



Prifysgol Cymru
Y Drindod Dewi Sant
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Lecturer: Dr Taye Osadiya

Name: Slavyana Nedyalkova

Student ID: 2129808

Table of Contents

Introduction	3
Main body	4
References	12

Introduction

The Covid-19 pandemic has exposed profound economic vulnerabilities, intensifying supply chain disruptions, labour shortages, and financial strains on businesses worldwide. By offering actionable solutions, it aims to empower businesses and policymakers to build resilience, adapt to evolving market conditions, and foster sustainable economic recovery post-pandemic.

The pandemic has brought about chaos in the global supply chain system, causing shortages in raw materials and intermediate products (Leader, 2023). This affected the business ability to fulfil orders, resulting in shocks and price fluctuations in different sectors. This further unfolded the fragility of the world and highlighted that of being able to be resilient and adaptable to face future challenges. It required companies to rethink their supply chain strategies, mainly pointing to the necessity of an increase in flexibility and diversification which leads to a decrease in the risks of a more unstable environment.

Main body

The discharge of EU drivers from Britain, which was in a great part due to Brexit and the pandemic, was the main reason for shortage in drivers. The deficiency of personnel provided a detrimental effect on the timeliness of the fuel deliveries to the gas stations that inevitably led to the worsening situation for the businesses and consumers alike (Shih, 2020). The increase in this rate of increase in unemployment among the workers, which is the result of these factors, demonstrates the imperative of thorough policies to address this problem and keep the supply chains running smoothly.

Due to the outbreak of the pandemic, the consumer demand has been shifting towards goods instead of services which in turn has caused the supply chain to be under extra pressure, therefore, shortages and price fluctuations have been more common. The search for the new goods by the people overwhelmed the limit of the production, while the services industries suffered from a decrease in consumption (Shih, 2020). This case proved the need for being ready and working out a smart plan for solving problems that may emerge in the future. This was echoed by the notion that companies should be quick to assess and reinforce their supply chain systems that would allow them the flexibility to respond to unforeseen situations.

It was found that there was a shortage of labour, especially in the transportation field as the demand for fuel was rising sharply. This disruption was caused by conditional factors on both demand and supply side. The external factor which arose because of the connection between supply and demand was one of the primary causes of the vulnerabilities in supply chains, leading to the policies aiming to solve the gap in the labour force and build resilient supply chains being formulated (Zapata-Webb et al., 2023).

Apart from that, UK's home-grown entrepreneurs-maintained imports from abroad, which included raw materials and semi-finished products. This might cause disruption of their value chains if they are based on foreign materials or components. The COVID-19 pandemic not only highlighted these defects, but also demonstrated how devastating the consequences of such dependence can be. Supply chains are the lifeblood of the economy, and their interruption can lead to a lot of problems for domestic companies (Butollo et al., 2024). The centrality of diversification and resilience in the strategic designs of supply chains had become more obvious to the firms which they took a step to identify their interdependencies and research for potential alternative sources of supplies which would help them in future.

The growth of the general economy has been affected by many economic uncertainties, and it has become very expensive to live. The SMEs have been hit hard, and in fact, there are many bankruptcies (Oyegoke et al., 2024). Many businesses happen to experience the risk of bankruptcy or closure due to inability of not getting credit with very high interest rates at the same time. However, the crisis has revealed the necessity to have well-defined systems of financial support with the policies prescribed to the small and medium size business enterprises. This is the platform on which the base of this economy rests, thus, expanding entrepreneurship and establishing permanent wealth even in hard times.

The debt increased as well as the number of businesses in trouble due to the pandemic and the end of support measures, which in turn has led to job cuts and the economy has become weaker. The resolution of the underlined problems needs programs for the poor and business and strengthening resilience to guarantee that the recovery is sustained.

According to Jackley (2023), governments can do this by regulation, immigration policies, as well as financial assistance to ensure stability of supply chains and to address labour shortages. Enhancing agencies and improving communication channels enhances coordination during crises. Tax incentives alleviate pressures. Stimulate economic development. By bolstering the stability and resilience of supply chains these measures safeguard the economy and businesses, against disruption related adversities.

