About the Study

India is likely to be a global economic powerhouse by 2025. As the economy grows and the operating environment evolves, several macro trends will shape the future supply chain design. It is critical to understand these trends. In this context, the Council of Supply Chain Management Professionals (CSCMP), India and A.T. Kearney undertook a joint study to answer three questions:

• What are the major trends that will shape supply chain by 2025?

• What is their likely impact?

• How should organizations prepare?

This report highlights the findings of this study. The study is based on in-depth research on the trends, A.T. Kearney’s experience in helping organizations transform their supply chain, and multiple conversations with supply chain leaders in India.

There are many trends and “wild cards” that are likely to shape future supply chains in India. We have picked the six that we believe will have the most impact. We hope this report helps organizations prepare for the coming changes. We take this opportunity to acknowledge the support and inputs of all participants who shared their perspectives.

CSCMP, India

A.T. Kearney
Executive Summary

By 2025, the Indian economy will have grown multi-fold and consumers will have become much more heterogeneous, presenting organizations with a unique set of opportunities and challenges. The supply chain will be impacted by various evolving macro-factors. Our study discusses six trends that we believe will have the most impact on the future of the supply chain in India and how organizations can prepare for these.

**More mega cities:** A growing population and urbanization will lead to several cities becoming mega demand centers. Increased congestion and space constraints will require organizations to create a different supply chain model to serve these cities. Going vertical, common carrier deliveries, use of electric vehicles, and flexible unloading are some levers to consider in designing supply chains for these cities.

**Proliferation of segments:** Increasing consumer segments, the emergence of new channels, and a greater number of products will lead to multiple new segments being created. Organizations will need to customize activities across their supply chain to be able to deal with different segments (moving away from the “one size fits all approach” that is prevalent today).

**Improved supply chain infrastructure:** With planned investments in road, rail, and ports, the supply chain is expected to become faster and more connected across all modes. This will drive a larger scale and a more consolidated supply chain.

**Better regulatory climate:** Regulatory changes are expected but the timing will continue to remain uncertain. GST, fiscal incentives, and sustainability and activism are some of the factors that are likely to change. Scenario-based planning will help in preparedness.

**Increased globalization:** India will become more connected globally with higher imports and exports and an increase in share of global trade. More organizations will have a regional manufacturing footprint. Managing risk, traceability, compliance, and responsiveness will be critical to success.

**Affordable technologies and Big Data:** Decreasing technology costs will make available a larger amount of data on supply chains. Organizations will need to build capability to leverage this data and create analytical capabilities to benefit from this.
While there will be changes by 2025, some aspects will remain as they are today; volatility in supply and demand will continue making risk management critical. Business pressure to deliver “more with less” will continue driving the supply chains to further increase efficiency and balance customization with consolidation. Skill gaps in talent will continue to drive organizations towards selective automation, a focus on skill development, and improved work environment.

Preparing for the future will require organizations to embed scenario-based planning and budgeting for small investments to pilot and learn new capabilities.
India today and in 2025


Supply Chain 2025: Trends and Implications for India
India will be bigger, more heterogeneous, and globalized by 2025

The India of 2025 will be very different from that of today.

The country will have experienced another decade of economic growth, with nominal GDP estimated to be around $7 trillion (up from the current approximately $2 trillion), catapulting India into third place among the world’s economies. Much of that growth will be rooted in the growth of middle-income households and of the working population, with rapidly rising income levels. The growth is likely to be accompanied by a stronger manufacturing sector, which may account for one fourth of economic output. And India’s economy will be significantly more integrated into the world economy, potentially contributing to about 6 percent of world trade.

As more citizens move to large urban centers, consumerism will rise, as will the preference for new products, services, and retail formats. This mammoth economy, with its shifting demographics, will ask for more from its supply chain.
The future of supply chain in India will be shaped by...

1.

2.

3.

4.

5.

6.
... Six Mega Trends

1. More Mega Cities
2. Proliferation of Segments
3. Improved Supply Chain Infrastructure
4. Better Regulatory Climate
5. Stronger Global Connect
6. Affordable and Accessible Technologies
More mega cities

Strong growth of ‘mega’ demand centres...

