



# VIRTUAL RETAIL SUPPLY CHAIN EXPO, 2020

The Retail and Lifestyle Committee & International Affairs and Trade Fair Division of PHDCCI jointly organized the 'Virtual Retail Supply Chain Expo' on July 30-31, 2020.

The Expo was aimed to provide an insight on how the industry can prepare to shape future supply chains for long-term resilience for Post COVID-19 and mitigating the impact of COVID-19 in the disruptive supply chain.

### Inaugural Session

The Expo was inaugurated by Mr. Piyush Goyal, Hon'ble Minister for Commerce & Industry. During his inaugural address, the Minister mentioned that this Retail Expo is a step which will help in facilitating the ease of doing business in the country, enhance economic growth, bring transparency, honesty, & Integrity in businesses which will help in attracting investments, talent and technology into our country and achieve our goal to make India a Super Power.

The Minister mentioned that consumption drives the economy

and retail is an important, dynamic, robust & driving benchmark for any economy to stand in the global market. COVID-19 has altered the consumption behavior of the citizens. We need to build an ecosystem to promote economies of scale, simple, transparent & a non-intrusive business environment. We need to create clusters of Industrial engagement



and promote the manufacturing of electronic components & medical devices domestically.

Mr. Som Parkash, Minister of State Ministry of Commerce & Industry in his welcome address deliberated

about the importance of Logistics & Retail Supply Chain. He mentioned that COVID-19 has driven customers to prioritize health and supply chain safety over cost and convenience. There is a definite requirement for retailers and consumer goods companies to realign their operations in ways that provide minimal touch points.

Dr D K Aggarwal, President, PHD Chamber in his presidential address lauded the proactive measures undertaken by the government, particularly by the Ministry of Commerce and Industry to mitigate the daunting impact of COVID-19 on the Indian Industry. He mentioned that while this pandemic has affected the health of the people, it has also affected the health of the economy. The complete lockdown, a necessity from the health care perspective has only further damaged the businesses at large for the Indian Retail Sector.

Mr. Sanjay Aggarwal, Senior Vice President, PHD Chamber while appreciating the government's efforts in hand holding and reviving the Indian industry in the unlock phases, highlighted that disruptions in supply chain operations have significantly impacted businesses; there is a growing need for businesses to devise a better supply network.





Mr. Pradeep Multani, Vice President, PHD Chamber deliberated on the issues and challenges faced by the Indian Retailers that were maintenance and electricity charges and relaxation from the owner should be given.

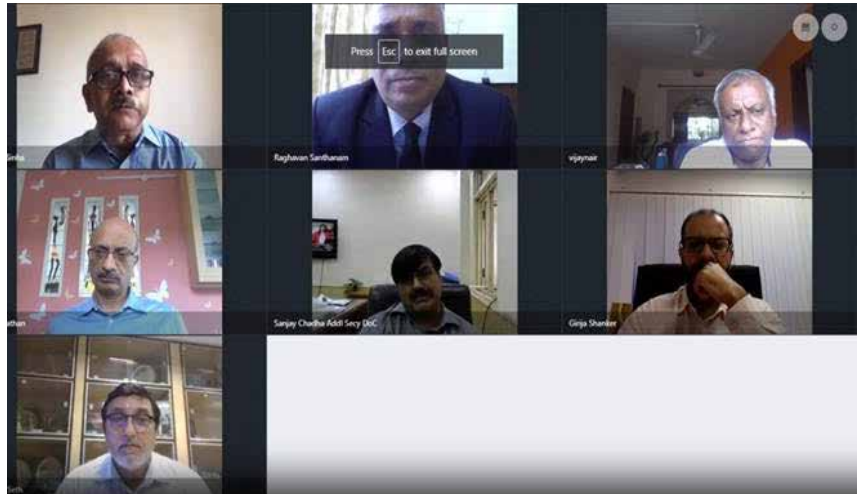
The inaugural session was attended by other senior members of PHD Chamber and Industry stalwarts. The Expo was supported by GeM (Government e-Marketplace) and NITI Aayog.

### Re-evaluating & Transforming the Retail Supply Chain Model

#### Technical Session 1 - Virtual Retail Supply Chain Expo

The Expo also had a webinar on “Re-evaluating & Transforming the Retail Supply Chain Model interactive” on July 30, 2020. Mr. Sanjay Chadha, Additional Secretary, Ministry of Commerce and Industry was the chief guest of the session. Mr. Chadha explained how COVID pandemic has given a big push to digitization. Digital trade and e-commerce have brought a lot of changes in the industry and the Atmanirbhar initiative is getting a huge push. He highlighted that pandemic is not affecting locally but globally it is shaping global supply chains. During the pandemic, it has been realized that we do not have an instructional design mechanism to deal with supply chain complexities to differentiate between essential and non-essential items.

He suggested that a critical thought must be given to relocation of supply chains which in turn will pose new challenges and bottlenecks. He emphasized how Digital banking and digitization of electronic payments have helped a lot during this time of crisis for payment transactions which otherwise would have created a lot of problems in the pandemic. He further suggested that Warehousing is another aspect that needs to be



looked into and it is a question of cost.

