

[www.semi.org/coronavirus](http://www.semi.org/coronavirus)

SEMI and McKinsey & Co. Present

# **COVID-19 INSIGHTS: MICROELECTRONICS INDUSTRY IMPACT AND BEST PRACTICES**

March 26, 2020

SEMI speeds the time-to-better business results for its members across the global electronics design and manufacturing supply chain.



**CONNECT - COLLABORATE - INNOVATE - GROW - PROSPER**



# Agenda

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## **4:00 - Impact on SEMI Companies**

- Ajit Manocha, President & CEO, SEMI

## **4:10 - Worldwide Supply Chain Impacts**

- Mark Patel, Sr. Partner & Semiconductor Practice Lead McKinsey & Co.
- Sven Smit, Chairman and Director, McKinsey Global Institute, and Senior Partner Amsterdam
- Mihir Mysore, Partner, Crisis Response & Risk Mgmt., McKinsey & Co.
- Didier Chenneveau, Partner, Supply Chain Practice, McKinsey & Co.

## **4:40 - SEMI Communities in Action**

- Mike Ciesinski, VP, Technology Communities, SEMI

## **4:45 - Concluding Remarks**

- Ajit Manocha, SEMI

## **4:50 - Q&A**



# AJIT MANOCHA

**PRESIDENT & CEO, SEMI**

- Expanding scope and programs at SEMI to represent the broader electronics manufacturing and design supply chain
- More than 35 years in the semiconductor industry
- Former CEO of GLOBALFOUNDRIES
- Held senior operations leadership roles at Philips Semiconductors and Spansion
- Granted patents on semiconductor manufacturing processes at AT&T Bell Labs
- 2020 inductee into Silicon Valley Engineering Hall of Fame



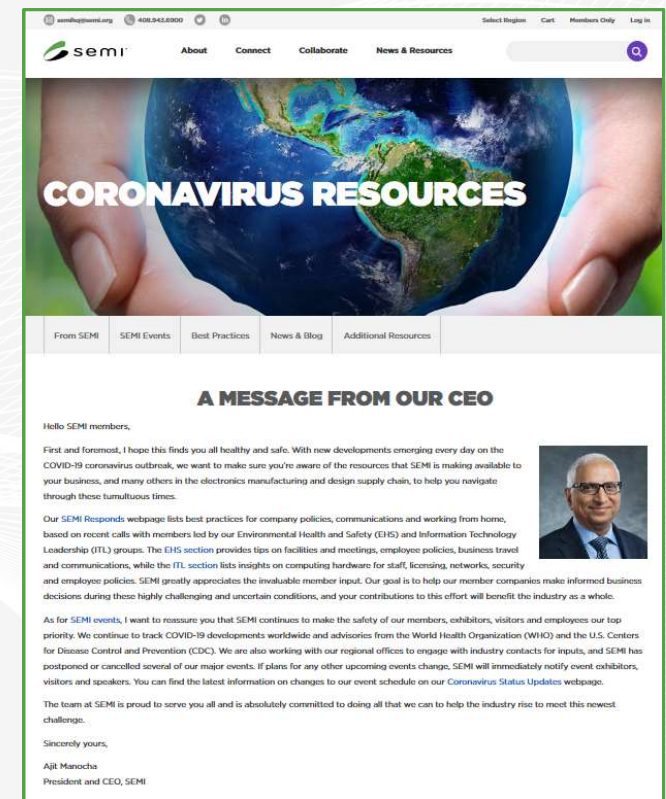


# SEMI COVID-19 Response

- We hope you are safe and healthy!
- SEMI is working hard to support the industry
  - Resources available on [www.semi.org/coronavirus](http://www.semi.org/coronavirus)
  - Advocating with regional governments
  - Rescheduling events – Safety top priority
  - Conducting a number of member surveys
    - 2 on general sentiments
    - 3 in operational areas



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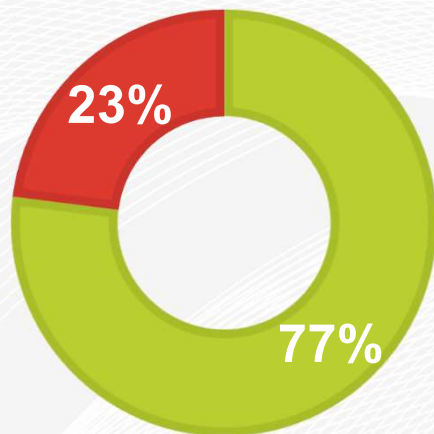