‘Mega’ Demand centres
(City GDP > USD 20 Bn)

Current ‘mega’ demand centres will grow ~5 times their current size

City GDP
(USD Bn)

Sources: RK Swamy BBDO, Planning Commission reports, State Government websites, Press search, A.T. Kearney analysis
Nearly 18 Indian cities—up from four today—will be mega demand centres

As rapid economic development, ongoing urbanization, and the emergence of a sizable middle class fuel India’s growth, two major developments are likely to manifest by 2025:

- **Many of today’s tier 1 cities will evolve into mega demand centres**, as their GDP surpasses the $20 bn mark, joining the ranks of Mumbai, Delhi, Kolkata, and Chennai. Organizations may have to serve 18 such cities by 2025. Projects such as the Delhi-Mumbai Industrial Corridor can spur large-scale urban development, with seven new “smart cities” or satellite towns across six states, scaling up to 24 such urban centers. What might appear now to be mid-size demand clusters (such as Pune, Lucknow, and Kochi) are likely to grow to equal many of today’s most important markets.

- **Moreover, the current mega demand centers—which today are only a fraction of the size of their Chinese counterparts—will roughly quintuple in size** and approach their Chinese equivalents’ current levels of economic activity. While this is a massive opportunity for Indian companies, they will need to rethink their supply chain strategies to cater to such large markets.
Multi-tiered network design

India Supply Chain Today

India Supply Chain 2025

Automation
Verticalization
Lean
3PL

Hyper/Mega Centres
Urban
Semi-Urban
Rural – Type A
...
Organizations will have to rethink their mega center supply chain model

Today most organizations have one or, at best, two types of supply chains: urban and rural. By 2025, additional considerations will emerge, such as labor availability (in light of the increasing cost and skill gap), space availability (given the increasing demand for land), and traffic congestion. These will require multiple supply chain solutions to cater to mega and hyper cities:

- **Automation** in manufacturing and material handling, as scale makes this a sensible investment
- **Verticalization** (that is, high-rise warehousing and distribution centers) to contain rental costs for depots and storage areas
- **Lean design**, for example, using flow-through distribution to manage the movement of large lot sizes across the supply chain
- **Cooperation with third-party logistics providers** and competitors

**Case studies**

**Mega Shanghai**: With a population of tens of millions and a proliferation of small-format stores that promise fresher products delivered faster, it is impossible for a single distribution center located outside the city to serve the entire metropolis. Couple that fact with the high price of land, and it becomes clear why many organizations are exploring the possibility of building networks of smaller, high-rise distribution centers.

To tackle the issue of traffic congestion and pollution, organizations are considering resorting to common carriers to consolidate deliveries and reduce the number of trucks on the street. Going forward, smaller, electric, or hybrid delivery vehicles may also be used.

**Mega Moscow**: Unique customer expectations of a mega city, such as better service and higher delivery frequency, could be met throughout Moscow via flexible unloading facilities, combined transport and delivery with other goods, the use of unconventional vehicles (for example, bicycles), and flexible planning systems. Furthermore, regulatory constraints on manufacturing within the city are leading to consolidated manufacturing parks in outlying areas.
Supply Chain 2025: Trends and Implications for India

**Proliferation of segments**

- **Increasing Consumer Segmentation**
  - Customer
  - Channel
  - Product

- **Emergence of new Channels**
  - Share in Indian retail market (%)
  - Online retail
  - Organized retail
  - India (today): 3%
  - Brazil (today): 8%
  - India (2025): 25%
  - China (today): 22%

- **Increasing Product Proliferation**
  - Number of car models
    - India (2008): -100
    - India (today): -170
    - Brazil (today): -250
    - India (2025): ?
    - China (today): -610

Sources: Global Retail Development Index – A.T. Kearney, Food and Grocery Forum India, ICICI Merchant Services report, Global IHS database
Consumer, channel, and product segments will proliferate

The complexity of demand will continue to multiply between now and 2025.

