

Lessons Learnt from COVID-19 Pandemic

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INTRODUCING MEENAKSHI...

- I am a supply chain professional having 16 years of experience.
- I have completed my academic degree BTech in Chemical Engineering and is a Certified Lean Six Sigma Black Belt.
- I have PMP (PMI,USA) & CPSM (ISM,USA) certifications.
- Currently I am associated with Air Products & Chemicals.
- I have worked for various MNCs in Manufacturing & EPC sectors ; Vedanta Resources, Larsen & Toubro and Bechtel.

Discussion Points



- What COVID-19 Pandemic taught us ?
- Why Resilient & Agile Supply Chains ?
- How to Build Resilient & Agile Supply Chains ?
 - Culture
 - People
 - Process
 - Technology
- Conclusion

What COVID-19 Pandemic taught us ?



- ❑ COVID-19 has taught that VUCA (Volatility, Uncertainty, Complexity , Ambiguity) is intrinsic in today's business environment.
- ❑ To manage VUCA related risks, it is imperative to build resilient & agile supply chains.

It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change.

- Charles Darwin

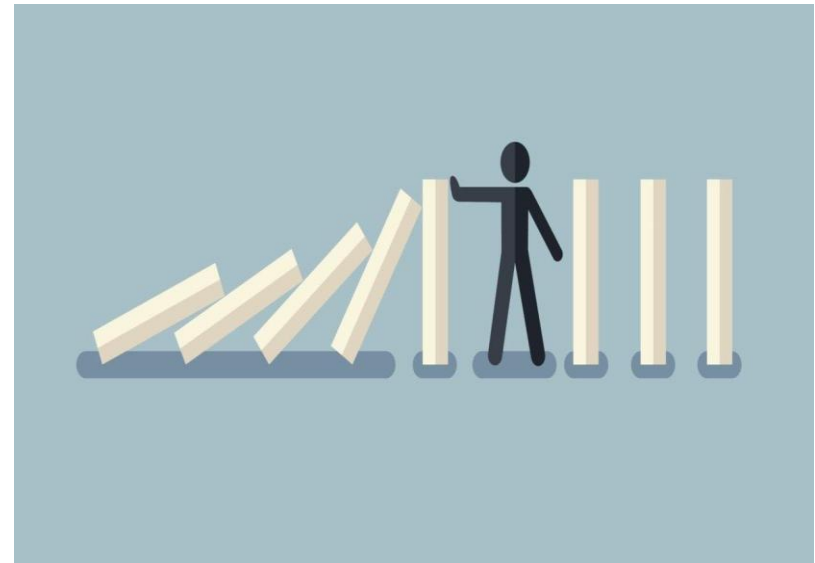
Why Resilient and Agile Supply Chains?

- ❑ Resilient & Agile supply chains incorporate event readiness, can provide an efficient response, and often can recover to their original state or even better post the disruptive event in a short span.
- ❑ Enhance supply chain performance and competitiveness.
- ❑ Building resilient & agile supply chains in our system will not only help us to tide over the crisis, but also help us to turn “Adversity to our advantage”.

How to Build Resilient and Agile Supply Chains?

Strategy for building Resilient & Agile Supply chains has four elements:

- Culture
- People
- Process
- Technology



Culture

- Cultural change is difficult, but not impossible.
- Culture, must be aligned with strategy.
- Resistance to change will be especially strong if the organization/ team features a history of success.
- Flatter organizations enable leaders to be closer to the action.
- Leaders' behaviours greatly influence the organizational culture, that embrace change and in building agile organisations.

People

- ❑ Organizations need enough skilled manpower to build resilient & agile supply chains.
- ❑ Supply chain professionals should be exposed to curated learning opportunities.
- ❑ Sourcing & Procurement professionals shall be grouped into “Tactical Sourcing” professionals & “Strategic Sourcing” professionals.
- ❑ Organisations shall boost “Collective Intelligence”. Having diversified teams, with high collective intelligence will help.

Process

“What gets measured gets managed “- Peter Drucker

- ❑ **Current Practice:** Majority of the organizations measure the efficiency of procurement (only) on cost savings & not on supplier performance, sourcing strategy etc.

- ❑ **Results:**
 - It is ingrained in many of the procurement professionals to minimize & manage costs and at the end of the day, they do not manage their suppliers well.

 - Too much reliance on single source/vendors from same region.

Process-Takeaways

- ❑ **Globalization** : Stay away from single-source relationships and work to expand supply network across geographies.
- ❑ Companies shall implement Supplier Relationship & Performance Management.
- ❑ Organizations shall invest in monitoring their global suppliers, including second- and third-tier suppliers.
- ❑ Maintaining good working relations with the supplier and following “Collaborative Planning Forecasting and Replenishment (CPFR)” approach will help to manage risks.

Technology

- ❑ **Leverage digital capabilities** - Organisations with digital tools, accessible data and advanced analytical capabilities will be able to respond more quickly, and successfully to disruptions.
- ❑ **New technologies, such as artificial intelligence and natural-language processing, have made extensive supplier monitoring affordable and readily accessible .**
- ❑ **Real-time analytics and decision support tools, including enterprise resources planning and electronic data interchange platforms, can help provide baseline data which, in turn, justifies investments in spend, supplier and commodity analysis.**

Conclusion

- ❑ Inevitably, things will go wrong.
- ❑ It's how we respond to hitches and uncertainties...matters.
- ❑ Good Practice:
 - Capture any lessons learnt on the risks that occurred and how we responded & tackled them, to create that database of best practices.
 - These learnings are to be fed into supply chain management strategy, driving chances of future success.

THANK YOU!



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