

The Institute of Cost Accountants of India

(Statutory body under an Act of Parliament)

Northern India Regional Council

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MAY-JUNE 2020

THE NEWSLETTER OF NORTHERN INDIA REGIONAL COUNCIL

Glimpses of NIRC Activities March-April 2020



**THE INSTITUTE OF
COST ACCOUNTANTS
OF INDIA**
(Statutory body under an Act of Parliament)

NORTHERN INDIA REGIONAL COUNCIL
FACULTY OF CRASH COURSE
Starting from 1st June 2020

 CMA Vivek Laddha Indirect Tax Laws and Practice (Bhilwara)	 CMA Bhavna Sharma Indirect Taxation (Chandigarh)	 CMA Prakash Sharma Cost Accounting (Delhi)	 CMA Kalyani Karna Strategic Financial Management (Delhi)	 CMA Sanket Gupta Fundamentals of Business Mathematics (Delhi)
 CMA Sachin Gupta Direct Taxation (Delhi)	 CMA Pooja Khatke Law & Ethics (Delhi)	 CMA Vikram Singh Fundamentals of Accounting (Delhi)	 CMA Nrupam Mehta Fundamentals of Economics and Management (Delhi)	 CMA Seeta Gupta Financial Accounting (Jaipur)
 CMA Vikash Tolasaria Corporate Financial Reporting (Jaipur)	 CMA Akshay K. Sen Strategic Management and Strategic Management (Jaipur)	 Vandana Fundamentals of Laws and Ethics (Raipur)	 CMA Gangotri Swami Company Accounts and Audit (Kota)	 CMA Pawan Tiwari Tax Laws and International Taxation (Lucknow)
 CMA Hemendra Sani Strategic Cost Management and Decision Making (Lucknow)	 CMA Raney Gupta Cost & Management Accounting and Financial Management (Lucknow)	 CMA Sakshay Vrat Strategic Performance Management and Business Valuation (Shimla)		

FOR NORTHERN INDIA REGIONAL COUNCIL

CMA Anil Sharma Chairman	CMA Rajendra Singh Bhati Secretary	CMA Shailendra K. Paliwal Treasurer
CMA Harkesh Tara Vice Chairman	CMA Santosh Pant RCM	CMA Manish Kandpal RCM
CMA Sandeep Goel RCM		

Behind every successful business decision, there is always a CMA

About Us



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

The Institute of Cost Accountants of India

The Institute of Cost Accountants of India (erstwhile The Institute of Cost and Works Accountants of India) was first established in 1944 as a registered company under the Companies Act with the objects of promoting, regulating and developing the profession of Cost Accountancy.

On 28th May 1959, the Institute was established by a special Act of Parliament, namely the Cost and Works Accountants Act 1959 as a statutory professional body for the regulation of the profession of cost and management country. It has since been continuously contributing to the growth of the industrial and economic climate of the country.

The Institute of Cost Accountants of India is the only recognized statutory professional organization and licensing body in India specializing exclusively in Cost and Management Accountancy

IDEALS THE INSTITUTE STANDS FOR

- To develop the Cost and Management Accountancy profession
- To develop the body of members and properly equip them for functions
- To ensure sound professionals ethics
- To keep abreast of new developments

About Northern Region

The Northern India Regional Council is located at New Delhi has jurisdiction over 9 States and UTs the states of National Capital Territory of Delhi, Uttar Pradesh, Uttarakhand, Rajasthan, Haryana, Punjab, Himachal Pradesh and Jammu & Kashmir.

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Message Chairman's Communique

Dear fellow members and colleagues,

Through this communique, I wish that you all are safe and secure and spending quality time with families.

With new hopes in the unlock down phase and starting of festival seasons with Sawan month followed by JANAMASHTMI, will cheer up socio-economic scenario of the country. We have also seen various new government decision, reforms and guidelines in the area of Education, Agriculture, Industry, Political and International relations which will definitely inject new energy.

SELF RELIANT INDIA has five Pillars i.e Economy, Infrastructure, System, Demography and Demand ('Aatma Nirbhar Bharat Abhiyaan'). With innovative ideas and initiatives, we are very much confident that on one side we will continue to achieve economic growth and on other side we will protect our environment and culture. COVID-19 has given very strong message that pollution of any kind is man made and it has solutions without wasting money. New Education Policy (NEP) 2020 is one of the few examples of positive change in society that can definitely enhance the way of living and can also control the economic stress of the country.

We all know that worldwide there is a demand for COVID-19 Vaccination and PPE Kit along with other healthcare products. With the support of government initiatives, we could perform better and could help the needy one.

Measures taken by the government in the area of MSMEs, Direct and Indirect taxes, Health etc. definitely help the stakeholders in long way.

ROLE OF A COST ACCOUNTANTS:

Due to the increasing demand for good quality and cost-effective Healthcare equipment like Ventilators, Test Kits, PPE Kits and also the pharma products, we as a cost accountant can play a very crucial role in by using cost control and cost reduction techniques. We may initiate awareness programmes for manufacturers and traders regarding production plan for achieving such cost-effective target.

We can use this pandemic time and can accomplish a ATMA NIRBHAR BHARAT and will take the mother India to new heights.

With Best Wishes,

CMA Anil Sharma
Chairman



Message Secretary's Communique

Good wishes for 74th Independence Day. On the occasion of Independence Day Hon'ble Prime Minister Sh Narendra Damodardas Modi ji emphasised oneconomy of the country and Attam Nirbhar Bharat. He mentioned that understanding of Attam Nirbhar Bharat is not cut off with rest of the world, rather to work more for the world. It does not means that we should not have trade relations with different countries of the world, but it is to contribute more in world trade. Government has imposed ban on import of 101 defence equipments with an idea to manufacture the same in India. We being CMAs know that Cost Audit and Record Rules are applicable on various defence component and machinery i.e Turbo jet, Arms and ammution etc. So by assisting our arms forces and manufacturing units we can contribute a lot for the development of country and also play a vital role in defence services.

With digitalization of transactions, research work and upliftment of cottage and art work, India will be Self Reliant to fulfil its dreams for education to all, health services up to last man in row, clean environment etc. All area need services of CMAs and lets us join hand to serve the nation without indulging in unproductive activities.

Jai Hind

CMA Rajendra Singh Bhati
Secretary

NIRC ACTIVITIES

With the novel coronavirus shaking the whole world, social distancing & work from home have become need of hour. The impact of this pandemic has forced to shut down most of the events, meetings & conferences.

To Keep the learning members continue, in this Covid Era, NIRC organised various professional programs for the benefit of members & students. Large number of members & students across north india participated in the webinars, Which were ornamented with various distinguished speakers, faculty & guests, apart from presence of CMA Anil Sharma- Chairman, CMA Harkesh Tara- Vice chairman, CMA Rajendra Singh Bhati – Secretary, CMA Shailendra paliwal- Treasurer, CMA Sandeep Goel- RCM,CMA Santosh Pant and CMA Manish Kandpal.

Webinar on NIRC Members Meet to Discuss Key Challenges & Opportunity in current Pandemic

Date: 28.04.2020

Speaker: NIRC COUNCIL

"Negative Oil Pricing, Funds, Equity & Indian Industry Post COVID-19 era"

Date: 02.05.2020

Speaker- 1. Dr. Aman Chug, Known as Father of financial Planning, Derivates and Portfolio Management and Guru of Financial Market and Economics. **2.** CMA Suraj Prakash, Director Finance Bharat Earth Movers Ltd.