**Customer segments** will grow in number:
- Increasing awareness (thanks to higher education levels), greater per capita income, online visibility, and social networking will lead to heightened customization and individual product preferences.
- Increasing dispersion in income levels, lifestyle choices, and value systems will lead to further micro-segmentation.
- Niche segments will grow multifold, such as the time-starved, double-income no-kids (DINKs), “rurbans”, and mass premium.

New **channels** will expand:
- With increasing Internet penetration, e-commerce is already demonstrating its usefulness to reach areas outside the top metros, which account for more than half of India’s online retail volume. Top online retail players are also witnessing rapid growth.
- Consumer preferences and easing regulations will simultaneously drive the growth of modern organized retail.

**Products** will proliferate:
- Stock-keeping units and product options will be introduced to meet new customer and channel needs.
- New product categories will emerge.
- Consumers will spend more on lifestyle and other non-food categories, which by nature will have more variety and customization.
Every aspect of supply chain management will need a re-design.

**Plan**
- Fast-evolving customer preferences need supply chains to handle *more product transitions*. Zara, the well-known Spanish fast fashion merchandiser, brings new apparel items to market 90 percent faster than the industry standard.

- Complexity will need to be reduced in *“below-the-skin”* features—that is, in those that are invisible to consumers. Car manufacturers master modularization techniques to do just that.

- As competition and the appetite for new products intensify, product launches will have to be accelerated. Samsung, with its accelerated smartphone product launches and customized products for different customer segments, understands this well. Its “Galaxy” series smartphones have price points from INR 5,000 to INR 50,000, with more than 50 product options for Indian customers. This strategy has garnered the company sizeable market share.

**Source**
- Greater product variety will require organizations to source smaller lots of a wider set of raw materials, often in real time as need arises, calling for *flexible and agile processes*.
Supply chains will need to handle higher variety and faster transitions

- The use of intermediaries to develop a lean supply chain model will be crucial. Industrial supply distributors such as Grainger, Wolseley, and Fastenal, which maintain large logistics networks in their area of operation with hundreds of thousands of maintenance, repair, and overhaul items in inventory, help organizations efficiently meet the need for unplanned purchases.

Make
- Production lines, too, will need to be more focused and flexible to accommodate a greater number of products. India’s leading textile players are doing this well already.

- More products with smaller lots will also need more changeovers. Honda’s US plants can shift from one model to another on the same line in just five minutes.

- Manufacturing units need to handle a larger variety in packaging (for example, shelf-ready packs) to meet different customer and channel needs.

Deliver
- Traditional mom-and-pop stores will coexist with an upsurge in online and organized modern retail. All major US retailers have already adapted (or are in the process of adapting) their supply chains to accommodate omni-channel sales.

- Late customization or value addition at the distribution center or point of sale is an excellent technique to keep manufacturing complexity in check while still serving differentiated demand. Asian Paints provides retailers with just 20 base colors that can be combined to produce 1,000 shades for consumers. Fast-moving consumer goods companies in India are increasingly adopting packaging customization at the distribution center to navigate through customization and demand volatility during promotions and festivals.

And, of course, to enable tailoring to market demands, collaboration between different value chain participants and integration of systems and processes across the value chain will be essential.
Improved supply chain infrastructure

**Faster...**

**Average speed (kmph)**

<table>
<thead>
<tr>
<th></th>
<th>Truck</th>
<th>Train</th>
</tr>
</thead>
<tbody>
<tr>
<td>India (2012)</td>
<td>35</td>
<td>25</td>
</tr>
<tr>
<td>China (2012)</td>
<td>50</td>
<td>40-45</td>
</tr>
<tr>
<td>United States (2012)</td>
<td>75</td>
<td>45</td>
</tr>
<tr>
<td>India (2025P)</td>
<td>?</td>
<td>?</td>
</tr>
</tbody>
</table>

**Wider...**

**Share of Rail in Indian Freight Traffic (% NTKM)**

- 1991: 60%
- 2001: 40%
- 2008: 36%
- 2025P: 38%

**Better...**

- Palletization
- Containerization
- Semi-automatic material handling
- Reliability of modes

Sources: Twelfth Five Year Plan, Dedicated Freight Corridor Corporation of India, United Nations Environment Programme, US Department of Transportation, Press search, A.T. Kearney analysis
Supply chain infrastructure will facilitate faster, multimodal and better operations

• **Faster.** Introduction of the Dedicated Freight Corridor could see rail speeds rise to as much as 100 kilometers per hour. Road speeds will increase too, thanks to infrastructure investment through public-private partnerships and technology advances such as electronic toll collection, and fleet modernization.

