



MAKE IN INDIA AND ROLE OF SUPPLY CHAIN

Our Prime Minister gave a clarion call as MAKE IN INDIA. He is envisaging that India should become a manufacturing hub for the entire world using resources in terms of raw material and technology available in India.



Many have perceived the call in divergence and expressed different opinion.

Larger understanding is that India should reduce our import quota at least for components of sub-assemblies and assemblies of Capital Machinery and also avoid or reduce import of fully finished Capital Machineries. In case, Import of such machinery is inevitable, insist overseas suppliers to source minimum of 30% components from

India. This will, to some extent, control the outgo of Foreign Exchange as we may earn foreign exchange by exporting components to our own suppliers of unavoidable Capital Machinery imports.

As companies increasingly use their supply chain to compete and gain market Share, spending and activities in this area are notably on the upswing. Technology and process upgrades at forward-thinking companies clearly show that supply chain excellence is more widely accepted as an element of overall business strategy and that increasing value to customers is not just management's, but everyone's business.

This MAKE IN INDIA concept will bring new trend in supply chain function. Instead of conventionally plant level production planning it is better to focus on demand driven model, which is more customer centric. This will also have a telling effect on Inventory holding of the company.

In the present, global business environment, most impacted area is supply chain. Sourcing of material, manufacturing, distribution, invoicing, have all been significantly impacted by the increased integration of global customer and suppliers.

MAKE IN INDIA to be successful, Indian companies is to manage increased global competition and price pressure. They have to look towards supply chain at ways to reduce cost and to create more efficient value chain so that they can



remain globally competitive. Cost improvements around inventory management, logistics operations, material management and manufacturing costs, including raw material and component acquisition can be found with:

- Transportation/distribution management
- Improved product lifecycle management
- Improved strategic sourcing and procurement

Suppliers can differentiate themselves in a number of ways as well as provide Value, addition services and capabilities to their customers. The differentiating factors include:

- Vendor Managed Inventory (VMI)
- RFID
- Labelling and packaging

Yet another increased trend is to outsource all non-core jobs. Some time, to get the best in the Industry from superior and high tech or cost competitive suppliers outsourcing is resorted.

In a MAKE IN INDIA project, which is more global even labelling, compliance to environment and responsible packaging are critical to success.

Collaboration is seen in the increased focus around RFID (Radio Frequency Identification). Value chain leaders are looking at functional areas to better integrate the supply chains of their partners with themselves. RFID can serve as a means to quickly and efficiently ensure that critical product information is communicated as products flow through the value chain and ultimately to the consumer.

As supply chain networks have become more complex, the need for greater and Improved supply chain technology solutions have become critical. Enterprise Resource Planning (ERP) and best Supply Chain Management (SCM) solutions have been developed to address the needs of manufacturing and distribution companies such as Inventory Optimization, Logistics Optimization, Product Lifecycle Management , RFID demand based Manufacturing Optimization etc.,

These technologies have helped enable the supply chain function to innovate, Drive cost optimisation, improve service and meet customer expectations better than ever. In order to have sustainable improvement in supply chain performance, a business must have the right balance of processes and technology.

To remain successful, companies must bestow intensive focus on supply chain Excellence and may even need to re-evaluate their current processes and performance.

In the areas like Demand Planning, Globalization, Outsourcing etc. Companies must embrace Supply Chain Excellence as a core competency at all levels throughout the organisation and recognize that supply chain management is executed in all relevant areas, not just the functional supply chain function.



The question automatically arises as to whether India is having sufficient skilled man power on different aspects and at all levels of supply chain. Again our Prime Ministers call of SKILL INDIA dream can also be realised which is an essential part for MAKE IN INDIA project.

Training and Certification on Demand planning, Procurement and its components like indenting, Negotiating, commercial and taxation areas, warehousing, Inventory optimisation, Logistics and even Export and Import Management , will give adequate support to MAKE IN INDIA project.

In this direction, **GLOBAL INSTITUTE OF SUPPLY MANAGEMENT (GISM)** can be of immense help in training the professionals at all levels from start up to proficiency standard. GISM has reserve of expertise in the domain of Supply Chain Management. GISM has partnered with INTERNATIONAL TRADE CENTRE which come under WTO/UNCTAD, for training and certifying in their Supply Chain Program for all sectors of business.

In addition, GISM undertakes Company training program of staff, officers and senior executives and also conduct Management Development Programs on topics of interest to SCM professionals.

GISM also has Certification programs for experienced professionals who would not have taken any formal professional courses. GISM will test and certify them which will be very useful for their career and also for openings for senior cadre. www.gism.org gives full details on GISM.

These few additional and extended initiatives of Supply chain coupled with well trained staff at all levels and bring them under SKILL INDIA empowerment will promise to make India as a manufacturing hub and ensures our Prime Minister's MAKE IN INDIA , a reality.

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