Webinar on "CFO Services-an Opportunity for CMA Professionals"

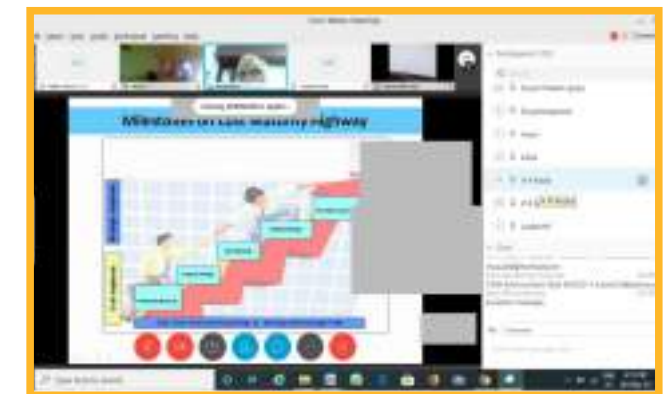
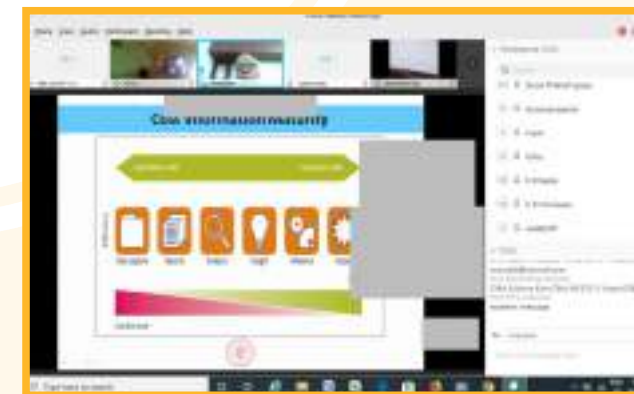
Date: 03.05.2020

Speaker: CMA Sunil Pandey, Founder, Arth Vritt Capital, Mumbai

Building Practice on Cost Management A Non Statutory Perspective

Date: 06.05.2020

Speaker: CMA A.N Raman, Former President South Asian Federation of Accounts (SAFA)



Impact of COVID-19 on Transfer Pricing and Economics Behind it

Date: 08.05.2020

Speaker: 1. Ms. Kanupriya Prashar, 2. IRS Monika Singh

Project and Contract Claims Management by CMA
Date: 09.05.2020
Speaker- CMA (Dr.) Sunil Mittal

Business Intelligence Tools for CMA
Date: 13.05.2020
Speaker: CMA Sharad Maheshwari, Turease Solutions LLP

Topic- Excel Workshop for CMA Professionals
Date: 14.05.2020
Speaker: CMA Pawan Kumar

Role of CMA as Valuer
Date: 15.05.2020
Speaker: CMA Rammohan Bhawe, Faculty, Consultant and Holder of Limca Book of World Records

Internal Audit Concept And Techniques
Date: 16.05.2020
Speaker: CMA Himanshu Verma, Internal Audit Head, R1 RCM Global Private Limited.

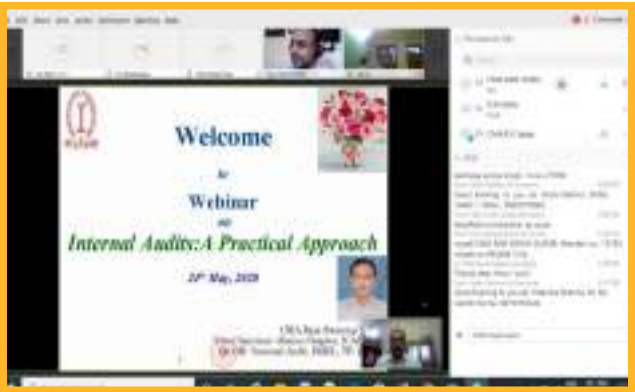
Conducting Cost Audit amid COVID-19
Date: 21.05.2020
Speaker: CMA R. Parvathy, Practising Cost Accountant



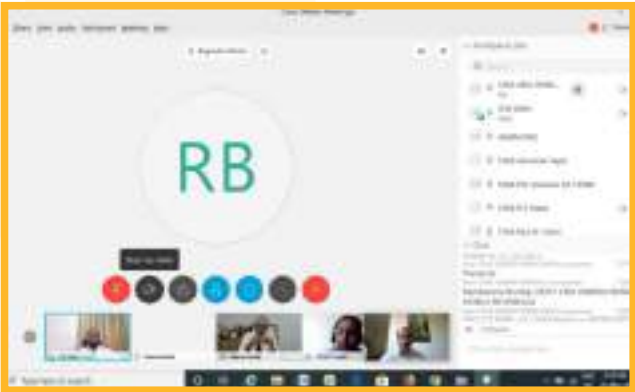
CMA as director - Governance & Bhagavad Gita
Date: 21.06.2020
Speaker: CMA Dr. P.V.S. Jagan Mohan Rao

Role of Technology for Optimization of CMA as Professional
Date: 22.05.2020
Speaker: CMA B. Mallikarjun Gupta, Product Evangelist, Logo Infosoft.

Internal Audit: A practical Aspect
Date: 24.05.2020
Speaker: CMA Ram Swaroop Yadav, Dy. General Manager- Internal Audit, BHEL Jhansi.



Forensic Audit under digital Era
Date: 25.05.2020
Speaker: CMA Neeraj Aarora, Advocate



CRASH COURSE
Student Welfare Committee of Northern India Regional Council has proudly announced "CRASH COURSE" for the Foundation, Intermediate and Final students appearing for the examination in July term, 2020. With the Full support and Guidance of Chairman NIRC Mr. Anil Sharma and other council colleagues this Successful start of Crash Course is the result of hard work of Chairman of Student Welfare Committee CMA Santosh Pant, Council members of NIRC and Whole NIRC Staff. The Course started on 1st June, 2020 inaugurated by Chairman NIRC with all NIRC council colleagues and faculties nominated for course and staff of NIRC. Chairman Student Welfare committee Mr. CMA Santosh has shown his gratitude towards the hardwork of each and every person involved in this Course and Welcome all the faculties who are invited from Bhilwara, Chandigarh, Delhi, Jaipur, Kullu (Himanchal Pradesh), Kota, Lucknow, Shimla. Around 5000 Student took registration in the Course from all over the Northern Region and other part of the country.

All Students has appreciated this Course and gave a positive feedback.
Student welfare committee is looking forward your active participation and suggestion to enable our reach to the aspiring Students in this prestigious CMA course.



CMA Rakesh Jain

It's a matter of pride that CMA Rakesh Jain, has been elevated as Executive Director(F&A), in Gail (India) Limited. Many congratulations CMA Rakesh Jain and entire CMA family. We wish all the best for his new assignment.

Congratulations



CMA Anil K. Sharma

CMA Anil K Sharma has been promoted as Section Officer by Himachal Pradesh Government.

11 Days Accounting and Auditing module training for 71st Batch of IRS (Customs & Central Excise) Officers, NACIN

INTRODUCTION

The document on hand is a narration of the detail the events and proceedings of the training program on Accounting, Costing and Auditing Module that was conducted by ICWAI MARF in association with NIRC of ICAI-CMA for the 71st Batch of IRS Officers, NACIN.

The training was conducted for continues 11 working days under virtual platform (Webex Meeting).

The schedule and topics of the training under said module was finalized with mutual consent of NACIN and ICAI-CMA. the list of faculties along with their profile was also provided in advance to NACIN for their record.

OBJECTIVE OF THE TRAINING PROGRAM

The basic objective behind the training program is to get the participants learn the essential ins and outs of business transactions and acquaint with the various concerned areas like, accounting, costing, taxation, auditing etc. This also enable them to understand the industry and trade practices across the country.

TRAINING CONTENTS

The following core concepts were covered in the training program:

1. Financial Accounting & Analysis
2. Audits and Internal Controls
3. Cost Accounting and Analysis
4. Mapping of Various Statutory Reports
5. Goods and Service Tax (GST)
6. SAP (Accounting and Related Modules)

INAUGURATION

The training programme was inaugurated by Principle Additional Director General, NACIN, Sh. Anil Kumar Gupta, in presence of CMA Anil Sharma, Chairman NIRC with all other Council Members of Northern India Regional Council of Institute of Cost Accountants of India.

