

# When Geopolitics Hits the Supply Chain: What Operators Need to Know.

*Analyzing how temporary maritime corridor shifts impact physical operations and cost management.*

Geopolitical Risk · Supply Chain Resilience · Energy Logistics · Operational Planning

The newsletter for energy leaders who prefer operational reality over geopolitical narrative.



## The immediate shock: Why the price moves before the barrel is moved

In the world of global logistics, there is a massive gap between what happens on a trading floor and what happens at a loading dock. When news breaks about maritime corridors—whether they are opening due to eased tensions or closing because of conflict—the market reacts in seconds. A headline hits a terminal; algorithms trigger trades; commodity prices spike or plummet before the first ship even changes its heading.

This is **The Sentiment Gap**.

It is the delta between "information" and "execution." For an executive looking at a dashboard, it looks like a sudden volatility event. For an operator on the ground, it feels like noise. The market isn't moving ships; it's reacting to the *possibility* of movement. When news suggests a corridor is opening, traders are betting on future availability. But for the person managing the actual flow of goods, that "availability" doesn't manifest as a sudden influx of product at the warehouse gate.

We must distinguish between market sentiment and physical capacity. A headline about an open route does not mean there are suddenly enough cranes, enough fuel, or enough skilled labor to move volume faster than yesterday. The price moves because people are afraid; the supply chain only moves when the infrastructure allows it. When you see a massive spike in cost due to a geopolitical shift, remember that the market is pricing in fear and uncertainty, while your operation still has to deal with the physical reality of lead times, port congestion, and mechanical constraints. Don't mistake a headline for an immediate change in your local inventory levels.

### What actually happens on the ground when a corridor opens?

When a new route or "corridor" becomes viable, it doesn't instantly solve your supply chain problems. It often just shifts them to a different part of the map. Many leaders fall into **The Capacity Myth**: the belief that because a path is legally open, it is operationally ready.

A corridor being "open" means the flags are down and the gates are unlocked. It does not mean the infrastructure is prepared for a surge in volume. When these shifts happen, three things hit your operations immediately: insurance, port throughput, and labor availability.

Insurance companies don't care about political sentiment; they care about risk premiums. Even if a corridor opens, "high-risk" zones often keep premiums high until months of stable operation can be proven. Then there is the physical bottleneck. If everyone rushes to use a newly opened route, you get a different kind of problem: port congestion. You might have a clear path to sea, but no available berth at the destination.

The following table illustrates what leadership often hears versus what happens on your floor when these shifts occur:

| The Narrative (What is said in meetings)                        | The Reality (What happens at the dock)                                                 |
|-----------------------------------------------------------------|----------------------------------------------------------------------------------------|
| "We have a new, safer route to source our components."          | "The route is open, but insurance premiums just doubled for the first six months."     |
| "Open corridors will lower our logistics costs immediately."    | "Port congestion on the new route means we need more safety stock to cover delays."    |
| "Geopolitical shifts are being managed at the corporate level." | "Our freight forwarder is struggling to find enough drivers/ships for the transition." |

The reality is that a shift in geography doesn't mean an immediate change in your ability to move product. It means you have a new set of variables to manage—different ports, different local regulations, and different labor constraints. You aren't just "switching routes"; you are entering a new operating environment that requires its own period of stabilization before it becomes reliable for lean manufacturing.

### The Three Operational Levers of Resilience

When the map changes because of something as unpredictable as geopolitics, you cannot rely on your standard operating procedures to adapt instantly. You need levers you can pull today to stabilize the floor while the "macro" world figures out its next move.

We focus on three specific levers: **Inventory Buffers**, **Routing Flexibility**, and **Contractual Agility**.

### 1. Inventory Buffers (The Safety Net)

In a stable environment, lean is king. When your supply chain enters a volatile zone—such as when maritime corridors are shifting—lean must be balanced with "just-in-case." You aren't just hoarding parts; you are building an insurance policy against lead-time variability. This means identifying the 20% of components that represent 80% of your production risk and ensuring they have a buffer that can withstand at least one major disruption (e.g., a three-week port delay).

### 2. Routing Flexibility (The Map)

Relying on a single "best" route is a failure of planning. Resilience means having pre-vetted, secondary routes ready to activate. If the primary maritime corridor becomes congested or risky, can you pivot to rail? Can you switch to an alternative port? This isn't about deciding what to do *when* things break; it's about knowing exactly which path to take before the first delay occurs. You should have a "Plan B" route already vetted by your logistics partners and integrated into your master schedule.

### 3. Contractual Agility (The Permission)

Many organizations are hamstrung because their contracts are too rigid. If your contract with a freight forwarder or supplier specifies one specific port or one specific lane, you have no room to move when the situation changes. You need "option-based" agreements. This means having the legal and operational permission to pivot routes or carriers without renegotiating the entire contract every time a headline makes the front page.

## Practical takeaways for the supply chain manager.

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If you are managing any part of the flow from supplier to customer, here is how you should act this week:

1. **Identify your "Critical Few."** Don't try to buffer everything. List your components and rank them by "Impact of Stockout" vs. "Lead Time Volatility." Focus your inventory buffers on those that are hard to get and critical to the line.
2. **Audit your "Single Point Failures."** Look at your current routes. If a single port or a specific maritime corridor is the only way for a key component to reach you, identify it as a high-risk node.
3. **Perform a "Stress Test" on Lead Times.** Ask your logistics partners: *"If this route becomes unavailable tomorrow, how many days of buffer do we have before production stops?"* If the answer is less than two weeks for critical parts, you need to adjust your safety stock levels immediately.

4. **Pre-book Capacity.** Don't wait for a crisis to find space on a ship or a truck. In times of geopolitical shift, "spot" capacity disappears instantly. Secure longer-term commitments with primary and secondary carriers now.
5. **Map the "Port Gap."** Identify the ports that would be used if your primary route failed. Contact those ports' operators to understand their current wait times and labor availability. Knowing the reality of a backup port today is better than discovering it's overwhelmed next month.

## Call to Action

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What specific choke point or corridor worry keeps your operations team up at night? Share this diagnosis with a colleague who needs an honest assessment.

Newsletter replies: [newsletter@sixsigmakaizen.com](mailto:newsletter@sixsigmakaizen.com) · X: [@kaizen\\_6sigma](https://twitter.com/kaizen_6sigma)

*Stay curious, stay improving,*

**David Rodgers**

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**References:** Oil slides again on news of Iran and Oman reaching deal ([okenergytoday.com](https://okenergytoday.com))