

IMPACT OF COVID-19 ON SOURCING DEPARTMENT OF DIFFERENT SECTORS

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ABSTRACT:

This paper is based on the survey which was conducted to understand the current scenario in the industry, how covid-19 has impacted sourcing of different organization what steps they are taking to work efficiently. 64 professionals participated in this survey they were from different industrial sector which are categorized below. They had to answer questions based on impact of covid-19 on operations and sourcing of organization. Questions were briefly focused to get insights from working professional. All the professionals who participated are related to sourcing department of particular organizations. Responses to the question may vary based on sector of organization. But for now, it is important restart working of business sector to save economy. We need to find appropriate solution which will not only be useful for current situation but which will also be helpful in future if circumstances like this occur again.

KEYWORD: Strategic Sourcing, Covid-19, work from home, operations, survey, Professionals, sourcing, pandemic

INTRODUCTION:

As we all know the whole world is battling with pandemic right now. Because of which everything has come to a halt. covid-19 caused lock down in multiple countries at different times, for different time span. Which affected almost everything around the world. Human lives are at risk. It has impacted so massively that every work was stopped. Everyone is isolated and quarantined where they are therefore work from home culture is coming into light. There are few industry sectors which can manage their work from remote location but few industries cannot manage their work from remote location they need physical presence. For example, companies working in manufacturing, tourism sector. To keep operations of organizations working efficient supply chain is must. It is very difficult to calculate long term efforts of this pandemic. Because of covid-19 many businesses were closed, many faces short term challenges like health and safety of employee, supply chain, cash flow, consumer demands, sales and marketing we need to hold on till the pandemic passes by. but before that during pandemic organization needs to reconsider their priorities. Covid-19 gave biggest economic shock.it has significant impact on almost every industry sector. In this paper, we are going to focus on impact of Covid-19 on sourcing sector. As to keep operations of organization going, to fulfil demands and moderate supplier challenges sourcing is important. Sourcing leaders need to focus on managing disturbance while making supply chain resilient. Basically, sourcing means “Sourcing is the process of acquiring services or goods. It is a cycle of acquiring goods and services based on certain rules and regulations and timely payment.” But to run an organization efficiently strategic sourcing is required. Around 1990s, bigger organizations started to evolve extremely sophisticated sourcing division, frequently under the guidance of corporate finance. These procurement division started introducing detailed sourcing evaluations and established complete contracts with suppliers or service providers who were having greater impact on company’s operations. This form of sourcing is recognized as *Strategic sourcing* it became effective and different than traditional practices. differences among sourcing and strategic sourcing is strategic sourcing considers each and every cost element of a organization’s operation which are related to suppliers. Strategic sourcing has evolved and became an established sourcing process that seeks to progress and re-evaluate commercial sourcing actions in entirely “spend” type. definition of strategic sourcing”

Strategic sourcing is a sourcing process that integrates market research, data collection, spend analysis, contracting and negotiation. It stops only when there is shortage of purchase or financial issue. customization can be done for Strategic sourcing to fulfil specific demands of customers, but its goal is to enhance integrated system for profitability.” The Role of a Sourcing Department sourcing department, it is also called procurement or purchase department, it supports operations of a company by serving as first buyer of services and products during a particular sector which might be a company, institution, agency or another type of organization.

The division fulfils wants of internal customers by purchasing the goods or services when they require. The staff of sourcing department aims on procuring good or services having low value but quality. but due to current pandemic circumstances have changed. Companies need to come up with innovative solutions to deal with disruptions occurred due to pandemic.

LITERATURE REVIEW

1.Purchasing and provide management as a multidisciplinary research field:

Unity in diversity?

Authors: Finn Wynstraa, Robert Suurmondb, Fabian Nullmeier

Date: 10 November 2019

This paper establishes a tutorial discipline. It suggests PSM as a multi-disciplinary field of research, drawing from Operations Management, Marketing and Strategy & Organization as reference disciplines. they need conducted a review of 2522 publications associated with purchasing and provide management.in set of 18 high-impact management journals. they need analysed how PSM research has developed over time; quantitatively and content-wise.

2.Purchasing and provide management (PSM) competencies: Current and future requirements

Authors: Lydia Balsa,b, Heike Schulzea,d, Stephen Kellyc, Klaas Steke

Date: 3 September 2019

The study was conducted to know and determine the solution to the question that “what PSM competencies are needed now, also as within the future”. They Analysed 46 interviews from 16 corporations, this paper identified present and upcoming competencies essential to possess by PSM specialists, categorized them. Important current capabilities required by PSM specialists are negotiation, communication and relationship management strategy and analytics also as professional knowledge requirements.