• **Wider.** Presently, road is the dominant transport mode, and rail has lost significant share over the past two decades. The Dedicated Freight Corridor will enable modal shift to rail, along with increased levels of containerization. Connectivity will improve further, with strong growth among third-party logistics providers and the emergence of multimodal logistics parks—11 of which Indian Railways intends to develop along the Delhi-Mumbai corridor. Additionally, the last mile connectivity is expected to improve with the introduction of more efficient small vehicles.

• **Better.** With rising need for consolidation, distribution and logistics will be more efficient through standardization of pallets and trucks, higher containerization, use of semi-automated material handling, improved storage facilities, and other modernization techniques. Further, the reliability of service providers is expected to improve significantly.
Supply chain consolidation

Manufacturing Landscape – illustration

Source: A.T. Kearney
Improved infrastructure will drive scale and encourage consolidation

As India’s infrastructure develops to meet the needs of the future, scale will increase and the supply network will consolidate.

To respond to this evolution, the supply chain will need to:

- Increase its ability to handle high volumes of material, with consolidated manufacturing plants and automated facilities.
- Adapt supply chain design for a multimodal network, integrating road, rail, air, and sea transport.
- Standardize operating models and practices—for example, modularized platforms for manufacturing, or containerization and palletization in warehousing and distribution—to reduce complexity and increase efficiency.
- Collaborate with other logistics players and with government agencies in the creation of consolidated centers outside cities, where deliveries to the same location can be bundled across sectors. Consolidation centers in Europe have doubled average truck utilization.

Case Study

China has set up bonded logistics parks in eight large cities to handle growing demand volumes and increase inventory velocity. These parks are primarily free trade zones that combine land access and international port capabilities to create a full-service logistics and supply management platform. These parks also provide express customs clearance, reduced duties, and simple processing of goods, with cargo consolidation for transshipment, export, and import.
Better regulatory climate

- Changing Regulations
- GST
- Sustainability/Activism
- Fiscal Incentives
Changes are certain to happen. The question is, when?

While there may be uncertainty in the timing of implementation, regulatory reforms and activism-driven changes are certain to arrive.

The major expected changes are:

• **Goods and Services Tax (GST).** In today’s state value-added tax (VAT) environment, organizations fragment their supply networks to optimize taxes. Implementation of a harmonized, national GST is likely to bring about consolidation in warehousing, with large distribution hubs. Consolidation will also lead to the emergence of more modern warehouses and more automated packaging, storage, and delivery.

• **Fiscal incentives.** On the one hand, many of the existing region-based fiscal incentives will cease to exist, driving organizations to rethink their supply networks. On the other hand, incentives may be enacted in new regions such as Seemandhra. A wave of fiscal incentives targeting efficiency are also in the offing, such as:
  — National investment and manufacturing zones, where compliance burdens are lower
  — Free trade warehousing zones (mega hubs, with state-of-the-art warehousing and storage, governed by special economic zone provisions)

• **Sustainability and activism-driven changes.** Society’s increased focus on sustainability will heighten demands for the efficient use of scarce resources, driving changes in operational practices to include, for example, the use of renewable energy sources. Rising consumer awareness may also cause legislators to hold manufacturers responsible for the proper recovery and disposal of their products after use or to use water more judiciously in their manufacturing processes or use of recyclable materials for production. Development of sustainable product designs and the implementation of eco-friendly logistics practices will require greater collaboration with suppliers and logistics partners.
Scenario-based supply chain planning will ensure preparedness

**Imperatives**

- Scenarios to plan implications
- More sustainable “way-of-working”
- Safety and work environment standards

**Post GST change in warehouse network**

*Source: A.T. Kearney*
Organizations will need to adapt to changing regulations

Adaptation in four areas will be critical:

- Organizations will need to develop a **scenario-based supply chain planning process** to optimize the benefits from changes in the fiscal landscape, as and when they are implemented.

