Case 6B

Type: Value Chain

Problem Statement:

Your client is a large FMCG company. The COVID pandemic has caused significant disruptions to their supply chain. Can you suggest some interesting things they can do with their supply chain post the COVID second wave?

SCRIPT KEY	
Interviewer	
Interviewee/Candidate	

Your client is a large FMCG company. The COVID pandemic has caused significant disruptions to their supply chain. Can you suggest some interesting things they can do with their supply chain post the COVID second wave?

Sure, I'd start by looking at their value chain, starting from R&D, forecasting, raw material acquisition, logistics, manufacturing, and distribution. I would also want to know few other things before proceeding.

What would you want to know?

Can you provide some information about company's supply chain and distribution and what measures they took during the 1st wave of COVID?

The client has over 70 suppliers and around 40 facilities across India, they import most of their material, and have 500+ distributors. During COVID, the factories were shut down for two months. The workforce was also reduced.

Certainly. I would like to proceed with the forecasting. When approaching the forecasting task, I would evaluate it from both a business and technical standpoint. From a business perspective, I would coordinate the demand and supply. From a technical standpoint, I would assess the technology we are currently using and consider whether there is room for improvement.

What would you like to address first?

I would like to address the problem from the business standpoint first.

Sure, go ahead.

How has the demand and supply dynamic for client's products been lately?

The demand has been restoring to earlier levels slowly, you can ignore that part and move ahead to client's supply chain.

Ok, has the client implemented any digital technologies in their supply chain?

What technology do you have in mind?

I would suggest the use of Advanced analytics, AI ML, IoT to increase supply chain visibility, track inventory in real-time, and optimize their logistics operations.

How can IoT help?

This technology has the ability to offer up-to-date information, assist in recognizing how consumers are spending their money and tracking store traffic. For example, you can automate order processing and tracking to reduce human errors and increase visibility into your inventory levels. Additionally, it can enhance communication channels between wholesalers and merchants.

Great. What else do you wish to explore?

I would like to move to supplier relationships, can you give a brief understanding of the same?

Sure, the client has around 70 suppliers, most of them overseas and the relationship hasn't been good post the first COVID wave.

Does the client have any local suppliers?

Yes, but only a handful of them.

Ok, I would suggest them diversifying their regional supply base and building local production capabilities, by doing so, they can reduce their dependence on overseas suppliers, minimize supply chain disruptions, and ensure faster time-to-market. By building strong partnerships with local suppliers, the client can proactively address supply chain risks, streamline procurement processes, and improve product quality simultaneously.

Ok, we can end the case here.

VALUE CHAIN FRAMEWORK
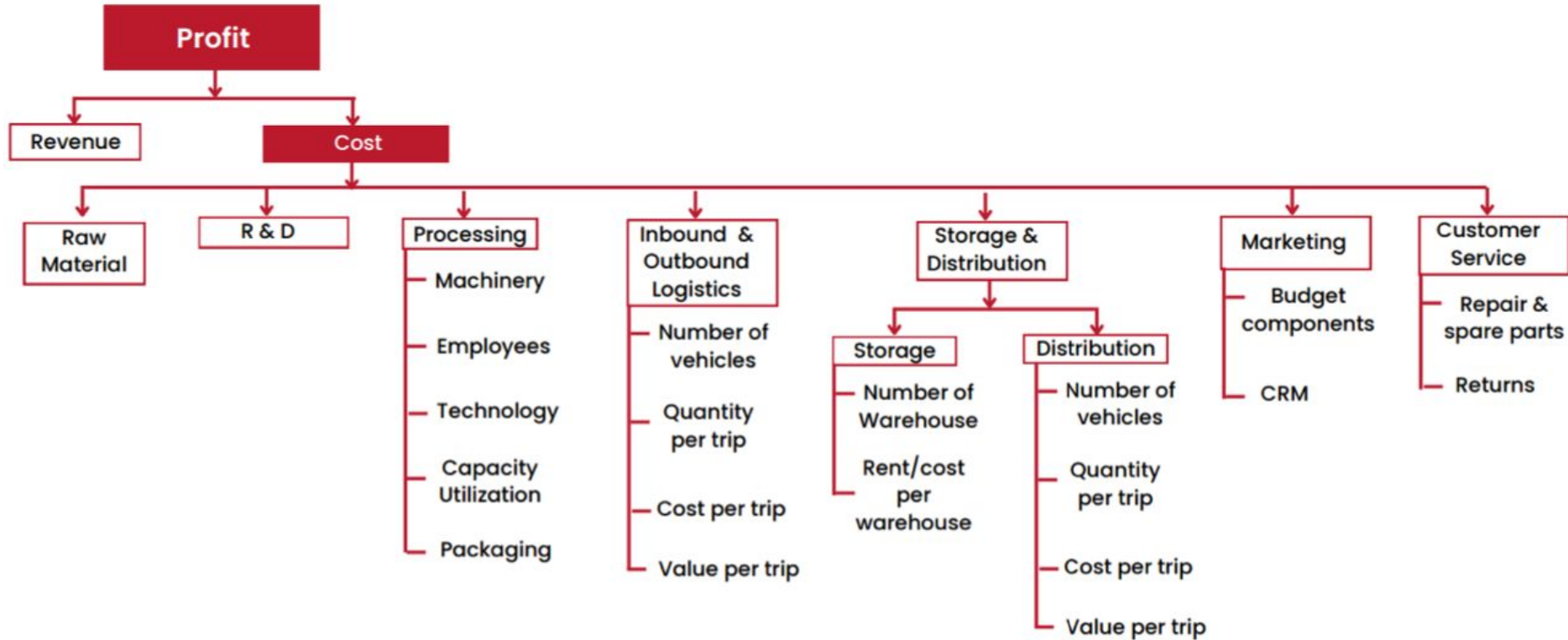
QUALITATIVE INFORMATION

Case Background:

Your client is a large FMCG company. The COVID pandemic has caused significant disruptions to their supply chain.

Case Facts:

1. Focus on the supply chain
2. Demand is restoring to earlier levels slowly
3. Workforce is reduced
4. 70 suppliers and 40 facilities across India

CLARIFYING ANSWERS TO BE PROVIDED ONLY IF ASKED BY INTERVIEWEE

Interviewee	Interviewer
How does the supply chain of the company function?	The client has over 70 suppliers and around 40 facilities across India, they import most of their material, and have 500+ distributors.
What measures were taken during the first wave of COVID-19	The factories were shut down for two months and the workforce was reduced.
Focus on demand or supply chain dynamic for client's products?	Supply Chain
How are the supplier relationships with the organisation?	Most of the suppliers are overseas and the relationship has not been good post the first COVID wave

Target	Recommendations to achieve the target
1. Implement digital technologies	Suggest the use of Advanced analytics, AI ML, IoT to increase supply chain visibility, track inventory in real-time, and optimize their logistics operations.
2. Improve supplier relationships	By building strong partnerships with local suppliers, the client can proactively address supply chain risks, streamline procurement processes, and improve product quality simultaneously.
3. Diversify supply chain	Building local production capabilities will reduce their dependence on overseas suppliers, minimize supply chain disruptions, and ensure faster time-to-market.