Another panelist, Dr Rakesh Sinha, Founder & CEO, Refelix, suggested that industry should consider moving through demand driven supply chain as manufacturers earlier had a week’s time to deliver, now retailers’ need delivery in a day or two. He also suggested that Point of Sale Data gives dynamic information and it should be integrated properly while forecasting demand and here AI can be very instrumental in predicting near term demand forecasting.

Lt Colonel Vijay Nair an SCM Professional suggested that everything needs attention-right from procurement to fragmentation. The latter is causing some disruptions in the supply chain which needs to be addressed. To keep the supply chain going, each company should build its own e-com solutions and keep the inventory moving.

Mr. Raghavan Santhanam, Senior Consultant, Stratadigm said that this decade has observed changing customer preferences, the gap between rural and urban customers has changed. Digital disruption is here to stay. India is probably one of the countries where the impetus for digitization has come from the government. He highlighted even retailers and suppliers are coming into the digital space.

Mr. Girija Shanker – Chief Sales & Solution Officer - TVS Supply Chain Solutions, discussed that a very secular set of shifts is happening in the industry. The Need versus Want is getting differentiated. He felt that there is a need for Re-imagination of nodal configuration in supply chain and Rethinking is the way of delivering, He also highlighted that

significant efforts are needed to keep the workforce motivated to keep the warehouse going.

Mr. Ramchandran Swaminathan – Chief Supply Chain officer - Aditya Birla Fashion Retail, said that during this Pandemic, Apparel Retail Sector has been one of the most impacted sectors. Health and safety have been one reason for people to stay at home and not go out to buy clothes. He believed that Post COVID-19, AI is going to dramatically change the demand and supply in the retail industry. Digitalization of manufacturing process will be the new normal and manufacturers will be producing more of what the customers want.

#### Digital Technologies in Retail

#### Technical Session 2 - Virtual Retail Supply Chain Expo

The Expo had a webinar on “Digital technologies in Retail” on July 30, 2020. Ms. Riddhi Adlakhia, Head Digital Marketing – TCS, one of the panelist in the session said that Digital marketing and retail go hand in hand. In TCS, they are working on leveraging data for customer centricity, modern business strategies and eliminating bottlenecks. Ms. Adlakhia opined that the entire store experience will now turn into an online one in the coming years. Also, retailers have to work hard on their brand perception and customer concerns and experience will have to be prioritized more.

Ms. Bharti Maan, Director, Innovation & Digital Transformation Advisory, SAP, said that Retail is changing both online and offline. Old things are coming back slowly and local stores are observing







elevated sales. There is an increase in automated stores and IOT and Chat bot deployment is also on the rise. Retail stores are engaging in advance technologies like Facial Recognition technologies to assess gesture-based customer satisfaction index.

Mr. Arun Karna, MD & CEO, AT&T Global Network, suggested that digital transformation in retail sector will observe digital brands, increase weightage on supply chain resilience and focus additionally the concept of Digital Supply Twin. He also advocated for improved prediction system to forecast demand and trends using AI & Deep learning, integrated digital reality technologies like AR/VR/ Mixed Reality will shape the customer experience in near future. He concluded that Technology is just an enabler, we have to put customer centricity in mind while implementing right technology mix.

Mr. Gokul Srinivasan, Co-Founder – iSecureCyber, said that they have been talking to a lot of organizations all over the world and have gathered information about common challenges retailers are facing in terms of cyber security. He suggested companies to focus on crown jewels and translate them into business language to be able to understand better. He also requested the companies to focus, protect and monitor their supply chains. Big organizations may not but

medium ones do need cyber insurance to protect themselves from cyber-attacks.

Mr. Rishabh Mehra, CEO, Digital Mall of Asia, highlighted that revival of demand is to be worked on in these tough times. Digital Mall of Asia is a model similar to that of the malls. It's a zero commission no revenue sharing model where they have tied up with a brand directly. This way demand generated by a particular brand will be fulfilled by only one vendor.

### **Warehousing, Distribution & Last Mile Delivery**

#### **Technical Session 3 - Virtual Retail Supply Chain Expo**

The Expo had a webinar on “Warehousing, Distribution & Last Mile Delivery for Retail” on July 31, 2020. Dr V K Saraswat, Member, Niti Aayog was the chief guest of this session. Dr Saraswat deliberated that Pandemic and lockdown have created serious problems for the retail industry. The customer behaviour has changed. They have started ordering groceries and essential items online. Two challenges that this lockdown brought in the industry were the demand shock and stock availability issues. There was a surge in online demand and Digital Retail was given a boost. This pandemic impacted retailers and

supply chain reliability. This crisis also created fierce competition between logistics players and there was a surge in e-commerce. He was worried that the recovery phase will see a lot of acquisitions and bankruptcy.

While expressing his thoughts on the near future, he said that there will be an increase in electric vehicles and semi-autonomous vehicles. Drones will become popular for special delivery needs. He said that COVID-19 has led to an increase in the growth of e-commerce and IoT. Technologies like Blockchain and 3D Printing have gained interest. It has also led to lack of labour and workforce to maintain the warehouses. This has also given us an opportunity for rising investments for MNCs in emerging economies. And also poses a threat as there is lack of awareness about Warehouse Management System.