3. Effects of COVID-19 on business and research

Author: NaveenDonthu, AndersGustafsson

Date: September 2020

The recent outbreak has severe financial consequences around the globe, and every single country is affected. This does not only have economic consequences but also other major consequences. because of which dramatic changes in how businesses have happened and which also affected consumers behaviour. This special issue studied few of the pandemic-related problems affecting society. In total, there are 13 papers that cover different industry sectors (e.g., tourism, retail, higher education), changes in consumer behaviour and businesses, ethical issues, and aspects related to employees and leadership.

4. The impact of COVID-19 on small business outcomes and expectations

Author: Alexander W. Bartik, Marianne Bertrand, Zoe Cullen, Edward L. Glaeser, Michael Luca, and Christopher Stanton

Date: April 13, 2020

To discover the impact of coronavirus disease 2019 (COVID-19) on minor businesses, they have conducted a survey of 5,800 minor businesses during March 28 and April 4, 2020. First, mass layoffs and terminations happened. just a few weeks in the crisis. Second, the risk of closure was related with the expected length of the crisis. Third, many minor businesses are financially delicate: Fourth, the majority of businesses planned to seek funding.

5. Researching the longer term of buying and provide management: the aim and potential of scenarios

Authors: Louise Knighta, Joanne Meehanb, Efstathios Tapinosc, Laura Menziesb, Alexandra Pfeifferd

Date: 28 April 2020

In this paper scenario planning method for researching the upcoming of buying and provide management (PSM) is explored. supported three standards of research worth – rigour, originality and significance.it portraits developing circumstances and analyses their consequences, it talks about major research occasions for PSM academics, practitioners, and leaders of the profession. Researching the longer term of PSM supports the identification of uncertainties and anticipates change across many units and levels of study of interest to PSM scholars and practitioners, like the profession/discipline, markets/sectors, or organisations.

6. Supplier Development Practices for Sustainability: A Multi-Stakeholder Perspective

Authors: Min Zhang, Linda Hendry, Maoliang Bu

Date: Martinmas 2017.

Supplier growth for sustainability may be a critical a part of supply chain management and requires extensive multi-stakeholder teamwork. this text features a four-stage framework to analyse the collective mechanisms of supplier growth and presents an evidence , qualitative examination to acknowledge the main contributors of sustainable supplier development performance, like NGOs, industrial associations, consulting firms, etc.

7.Strategic purchasing participation, supplier selection, supplier evaluation and buying performance

Authors: Anand Naira, Jayanth Jayaramb & Ajay Dasc

Date :11 Jun 2015.

In this paper, they need examined how sourcing strategies impacts supply management activities through the acceptable operations and strategic. mainly, study emphases on supplier selection and monitoring performance evaluation based given criteria. this mix makes sure that the advantages of sourcing in strategic development translate into better procuring performance of the many factors like cost, quality, delivery, flexibility and innovation.

METHODOLOGY

Statement of problem

- IMPACT OF COVID-19 ON SOURCING DEPARTMENT OF DIFFERENT SECTORS

• Research tool

- Survey

A survey is a technique that collects data from a selected sample of individuals/organizations. then these responses from surveys to help us to gain important insights and data that helps us to find out conclusions about that particular subject.

• Type of research

Quantitative survey contains objective questions which are used to understand important insights from targeted population about particular research topic. The responses received for survey questions are analysed and report is produced based on this questionnaire.

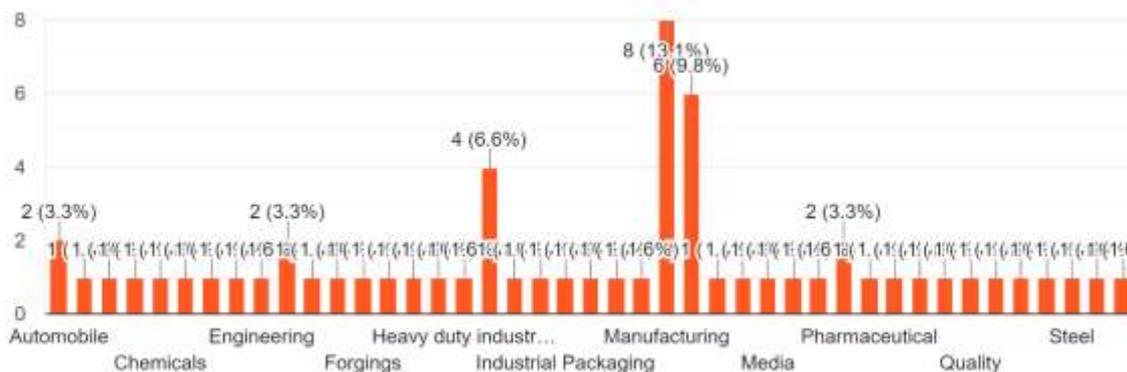
○ **Primary data:**

Primary research is a method which researchers use to collect data directly, other than using previously collected data. It involves going to targeted audience directly to collect information. Examples of primary research are: Interviews, Survey, Focus groups, Visits to competitors' locations

