

Effect of COVID-19 on Global Supply Chain

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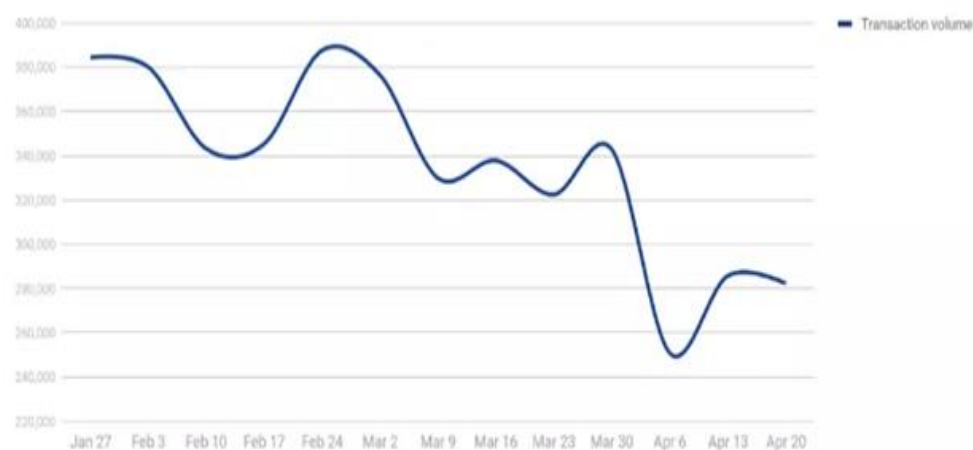
Abstract:- The COVID-19 epidemic challenges businesses to think differently. As a result of the closure, businesses have been instrumental in creating changes in consumer behavior and preferences. Customers are now increasingly aware of what they are buying, where, and how. As demand increases for key products, companies around the world are scrambling to rescue their supply chains to secure faster operations. At the same time, there is an increased need to wait for the release of important and common usage categories that do not qualify for a 'significant' mark. The epidemic has brought many challenges to businesses and made future competitors think of different operating and marketing strategies. This research paper will focus on these unique procurement strategies and asset management strategies that will make the business boom post COVID-19.

Keywords:- SCM, Pandemic.

I. INTRODUCTION

As Coronavirus creates global economic turmoil, the chains of modern technology are under unprecedented pressure and are hampering testing. The latest data from Tradeshift, a global procurement management platform,

reveals the magnitude of the impact on trading and demand. It suggests that the effects of the initial shock may be months ahead. In China, domestic and foreign trade experienced a 56% weekly decline from mid-February. The United States, the UK and Europe follow this, with a combined initial decline of 26% in early April, and a continuous decline of 17% in late April. China, which had the biggest impact on trade in the 1st quarter, saw trade activity increase by 31.8% in the 2nd quarter ^[1]. Trade prices in China rose by a whopping 430% when factories reopened again in February. Employment increased by an additional 14% as lockout limits began to fall in April, but this pressure has begun to increase. China's weekly transactions dropped by 8% from the week of June 15, and impressive because of the country's return, trade activity within the last two weeks of June left 22% more than the rate traded by Tradeshift on its platform within the last quarter 2019. Disruption of conventional systems is often used to accelerate the adoption of supply chain management with modern technology, supported by state-of-the-art technology. The current epidemic is an opportunity to change SCM practices. A forward-thinking organization must revitalize their SCM practices to create a better organization for the future.



Source: Tradeshift

Fig 1:- Week by week transaction volume- US, UK, Eurozone

Although the COVID-19 epidemic has hit trade and investment at an unprecedented rate and rate, the coronavirus problem has also exposed the weakness of the fashion retailer. Consequence of crop closures and provision shortages in the extended supply network as soon as possible due to further supply disruptions to parachutes and

sectors. In the past few months, as the virus has spread across continents, it has had a devastating effect on the economy, businesses, and supply chains around the world. While trade and commodity prices have dropped by 50% within the US, Europe as well as China at the height of the

epidemic, supply chains will still escape panic so the next results will be available months to come back [2].

II. LITERATURE SURVEY

The coronavirus problem has highlighted the weakness of modern detection. Recent data shows a negative economic impact as weekly trade in China, the US and Europe is halved due to the crisis. The COVID-19 epidemic has affected global trade and investment at an unprecedented rate. International companies have been shocked by the first discovery, and then there has been a panic when many countries have ordered people to stay home. Governments, businesses, and individual consumers have suddenly found it difficult to obtain basic products and services, and they have been forced to deal with the division of modern property. The urgent need to build effective, strong and diverse chains has been one of the key lessons of this problem [3].