The inaugural session was also attended by officers from ICWAI MARF, NACIN, Faculties and Participants. Sh. Anil Kumar Gupta Ji has briefed, the objective of the training programme and requested all the faculties to focus on the basics of the subject as all the participants are newly recruited and maximum are from non-commerce stream. He also appeals all the participants to take the maximum benefits of the training programme. Before concluding his speech, he praised the institute of cost accountants of India for all necessary arrangement and association with NACIN. CMA Anil Sharma, Chairman NIRC and CMA J.K. Budhiraja, Advisor ICWAI MARF also addressed in the inaugural session and conveyed thanks to NACIN for giving opportunity to serve and assured for the best services.

The inaugural session was concluded with vote of thanks by CMA Manish Kandpal, Regional Council Member and handed over to the trainer of the first session of the training program Mr. Manjit Kumar for further technical presentation.

KEY ARRANGEMENT FOR THE TRAINING PROGRAM

Following arrangements was made available by the ICWAI MARF and NIRC of the Institute of Cost Accountants of India.

1. Demo session was conducted for all faculties and participants in advance to understand the basic features of virtual platform.
2. Power Point Presentations and all other material related to the session was provided in advance, so that participants can overview the next day sessions.
3. Video Copy of the Recorded Session was provided in the next day of the session completed to all the participants.
4. Separate study material is compiled and soft copy of the same is provided to NACIN for further circulation among the participants.
5. System Generated Attendance of all the 11 days are provided to NACIN for their record.
6. Daily feedback received by the program coordinator from the class representative to improve upcoming sessions.
7. Feedback form from the Institute is given to NACIN for the participants feedback for self-assessment of the program.
8. Soft copy of the Certificate of Participation is given to all the participants.

TRAINING PROCEDURE – IN BREIF

The training was conducted under the virtual platform of Webex Meeting with features of audio, video, notes preparation, file sharing and transfer etc. and guide manual of the software was also shared with participants in advance to understand the basic features of the software.

Dt. 18th May, 2020 one demo session was arranged by the Institute with all the participants and faculties in presence of officials from the Institute and NACIN to make them aware and familiar with the practical run of the software and this was explained and presented by CMA Manish Kandpal, Regional Council Member of NIRC of the Institute.

Total 10 experts have performed as trainer during 11 days of training program and these trainers were shortlisted by the NIRC of the Institute after examining the various profiles received. the all trainers were holding the professional qualification so the basic criteria of selection were past experience of the trainer on the subject area. The said training was conducted on working days only.

The training session started with introduction of trainer with the participants which was followed by every individual participant in all training days. Generally, the session started every morning at 10.00 am which lasted for fifteen minutes tea break and lunch break for an hour at 1.00 pm. The session would continue

after the lunch break and different methods were used by the trainer for delivering the contents and also involving the participants. A fifteen-minute tea break was observed every day at 03:30 pm and the session would end at 05:00 pm with vote of thanks from the participants. Before ending the day's session the trainer would recap the topics discussed during the day with input from the participants and there was a daily feedback asked by the program coordinator which was aimed at knowing about the participants views about the day's proceedings, what they learnt and what they would like to share for improvement of the training.

Key features of the training program.

- 1. The preferred use of language was English during training sessions.
- 2. The content of the presentation was emphasised on basic concepts.
- 3. The real case study was incorporated in the presentation for better clarity of the subject.
- 4. Q&A session was arranged by all the trainers for making session more interactive.
- 5. The chat box tool was used by the participants to ask queries and immediate response was given by the trainers.

At the end of the training program or the last session dt. 09th June, 2020 was concluded with formal closing ceremony which was attended by all the council members of the NIRC and officials from ICWAI MAREF.

The closing ceremony was initiated with address of CMA Manish Kandpal, Regional Council Member, where he briefed about the whole training program and then he requested to Chairman NIRC CMA Anil Sharma and other officials to congratulate all the participants on completion of 11 days training program.

CMA Anil Sharma in his address assure all the participants that the Institute is always with all the extended wings of the govt. of India and ready to serve with all available resources.

CMA Harkesh Tara, Vice Chairman, NIRC congratulated all the participants with hope of more association of the Institute with NACIN.

CMA J. K. Budhiraja, Advisor ICWAI MAREF, congratulated all the participants and announced that the soft copy of the certificate of participation is sent to the NACIN.

Madam Neha Nikam, IRS the class representative of the 71st Batch (NACIN), addressed in the closing ceremony and praised the institute for all necessary arrangement and efforts for conducting this training program.

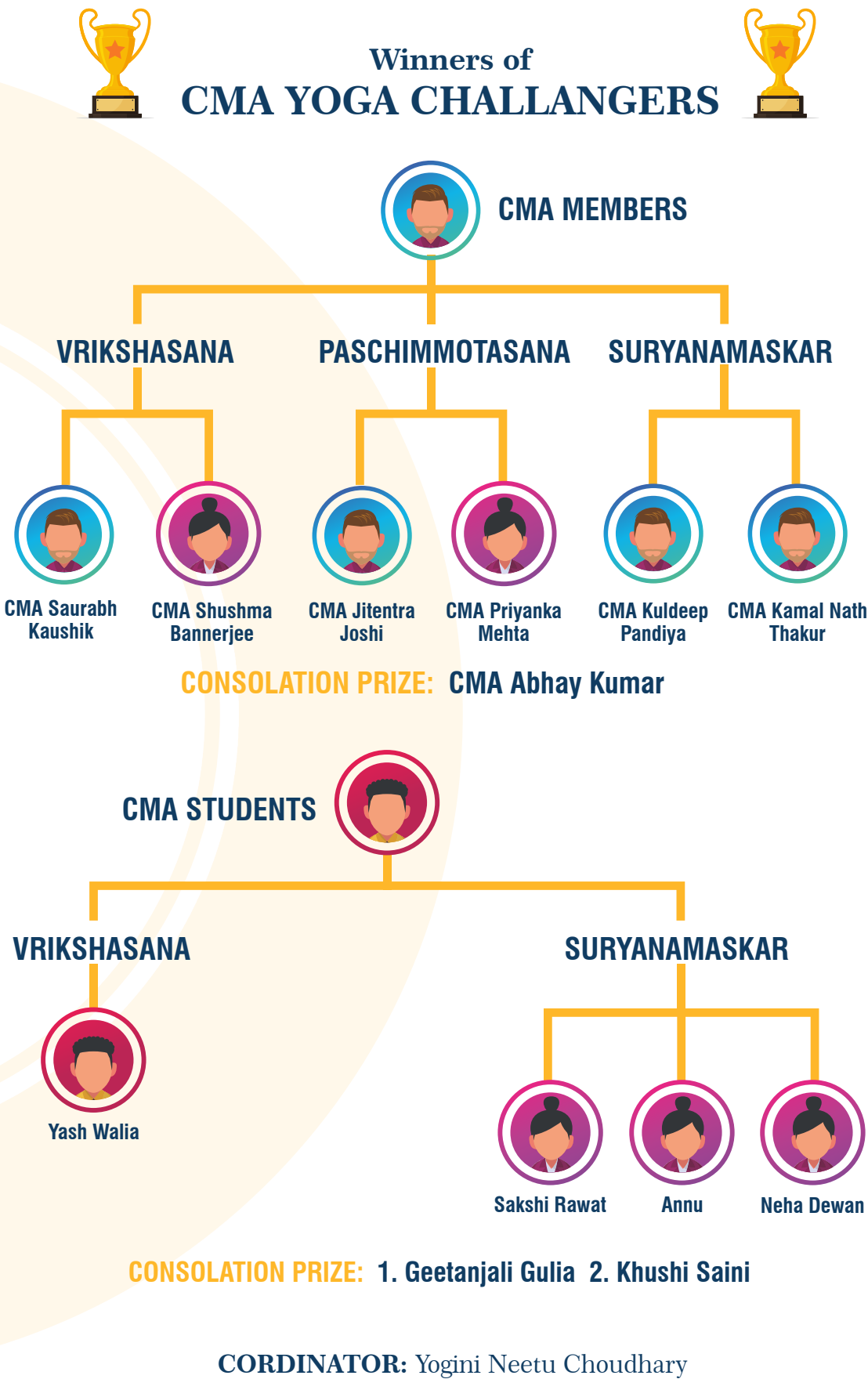
The Closing ceremony was concluded with vote of thanks by CMA Santosh Pant, Regional Council Member, NIRC of ICAI-CMA.

