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RESTORING INDIAN SUPPLY CHAIN IN THE 'NEW NORMAL'

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As per advice being given by the World Health Organisation in their media briefings and expert opinions appearing in the media, the worst from the COVID-19 is yet to come. This implies that countries have to make a choice between saving lives of their citizens by imposing endless 'lock downs' thereby permitting their economies to be decimated to a level that even the citizens find it hard to live a respectable life or create such dynamic processes by which a balance is struck between saving lives and making the economies also grow at a decent pace to prevent total devastation . The Prime Minister of India during his last address to the nation has rightly upgraded the slogan of his earlier address to the nation before imposing the lock down from 'Jaan Hai toh Jahan Hai' to 'Jaan Bhi aur Jahan Bhi' which implies that from the earlier call of saving lives even at the cost of economy, the time has now come for the country to take stock of the situation and find ways to commence economic activity while continuing to look after the health of the citizens. Such challenging situations need extraordinary and innovative solutions which are not found in the management books.

Supply Chain forms backbone of any economy especially for a country as large as India. Even during the earlier recession periods, the supply

chain industry continued to grow, and it was estimated that the Indian supply chain industry will continue to grow at an estimated 8 to 10 percent for the next few years. Therefore, while the supply chain was the last to close as a result of this pandemic that too not completely, it should be the first to get on its feet and move on. There is a lot to learn from the military supply chain which is designed to operate primarily during 'War' and its operations during peace are incidental. When we look at the havoc played by the COVID-19 in terms of loss of lives globally and devastation of the global economy, for sure it is no less than the 'Third World War' which hasn't come to an end as yet. Taking a leaf out of the military Supply Chain, it would be prudent to revisit the Indian Supply Chain and reorient it to the 'New Normal' times with minimum or no disruption. This crisis has also given us an opportunity to embed risk mitigation strategies and processes in our supply chain to take care of future disruptions which could be localised due to a natural calamity like flood/earthquake in a region of India or countrywide or even global the way it is now. Our future processes must be 'Disruption Resistant' if not 'Disruption Proof' which is a tall order. Risk mitigation invariably means a little extra cost but in case we design a dynamic supply chain which has provisions to invoke processes during disruptions to the existing ones, it will be both economical and disruption resistant.

In the short term, the Government has rightly permitted interstate movement of even non-essential goods which is a step in the right direction. The drivers, co drivers and loaders etc are now forming part of the corona warriors team. We need to institute measures to ensure that they stay in good health because in case of too many casualties amongst this group, a fear psychosis can set in where non-availability of work force can adversely affect the supply chain functions and add costs. To prevent such an eventuality, arrangements must be made to monitor their movement may be by using the Arogya Setu App, carry out more frequent tests and take such measures, so that these workers don't become interstate carriers of infection instead of goods. The halting places for the trucks could be designated, monitored and suitable facilities provided. Besides means of transportation, the supply end needs to have processes and checks in place to prevent spread of infection. A sense of collective responsibility and trust will go a long way in minimising disruption due to residual infection. This crisis can also be taken as an opportunity to create good quality 'Rest Areas' along the highways instead of unorganised roadside unhygienic eating places (Dhabas) and repair facilities. Such facilities created on a public private partnership basis will not only give comfortable organised halting places for the load carriers operators and travellers but will also create jobs and keep the highways free of encroachments which slow down the traffic and are avoidable bottlenecks. Needless to state that the facilities

of food, bathing places, repair of vehicles etc provided in such rest areas must conform to the tastes/liking of the users and not on the Western model. The users must be attracted and not forced to use them. In sum, for the immediate period, there is a need to monitor and regulate movement with the aim of health and disease prevention of the work force and prevent spread of the disease. Creation of infrastructure discussed above is an ongoing process, but a beginning can be made.

For the long run, this is an ideal opportunity to transform the Indian Supply Chain and logistics segment which has largely been unorganised. Infusion of technology is the most important step which can help this process. In the current business environment, supply chain and logistics is no longer a function of movement of goods. With improved infrastructure, modes of transport and communication means, movement of goods is taken for granted. The client and the industry now look at the value addition in terms of real time tracking and connect with procurement, warehousing and distribution functions. Use of technology in the supply chain industry has been piecemeal which has not made substantial difference for the industry. The country needs to create a nationwide platform which connects the driver, helper, Owner, client, warehouse and all other stake holders round the clock. Real time tracking of consignments and availability of related data should be a 'given' which will then change the way supply chain operates. Digitisation of Indian Supply Chain will be as transformational a step as has been the introduction of Goods and Services Tax (GST) which has ended the kilometres long queues of load carrying trucks at the interstate borders.

There is a need to continue infrastructure creation so that it generates jobs, investment as also reduces the cost of logistics as percentage of GDP which is high in case of India compared to other economies. Despite improvement in infrastructure and introduction of transformational legislations like the GST, India needs to do a lot more to become globally competitive in logistics. India has slipped to 44th position in the World Bank Logistic Performance Index (LPI) 2018 from the 35th position it held in the 2016 World Bank report. Modal mix of transport to carry mass goods like food grain and construction material must shift towards Waterways and Rail which are much cheaper and more economical compared to Road through which we transport almost sixty percent of cargo in India at this juncture. Early restoration of country wide supply chain will help cut losses for every strata of the society including, manufacturers, transporters, retailers and the consumers. A systematic monitoring and adopting a policy of 'Seek and Respond' by the authorities to address problems that may arise during the implementation will help restore the supply chain and logistics to a near normal in the times of 'New Normal' of the global pandemic called COVID-

19. India again has a great opportunity to show the 'in built' resilience in our systems and the society.

<https://www.valueshipr.com/blog/logistics-performance-index-2018-not-well-india-slipping-league-table/>

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