing costs, alongside crucial strategic advantages.

Projected ROI

300% to 1000%+

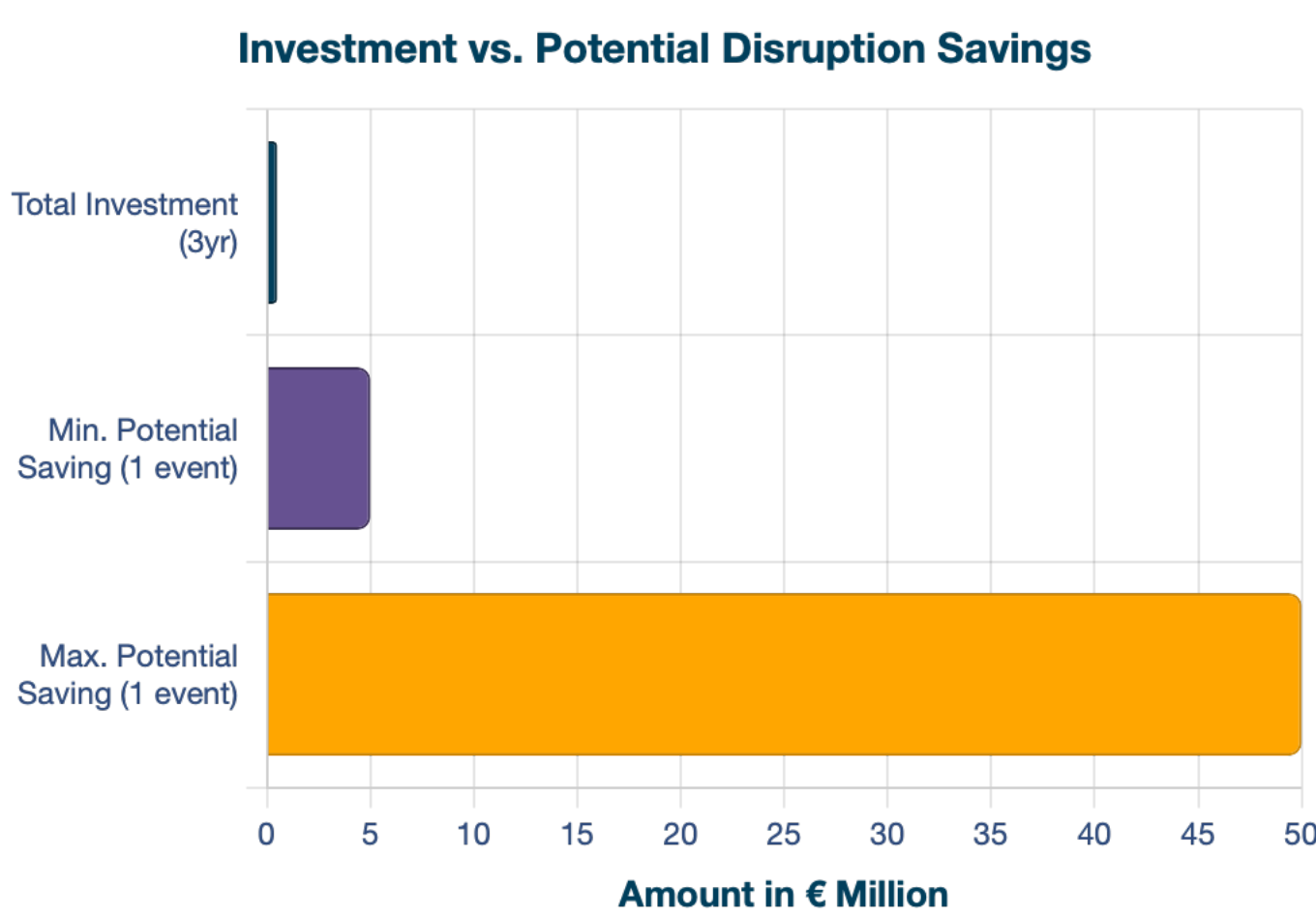
Estimated Return on Investment

Total Estimated Investment (3 years): **~€0.5 million**

Preventing just 5-10% of a single large disruption could save **€5M – €50M**.

Payback period expected **within the first year**.

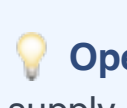
Cost vs. Potential Savings (Illustrative)



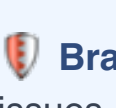
Strategic Implications



Resilience Enables Growth: Confidently expand into new markets and manage new supply chains.



Operational Efficiency & Innovation: Benchmark modern supply chain management, freeing teams for strategic tasks.



Brand Protection: Reduce reputational crises from supplier issues, aligning with ethical commitments.

The Road Forward: Securing Škoda's Future

Investing in a digital supply chain risk mapping and monitoring solution is a timely and necessary response to current and future challenges. It equips Škoda Auto to anticipate, mitigate, and turn risk management into a competitive advantage.

Approve Strategic Investment & Proceed