- Supply chain **flexibility and agility**, especially in decision making and implementation, will be the distinctive traits of leaders in their respective industries.

- Organizations will have to incorporate **sustainable supply chain practices** in their long-term supply planning and network design. All supply chain partners, including suppliers, distributors, logistic service providers, and retailers, will also have to be trained adequately to adopt such practices.

- **Capability building and retention** will be essential, prompting organizations to improve the work environment. Safety standards and employee policies will be important as organizations become global and supply chains become more integrated.
Stronger global connect

India will have a large share of global trade...

Global Trade – Size and Share
(USD Bn., %)

<table>
<thead>
<tr>
<th></th>
<th>India today</th>
<th>China today</th>
<th>India 2025P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Import</td>
<td>1,065</td>
<td>4,475</td>
<td>5,670</td>
</tr>
<tr>
<td>Export</td>
<td>2.4%</td>
<td>10%</td>
<td>6%</td>
</tr>
</tbody>
</table>

...with a higher share of trade in GDP...

India – Import and Export
(% of GDP)

<table>
<thead>
<tr>
<th>Year</th>
<th>Import</th>
<th>Export</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>13%</td>
<td>12%</td>
</tr>
<tr>
<td>2012</td>
<td>31%</td>
<td>24%</td>
</tr>
<tr>
<td>2025P</td>
<td>41%</td>
<td>40%</td>
</tr>
</tbody>
</table>

...and a larger number of FTAs¹

Number of countries India has Trade Agreements with

<table>
<thead>
<tr>
<th>Type</th>
<th>Today</th>
<th>2025(P)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduced duty</td>
<td>6</td>
<td>13</td>
</tr>
<tr>
<td>Zero duty</td>
<td>11</td>
<td>50²</td>
</tr>
</tbody>
</table>

¹ FTA is free trade agreement
² Based on ongoing discussions

Sources: EIU, Department of Commerce - GoI, A.T. Kearney
India will be more connected with the rest of the world

India will become a bigger contributor to the global economy:

- **Trade volume is likely to multiply by about five times**, exceeding China’s current volume of imports and exports, with India accounting for a six percent share of global trade.

- **Foreign trade’s importance to the Indian economy will increase**, thanks to potential demand in adjacent markets (for example, Nepal, Sri Lanka, Eastern Africa, and Southeast Asia) and favorable economics.

- Facilitating the previously cited trends will be an increase in the number of free trade agreements signed by India. ASEAN and select other Asian countries are expected to emerge as a significant trade bloc over the next decade, and negotiations are in progress with key developing and developed economies such as the Gulf Cooperation Council, the European Union, and the European Free Trade Association (Switzerland, Norway, Iceland, and Liechtenstein).
Regional opportunity will alter organizations’ footprints

Now

2025: India – a manufacturing hub?
Regional footprints will pose multi-country supply chain challenges

With the rise in foreign trade, particularly with Southeast Asian and Pacific nations, organizations will have to design their footprints at a regional rather than a country level. Among the challenges inherent to a multi-country supply chain are uncertain lead times, geographic dispersion, and a larger number of potential sources of disruption—all of which make planning and execution more difficult. Other challenges include:

- **Traceability** across the product life cycle to minimize wastage, achieve high service levels, and ensure responsible social practices.

- **Quality and policy compliance** in terms of operational practices, recycling, and social and environmental guidelines.

- **Risk management** to minimize the impact of political unrest, natural disasters, or sudden economic downturns.