DATA COLL N ANALYSIS

To understand impact of covid-19 on sourcing departments of different sectors I conducted a survey in the month of June 2020. Professionals working in an organization or running their own business who are related to sourcing department participated in this survey. 64 responses were recorded which were from different industrial sectors, from professionals working in sourcing sector. First, I tried to understand the impact on operations of organization, then sourcing sector and lastly impact of recently applied government schemes. This is how I tried to understand how sourcing of different sectors was impacted. So, after preliminary questions next field of information was “sector of organization” as it was not mandatory 61 professionals out of 64 filled this information.

SECTOR OF ORGANIZATION
61 responses

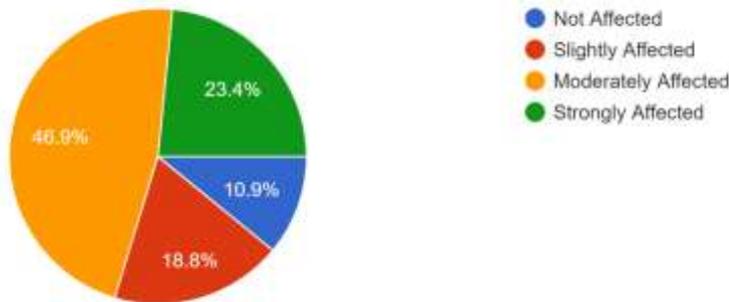


Based on this information industrial sectors can be categorized broadly. Sourcing professionals who participated in this survey were mostly from manufacturing and IT service industry and others from Engineering, Automobile, publication, infrastructure, robotics, packaging, crane and components, medicine, media, logistics shipping forwarding, packaging, oil and gas, E-learning, industrial gear box, steel, government, healthcare, quality, Banking and finance, education.

Then first question was “How your organization's operations have been affected by the COVID-19 pandemic?”

How your organization's operations have been affected by the COVID-19 pandemic?

64 responses

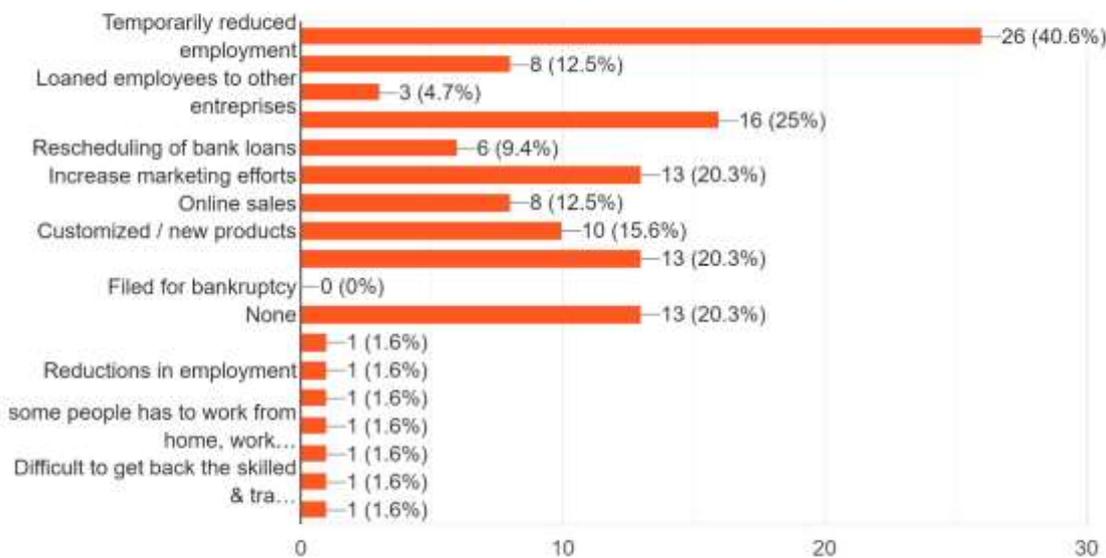


The responses suggest that mostly sectors operations were affected moderately, which is 46.9% out of total. Then second higher percentage are covered by strongly affected which is 23.4%. then 18.8% industrial sectors are affected slightly. And lastly, unaffected industrial sectors are of 10.9%

