

# THE EVOLVING NATURE OF SUPPLY CHAINS



## BUILDING RESILIENCE, CATALYSING GROWTH

> *The 2<sup>nd</sup> edition of the Supply Chain and Logistics Conclave scrutinised the disruptions and trends inherent to the industry, and charted a way forward*

Systemic shocks delivered over the past few years have jolted industries and societies awake, and that's before one even mentions a black swan event such as the pandemic. Think of the Suez Canal blockage, soaring energy prices on the back of the war in Ukraine, climatic shifts that are wreaking havoc, and so much more. So while it can be said that the worst of the supply chain disruptions seen in recent years are easing, challenges known and unknown are constantly emerging.

Putting in motion contingencies for all these scenarios is virtually impossible, but knowledge is a powerful tool with which one can navigate these changing contours. In today's volatile global environment, up-to-date knowledge of end-to-end Supply Chain Management has become increasingly important to embed resilience and agility across the value chain. This helps organisations to not only survive, but thrive, and capable of responding to situations quickly and effectively.

The 2nd annual edition of the Team Marksmen Supply Chain and Logistics Conclave sought to unearth this wisdom by providing a platform for stakeholders in India's supply chain and logistics ecosystem to convene and deliberate on how to navigate the challenges of today's complex supply chains.

This one-of-a-kind platform discussed the best practises for creating a sustainable supply chain, addressing talent gap in the supply chain and logistics sector, navigating complexities of logistics infrastructure, automation and supply chain resilience. Through a power-packed roster of speakers, the conclave aimed to foster deep learning and the exchange of ideas about the latest developments in Supply Chain Management for senior leaders, as well as future and aspiring leaders in Supply Chains.

## INDIA'S SUPPLY CHAIN OPPORTUNITY

> *As industries and economies look to decouple from China in a post-COVID world, India has a unique opportunity to cement its global foothold.*



Historically speaking, global supply chains were designed to be closest to resource availability, customer proximity, cost concerns, or any combination of these factors. Geopolitical concerns or socio-cultural peculiarities were less of a factor when taking these decisions compared to economic arguments.

In recent years, that conventional logic has flipped on its head. It can be seen in steps taken at a governmental level, such as the Biden-Harris Administration announcing a multitude of measures to diversify America's supply chain and long-term supply chain resilience - such as the implementation of the Bipartisan Infrastructure Law. And it's not just at a policy level that this silent shift is playing out; be it Google, Tesla, Xiaomi, Samsung, or Apple, corporations the world over are waking up to the idea of India as an alternate production hub amid ongoing efforts to decouple from China.

### An indigenous growth story

The Government of India is playing its part to drive growth, with plans to reportedly invest \$1.4 trillion in infrastructure projects over the next five years through the National Infrastructure Pipeline, and invest \$25 billion in improving shipping and port infrastructure. These investments, if fully realised, will cement India's prominence in the global supply chain. The lure of India's potential could be too strong to ignore.

Apple's tale isn't an outlier, either. If anything, it is the norm, with other heavyweights such as Google, Samsung, and Xiaomi ramping up Indian manufacturing to improve access to the huge local market and to diversify its global exposure. Tesla too has eyed India for a long time, with momentum picking up in recent months as reports say the electric vehicle manufacturer is seriously considering setting up a factory in India as it looks to expand its production network beyond the U.S.A., China, Germany, and Mexico.

You might believe this to be a largely tech phenomenon, given that is the common thread running through all the brands mentioned above. You'd be wrong. Apparel and footwear brands are making a beeline for other manufacturing destinations away from China, such as India, Turkey, Vietnam, and Egypt.

India, of course, stands to win in this scenario. With PM Modi's Make in India initiative receiving a major fillip in recent times, this push to attract manufacturing investment from big global brands seems to be paying off. Recent proof of this is Micron Technology's commitment to investing \$825 million to build a semiconductor assembly and testing facility in Gujarat, and Amazon Web Services putting its money where its mouth is and committing to invest \$12.9 billion in India by 2030, including to build new data centres.

### A hub of manufacturing activity

Perhaps the most prominent name to set up manufacturing base in India is tech titan Apple, which aims to ramp-up non-China-based manufacturing from 5% to 25% of products by 2025, as per a J.P. Morgan analyst. That represents a significant shift away from global supply chains as we know them.

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Back in 2014, PM Modi envisioned growing manufacturing to 25% of India's GDP, and recent movements seem to suggest that vision will become a reality, sooner or later. A new world order is forming, and India could find itself to be a major player in the global supply chain. This is a generational opportunity that must see industry and policymakers work closely together to realise its full potential.

## INDUSTRY PERSPECTIVES



**ANKUR BHAGAT**  
 Executive Sponsor -  
 LGBTQ+ Inclusion;  
 & Vice-President  
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The biggest challenge facing supply chains can be summarised as FAST framework. This centres around the fast-changing and evolving consumer behaviour, a case in point being the pace at which online and offline is evolving into Omni Channel. So, supply chains need to be geared up to ensure the availability of products and services at all points, irrespective of where the consumer chooses to make a purchase while being cost competitive. At the same time, last few years have taught us that agility and resilience is the need of the hour, as we continue to live in the VUCA world. Leveraging technology, forging external partnerships, and focusing on sustainability will be the key to stay ahead of the game.

Across the supply chain, innovation is going to be the way that you will distinguish the good supply chains from the not-so-good. Innovations are really about Manufacturing 4.0, Automation, Digitisation, and Analytics; there's so much happening that I think it's just our limitations that stop us from fully harnessing these innovations and going that extra mile.



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