➤ *Supply chain crises during COVID-19:*

The economic effect of Tokyo's possible closure is to prevent the spread of COVID-19. The negative effect of lockdown can spread to other regions with supply chains due to lack of supply and demand. Using a model-based chemical representation of nearly 1.6 million factories in Japan, we mimic the potential for extracurricular activities outside Tokyo where production activities that are not essential to Tokyo's survival are temporarily closed. We find that when Tokyo is locked for a month, the indirect impact in some areas could be twice as large as the direct impact on Tokyo, resulting in a total loss of 27 million yen production in Japan, or 5.3% of annual GDP. Although closed production in Tokyo makes up 21% of total production in Japan, ice closure will lead to a reduction in daily production in Japan by 86% per month. COVID-19, a novel

coronavirus virus, has been spreading worldwide. As of September 31, 2020, the total number of COVID-19 certified cases reached 30,351,723, and the death toll was 950,557 [4]. To prevent the spread of COVID-19, many countries have imposed strict rules, such as the closure of international borders, restrictions on public meetings, and the closure of schools, shops, and restaurants.

During the COVID-19 crisis, executives of participating companies are faced with the provision of documentation, demand and regulatory risks in inventory. They also see the lack of readiness, the lack of current response systems and the need for greater resilience in procurement. Areas of focus on improving the power of the mirror are common recommendations from the literature and provide a rich opportunity to narrow the gap between research findings and industrial efforts. Key procurement risk measures include the need to balance land and sea access and location, access to multiple resources and greater use of information technology to drive comprehensive and rapid access to information. Perhaps most importantly, talent management in asset management needs to encourage focus not only on costs, but also on integration and learning from current events to improve decision-making [5].

➤ *Production stoppage due to lockdown:*

In recent years, Wuhan has evolved into a state-of-the-art technology such as optoelectronics and semiconductors. It is home to one of China's most advanced plants that makes 3D NAND memory used on Smartphones and computers. In addition, Wuhan is known as the "motor motor" of China intermediate institution: preface information and return of first report questions [6]. Due to the large availability of domestic and foreign Motors operators, including Dongfeng Motors, Honda, and PSA group.

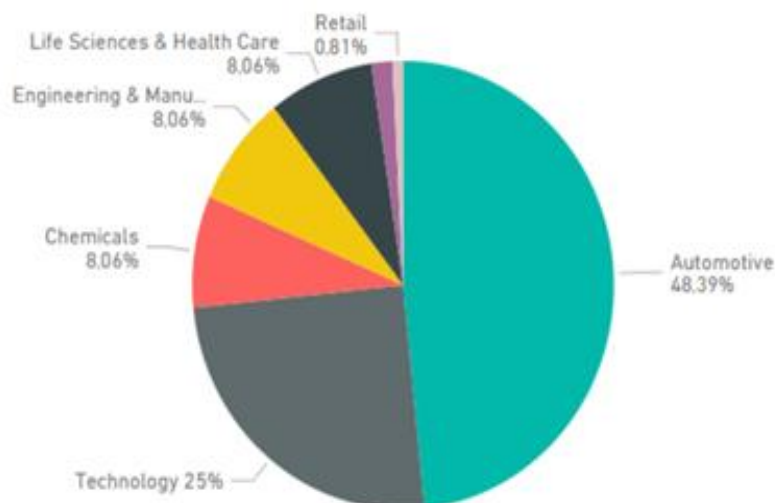


Fig 2:- Locations in Wuhan and surrounding areas by sector

The city also has a number of production facilities for automated real estate service providers, including Bosch, Valeo, Lear Corp, and Schaffler. According to Resilience360's data, about 50 percent of Wuhan's

manufacturing facilities and surrounding cities fall within the automotive sector, while technology and engineering suppliers make up 25 and 8 percent respectively.

➤ *Crisis as a catalyst to face supply chain challenges:*

There are three major business challenges ahead - the challenges exacerbated by the effects of COVID-19. CSCOs are trying to make their sales faster. They aim for true

collaboration throughout the product series to get the best results. And they are looking to accomplish these miracles while showing great responsibility and resilience [7].

