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Managing Change and Beyond...

|| tapasya ||

# Logistics and Supply Chain Sector



## Ensuring End-to-End Connectivity

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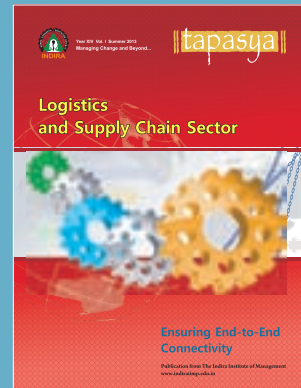
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Supply chain management and logistics has come to occupy an important niche in the value chain of the business, as awareness spreads on the virtues of cost optimization and customer satisfaction.

**New Learnings.....?**





It seemed only like yesterday that we thought all our economy blues were a thing of the past. The GDP was touching 9% signaling to the world that this country had arrived on the International Achievers' scene and was ready to take on the mantle of leader of the developed nations at least in the East. Euphoria ruled the air waves in the country and India Shining was the resonating song throughout the initial few years of the decade. Never mind the mass exodus from the rural hinterland to the urban and inviting concentration camps of ghettos, grotesque cement jungles and hurting economic disparities. But development had signaled the rush to the El Dorado that lay just miles ahead in the neighbouring metro or the distant megacity; and the migrating distance was only matched by the size of the dreams that drove the millions to their Promised Land. It was necessary to have maintained the momentum of economic development to ensure that the migration was justified and sustainable in the long run. The cities are now choked with an influx of labour that is desperately seeking jobs but is soon discovering that there is some more waiting to do before the Promised Land becomes a reality.

What has gone wrong with the arithmetic of economics in the past few years that we are unable to ensure a decent living standard to the millions after giving them just a peek at it, in the early years of the new millennium? Is it that our economists and policy planners lack the necessary insights to know what will deliver the country from aeons of poverty and miserable living? Was it the lack of resources in the country that held us back from investing in the right places that could generate bountiful employment for the millions hoping for a break from a life of perpetual poverty and miserable existence? Or was it a deliberate choice by those in authority who knew what they were doing; and were too preoccupied with their own agenda – both political and personal, to care about which way the economy shapes?

The unmistakable impression an objective observer gets is that the India Story has got unhinged somewhere in the bargain and only a major realignment of economic policies can now hope to resurrect it – in the process we have lost precious years in prevarication, political jostling and one upmanship, ungainly self-serving efforts to quickly grab the bounties thrown up after the liberalisation programme got going- thus, the mega bucks that were seen to be had in the opening up of the communication sector, the natural resources in the mining, power and gas sectors, sports management et al.

Inflation, fiscal deficit, price rise, unemployment and an overwhelming mood of melancholy grips the nation today amid fears of the country going into recession all over again. Decision making has become a stop-start process, giving especially the foreign investor a nagging suspicion that his investment cannot

“ Decision making has become a stop-start process, giving especially the foreign investor a nagging suspicion that his investment cannot expect consistent support from the powers that be to sustain it over the long term. ”



expect consistent support from the powers that be to sustain it over the long term. And the exit of foreign capital over the past few weeks is a cause for concern.

Business and industry need a climate of certainty and calm to deliver. If law and order is going to be an issue on a daily basis, if economic policies do not send the right signals, if resources needed for industry to make a pitch for our prosperity are going to be sold on other than formal considerations, to crony capitalists who will only hold on to it to make speculative profits, if business is going to be treated like the proverbial whipping boy of politics, the economy is sure to respond in the only way it knows – the rupee in a free fall, industrial production in the negative band, exports dropping alarmingly, inflation sending shivers down the Reserve Bank's spine and leaving the common man uncertain what the next bump on the high road is going to be!

India is a democracy that, by its nature, finds that economics is inexorably linked to politics. Thus, how the economy responds to overtures from the policies framed by the political class is naturally governed by the ideology professed by the party/ies in power. If there is greater confusion than coherence in economic policies we can always ascribe it to the tug of war called coalition compulsions. It is time India is treated to a period of time tested and realistic, consistent economic policy that will stay put over a reasonable period of time to give business and industry time to reassert their ability to drive India into the Big League, sooner rather than never.

*“ India is a democracy that, by its nature, finds that economics is inexorably linked to politics. Thus, how the economy responds to overtures from the policies framed by the political class is naturally governed by the ideology professed by the party/ies in power. ”*

This issue of Tapasya features the science of Logistics and Supply Chain Management. Supply Chain Management has been the soft underbelly of all business and services and perhaps the most critical of Management functions and yet, perhaps has remained away from public gaze for far too long, which should now merit serious consideration from all the stakeholders if we are to pitchfork our economy to the expected status of 2nd biggest by 2030. While we have not been able to consider all the aspects of the Supply Chain and Logistics function, the battery of renowned practitioners and observers from industry and trade bodies have provided an excellent view of the way forward for this critical input. We hope it enable discussion and debate among policy makers to help in revamping and modernizing the Supply Chain mechanism in the country.