Dr V K Saraswat said that, there will be a reduced dependency on China. E-commerce will boost demand for daily essentials and groceries too which would increase the warehousing industries. AI will lead to customer satisfaction and greater convenience. He suggested that the Retail industry needs to leverage location-based technologies with supply chain as one of the focus points. Focusing on Digital India will help us get better in Digital Retail.





Mr. Piush Goyal, Managing Director, Kelley India, spoke how Lockdown was one of the toughest times in the last four months. However, he empathised that corporates need to safeguard their brands through social message of caring their employees and customer. Kelley India revised the salaries, SOPs and working style and tried to accommodate everyone. While talking on the automation in warehousing, he said, Safety is one of the biggest concerns in a warehouse. When a warehouse is not properly ventilated it becomes stuffy. Warehouse ventilation needs special attention. It will ensure the well-being, safety and comfort levels of employees, as well as the maintenance of products, stocks and machinery year-round.

Mr. Dusshyant Arya, Director, Pallet per Day, another panelist in the session, gave an overview of his organization and said that they started working with the idea that Indian wholesaler gets a discount, customer does not. The brokers were also not interested in small deals. One can book a warehouse space at the click of a button like never before and

even manage the inventory of the warehouse from the portal free of cost using the built-in WMS. The delivery process has been made with multi-layer security to make the process more secure. In the next 3 years, AI will lead the way and that is what they are working on, trying to incorporate into their mechanisms.

Mr. Bir Singh, Co-Founder, Addverb, said that their priority was to build a world class team and a world class product. The company is a global robotics company based out of India. They believe in shifting the horizons of work by pioneering human-robot collaboration to transform lives. He said that during the pandemic, lot of pressure was built on the e-com business, however, the existing warehouses were not automated hence faced a lot of problems. Automation plays a vital role in Utilizing Cubic feet of space and material handling. Their Navigation system is based on AI. He further highlighted that Automation in totality is beneficial by 20 percent.

Mr. Divyanshu Tambe, Executive Director, (E&Y) moderated the session.

### Elevating Customer Experience Excellence in the Next Normal

#### Technical Session 4 - Virtual Retail Supply Chain Expo

The Expo had a webinar on “Elevating Customer Experience Excellence in the Next Normal” on July 31, 2020 .

Mr Talleen Kumar, Chief Executive Officer, GeM, was the chief guest for the session. Mr. Kumar discussed the salient features of GeM whereby he said, GeM dives on 3 pillars- inclusivity; transparency & usability and cost-effectiveness. He highlighted that World Bank had conducted a study on GeM and found that GeM portal is cost effective - for every one seller coming to GeM, 0.55% is being saved by the Govt. Almost Rs 56,000 crore worth procurement has happened, since the inception of GeM. While talking on GeM 4.0, he said that it is the embodiment of all features and functionalities of buyers.

He also explained functionalities of GeM 4.0 which include demand aggregation, price variation clause and one-time caution money deposit.

All this will in turn reduce cost of doing business for MSMEs significantly on GeM. He also touched upon GeM 5.0, which will track anomalous behaviour on GeM website.

Mr. Debbraj Sen Gupta, Country Head, CMO & Country Head-Watches, Victorinox India Pvt Ltd. shared his experience on Pandemic and lockdown. He said that during the lock down Online business and kitchen knife activities are doing relatively well. He strongly believed that price rationalization and innovation is the need of the hour.

Mr. Rajesh Jain, Managing Director & CEO, LACOSTE, shared his perspective that the pandemic has created havoc especially for the retail sector. Established brands also had to shut down. The industry and government have to work together and do something for the retail industry to sustain. Physical retail

will have to strengthen the basics. Customers are most concerned about safety now and the retailers have to look into it.

Ms. Bharti Maan, Director, Innovation & Digital Transformation Advisory, SAP shared her experience that today 70% of transactions touch SAP system and have observed that retail is no longer reliant on clients' past behaviour. Now the Analytics are changing everything and AI is offering different types of customer experience which she believes is positive. Retailers now have to focus on the current issues of the customers and work accordingly. Retailers will also have to realize that offline and online will have to co-exist for a while.

Mr. Arsh Kabir Singh Gujral, National Sales Head, Original4Sure stated that customer's main concern is safety now. In this scenario, personalization which is important,

having a combination of digitalization along with being safe and contactless and include AI/ AR VR would be very fruitful. He emphasized that every business in this scenario needs to look into what is happening on real time basis and change accordingly.

Dr Blossom Kochhar, Director, Blossom Kochhar Beauty, explained beauty products and salon business as the usual business transaction dropped to 1/5th of the earlier. People are not ready to spend money on cosmetics now as they are mostly indoors and do not feel the need for using such products. However, the most logical choice is to shift to digital selling of the products with high customization and bundling of offers.

Mr. Jayant Kochar, Managing Director, Go Fish Retail moderated the session and Mr. Ajay Bansal, Secretary PHDCCI delivered the vote-of-thanks to all the panelists and audience.

