

## STRATEGISING THE GenY

The Indian logistics industry is highly fragmented, characterised by numerous small market players, logistics and transportation resulting from India's infrastructural inadequacies are affecting the infrastructure, the pace seems slower than the economic growth. Presenting thought leaders' big supply-demand divide...



“Despite forming an integral part of the value add for a product, supply chain seems to be garnering low priority in the organisational strategy. Therefore, SCM should be inducted as a fulcrum strategy and investments towards supply chain innovations should be made part of an organization's long-term strategy. The learning process can be supported by collaborating with a 3PL or a 4PL, which will invest and work as a partner and will help the organization focus on brand development. The top side is that it will incur higher startup costs, but that will eventually recede by joint process optimization. The learning process can be maintained at a transparent level as a co-optic model and can be short-term (three years) and then, move in-house; or, it could be a long-term association and continue as a partner arrangement. The other supply chain challenge lies in the area of regulatory processes and tax loads. In such a scenario, the GST regime will ease out on tax load and shorten the regulatory process. Also, capacity buildup by the logistics industry is directly proportional to the amount of customer partners available to manage the load in SCM. The dramatic effect of the above solutions will help the logistics industry make a planned & right investment. The need of the hour is to stimulate a virtuous cycle of investments and capacity build while mitigating a visible risk.”

— ANAND BALKRISHNA,  
Head SO – SCM, Gen



“The biggest challenge facing industry is poor infrastructure – road and power – and the pace of work done to improve the infrastructure in the country. The lack of even basic amenities continues to hamper those involved in this sector. There is a need for more transparency in the execution of infrastructure projects. The other area of concern is land reforms. The process of land acquisition is rife with corruption, bureaucratic delays and politics. Land development projects in India have attracted considerable controversy lately amid accusations from leftist politicians and activists that farmers are getting a raw deal. Labour reforms are the need of the hour in India. For long, India has enjoyed the fruits of cheap labour, which has resulted in thriving businesses. Inflation has changed the way we conduct business today, and it is only natural that policy makers now work towards reforms in the area of minimum wages and IP, which will bring control and clarity in this sensitive and critical area. The area of regulatory changes has seen a ray of hope, with the approval of the bill on GST.

In order to truly make the business seamless in the country, there is a need for complete and honest implementation of GST and related reforms. Anything less, partial or delayed will probably do more harm than benefit. There are potential change agents that can lead to transformations, which are long overdue. The industry itself can support the cause by becoming united and speaking one language for all its issues.

— AJAY CHOPRA,  
CEO, Dhive India Enterprise Solutions

## SUPPLY CHAIN MODEL

making implementation of synchronised industry best practices difficult. The escalating costs of cost savings achieved from manufacturing in India. Although steps are being taken to improve insights on the need-gaps that the Indian logistics industry is facing today and the ways to mend the



“The challenges in supply chain encompass forecasting; selecting the right manufacturing location and product mix; purchase decisions and their intricacies – from where, when, economic order quantity and over this, a complete supply chain visibility from source to manufacturer; what add to final consumption. All these need to be done at a speed, which makes the decision execution worthwhile, coupled with cost efficiency and agility in the supply chain, for adjustments that need to be made in forecasting and the competitive market forces. What is needed here is supply chain professionals who interface the above-mentioned functions in a seamless manner. The time has come for India to recognize Supply Chain as a discipline. In the absence of such individuals, it is advisable to deploy specialists rather than a do-it-yourself approach, as specialists 'modernising' can have unforeseen fallout. These specialists are not the usual run-of-the-mill consultants, but hardcore 3PL/4PL organizations that have the intellect and execution expertise to match.”

— JASJIT SETHI,  
CEO, TCI Supply Chain Solutions



“Standardisation is the biggest challenge faced by the Indian logistics industry today. A huge number of trucks move goods across the country on a daily basis. Despite this, there are no industry standards to define the body size, which would ensure optimum utilization of trucking space. As global standards facilitate palletised movement of goods, it is important that we adopt these standards to build efficiency along the entire supply chain. The need of the hour is for government bodies, trader associations and the industry to work together to bring about this change. The next wave of logistic consolidation will be defined by the growth in mega warehouses, which would bring in global packing standards as well. We are witnessing a tremendous spurt in warehousing activity as well, which will act as a catalyst for the palletised movement of goods. A crucial challenge today for India is interconnection of its road and waterway networks to facilitate multimodal operations. Greater detail emphasis is on cost of services and speed-to-market for delivery of time-dependent 'perishable' goods, with minimum damage to products and equipment. With more controls applied on stocking levels at the point of sale, the demand for time-bound deliveries will increase as less of sales opportunity due to non-availability of goods will play a crucial role in the bottom lines of most organizations.”

— PRANIL YADGAMA,  
President, Cexp India