2. Has the COVID-19 pandemic affected your enterprise in any of the following ways?

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64 responses



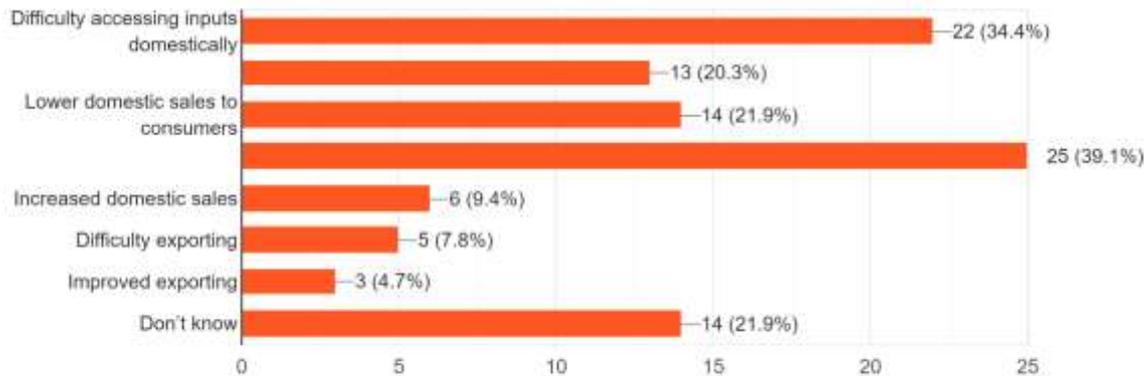
Second question tries to understand in what way operations of different organization from different industrial sectors were impacted by covid-19.so, the leading impact was temporarily reducing employment which got maximum votes i.e. 26 out of 64. It covers 40.6%. second highest was teleworking which means working from home. It got 16 votes which means it covered 25%. then 3 of the impacts got similar votes which were increasing marketing efforts, started sourcing from new suppliers and the organization which had no affect at all. They all got 13 votes each means they covered 20.3%each. Then there is a tie between laid off employee and online sales they both got 8 votes covering 12.5% each. Then rescheduling of bank loan got 6 votes covering 9.4%. then 3 organizations loaned there employees to other organizations means 4.7%. lastly affected due to absence of labour, partial reduction in employment, austerity measures implanted firmly, half employee has to work from home half from organization, reduced productivity,

difficult to get back skilled labour, NGO has only two employees were all listed once i.e.1.6%. only good news was no organization went bankrupt.

3. Has the COVID-19 pandemic affected the ability to purchase inputs for your organization and/or sell outputs?

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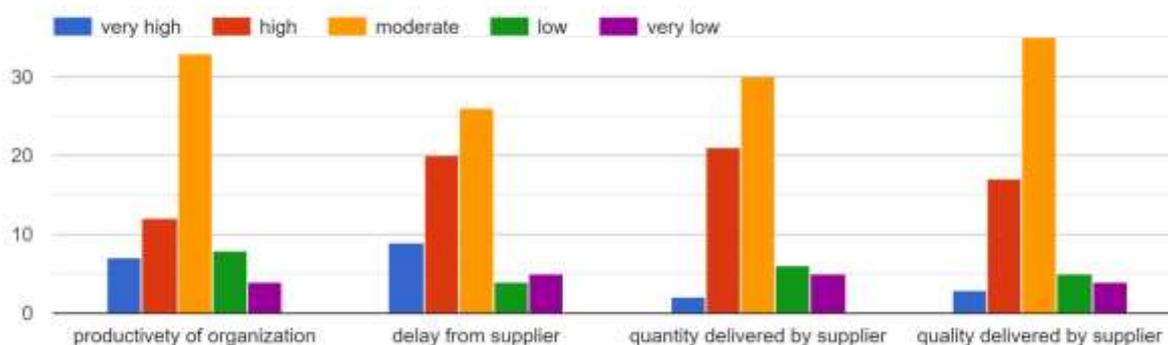
64 responses



From gained responses to this question we can say that 39.1% organizations had lower domestic sales to business.34.4% says that they had difficulty accessing inputs domestically. There is tie with 14 votes each i.e. 21.9% said that domestic sales to consumers was lowered and professionals who don't know yet. 20.3% had difficulty to import inputs from abroad. then 9.4% said that increased domestic sales.7.8% said that they had difficulty exporting products. Lastly, 4.7% organizations improved their exporting.