Finally, an evaluation form was sent to the NACIN for overall course evaluation which was more comprehensive than the daily feedback. This evaluation was intended to obtain participants views about different aspects of the training – from the venue to the effectiveness and coverage of the topics, and from the trainer's knowledge and preparedness to their overall impression of the whole experience.

CONCLUSION AND RECOMMENDATION

The training program was conducted successfully and all the participants took active part in all the eleven days of the training. the summarized feedback of the participants is mentioned in the **Annexure “A”** which is well evident of success of the entire training program. The Institute has view that the each and every aspect of module cannot be explained in few days of training so the periodical training should be conducted for the officers and for this both the organisations **NACIN and ICWAI-MAREF** may enter into a for future training program which will result into better services in a cost effective manner.

The association of both the organisation will create synergy and will fulfil the objective of both the organisation.





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Ref. No. G/128/6/2020

21st June, 2020

NOTIFICATION

Sub: Postponement of CMA Examinations for June, 2020 Term

Due to outbreak of Novel Coronavirus (COVID-19) in the country, it has been decided to further postpone the examinations of the Institute of Cost Accountants of India for June, 2020 term. The Foundation, Intermediate and Final examinations that were scheduled from 20th - 28th July, 2020 **will now commence from 1st September, 2020.**

The revised schedule of the examinations in details is being announced separately.

(Signature)

CMA Kaushik Banerjee
Secretary

Distribution:

- 1) Secretary, Examination Committee
- 2) All HODs at Headquarters, Delhi Office and Hyderabad Centre of Excellence
- 3) All Regional Councils of the Institute
- 4) All Chapters of the Institute
- 5) All CMA Support Centres, Extension Centres and ROCCs of the Institute
- 6) IT Dept – for uploading on the website of the Institute
- 7) Secretariat
- 8) Notice Board

Copy to:

- 1) President, ICAI
- 2) Vice President, ICAI
- 3) All Council Members
- 4) President's Office



Obituary

NIRC of ICAI expresses its sincere
condolence on the sad demise of
CMA Alok Gupta, Past Secretary of
Jaipur Chapter of Cost Accountants of India
on Sunday, 16th August, 2020.

May his soul rest in eternal peace

ARTICLES



Integrated transport system in India-
Improving Move in India to support Make in India!

CMA Kalyani Karna

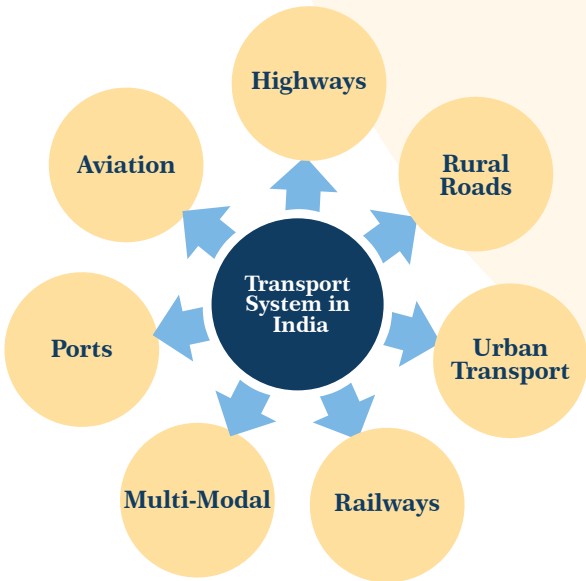
“India is on the MOVE, in terms of its economy, infrastructure, youth and other areas. We are building roads, airports, rail lines and ports at a quick pace”-addressed by Honourable Prime Minister Mr. Narendra Modi while inaugurating First Global Mobility Summit 2018, MOVE.

Integrated transport system reckons to multi-modal transport system where different modes of transport are efficiently connected with each other. This implies that there should be smooth movement of freight over several modes of transport like road, rail-ways, ports, coastal shipping, inland water and civil aviation. Different modes of transport are complementary and supplementary to each other. Integration of transport systems is vital for reduction of logistic costs and strengthening economic growth. Logistic cost is high in India as the transport system is growing in un-integrated manner. Integrated and multi-modal transport planning can help to reduce the logistic cost in India. The efficiency of logistic system will help in proper and timely distribution of agricultural produce to the market. In India, different modes of transport system are growing in silos and un-integrated manner. Integration of transport system and reduction of logistic costs is desirable for sustainable and balanced growth of economy.

This article intends to focus on development in different modes of transport in India and policies adopted for the improvement of transport system to facilitate mobility (move) in India. The robust and integrated transport system will reduce logistic costs and it will improve public conveniences, export, travel and tourism and it will also support the dream of Make in India.

INTRODUCTION

The transport network in India is one of the most extensive transport systems in the world. Transport system in India is shared by rail, road, coastal shipping, inland water and aviation.



The contribution of transport sector and growth in contribution towards GDP can be seen as follows:

Table 1: Gross Value Added by transport sector

GVA at base price in ₹ crore (at 2011-12 prices)					
				Percentage change over previous year	
	2016-17	2017-18	2018-19	2017-18	2018-19
Transport, trade, hotels, communication and other services	21,37,102	23,07,684	24,67,622	8.0	6.9
GVA at Basic price	1,12,47,629	1,19,76,155	1,28,08,778	6.5	7.0

Source: Ministry of Statistics and Programme implementation

Railways:

Indian Railway is a crown jewel of India and makes Indian feel proud at global arena as Indian rail network is the fourth longest network in the world with operating route length more than 67,368 km. The United States has the world's longest railway network (over 257,722 km), followed by China (131,000km) Russia (85,500).

Roadways:

India has second largest road network over the globe. Road transport is complementary to railways. It acts as arteries for goods and passengers arriving at railway stations. Road network in India can be classified under state highways, national highways, district and rural roads.

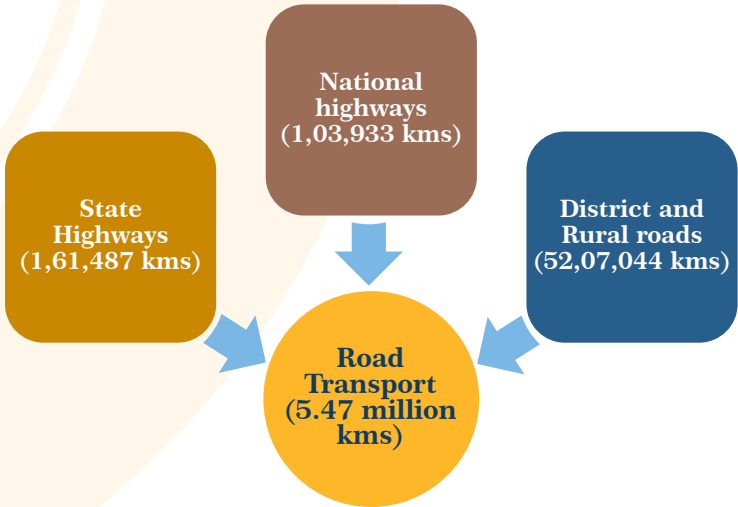


Figure 2: Road transport network

National highways connect different parts of India and it has become the essence of road network. There are 87 national highways in India extending to 142,126 km. National highway acts as an integral part of integrated transport system. Length of National Highways added under different five year plans remained as follows:

