



STRATEGIC MOVES

SHRIDHAR UPADHYAY, CHIEF SUPPLY CHAIN OFFICER, GATI, HAS COMPELLING METHODS TO REDUCE COSTS.

At a time when logistics and supply chain is the most critical component for manufacturing companies, what is the kind of analytics you apply to meet demand? How do you work this out for different sectors such as Pharma, FMCG, electronics, cement, and heavy engineering, among others?

With increase in demand for efficient management for supply and manufacturing, we have the best capable in-house solutions, engineering design and analytics team to move from macro level analytics to micro level analytics where every individual organisations requirement and working pattern is analysed against the actual needs of client supporting them to drive for profitable innovation.

Our capability team focuses majorly on improved revenue techniques by studying market consumption patterns with predictive analytics, making decisions to elevate supply chain responsiveness by generating real time controlled metrics providing flexibility to client to adopt dynamic change in requirement of their operational process.

As each sectors' definition for logistics and supply chain differs, our team works on a combination of Built-to-Suit (BTS) Warehousing or Shared Warehousing. In cases where distribution plays a role, we have a combination of Express distribution network, Customer Specific Dedicated Network with first mile and last mile milk-run system in place to ease and execute the business of different sectors.

1. An inside view of the warehouse that Gati owns. Advanced WMS plays a very important role in managing SKUs.

We are also targeting to fine tune cost fluctuations by using effective and integrated systems of ERP, forecasting and analytical tools for material planning and real time routing system for client by considering their network strategy as well as real time analytics of supplier performance to provide productive results.

Warehouse Management Systems (WMS) is a unique system. Could you tell us in detail about the system you have set up and how you manage it?

In an era of e-commerce where responsiveness to customer demands has become the mantra for measuring the supply chain efficiency, logistics providers have to address bottlenecks like global inventory visibility, integrated tool for efficiency monitoring online and a technology framework that facilitates easy integration and business logic extensions to meet changing process requirements by providing centralised control over the supply network as below:

- Global view of inventory visibility: Our ERP provides real-time visibility of inventory at our own and external locations with an advanced search.
- Integrated tool for efficiency monitoring online: Configure the tasks you need to execute and determine what users are allowed to perform them with real-time visibility to task execution status. Automatic recording of productivity based on tasks performed are also done. Also Dynamic computation of SAM (Standard Allowable Minutes) based on historical task information.
- Easy integration: Through a SOA architecture that allows for seamless integration to participants and external systems. Reduced integration cost to external applications such as ERP, material handling systems.

Going forward, what are some of the ideas you plan to implement in improving warehousing facilities? What are some of the benchmarks set by international companies?

With companies moving towards lean manufacturing, GATI, as a major service provider, is also moving towards lean warehousing. This is how we do it:

- Focus on flow and waste elimination: We already have a process and setup in place for enhancing to flow and efficiency from dock to stock and from pick to manifest. We have real time dock allocation, real time pick task mapping with idle pickers, pack resource allocation through our ERP which in return eliminates the waiting time of material and improves resource utilisation.
- Focus of transparency and visibility: As already mentioned, we have an integrated best-in-class ERP with forecasting and analytical tools to en-



sure real time visibility across the entire supply chain process initiating from demand analytics to last mile fulfilment.

Overall, what would you term as your USP in terms of fulfilment and quick turnaround?

It is a universally acknowledged fact that the 'logistics costs as percentage of national GDP is very high in India (13%-14% of GDP) when compared to other developed nations (8%-9% of GDP). So reduction in logistics costs would bring down prices of products which will stimulate the growth of our economy.

With GST in place, taking advantage of the biggest tax reform of India and immense reach that GATI has, client specific integrated supply chain provided by multi-model connectivity and advanced ERP will be our USP to customers.

If you had some suggestions to make to authorities, what would be on your wish list for better supply chain?

Infrastructure: The Indian logistics sector faces infrastructure as its biggest challenge. Bad road conditions, inadequate air and seaport capacities and lack of development of modes of transports like railways and alternates like inland water transport and tier 3 link with commercial aviation has to be addressed with utmost priority. Due to the infrastructural bottlenecks, costs per transaction for the Indian logistics sector is very high compared to those in developed markets.

E-Way Bill: We believe that the initial draft e-Way bill rules did not recognise the factual process involved in time-sensitive multi-modal transportation. We believe that a desirable GST structure will support reduction of bottlenecks and therefore we urge the regulators to take cognisance of unique features of the logistics industry in formulating final rules. **MT**



Shridhar Upadhyay, chief supply chain officer, Gati, has 30 years experience in operational efficiency, SCM, planning, and focuses on results. He joined Gati in 1995 and has grown up through the ranks, handling various portfolios by displaying leadership, communications, strategic thinking, and business acumen.

2. Gati already has a process and setup in place for enhancing to flow and efficiency from dock to stock and from pick to manifest.