# COVID-19 Industry Survey: Initial Findings

## MANUFACTURING OUTPUT CHANGE

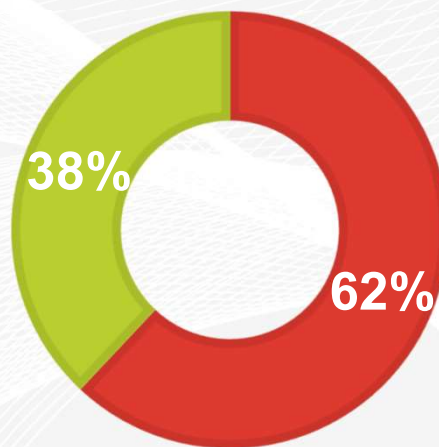
■ 75% or greater ■ Other



Most companies (77%) expect output will meet 75% (or more) of their original plan

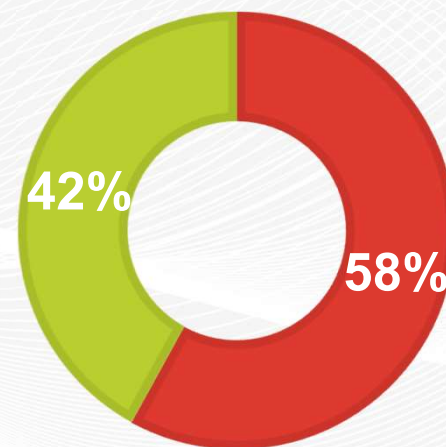
## ADJUSTED WORKING CONDITIONS

■ 50% or greater ■ Other



## PLANNING TO DIVERSIFY SUPPLY CHAIN

■ Yes ■ No



N = 320 companies  
As of 3/26/2020



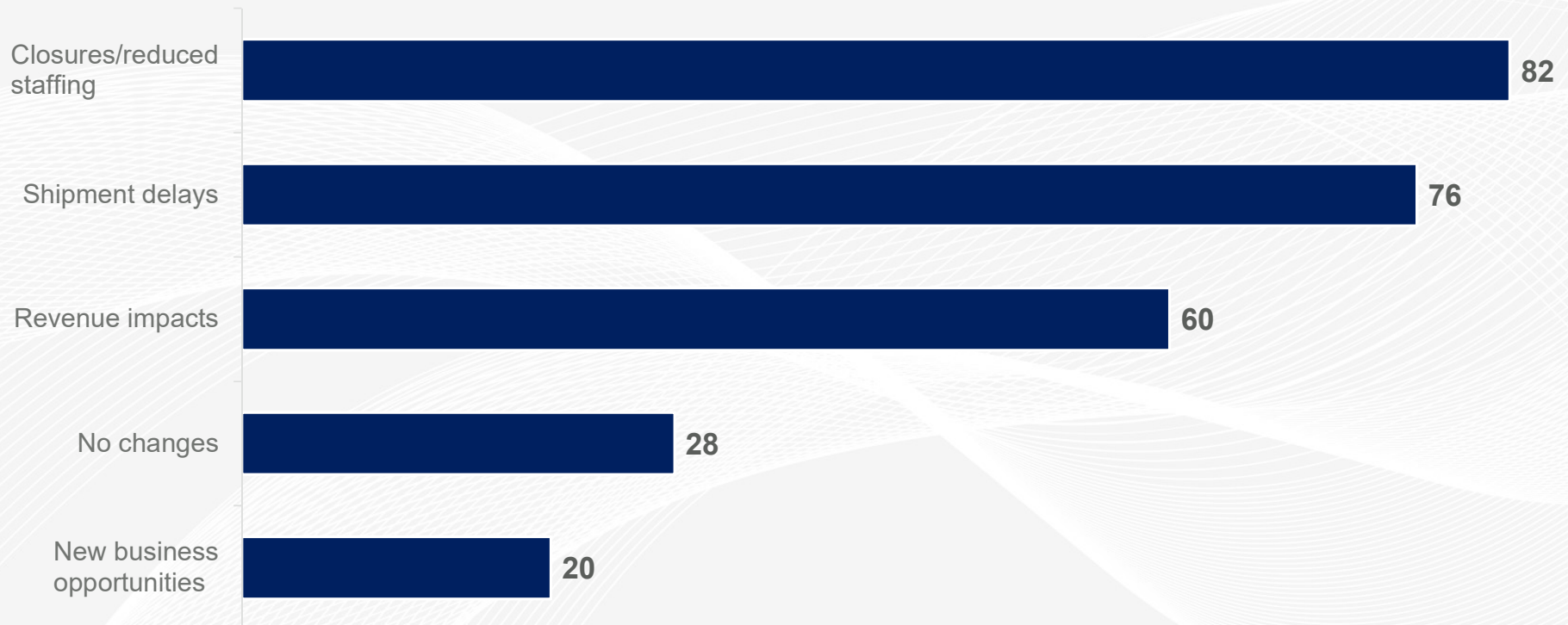
# “When will the semiconductor market recover”



# Latest Developments: Closures, Shipment Delays, Revenue Impacts



How has your company's situation changed since February? [Check all that apply]





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# **McKinsey & Company Perspectives**

**Mark Patel, Partner**

 **CONNECT - COLLABORATE - INNOVATE - GROW - PROSPER**





# **SEMI Communities in Action**

Mike Ciesinski, VP Technology Communities

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## Visit the “SEMI Responds” Website