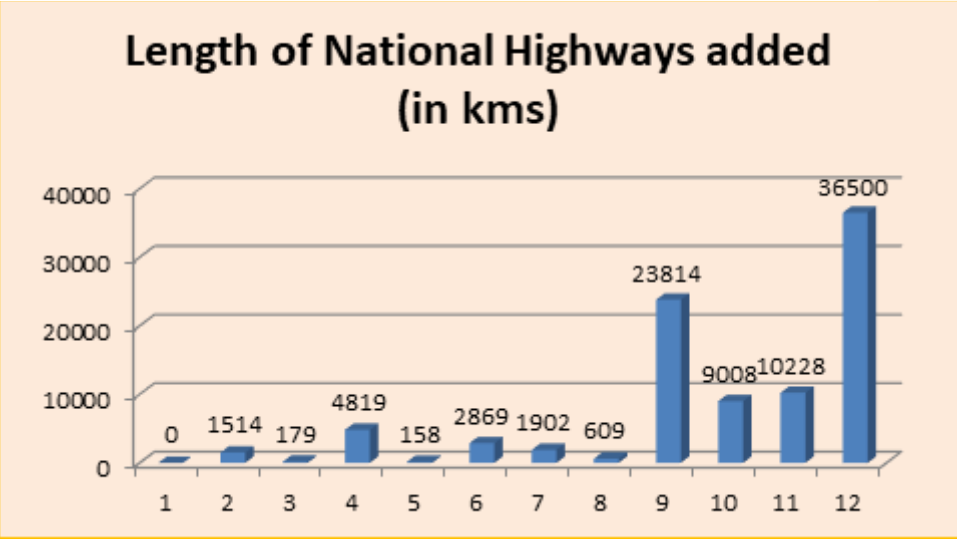


Figure 3: Length of National Highways in kms. (Source:NHAI)

Aviation:

India is ninth largest aviation market in the world and estimates to have 480 million flyers by 2036. It will be more than combined number of flyers from Japan and Germany. India is third largest domestic aviation market in the world. Aviation industry plays an important role in promoting travel and tourism and international connectivity.

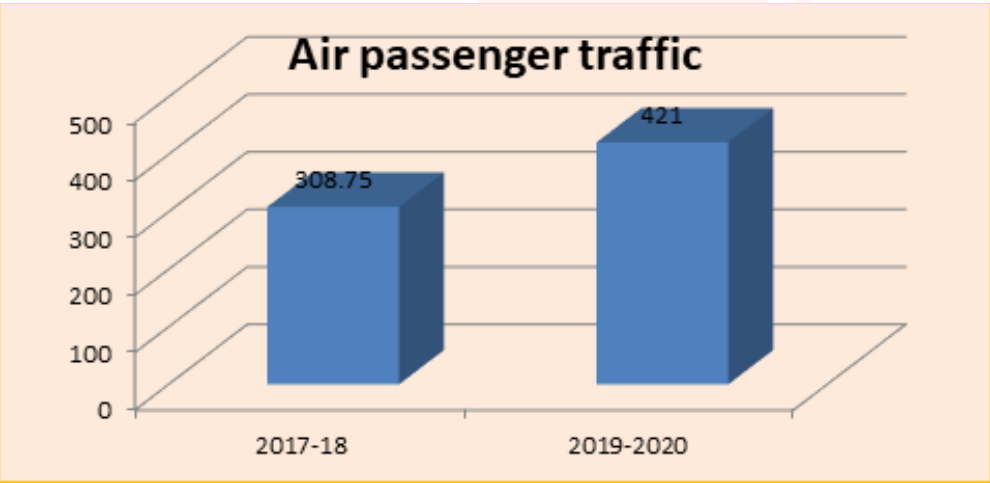


Figure 4: Air passenger traffic increase (Source: IBEF)

Waterways:

Waterways is the cheapest mode of transport and suitable for heavy and bulky material. Water transport constitutes inland waterways and oceanic waterways. This is most eco-friendly means of transport. India has about 14,500 km of navigable waterways which comprise of rivers, canals, backwaters, creeks, etc. About 55 million tonnes of cargo is being moved annually by Inland Water Transport.

The co-ordinated transport system plays an important role in sustainable growth and development of economy.

List of top ten countries at International Logistic Performance Index (LPI), 2018:

Logistic Performance Index is an interactive benchmarking tool to help countries identifying the challenges and opportunities in terms of logistic. Logistic Performance Index is based on several parameters and it allows the comparison across 160 countries.

Table 2: Logistic performance Index, 2018

Logistic performance Index, 2018		
LPI Rank	Country	LPI Score
1	Germany	4.20
2	Sweden	4.05
3	Belgium	4.04
4	Austria	4.03
5	Japan	4.03
6	Netherlands	4.02
7	Singapore	4.00
8	Denmark	3.99
9	United Kingdom	3.99
10	Finland	3.97
44	India	3.18

Source: Report of World Bank on LPI

India lags at Logistics Performance Index due to an unfavourable modal mix of transport and a lack of seamless intermodal connectivity.

MEASURES FOR IMPROVING INTEGRATED TRANSPORT SYSTEM:

The modal share of road in rail-road mix has increased from 30 percent in 1970 to 67 percent in 2012. The improvement in the efficiency of road transport is desirable for improving logistic performance in India.

India Integrated Transport and Logistics Summit (IITLS):

India Integrated Transport and Logistics Summit (IITLS) had been organized by the Ministry of Road Transport and Highways with the objective of facilitating constructive dialogue between various stakeholders for the development of multimodal infrastructure in the country. The IITLS is envisaged as a platform for all stakeholders in transport and logistics sectors for collaborative partnerships to realize the several opportunities in logistic parks, freight corridors and IT solutions.

LEEP (Logistic Efficiency Enhancement Program):

Ministry of Road Transport and Highways of India proposed to implement Logistic Efficiency Enhancement Program (LEEP) for improving logistic efficiency in India. Logistics Efficiency Enhancement Programme (LEEP), which has identified four key solution themes to improve the state of logistics in India. These themes are freight corridor up-gradation; logistics park development, seamless interstate movement and electronic toll collection systems. LEEP will support Make in India initiative by improving mobility in India. LEEP will help to improve logistic performance index of India. The logistic efficiency acts as a key driver for manufacturing process. Under this program, 35 multi-modal logistic parks have been decided to support 50% of freight movement with 10% reduction in logistic cost and 12% reduction in carbon dioxide emission.

SARDP-NE (Special Accelerated Road Development Programme for North East Region):

SARDP-NE (Special Accelerated Road Development Programme for North East Region) targets to connect remote areas in North East region with state and districts headquarters. This program enabled to connect 88 district headquarters in north east with national highways.

Table 3: Project detail of SARDP-NE

Phase	Project detail	Total length of road network (Kms)
A	Improvement of national Highways	3,014
	Improvement of state roads	1,085
B	Development of double lane of National Highways	2,392
	Double lane and improvement of state roads	1,331
Arunachal Pradesh road highways	Development of roads	2,319

Source: Ministry of Development of NE region

Road Requirement Plan-I (RRP-I) in Left Wing Extremism (LWE) districts:

RRP-I Left Wing Extremism Program has been implemented in Telangana (1 state), Bihar (6 states), Chhattisgarh (7 states), Jharkhand (11 states), Madhya Pradesh (1 state), Maharashtra (2 states), Odisha (5 states), and Uttar Pradesh (1 state). This program envisaged the development of 5,477 kms of roads at an estimated cost of Rs.7,300.00 crores. Out of total 5,469 kms length sanctioned, 3,387 kms has been completed up to 31.01.2015 with an expenditure of Rs. 4,511.00 crore.