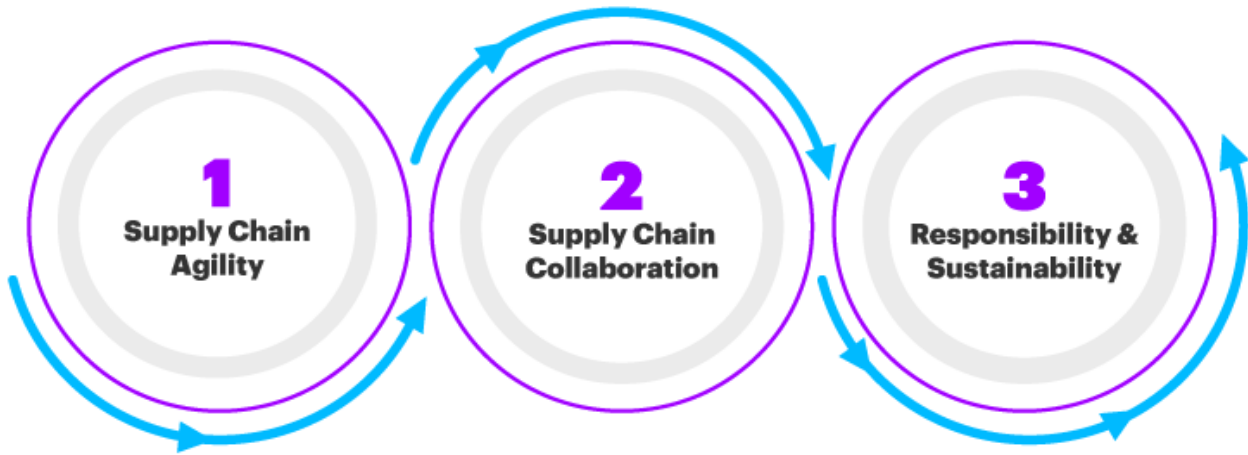


Fig 3

➤ *What have we seen happen?*

Globally, many companies rely heavily on the production and supply of goods in China, Southeast Asia, and other low-cost authorities. In recent years, widespread development has forced these companies to reconsider their chains of providing stability and reliability for an uncertain future. This is not only related to COVID-19 but also to many other foreign and international government actions, which have begun to impact on supply chains, such as the increasing risk of trade wars, nationalism and defense, issues of sustainability and human rights considerations.

dramatically. They needed to keep their products flowing in the right places. But they soon realized that their lowly standards made quick and difficult decisions difficult. Faced with this situation, instead of continuing to work with a sub-framework, the company made a difficult but wise decision to change it. Big change can be challenging under normal circumstances so I applaud them for making this one of the most stressful situations they may face.

The full impact of emerging and emergency measures that have led to global trade from COVID-19 remains to be seen. However, it is clear that companies face significant business and operational disruptions, including everything from minimizing the effects of reduced purchases, managing supplier disruptions, and barriers to meeting their contractual obligations to customers. Baker McKenzie recently produced a podcast on shock-absorbing chains, covering many of these barriers in detail [8].

To remedy this situation, they entered the data of one company and created the power of digital twins. This has allowed corporate and career leaders to develop decision-making “emotional center” decisions to support market challenges. It has proven to be a very important way of harmonizing decisions across the company. Working from data based entirely on truth, their decisions can now be accelerated, targeted and integrated.

III. FINDINGS

Certainly because of COVID-19 many companies have to face at least a few challenges, especially as COVID-19 has placed a heavy burden on procurement performance. It can be seen that the difficulty reveals flawed lines in the supply chains that seemed previously healthy. Companies around the world are coping directly with these challenges, correcting erroneous lines with the transformation of procurement, and it works. There are a few companies that have worked with an international consumer goods company that had illegal organization use. As the COVID-19 began to hit hard with various geographies, indeed the company noticed that supply and demand for instability increased

IV. CONCLUSION

A significant economic downturn in the novel virus is a recurring inefficiency of consumer goods that, which, according to the Indian Brand Equity Foundation (IBEF), employs more than 40 million people and contributes US \$ 200 billion over the economy. A large part, considered useful in the country, is very important as it connects various markets, suppliers and full customers across the country. Citing performance issues, the world’s largest ecommerce markets Flipkart and Amazon have suspended their retail sales services on their platform. Also, according to the Retailers Association of India (RAI), purchases of an estimated 25,000-30,000 supermarkets have so far been affected by the announced vacancies [9].

For a long time, the Indian resource sector has had its own unique problems, exacerbated, by COVID-19. This

situation is highlighted by these 'special' issues, asset management especially in the informal sector. Therefore, the sector is particularly affected, as most of the industry players do not have a support system, recovery plan or periodic program. Logistics in India is largely driven by traditional trucking, loading and unloading and logistics management. The sector still lacks technological advances. Therefore, the lack of modern equipment and equipment to disinfect goods and materials before delivery adds to some problems. A 21-day closure thus will see the cost of purchasing consumer services increase, and their global sales will be significantly affected, as access to inputs will be more difficult.

Across the country, job closures have led to staff shortages, which have also added to the limited availability of transportation facilities. Delayed delivery is likely to disrupt businesses 'operating in a timely or limited manner'. The total closure of some businesses and support services has also exacerbated the situation. Due to the complete closure of public transport services, workers needed for the handling and transportation of important goods and services now need to go to their pedestrian stations. For those living on the edge of the informal sector, the same is very troubling, leading to lower productivity.

This research article provides insight into the challenges, solutions and recommendations, which, when followed, strengthen procurement management.

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