Gracia Marie (2023) suggests easing COVID-19 rules to enhance business flexibility, aiding supply chain flow and resilience. This adaptability enables businesses to navigate challenges efficiently, ensuring stability in productivity and essential services. Such measures are vital for maintaining economic stability and public welfare amidst changing economic conditions.

Luther (2023) highlights the significance of management teams in identifying and addressing supply shortages to prevent interruptions. These teams play a role in building supply chains and efficiently managing limited resources. Their quick reactions help uphold the operation of supply chains, reducing disruptions and ensuring business continuity well as customer happiness.

The participation of suppliers and the establishment of reliable communications, that is covered in Supply chain disruptions and mitigation strategies (2022) ensures transparency and resiliency of the supply chains. This responsibility-oriented approach helps to build better understanding and to provide for quick resolutions of disruptions and overall efficiency. Also, as highlighted in the same article, the prevention of waste in production and distribution processes, furthermore, leads to higher level of resource utilisation and supply chain efficiency. Sustainable actions like recycling and lean manufacture which not only minimise environmental impact but also support a more robust and competitive supply chain environment that is long-lasting and adjustable in difficult times.

Butt (2021) considers that the starting point is carrying out a supply chain assessment which helps to determine weak areas and develop countermeasures for resilience and risk management. Through identifying crucial parts of the value chain such as supplier vulnerabilities and logistical bottlenecks, businesses can implement tactical measures that will greatly improve their supply chain systems in terms of flexibility and adaptability in facing unpredictable events. Besides, companies are to create a supportive environment for their suppliers to close the best deals and pricing. This encourages competitive pricing and favours better procurement processes, and eventually results in a more responsive and climate-smart supply chain, which benefits both businesses and society.

Understanding demand and supply dynamics gives businesses the power to create an intelligent pricing strategy that helps them stand competition, maximise the generated revenue and maintain profitability. Through assessment of market trends and consumer behaviour, businesses can adjust prices dynamically to correspond with demand fluctuation, to take advantage of income opportunities as well as to ensure a competitive position on the market (Rao, 1984). This preventive measure towards pricing management is highly important for long-term financial stability and success as it gives businesses an ability to reshape their pricing strategy according to the changing market factors and ensure stable profitability in a highly competitive environment with ever changing consumers' preferences.

Hilletoft, Ericsson, and Christopher (2019) state that the demand and supply analysis gives businesses the power to deal with the competitive pressures through adjustment of prices. This in turn helps them to draw customers and reduce price differentials which is one of the key factors of competitive advantage. Through being adaptable to shifts in demand and supply dynamics, businesses can maintain a significant position in the market, maximise revenue streams, and stay as a competitive business in the shifting market situation.

Through demand and supply insights, business productivity improvement is possible, hence, providing the company with the chance to expand. For example, managing Amazon's online platform uses demand data to improve operations and the markets it has access to (Demand Management Case Study, 2023). Through the adoption of market-driven processes, companies can improve productivity, smooth out production procedures, and exploit new opportunities for growth by being able to outperform competitors in dynamic and competitive environments.

Based on the study carried out by (Case studies articles and dissertations on supply and demand (2014)), the marketing strategies are informed by the supply and demand data allowing the businesses to tailor its promotions and campaigns that are specific to consumer segments. Through the synchronisation of marketing strategies with consumer demand patterns, businesses can gain more attention by consumers and ultimately make more sales. This strategic manner bolsters market involvement reinforces branding and ensures the success of marketing plans that will lead to revenue increase.

As per the research conducted by Hugos (2018), the two main parameters that should be considered are the demand and supply side of the business which leads to the JIT system. This approach ensures the stock level which is at the maximum but in accordance with consumer's demand and the costs of the overstock will be minimum. This not only allows companies to avoid the operational inefficiencies, boost their holding capability, and enhance the total efficiency, but also improve profitability and customer satisfaction in a competitive market environment.

According to Patrucco, et al. (2019) the issuance of public shares (IPO) occurs when the company demonstrates that it has the criteria for supply and demand. Capital or funding enables projections and strategic investments for growth. Demonstrating market dynamics and investor confidence attracts funding, facilitating strategic potential and sustainable growth. Utilising demand and supply information allows companies to offer competitive wages, enhancing worker loyalty and happiness, crucial for retaining a motivated workforce.