7C's vision for future mobility in India in Move Global Mobility Summit

Future of mobility in India is based on the following 7C's:

1. Common: Public Transport must be the cornerstone of mobility initiatives in India. New business models should be developed and it should be driven by digitization.
2. Connected mobility implies integration of geographies as well as modes of transport. The internet-enabled Connected Sharing Economy and vehicle pooling should emerge as the fulcrum of mobility.
3. Convenient mobility means safe, affordable and accessible for all sections of the society like elder people, pregnant women and the disabled.
4. Congestion free mobility is critical to check the economic and environment costs of congestion. The emphasis should be given on ending bottlenecks of networks and traffic jams.
5. Charged mobility: Business leaders and manufacturers in automotive sectors should come forth to develop and deploy break-through battery technology. India Space Research Organization uses one of the best battery systems to run satellites in space. Other institutions can partner with ISRO to develop cost effective and efficient battery systems for electric cars to establish India as a driver in Electric Vehicles.

6. Clean Mobility powered by Clean Energy: This refers clean kilometre or pollution-free clean drive, leading to clean air and better living standards for our people. It can be achieved with electric or solar charging system.
7. Cutting-edge: Mobility is the next innovation sector. The 'Move Hack' and 'Pitch to Move' events had been organized to showcase how young minds are coming up with creative solutions.

FAME: [Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India]

On April 8th, 2015, the Government of India announced FAME India (Faster Adoption and Manufacturing of Electric/Hybrid) vehicles in India – a scheme under the Ministry of Heavy Industries and Public Enterprises. This scheme is under National Electric Mobility Mission Plan (NEMMP), which targets 6-7 million hybrids and electric vehicle sale by 2020. It can lead to fuel saving of 9,500 million litres, 2 million tonnes reduction in pollution and GHG emissions, creation of 65,000 direct jobs and 300,000 indirect jobs.

Coastal shipping:

Ministry for Shipping, Road Transport and Highways has been working with the Union Ministry of Water Resources, River Development and Ganga Rejuvenation to develop waterways along the 111 rivers in the country. Ministry is promoting coastal shipping as it reduces the logistic cost by 25-30%. Coastal shipping also helps to reduce carbon footprint and congestion on the roads.

IMPROVING INTEGRATED TRANSPORT SYSTEM WITH INTELLIGENT TRANSPORT SYSTEM:

Intelligent Transportation System (ITS) involves a number of Information and Communication Technology (ICT) interventions for efficient management of transportation. Some of the areas of intelligent transport system are as follows:

Real time passenger information system: Real time passenger information system provides real time information to passengers using a public transport system. It provides expected time of arrival (ETA) and it is displayed on electronic sign boards at the bus stands, MRT platforms or the Airports and Railway stations.

Electronic toll collection: Electronic toll collection systems are RFID (Radio Frequency Identification) based systems that read from a distance and automatically deduct the toll at each entry. This technology saves queue-time and fuel cost at the toll gates. It also results in better traffic management by reducing congestion. RFID is not a new technology but India has been slow in developing and using the technology.

Smart parking: Smart parking is a latest move in vehicles technology with the help of sensors. The chassis and the driveline are also equipped with sensors and cameras that help in parking. It is a useful technology for inexperienced drivers and learners. This technology will help to increase safety, efficiency and comfort in driving and parking.

Airport Surveillance & Safety Equipment It has been an urgent need to revamp the security at airports not only to thwart any misadventure but also to restore confidence of public in the security of air travel. It includes CCTV surveillance system, X-ray baggage inspection systems, premier security, smart cards and surveillance systems.

Other Methods of improvement for integration of transport system:

The integration of transport system increases comfort, and information and decreases the travel time and cost of transport. Several methods can be adopted for integration of transport system and reduction of logistic costs:

- Bike and ride: The installation of bicycle stands at stops and bicycle stations at central public transport stations.
- One ticket for all means of transport.
- Tickets for larger geographical areas.
- Better possibilities of ticket buying.
- Harmonised schedules and connections.
- Park & Ride: The installation of car park facilities with integrated tickets for both parking and the use of public transport.
- Ride & Walk: Introduction of luggage lockers at central public transport stations and market places.
- Providing additional services at inter change zone: It will create additional jobs.

IMPROVING TRAVEL AND TOURISM WITH MULTI-MODAL TRANSPORT:

Travel and Tourism industry is an important part of the overall global economy, and it is important in some developing nations. India continues to charm international tourists with its vast cultural and natural resources, and price competitive advantage. Transport system is one of the integral parts for the measurement of Travel and Tourism Competitive Index. Integration of transport system will help to improve the competitive index and foreign currencies reserve will increase.

Table 4: Travel and Tourism Competitive Index, 2019

Country	Rank	Score
Spain	1	5.4
France	2	5.4
Germany	3	5.4
Japan	4	5.4
United States	5	5.3
United Kingdom	6	5.2
Australia	7	5.1
Italy	8	5.1
Canada	9	5.1
Switzerland	10	5.0
India	34	4.4

Source: World Economic Forum

Though there is improvement in the competitive index for India since 2015, still the scope for improvement in tourism index is wide open. It can be improved with the improvement and ease of transport system.

Improving Export and decline in Import by transport Sector:

Total imports and exports during two years for railways coaches can be seen as follows:

Table: 5 Export and import of rail coaches

Railway coaches		
	Import (in Rs. lacs)	Export (in Rs. lacs)
2017-18	438.5	93,641.44
2018-19	531.29	143,539.49

Source: Ministry of Commerce

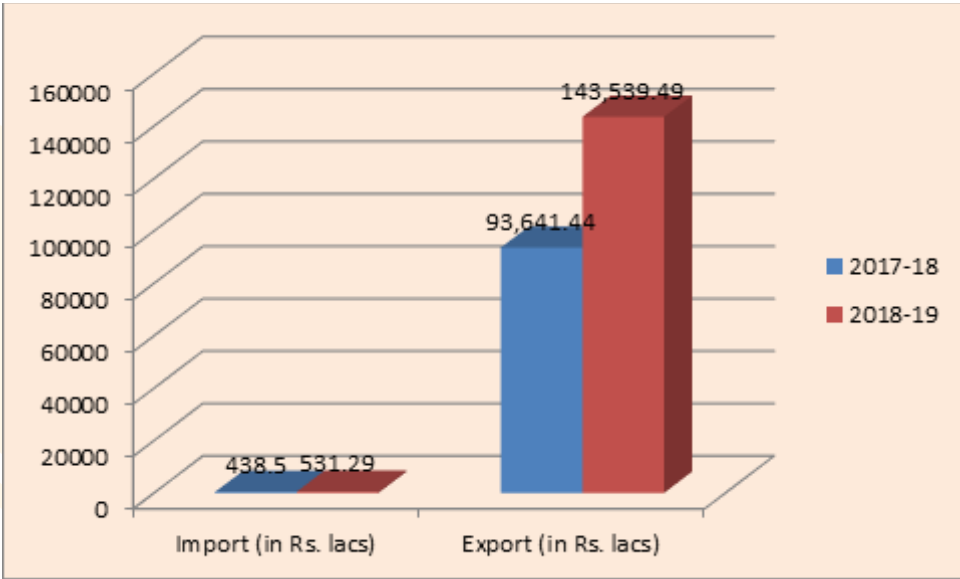


Figure 5: Export and import of rail coaches

MOVE (MOBILITY) IN INDIA FOR MAKE IN INDIA:

Make in India program was launched when India was at the brink of economic failure. Make in India is an unparalleled overhaul of policies and procedures. Whether it is Make in India or Make for India, the integration for transport system is relevant. The foreign players will be attracted towards make in India with multi modal and economic transport system.