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- SEMI Events Updates
- Best Industry Practices
  - EHS Leadership Committee
  - Fab Owners Alliance
  - IT Leadership
  - SEMI Global Offices
- Regional Perspectives
- Funding Opportunities
- SEMI Advocacy
  - Understanding State and regional mandates & guidance
- FAQ

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# EHS Leadership Committee

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## Focus: Employee Best Practices & Communications Policies

- Employees
  - Employee Policies
    - Compulsory WFH
    - Rotating schedules
    - On-line training
  - Facilities and Meetings
    - Strict policies on site visits
    - Temperature checking & health questionnaires
    - Promoting teleconferencing
  - Business Travel
    - No travel unless business critical
    - Self quarantine after travel
- Communications
  - Internal
    - Company Email
    - Internal website
    - Supply chain portal(s)
  - External
    - Company website
    - Media releases
- Other
  - Escalation and De-Escalation Strategies and Tactics



# IT Leadership Group

## Focus: Infrastructure, Hardware and Software

- Hardware
  - Equipping employees with laptops and workstations as needed and as available
  - Allowing peripherals to be removed from offices
- Teleconferencing and VPN
  - Communication infrastructures proving strong
  - Teleconferencing platforms seem to be resilient
  - Buying additional bandwidth
  - Buying more licenses for VPNs and teleconferencing capability for WFH
  - New VPN schemes have been necessary for some countries
- Security
  - Significant uptick in phishing attempts
    - Topics: medical leave, compensation
- Employees
  - Social distancing
  - Implementing A and B shifts
  - Alternating workforces each week
  - Help desk calls initially high; but have moderated



# Fab Owners Alliance Community

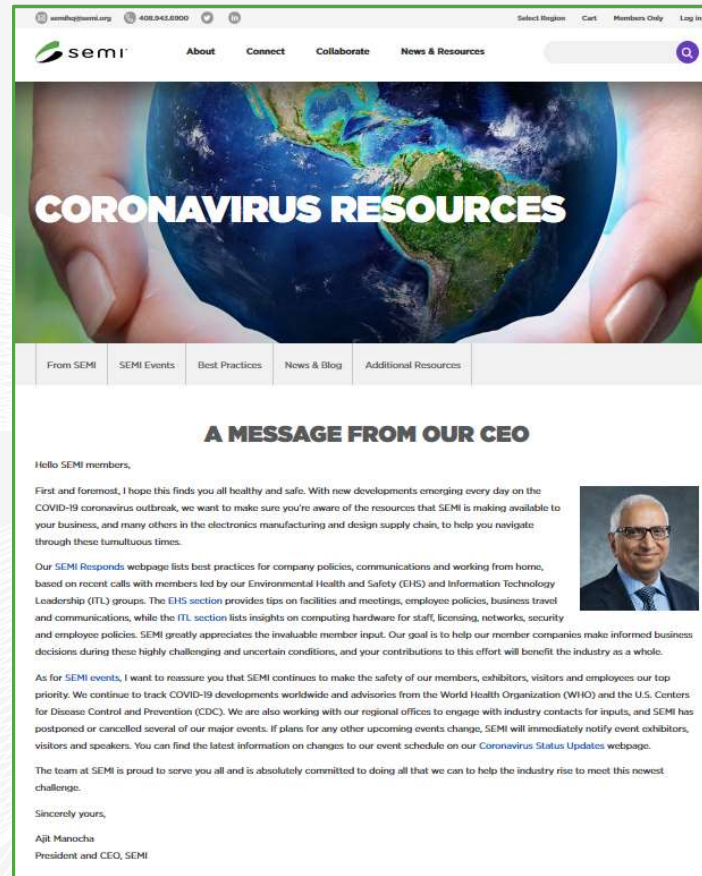
## Focus: Share Industry Best Practices

- Fabs
  - Thermal screening (FLIR) introduced
  - Additional disinfection underway
  - Vendor access restricted
  - Employee separation
    - 20-60 min shift changes to minimize overlap in gowning, etc.
- Travel
  - Restricted to critical company business
  - 14 day quarantine
- Employees
  - Social distancing
  - Limited use of cafeterias
  - Rotating work schedules
- Business Continuity
  - Tracking materials supply closely
  - Shortages of disinfectants and masks
  - School closures impacting workforce availability and productivity



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# Closing Remarks

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- SEMI is proactively working to ensure **our members and the broader industry are supported worldwide**
- **We see the industry rising to the challenge** and sharing best practices
- Join with the industry in supporting the healthcare system by **donating masks, gloves and additional supplies**



The background of the slide is a deep blue gradient. In the center, a hand is shown holding a globe of the Earth. Three butterflies are depicted in flight around the globe. In the upper left and lower right corners, there are clusters of semi-transparent blue hexagons.

# Q&A

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