Risk management methodology uses the sawtooth technique, which is balancing supply and demand, thus eliminating any possibilities of overproduction or shortages. This stability helps us to stay up and running even when the disasters that may disrupt our production or lower our product's quality occur. The talent of a skilful balance assurance is the key which enables an organization to cope with market fluctuations and a capability of the organization to be steadily operational in a volatile environment is also a must.

As claimed by Esper et al (2010) the knowledge of demand and supply dynamics allows companies to effectively manage the inadequacies and oversupply that occur in the market. This expresses the fact that these processes can be easily adjusted to respond to the various market demands in a very flexible manner. Decision making is key to a business operations efficiency and is directly connected to the level of customer satisfaction. The faster the business is to act on the supply and demand, the less the risk of overstocking or stockouts, which will help to achieve the best operational efficiency and give the business a competitive edge over other businesses.

The demand elasticity refers to the degree of change in volume demanded when the price, income, or other market variables change. For an elastic demand a small rise in the price of a product brings about a rise in the quantity demanded in a larger proportion. Goods with flexible demand are often those that can easily be replaced by alternatives or where purchase is discretionary, like luxury items and food and beverage consumables (Zapata-Webb et al., 2023).

The demand for a product that is not elastic is when the price variation does not bring about a significant change in the quantity demanded. Inelastic goods generally fall into the category of necessities or products with no good alternatives. Consumers are less price-sensitive in this case, so they do not change their behaviour in response to price changes. The products with the demand that is relatively stable and does not fluctuate with price changes, tend to be at the fore.

Elastic goods have high responsiveness to price thus, a price change may lead to significantly lower demand (Luther, 2022). However, elastic goods tend to be less swayed by changes in prices, with the demand remaining almost unresponsive. For example, raising prices of luxurious items might lead to a reduction in demand by a huge margin, illustrating elasticity. On the other hand, the demand for indispensable items, such as medicines, does not change even in the presence of price hikes, which signifies inelasticity. Inelastic goods provide a more stable environment for vendors against variations of the market as their demand changes have a smaller effect while elastic goods are more susceptible to market fluctuations (Butollo et al., 2024). The positive sides of inelastic markets are seen during recessions where companies selling inelastic goods tend to have less fall offs in sales as opposed to those offering elastic goods. To these ends, elastic demand settings tend to face comparatively lower entry barriers, while inelastic demand, originating from the most necessary needs that have limited substitutes, are relatively higher entry barriers.

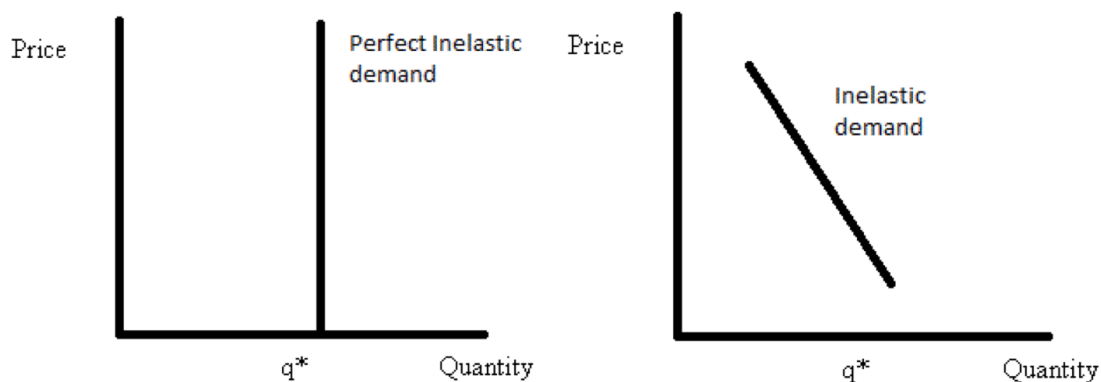


Figure 1: Elastic and Inelastic Demand (Luther, 2022).

The elasticity of demand is a true advantage which assists in setting the optimum price in a way to increase the level of revenue to the maximum. Companies could make adjustments with prices in order to respond to taxes, consequently, drop of tax burden. Also, because of elasticity, sales can increase due to the introduction of discounts or promotional offers (Zapata-Webborn et al., 2023).

It is crucial to set up constant surveillance of competitors' pricing strategies to retain competitiveness and elastic demand. Additionally, it is not assured that the price elasticity of demand can be applied in different periods of time as consumer desires and market conditions change through time.

