

# Managing Supply Chain in VUCA world

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## Abstract:

Today's world is ascribed as Volatile, Uncertain, Complex as well as Ambiguous. Managing business with the interesting verticals of agile, kaizen and lean principles to demarcate the underlying impact of VUCA is something that is important. The present paper is an attempt to understand the same. It presents the different prevalent practices as well as even describes the strategies to combat the different situations. Different existing literatures are also reviewed to understand the prevalent practices.

**Keywords:** Ambiguous, Complex, Strategy, Volatile, Uncertain etc.

## 1.INTRODUCTION

VUCA is a du jour of today's turbulent times. VUCA stands for Volatile, Uncertain, Complex and Ambiguous. These elements can be put forth as:

**Volatility-** It is analogous to change momentum. The rapid abrupt fluctuations in demand leads to huge vitality in industry too. Thereby, connoting that more the volatility in the world, more chances of fluctuations around.

**Uncertainty-** Prediction depends on uncertainty. Uncertain domains do not allow predictions even with statistical interferences. Future cannot be strongly anticipated if there exists more uncertainty.

**Complexity-** In order to understand complex environment, an effectual understanding of different factors is required. But with more complex environment, more variability of factors may exist which makes it difficult to analyse.

**Ambiguity-** If the prevalent situations are ambiguous, it becomes difficult to interpret and hence one may not land onto some conclusions.

These four verticals of turbulent times can be presented as:

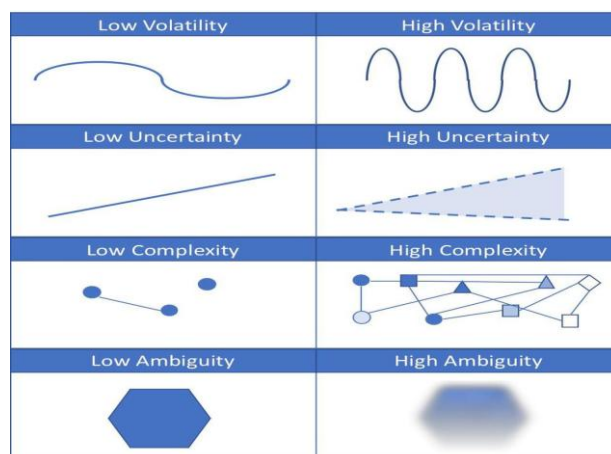


Fig 1: VUCA in turbulent times

(Source:

<https://www.forbes.com/sites/jeroenkraaijenbrink/2018/12/19/what-does-vuca-really-mean/#6658bb1617d6m>)



Fig 2: VUCA Meaning (Source: <https://hbr.org/2014/01/what-vuca-really-means-for-you>)

## 2. REVIEW OF LITERATURE

Raghuramapatruni R et al (2017) researched that VUCA has now-a-days become a popular catchword as the phrase has been recognised as "The art of Jugglers" by HB Manager. The paper elaborates passages to success in this VUCA environment. Bodenhausen G et al (2009) examined that several literatures have ignored identity dimensions while studying about VUCA world. Sathyanarayan K et al (2018) investigated about factors that have a constructive impact on job performance and turnover intention through data procured from 163 IT sector employees of Chennai. Shliakhovchuk E (2019) reviewed different literatures on cultural literacy and analysed the available different trends in order for adequate policy making by varied institutions like UNESCO etc. Bruce et al (2004) believed that a combination of agile and lean i.e. Leagile is the need of hour in today's time period.

## 3. UNDERSTANDING VUCA

There may exist challenges to several organizations due to unorganised supply chain. As per the reports of Federation of Indian Chambers of Commerce and Industry and Ernst & Young the traditional supply chain models were pipeline models with just unifacial information flow. However, as per the reports there do exist some retail giants like Big Bazaar and Food Bazaar which has Future Logistics for its supply chain management. Report also concludes the need for an agile supply chain i.e. a chain which may easily adapt to the existing VUCA.

Following can be undertaken to ensure operational efficiency in an agile environment:

Augment internal potential: In order to ensure vigorous environment an organization may undertake the following steps:

- Handhold others those who may develop some tools as well as methods so that we may need not to orient towards outside industries.

- There should be lucrative incentives for effectual task completion
- More of educational programmes should be introduced.
- Timely visits to vendors in order to ensure timely completion

Change should not be resisted: Rather an environment of continual environment should be reinforced. An initiative undertaken by Godrej Interio can be portrayed as:

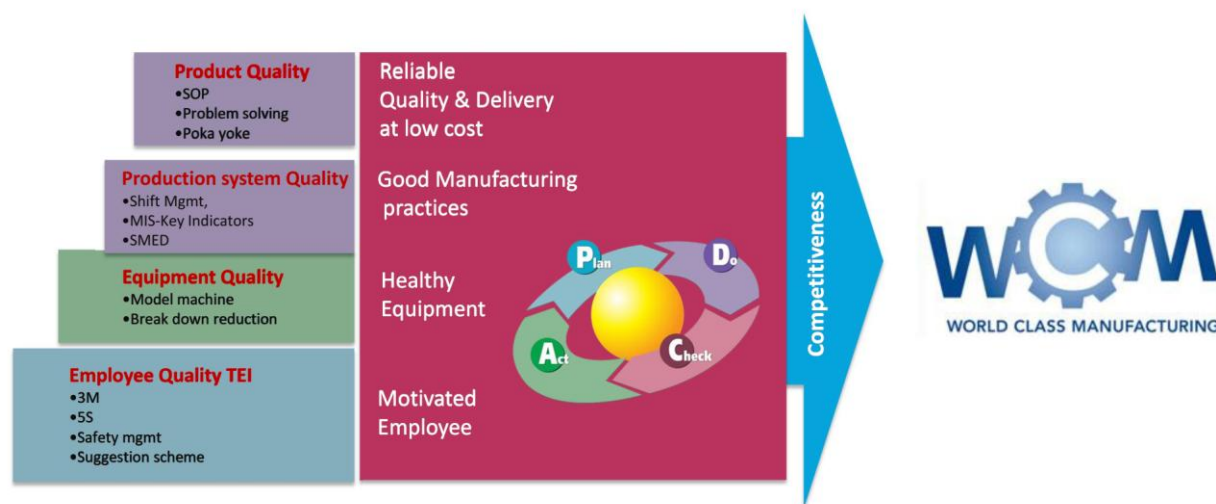


Fig 3: Initiative by Godrej Interio

An environment of cluster formation induces an environment of classroom learning to be faster. Adequate inputs from top management will definitely add more knowledge. And finally those who are able to meet with expectations should be rewarded. Moreover, Japanese Principles of Management intends to make the tasks more effective like Kaizens need to be encouraged. Elimination of Muda tends to enhance productivity. Leadership: Transforming leadership yields business excellence.

Moreover, analytics is something that may change the scenario today. It has been rather emphasized that measuring what is measurable and making efforts to measure the unmeasured is the need of hour today. That is where analytics comes into play, processing of big data and it's computing power is something that makes it more lucrative and one of the things that has been quickly adapted by many huge organizations.

## 4. CONCLUSION

Organizations of today has been moving swiftly to meet the requisitions of millennials. Fast deliveries while addressing the vulnerabilities in this VUCA scenario is something that is expected by varied consumers. Hence, the present paper discusses the different methods as well as working principles adopted by different organizations to manage the unmanaged in the VUCA scenario.

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