FDI inflow in transport sector:

FDI inflows in the construction of road and highways have increased at a CAGR of 17.04% from \$8.06 billion in FY10 to \$24.25 billion by FY17. The growth in FDI inflows in transport sector can be seen as follows:

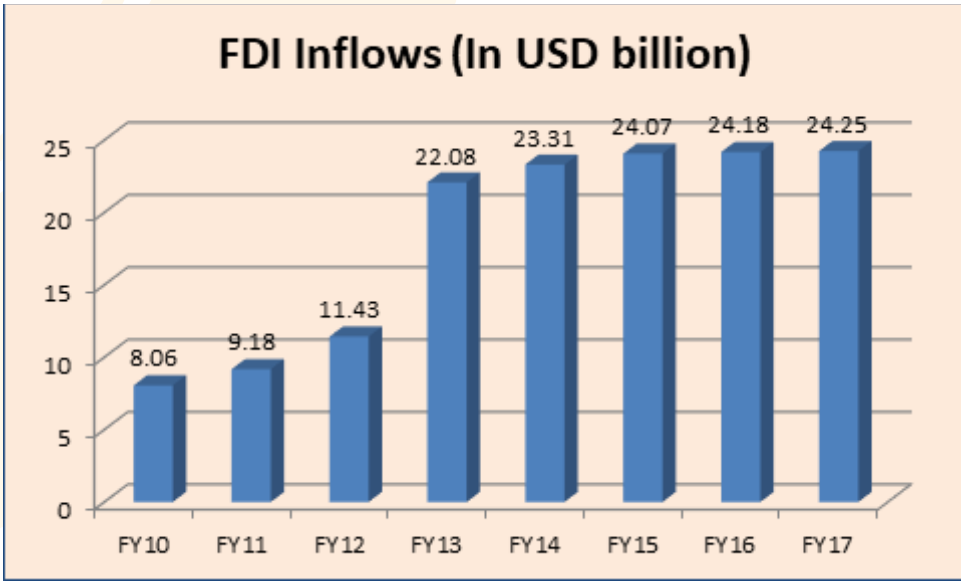


Figure 6: FDI inflows under different Five Year Plans (Source: DIPP)

India Japan vision 2025-Special strategic and global partnership:

The Government of India has signed an agreement with the Government of Japan under which Japan will help India in the implementation of the Mumbai-Ahmedabad high speed rail corridor along with a financial assistance that would cover 81 per cent of the total project cost. The two Prime Ministers expressed their strong commitment to work together to enhance connectivity in India and with other countries in the Indo-Pacific region including Africa.

Table 6: Key sectors for realizing India-Japan vision 2025

Infrastructure	Automotive	Skill development
High speed Rail project (81% of USD 17 billion will be funded by JICA)	Promotion of green mobility with hybrid and electric vehicle production in India.	Establishment of Japan India Institutes of Manufacturing to create of pool of skilled manpower in manufacturing.
Delhi-Mumbai Industrial Corridor: Involve \$4.5 billion investment	Establishment of India's first Lithium Ion battery manufacturing plant in Gujarat in collaboration with Toshiba, Suzuki and Denso.	300,000 youth from India will be sent to Japan for on-the-job training for 3 to 5 years under skill development program.
Development of Japanese Industrial Townships & Road Infrastructure Development in North East India		

CONCLUSION:

Integrated or multi modal transport system enables to achieve efficient, faster, safer, cost effective and pollution free mobility. Integration of transport system will create employment opportunities in local and rural areas. India has doubled the pace of construction of highways and rural road-building programmes. India is promoting fuel efficient and cleaner fuel vehicles and also started data-driven interventions such as intelligent traffic management systems under multi-modal transportation. National Electric Mobility Mission 2020 (NEMM) encourages the industry to produce efficient electric, and hybrid vehicles in India. The automobile industry can focus on green technologies like hybrid vehicles, low emission and fuel efficient engines, and frugal engineering for clean transport. The participation of different sectors will boost the integration of transport system and clean transport. The FDI inflows can be directed towards India with multi-modal and integrated transport as it will lead to ease of doing business. Mobility and integration of transport is a key element of 'ease of living'. Road transport accounts for one fifth of global Carbon dioxide emissions. Creating a mobility eco-system synced with nature can be the next frontier to fight with changing climate. Therefore, integration of transport system can reduce logistic costs, expand economic activities, facilitate ease of living, strengthen Make in India and can protect our planet.

“When India transforms mobility, it benefits one fifth of mankind. It also becomes a scaled success story, for others to replicate. Let us build a template, for the world to adopt.”

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Effective Cost Management
A strategic imperative in times of Covid-19

CMA (Dr.) S.K. Gupta
MD & CEO IPA of Institute of Cost Accountants of India

The perspective

Hit by the Covid-19 slump followed by social distancing and a nationwide lockdown, businesses are experiencing major impacts no matter how established they are and are having to re-look at how they manage and operate their business including re-visitation of their business plan. It has become challenging for most businesses to keep their financial wheels turning during the lockdown period due to less revenue churn and the general uncertainty in the global financial environment. Currently nobody can predict with confidence how the COVID-19 crisis will unfold. Forecasts from renowned institutions and governments change from week to week and provide little certainty.

COVID-19 recession: neither short nor shallow

The speed with which organizations across the world have been plunged into crisis mode is matched only by the rapid acceleration of the coronavirus spread. As of late May 2020, billions of people all over the globe have been affected by some form of a lockdown. Stock markets are in sharp decline and unemployment is on the rise: In the United States alone, unemployment rates rose by 25 percent compared to previous months. Thus, COVID-19 will likely follow the pattern of a broad crisis, resulting in a rather deep decline and a lengthy recovery. The main scenarios on the course of the pandemic itself can be translated to scenarios: a one-quarter recession (“V-shape”), a two-quarter recession (“U-shape”), and a four-quarter recession (“L-shape”).

Response to situation arising out of Covid -19

Initiation of short-term reactive measures by the businesses are inevitable. But, as the financial crisis 2008/2009 has shown, companies that deployed sustainable cost reduction programs significantly outperformed the competition. In fact, they emerged as strong and profitable winners. Most businesses have reacted remarkably quickly after the potential magnitude of the pandemic became visible and governments have taken strong countermeasures. Firms initiated short-term measures like discretionary spend cuts, temporary, and/or permanent workforce reductions. Similarly, cash management and forecasting have, rightly so, moved into the focus. But all these measures will only stop the bleeding but not start the healing. Leaders should assume that these short-term measures will be not enough. Instead, they should focus on addressing structural and sustainable measures now. Research shows that firms which responded in the past to the financial crisis with structural performance improvement or even transformation programs significantly outperformed those which only focus on short-term cost cutting.

Short term response

Organizations may first want to consider these corona virus cost optimization strategies that are designed to deliver one-time, near-term expense savings.

- **Deploy take-out tactics:** These are the things are easy for organizations to eliminate from their budgets to maximize short-term savings. They're low-hanging fruit such as eliminating travel, cancelling an event, and skipping an annual conference or program.
- **Delay activities:** To soften the earnings impact of COVID-19, organizations can postpone costly activities, such as new hires, product launches, and office openings.
- **Capture variable expense savings:** As revenues decline, so will variable expenses, such as sales incentives, bonuses, and materials spend. Organizations should consider how much of these savings from corona virus cuts they want to capture to help absorb the short-term shock of this pandemic.

