



Kajal Barsagade & Mohit Mishra

M.B.A Sem II

Batch- 2021-22

The Epitome of Global Supply Chain: “MADE IN HOARD-HUB” - No Results Found

The revolutionary Covid 19 era casted the due spotlight upon the veiled factors shrouded beneath the low cost and efficient supply policy of a nations or better say a nation that became superpower owing to its monopolistic approach towards supply chain globally. These factors are- risks of rising costs, trade war compelling industries and businesses to restructure, remodel and refashion their relationships with single nation as a major and to some extend epitome of resource supply for businesses. The menace of Whole sole sourcing from one particular nation by countries round the globe had been brewing for years, but they bubbled up even more during the COVID-19 pandemic. As the pandemic stretched on, no sourcing destination was immune. Lock-down would lift in one region, only to be imposed in another. Supply chain executives became entrenched in a whack-a-mole situation that continues today. Single sourcing from one nation bestowing entire power and control in its hands, was not the only risk; single sourcing from any one region was a

risk. Thus, it is high time to swap single sourcing with global strategic sourcing in order to enable effective resource management as well as global sustainability. There is an immediate need to hedge the bets, as it can't just be totally sourced in one place. Supply chains have been forced to diversify their supplier bases as a result of this discernment, with a few geographies and strategies emerging as dominant. The supply chain's long-term impact is difficult to anticipate. However, two big shifts are likely to occur in the future: vertical integration and regional diversity. Experts have also discovered and concluded that sourcing from close proximity does not correspond to resilience. The COVID-19 epidemic has created a global condition that has never been seen before. Major industries' supply networks have been interrupted, including aviation, pharmaceuticals, and medical equipment. One reason for this is that a particular nation is a prominent hub in many industries' worldwide value chains. It is further demonstrated by the following remarks in this regard. "We've discovered that we've concentrated too much power in one country," Dawn Tiura, CEO of Sourcing Industry Group, stated. As a result of single sourcing, one nation has emerged as the ideal supplier. The current economic condition is being compared to the Great Depression of 1939. According to the IMF, global growth will slow by 3% in 2020.

Procurement leaders' perspectives have shifted. Prior to the pandemic, procurement strategies were oriented toward global sourcing, with digitization being a key trend. Due to the pandemic problem, global trade is anticipated to drop by 13 percent to 32 percent in 2020, a drop that could be higher than that saw after the financial crisis of 2008. The current economic scenario has exacerbated tensions between the US and China, with the US president urging businesses to leave the country.

Business is already started to suffer as a result of the situation. In the short term, considerable investments would be necessary to reduce reliance on global value chains, which may not be practicable due to a shortage of funding. Thus, “NOT MADE IN SUPPLY-GAINT” theory of Global strategic sourcing is need of the hour to also ensure supply chain risk management. Could COVID-19 be the black swan event that causes many businesses, if not entire industries, to reassess and rethink their global supply chain frameworks?

One fact is incontrovertible: it has already exposed the fragility of many businesses, notably those that rely primarily on a single nation for raw materials and end results. Since years of Asian Giant’s dominant role as the "world's factory," any substantial upheaval undermines global supply chains. The fact that more than 200 Fortune Global 500 companies have a presence in Wuhan, the modern urbanized province where the outbreak erupted and which has been severely hit, exemplifies this, that a particular nation withholds the evidences of single sourcing breathing.