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Digital Accelerators for Safe and Sustainable Supply Chain – The New Paradigm for Businesses in Retail & FMCG

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Abstract

In the wake of an unparalleled global pandemic, the world is not only looking for short-term responses to save human lives but also long-term strategies that add resiliency to ride through and survive such an unprecedented crisis.

In the retail and fast-moving consumer goods space (FMCG), some key questions that both consumers and businesses are likely to ask include:

- When will this new way of life end, what will the new normal look like, and are we prepared for it?

- What should business leaders do to ensure they do not lose loyal customers while winning the business from future Gen Y and Z consumers?

- Where should the world focus its efforts both in the immediate future and over the long term? Should we focus on eliminating social disparity (people), environmental health and well-being (planet), or economic development (profit) and if so, why?

Food Safety – Consumers' Primary Concern during a Public Health Crisis

While the lockdown has given us more time to spend with our families, it has also left us with some important new questions. When I see my primary school-aged daughter eat what I cook, I wonder if my consumer choices are safe. How do I ensure my staples, vegetables and other items are free from microbial contamination and harmful chemicals? Can I trust that the retail store I buy from is responsible enough to build safe and resilient supply chains to ensure product safety and availability during an unprecedented crisis like COVID-19? What are large companies doing to ensure that safety of their own products is not compromised while catering to the extraordinary needs of customers like me—and at the same time also taking care of the safety of their own work force?

Building a Safe, Responsible and Resilient Supply Chain

Technology has the power to create data models that can accurately preempt demand and ensure sustainable supply of essential commodities during times of crisis. Advancements in machine learning and sophisticated geographic information systems (GIS) have helped build transparent models for even the most complex and diverse supply chains. Empowering business with the right data and insights to forecast sustainability risks from their supply chain and switching over to next-best alternatives is the new normal for retail and CPG companies.

Recognizing this as a new best practice, TCS has embarked on a couple of critical engagements in North America and Europe. We are building a reliable farmer onboarding and crop harvest data-tracking system for a global food and confectionaries company in North America. The technology accelerator will help trace accurate location-specific data on agricultural commodities supplied from different parts of the world. The vision of this GIS-powered application is early detection of food toxicity and identifying sustainability risks from the supply chain in order to better manage fluctuating consumer demand. The digital solution framework is also equipped to provide real-time insights on pandemic, natural disaster and climate-related risks imminent at various supplier locations that can help companies be prepared with viable alternatives.

TCS is also helping a large Nordics transport and logistics provider to track and manage carbon emissions from the supply and distribution of essential commodities to retailers. This exercise helps the transport provider as well as the retail companies that buy their service to reduce their logistics expenses. And it enables the logistics provider to be more responsible and optimize distribution routes to meet increasing consumer demands while shifting to cleaner low-carbon options that minimize strain on the environment.

Responsible Business Is the New Imperative for the New Normal

Safe and transparent digital supply chains with intelligent supply-and-demand reconciliation-- when complemented with "Industry 4.0" (using AI, automation, cyber-physical systems, and industrial Internet of things, cloud and cognitive computing) can create "Factories of the Future" that help meet the demands of socially conscious, smart and technology-savvy consumers.

Consumers of every age around the world demand safe and clean (and green, when possible) labels, but millennials in particular expect nothing less than a sustainable, responsible approach —especially right now in this new world in which we find ourselves. What do we really mean when we use the phrase "sustainable development"? The term was first popularly defined by Dr. Gro Harlem Bruntland, a physician by profession and a three-time elected political leader of Norway. She also headed the Ministry of Environment of Norway and served as the Director General of World Health Organisation (WHO). In her pioneering 1987 work, "Our Common Future," Bruntland defines sustainable development as "the development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

The three pillars of sustainability--people, planet, profit--are often mistakenly perceived to be at loggerheads with each other. In fact, the antithesis is true. It is the effort to achieve a balance between the three Ps that will ensure sustained growth. This approach, which makes sure businesses prioritise the health of people and addresses social inequality in order to be profitable over the long term, will likely become embedded into our collective "new normal." In addition, technology offers new ways to protect and minimize impact to our global

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environment and replenish natural resources that businesses consume. Adopting such an approach will attract and retain customers, ensuring those responsible businesses secure their supply and sustain their profits over the long run. Adopting the principles of a responsible business with a strong focus on "technology, safety and sustainability" is the recipe to winning the confidence and loyalty of today's smart and compassionate consumers around the world.

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