# Benchmarking in the E-Commerce Supply Chain – A Holistic Framework

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## Abstract

Since the rise of the new millennium, a rapid evolution of technology combined with an increased rate of penetration of the internet and mobile connectivity has not only brought about a paradigm shift in the way traditional businesses function but also paved the way for new business models in e-commerce to emerge.

The e-retail or online shopping industry has over the past decade demonstrated a steep annual growth rate of more than 50% globally and boasts of many pioneering innovations especially in supply chain. The supply chain here revolves around three key pillars – *Speed*, *Cost* and *Quality*, and an imbalance among these three can derail market dominance almost overnight.

Having originated in the manufacturing industry, benchmarking has been increasingly adopted with a desire to improve awareness of the competitive environment, innovate existing processes, bring about cohesion and clarity of thought within an organization as it tackles competition and more importantly achieve and maintain a high degree of validity and relevance in the market.

The need for Benchmarking in e-commerce supply chain stems from the fact that this industry has always relied on disruptive innovation and has demonstrated a high level of flexibility in swiftly adopting these innovations. In such a dynamic setting, the market leadership of the incumbent would be at risk should it dilute its focus on the competitive environment. Also, being a relatively new industry, there has been a great extent of horizontal growth into many new products, offerings, markets and customer segments and this growth didn't occur in a planned or phased manner. Hence, failure to internally benchmark one's functions within the horizontally existing autonomous entities can result in the buildup of redundancy on multiple fronts and drastically affect a firm's growth velocity.

Benchmarking promises a window for e-commerce supply chain to look at its environment and study the market, the existing competition and their processes. This would further help establish a cycle in which the firm systematically reinvents itself and also calibrates and reevaluates itself on a continuous basis. Thus, apart from hedging the competitive strength and safeguarding market position, benchmarking would over time help grow this nascent industry in a way which wouldn't be possible in isolation.

Based on a detailed research of the fundamentals and the history of benchmarking, this paper proposes a comprehensive framework designed specifically for the e-commerce supply chain. The paper also talks about instances of successful benchmarking at Flipkart, India's largest e-commerce company. Furthermore, the paper intends to provide a glimpse into the future as to how benchmarking if adopted as a culture, is poised to fundamentally transform the evolution curve of the e-commerce supply chain.

**Keywords**

## Biography

**Ananth Rangarajan** is a Manager-II in the Fulfilment Center Design team at Flipkart.com, India's largest online marketplace. His focus areas are Industrial Engineering and Supply Chain Innovation. He earned his Bachelor in Industrial Engineering from the University of Pune, India and has graduated from the Postgraduate Program in Management at the Indian School of Business with concentrations in Finance and Operations Management. Ananth has served with Mercedes-Benz India in Assembly Line & Plant Management, Logistics & Supply Chain Management and Production Planning. He has been involved in academic research since his deputation to the University of Windsor, Ontario, Canada as an Undergraduate Exchange Scholar. He has been associated with the IEOM society since the inaugural conference in Dhaka'10 where he was the youngest delegate. He has published conference and journal articles on financial modelling, simulation, service sector process flows, urban transportation, healthcare, back office operations and e-commerce. He also serves on the panel of peer reviewers for multiple international journals and conferences.

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