- **Responsiveness**—grounded in better visibility, flexible manufacturing arrangements, and agile logistics—to address the growing need for shorter product lead times.
Affordable and accessible technologies

Information explosion: Internet, Social Media, Mobile, Big Data in India

<table>
<thead>
<tr>
<th>Technology</th>
<th>Current 2020</th>
<th>2025P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet</td>
<td>185 mn</td>
<td>750-800 mn</td>
</tr>
<tr>
<td>Social media</td>
<td>90 mn</td>
<td>500-600 mn</td>
</tr>
<tr>
<td>Big data</td>
<td>40,000 petabytes</td>
<td>2.5-3 mn petabytes</td>
</tr>
<tr>
<td>Mobile</td>
<td>915 mn</td>
<td>1,200-1,500 mn</td>
</tr>
</tbody>
</table>

Enhancing scale will make SC technologies affordable

Cost of technologies like RFID down by 90% in India

- Current: 1.0 $/tag
- 2020P: 0.1 $/tag

Cost of Data Storage down by 75% globally

- Current: 1.6 $/GB
- 2020P: 0.4 $/GB

Note: 1 Petabyte = $10^{15}$ Bytes
Sources: International Telecommunication Union, Press search, A.T. Kearney analysis
Innovations in technology and the information explosion will continue

Information explosion is a certainty
- **Internet penetration** in India is presently just 11 percent, as opposed to the global average of 36 percent. With the growth of mobile Internet among the rural population and the e-commerce demand from tier 3 and 4 cities and towns, penetration could well rise to half of the Indian population by 2025.

- Today, about half the internet users in India are on some **social media** platform, though the number of users is only around 90 million. Growing Internet penetration and the emulation of adoption patterns in developed countries (where 80 percent of Internet users have social media accounts) lead us to expect a huge surge in the number of social media users.

- **Data** volume will increase exponentially, as internal data provided by enterprise resource planning systems are complemented with external data from email, social media, text messages, geospatial data, weblogs, clickstreams, and point-of-sale terminals.

- **Mobile penetration**, now at 73 percent in India, is below the average for developing countries. By 2025, penetration is likely to approach 100 percent. Availability of affordable smart phones and internet service packs is driving internet usage in India.

Technologies will be more affordable
- For example, a **radio-frequency identification (RFID)** tag currently costs about $1 in India. As industries such as retail deploy this technology by the hundreds of millions, the cost per tag could drop by 90 percent.

- Global **data storage** costs have fallen with the development of distributed storage techniques and cloud computing. Furthermore, open-source analytical platforms and architecture such as Hadoop and MapReduce are making data analytics flexible, reliable, and relatively affordable for many companies.
Supply chain organizations will become data-centric

Key Imperatives for Organization

- Develop data capture and visualization tools
- Develop process and analytical capabilities
Decisions will be supported by superior visualization and analytics

Supply chains with superior data capture and visibility will have a strong advantage. For example, they will be able to react quickly to real-time data on inventory levels at points of sale, consumer buying behavior, and fluctuations in freight and raw material prices. Or technology solutions may analyze point-of-sale information in order to dynamically re-price products to influence purchasing behavior; craft differentiated advertising campaigns, and tailor product development efforts to specific needs.

Access to this data is meaningless, however, without the requisite analytical capabilities. Organizations will have to build adequate capabilities to draw meaningful conclusions from big data. And execution skills to adopt new practices and experiment with different initiatives based on these conclusions will be critical. This will be especially important as the capability to develop insights and act on them, and not technology, will be the true differentiator.

Examples abound of organizations that have tangibly improved their supply chains through data analytics. A large pharmaceutical retailer deployed big data analytics with massively parallel processing to reduce inventories by 15 percent, without impacting in-stock rates. A large Indian conglomerate used collaborative optimization to source across multiple manufacturing sites and brought down primary freight costs by 8 to 10 percent. And by using RFID, an Indian cement company reduced vehicle congestion by 75 percent while lowering inbound and outbound transport costs by 5 percent.
Challenges that will continue even in 2025

The constants

- Volatility in supply & demand
- Pressure to deliver “more with less”
- Talent availability, skill gaps

Imperatives

- Risk management
- Scenario planning
- Continuous efficiency focus
- Balance customization vs. consolidation
- Selective automation
- Capability development
- Better work environment

Source: A.T. Kearney
“Plus ça change, plus c’est la même chose”¹

The more things change, the more they stay the same.