Sustainable actions

- To overcome the recent COVID-19 crisis quickly and respond to the 'new normal' of lower revenues in the mid-term, most firms will need to deploy structural performance improvement programs. For these programs, leaders will first have to develop a clear target picture for the firm in three to five years. This should include the future core business model and operating model, but also define profitability targets and profit and loss goals. Based on this target picture, the performance program will deploy levers such as value sourcing, production footprint optimization, and overhead cost reduction, but also top-line levers like introducing new pricing mechanisms or similar. An integrated governance model will ensure laser-focused delivery of such a holistic program. Using the crisis as a catalyst for change, strong and forward-looking firms should additionally consider transformation programs to adjust business fundamentals through portfolio optimization, merger and acquisition activities, and re-organization.
- These transformational activities should be in close sync with the structural performance improvement program and also be focused towards the target picture. Company leaders who want to emerge from the crisis more profitably need to start working on structural performance improvement or even transformational programs now. To avoid that the urgent constantly overrules the important, this will require dedicated teams for the short-term cure and the structural, sustainable solution. This way firms will start to experience the positive effects more quickly and gain a tactical advantage over their competition.
- During this contagion, it is of utmost importance for businesses to **conduct a proper assessment of their fixed and variable expenses** as well as the actual revenues. This assessment will give a clear picture of where a company stands financially and help the entrepreneurs in planning ahead in the current disconcerted market.
 - **Checking the feasibility of the business model :** Considering the market is changing every week (and for the worse), it is imperative to reconsider the business model and reassess where your business stands as per your assumptions concerning the revenue and cost. This is also a crucial time to track current financial metrics and cash flow. Be mindful of what your runway is. Businesses need to evaluate the impact on new sales, collections, credit cycles and potential bad debts.
 - **Plan policies for next 3 months/ 9 months/ 18 months:** Since, it is difficult to gauge how long this epidemic will last, it is important to be prepared for all scenarios. If we consider it as a 3-month problem, an instant halt on variable expenditures like hiring, marketing, travel, etc. can help. However, if the crisis continues for 9 months to a year, entrepreneurs will have to reconfigure their business strategy to reduce the variable expenses, renegotiate fixed expenses (rent .. salaries, equipment lease payments, etc.), and focus only on the crucial essentials for survival. It may be a good idea to revisit sales strategy – selling online versus in-person. Analyze if you need to cut back or scale up on marketing costs.

Efficiency at the Enterprise Level

Holistic assessment of enterprise-level operations like services, sales & marketing and indirect spend can reveal areas to significantly improve efficiencies and lower cost. Analysis begins with a baseline overview of current business operations, key performance indicators and on-site observation to establish hypotheses to best serve needs. Deep analysis of factors like risk, dependencies, business impact, timing and outcomes play an important role in providing appropriate recommendations and a clear path to kickoff. Looking at the crisis from a strategic perspective leads to the following potential [COVID-19 cost optimization](#) scenarios for organizations to consider:

- **Ride out the storm** (short-term and minimal revenue loss): The leadership team in these organizations has a relatively optimistic view of containment, and they're going to focus on people and operations and avoid doing too much [coronavirus cost cutting](#). They'll look at options such as capturing variable cost savings; delaying new hires, new spending, and raises; and canceling events, low-priority meetings, and travel.
- **Get lean** (long-term and minimal revenue loss): For many organizations, the impact may not be dramatic, but the longer it goes on, the more it will affect other sectors of the economy, including their own. They'll need to implement a longer-term [coronavirus cost optimization](#) structure if the disaster persists, including near-term efficiency measures, targeted layoffs, and prioritization of strategic initiatives.
- **Delay activities:** To soften the earnings impact of COVID-19, organizations can postpone costly activities, such as new hires, product launches, and office openings
- **Optimize processes:** In many organizations, costly and complex processes are often overlooked simply because it's easy to keep doing things the same way. Now is a good time to give these processes a fresh look, determining whether it's possible to either deploy new technologies or restructure and redeploy the roles involved in these processes.
- **Simulation of product costs** and financial planning with alternative manufacturing options and sources of supply (e.g. component substitution; comparison reports)
- **Revised product profitability reports** based on current/ modified standard costs including Overhead variance analysis of the additional costs and absorption due to the COVID-19 crisis
- **Outsource work:** To cut ongoing operating expenses, many companies may outsource existing functions that don't differentiate the company's offerings in the eyes of customers.
- **Restructure** (long-term and significant revenue loss): This crisis is already having a big impact on the organization, and the pain will continue even after the virus is contained—and may permanently affect demand to the point that drastic measures such as layoffs, divestitures, reorganization, outsourcing, and capital expenditure cuts become necessary.
- **Divest underperforming entities:** Organizations may look to spin off divisions and subsidiaries that are draining their cash flows. We anticipate a significant flurry of merger and acquisition activity that will reduce capacities in significantly affected industries.

Cost optimization – the need of the hour for business owners

Cost Optimization is one of critical aspects requiring attention by the senior management. In these unprecedented times, it is critical for organizations to optimize costs and ensure sustainability in cost reduction. Organizations need to work towards developing agility in future business and prepare for the new normal. There are various 'hidden' costs in business which hamper the profitability drastically and need to be identified as early as possible, especially in the post-COVID-19 time. Cost reduction as a strategy in businesses is a prevailing and continuous practice. As businesses are experiencing serious dent in their cash-flow and are finding it hard to survive in the longer run, the need for cost reduction will increase post COVID-19. **Cost reduction' or 'cost cutting' – What to opt and why?** When profit margins are squeezed, buyers ask for discounts and push for deferred payments in post-COVID-19 business scenario. It's significant to know whether factories need cost reduction or cost cutting to survive. It depends on how different people in different cultures understand these terms. The cost cutting is generally understood as a short cut, short sighted and ruthless method to reduce costs. This may mean using inferior quality low cost materials, reducing workers' salaries, not spending money on compliance etc., whereas cost reduction or cost optimization would focus on driving out wasteful expenses. Continuous cost monitoring and benchmarking is definitely better than cost cutting

Reducing Costs through Supply Chain Network Optimization

Supply chain network design is a powerful modeling approach proven to deliver significant reduction in supply chain costs and improvements in service levels by better aligning supply chain strategies. It incorporates end-to-end supply chain cost, including purchase, production, warehousing, inventory and transportation. While this is considered a strategic supply chain planning initiative, organizations can gain competitive advantage by running supply chain network scenarios, evaluating and proactively implementing changes in response to dynamic business scenarios like new product introduction, changes in demand pattern, addition of new supply sources, changes in tax laws and so on.

Cost management through ABC

Activity Based Costing (ABC) is a framework that brings truly accurate fact-based measures and visibility to costs. The resulting cost visibility informs manager about what things costs and more importantly why things have costs. ABC also helps reduce costs and improve productivity by reporting per-unit costs that can be used as benchmarks and to monitor cost trends. ABC can also associate costs with value, quality, and waste, with their strategic importance, with their level of performance, and other “attributes” of work. All of this cost and trait data are further translated into which products, channels, customers or internal company-sustaining workforce staff cause and consume all of the resources... and in exactly what proportions.

COVID-19 calls for action, not inertia

In uncertain, fluid times, inertia isn't an option. Nobody knows how long the current situation will last and precisely what actions governments will take to respond. But one thing is certain - with the wheels of industry slowing, now is not the moment for business leaders to stand still. It's time for organizations to take the action that will prepare them for tomorrow. This won't just protect your business in uncertain times from a cash and cost perspective – it'll create the opportunity to carve out a competitive advantage instead of losing market presence.

Conclusion

In the current COVID situation, organizations are looking forward for cost optimization opportunities either by leveraging technology or by negotiating their rates & credit lines with suppliers. People make an organization and this can be very well demonstrated by the fact that almost all the organizations have refuted laying off employees as an option to save cost. Governance mechanism is of utmost importance while conducting the cost optimization exercise. The organizations should further: Define and monitor quick wins, Conduct BU wise weekly/ fortnightly business reviews against the designed plan, Organize monthly & quarterly meetings with all the stakeholders to measure the success of the cost optimization program. These are difficult times. But they also offer disproportionate opportunities to effect change, replacing an outdated functional cost-out focus with a new 'engine' for end-to-end cost optimization.