4. State the effect of lockdown on sourcing

State the affect of lockdown on sourcing



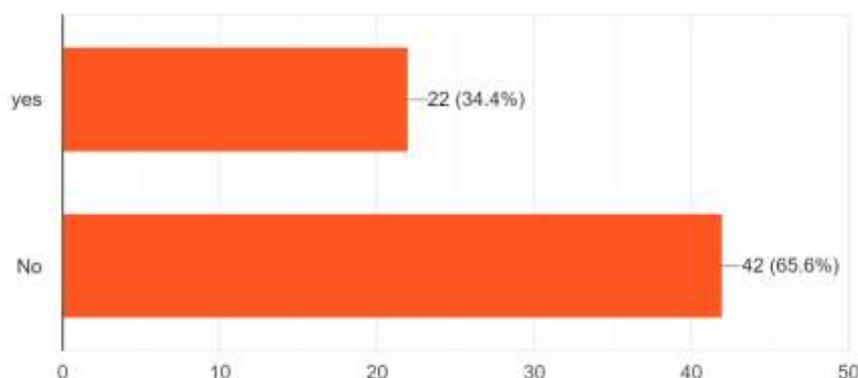
From the responses we can say that 33 organizations had moderate effect on productivity of organization.12 organization have high effect on productivity of organization.7 organizations have very high affect productivity .8 have low affect on productivity of organization and lastly 4 have very low effect on productivity of organization.26 votes say that there was moderate delay from supplier. 20 votes say that there was high delay from supplier. 9 votes say that there was very high delay from supplier. 4 votes say that there was low delay from supplier.5 votes say that there was very low delay from supplier.30 votes say that quantity delivered by supplier was moderately affected. 21 votes say that quantity delivered by supplier was highly affected.2 votes say that quantity delivered by supplier was very highly

affected. 6 votes say that quantity delivered by supplier was affected low. 6 votes say that quantity delivered by supplier was affected very low. 35 votes say that quality delivered by supplier was moderately affected. 17 votes say that quality delivered by supplier was highly affected. 3 votes say that quality delivered by supplier was very highly affected. 5 votes say that quality delivered by supplier was affected low. 4 votes say that quality delivered by supplier was affected very low.

5. Amid lockdown did company introduced any new technology for manufacturing / Supply chain management?

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64 responses

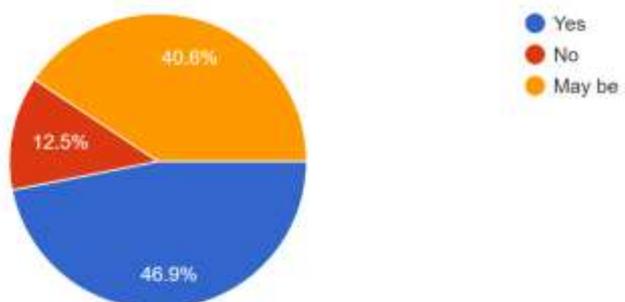


From the gathered responses we can say that during lockdown 34.4% companies introduced new technology related to operations. 65.6% companies did not introduce any new technology related to operations.

6. After lockdown, will company apply new plans and strategies for sourcing?

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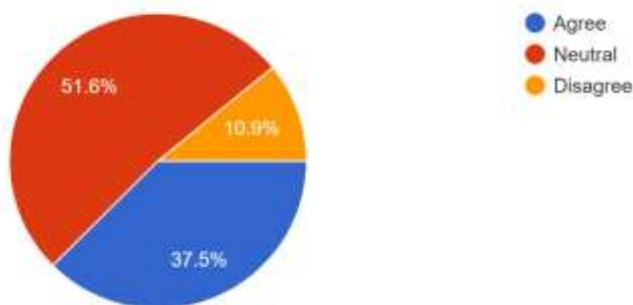
64 responses



From responses it is clear that 46.9% companies will apply new strategies for sourcing. 12.5% won't be applying any new strategies for sourcing. And 40.6% were not sure about it.

7. The new rule imposed by government has impacted the output of work in supply chain.

The new rule imposed by government has impacted the output of work in supply chain.
64 responses



From responses it is clear that 37.5% organizations from this survey agree to government imposed rules which has impacted output of work in supply chain. 10.9% disagree with new rules imposed by government and maximum i.e. 51.6% are neutral on this.

FINDINGS



Overall, from survey we get the idea of what is going on in sourcing sectors of organization due to covid-19. this survey helped me to understand in what way covid has affected operations of organization. Everyone who participated in it our part of organization or running any organization. From this survey we understood the impact of covid-19 on operations and sourcing from organization’s perspective.

CONCLUSION

This paper was written to understand impact of covid-19 on organizations operations and sourcing from their perspective.to get insights of current scenario from professionals who are working in the industry. From this we understand what is currently happening and it will be helpful to find out long lasting solution to this problem.

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