While there will be many changes, some current trends will persist:

- **Supply and demand volatility** will continue. As a result, supply chains will need to master risk management, developing flexible sourcing arrangements from multiple suppliers, adaptable manufacturing lines, and scalable warehousing and transport agreements. Scenario planning will enable managers to adopt real-time production decisions based on demand sensing.

- The **pressure to deliver “more with less”** will not subside. Lean and continuous improvement practices to keep costs low will be essential. In parallel, organizations will have to constantly juggle the trade-offs between customized product offerings and the efficiencies offered by consolidated sourcing, storage, and manufacturing.

- Labor will be abundant, but right-skilled labor will be harder to come by. The answer to these **talent shortages and skill gaps** can be found in selective automation, ongoing training, and an aspirational, inspiring work environment.

¹By French journalist and novelist Jean-Baptiste Alphonse Karr
To prepare for the future...

Set in place a scenario planning process

Invest to experiment and learn
... there are two things that organizations can do

While the extent of these changes is difficult to predict, it is clear that India will be substantially different in 2025 and organizations need to do two things to be prepared:

- **Implement a process to periodically gaze at the crystal ball and develop future scenarios.** As Henri Poincaré said, “It is far better to foresee even without certainty than not to foresee at all”. Developing scenarios can help identify plausible future situations that require the development of new capabilities or new ways of working. For example, while GST timing is uncertain, all organizations should test future facility investment locations for a post-GST scenario.

- **Invest in pilots to experiment and learn about emerging themes.** Today, organization’s budgets are fully focused on the next year’s operating plan. It is important to carve out investments (in terms of people, funds, and other resources) in their yearly budgets to experiment with or pilot preparedness of potential future scenarios (for example, to test palletization at a distribution center or pilot RFID tracking with one vendor). This will give valuable lessons in what is likely to work and what modifications or improvements are needed before they get adopted. More importantly, it will provide the organization with lessons that will stand it in good stead in case the scenario actually develops.
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About A.T. Kearney

A.T. Kearney is a global team of forward-thinking partners that delivers immediate impact and growing advantage for its clients. We are passionate problem solvers who excel in collaborating across borders to co-create and realize elegantly simple, practical, and sustainable results. Since 1926, we have been trusted advisors on the most mission-critical issues to the world’s leading organizations across all major industries and service sectors. A.T. Kearney has 58 offices located in major business centers across 40 countries.

A.T. Kearney has been serving Indian clients for over 30 years. Our work centers around the CEO agenda—solving business issues on a wide spectrum of topics from growth strategy, business transformation, operational excellence, and cost reduction to improved sourcing and risk management. Our clients are chiefly major conglomerates, multinationals, public- or private-sector companies, and private equity firms.

Our collaborative style makes us true working partners, and we are constantly recognized for our ability to deliver concrete, sustainable results: over 90 percent of our clients return to us.

About CSCMP

Founded in 1963, the Council of Supply Chain Management Professionals (CSCMP) is the preeminent worldwide professional association dedicated to the advancement and dissemination of research and knowledge on supply chain management. With over 8,500 members representing nearly all industry sectors, government, and academia from 67 countries, CSCMP members are the leading practitioners and authorities in the fields of logistics and supply chain management.

The continuing education of its members and sharing of best practices is the cornerstone of CSCMP. The organization’s annual global conference brings together thousands of supply chain professionals from all over the world to exchange ideas and share knowledge. CSCMP also conducts hundreds of local roundtables around the globe, making it easy for members to connect with their counterparts closer to home. In addition, CSCMP provides online education opportunities to supply chain professionals near and far. Its Online University offers members and potential members easy access to the latest in logistics and supply chain management science. CSCMP’s SCPro™ is a three-level certification program through which supply chain professionals can hone a broad array of essential industry skills, and master the complete range of end-to-end global supply chain functions.
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