Inelastic demand offers the advantage of revenue boost through price increases without significant declines in demand. Moreover, stable demand leads to greater predictability in sales volume and revenue, providing businesses with a sense of security (Zapata-Webb et al., 2023).

While an increase in price on a product with inelastic demand may significantly boost profits, it risks alienating some consumers and potentially reducing overall sales volume. Furthermore, businesses operating in inelastic markets may have limited flexibility to adjust prices to stimulate sales volume or respond to changes in market conditions (Butollo et al., 2024).

Supply and demand are the cornerstones of modern economic theory that is the reason or cause of business decisions and interactions in the markets. These principles explain why there is a tight connection between people's needs for the goods and services and the availability of them (Cornfield and Murphy 2023).

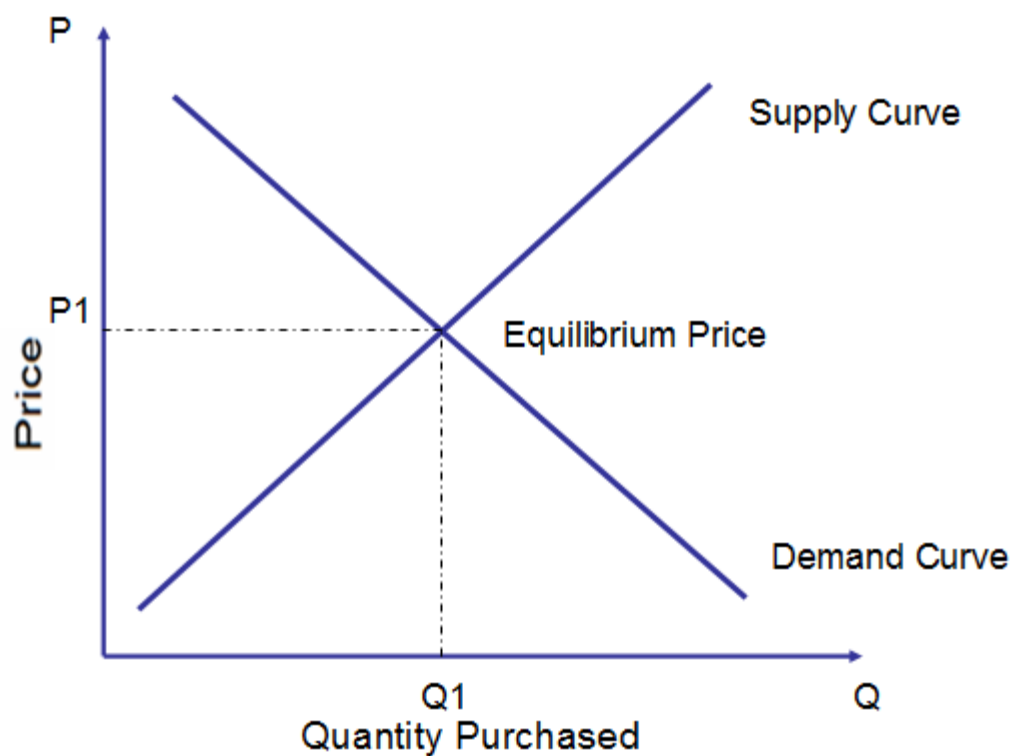


Figure 2: Law of Supply and Demand (Cornfield and Murphy, 2023).

There is an upward shift in prices and quantities when demand escalates while supply stays the same. It is to say that the buyers now have special interest for a certain product, so the suppliers take the opportunity to increase the supply and charge higher prices. Contrarily, the fall of the demand whilst the supply remains the same results in the fall of prices and of the quantities as well. To revive the demand, businesses reflect prices but with a sacrifice of reduced profitability, so the suppliers will stop production at the minimum level (Luther, 2022).

The laws emphasize the tenuous equilibrium between supply and demand, giving a view of how these forces influence prices, production, and consumer behaviour. Understanding the above principles is critical for businesses to manoeuvre the dynamic business environments and ensure the efficient application of price strategies and responsiveness to consumer wants. Using supply and demand laws is a technique that businesses utilize for them to be able to adapt to changing market dynamics, boost profitability and be on top of the competition.

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