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*All Opinions expressed in the articles are those of the authors.  
The Editor, the Institute and the Publisher bear no responsibility for the same.*



*This column focuses on and profiles individuals who, through the power of their achievements and the force of their personality have become success stories and created a niche for themselves in society*

## Profiling

# Dr Vithal Venkatesh Kamat, Internationally renowned Enviropreneur



Vithal Venkatesh Kamat,- Green Hotelier, Environmentalist, Entrepreneur, Educationist, Antiquarian, Ornithologist, Author, Glob Trotter and Black Belt Karateka, If this list is not evidence enough of his versatile personality, he is perhaps Asia's first Eco-Hotelier and has lost count of the number of awards his venture has mopped up since its inception. He started his journey from a small vegetarian family restaurant to become the Chairman of the world's highest award winning, Asia's first- Ecotel hotel "**The Orchid**".

As a **Green Hotelier**, he manages **Fort Jadhavgad** - The first Museum Hotel in Pune, **Fort Mahodadhi Palace** in Puri Orissa and Chain of Five star – **The Orchid Ecotel Hotel**, four star hotels, **VITS, LOTUS Resorts**, and chain of **VithalKamat Vegetarian Restaurants**.

A keen enviropreneur, and naturalist, he has planted more than 60 lakhs trees and transformed over 100 Acres of hillock into orchards of medicinal plants and local trees. The first **Butterfly Garden** in Mumbai city & more than 28 gardens which are maintained on the vermiculture of the hotel, and he spearheads a campaign for clean and hygienic cities through more than 1,200 **ALM (Advance Locality Management)** groups in India, and has worked ceaselessly to bring back the sparrow and parrot to our cities. He strongly believes "**We can't command nature except by obeying her**"

As an **Antiquarian** having a collection of over 35,000 exhibits has set up "Aai" – The Mother Museum at The Orchid

Hotel in Mumbai and Fort Jadhavgad, Pune the proceeds from which goes to charitable institutions.

As an **Author**, his books "**Idli, Orchid and Will Power**" and "**Udyojak Honarach Mi**" have been translated into over 9 languages. He is a frequent speaker at some of the best educational set ups in India such as IIM Ahmedabad and BITS, Pilani.

Recipient of more than 116 national and international awards including '**Best CEO of Industry Award**' by Indian Express, '**Golden Peacock Award**' at the hands of Holy Dalai Lama & '**Life Time Achievements Award**' in Berlin, Germany.

He is President of the Maharashtra Economic Development Council, Vice President of Hotel and Restaurant Association of western India, Member of "Priyadarshini Academies Global Award Advisory Committee & Chairman of Technical Education Mumbai Board etc.

**Vithal Kamat's credo is**  
**"Environment - my Passion, Heritage -**  
**my Creed, Hospitality - my Life!"**



In Conversation

With P. G. Vijairaghavan

### Dr. Vithal Kamat

Vithal Kamat wears his exclusive status as one of the world's first enviro-friendly hotelier with rare humility and realism. Frank, firm in his beliefs and a master at getting people to own and deliver what he envisions as the organizational goal. Quick to acknowledge the contribution of the many personalities who made him what he is today, through their formal and informal inputs on entrepreneurship, management, public behavior, public speaking and most important – relationship building, he makes no secret of his huge admiration for the likes of RaiBahadur M. S. Oberoi, the legendary hotelier, or Behram Contractor or Busybee, ebullient journalist of yesteryear... In this interview with the Editor, he makes a fervent pitch for getting our hands dirty in going back to nature in a big way, without just paying lip service to environment protection ....



**What kind of skepticism did you encounter to Orchid being the first eco hotel in the Asian subcontinent?**

When I thought of buying the Airport Plaza Hotel which was up for sale I had in my mind a vision to make this the first ecologically sensitive hotel in India. I realized that no one likes change. We are so complacent with the status quo that we are afraid to bell the status quo cat because of the fear of the unknown. Many of my skeptical peers told me that the concept of eco hotel was impractical and that it cannot be a reality. Right then, I realized that I must make an example of my first venture into the luxury segment in the hospitality sector and prove that doing something different need not be at a disadvantage. I realized that people are reluctant to leave their Comfort Zone and try to find a better way of living life. Subsequently, when the concept was acknowledged worldwide, the stalwarts who earlier decried the effort took to congratulating me for it!



**How was the change brought about? What measures made the hotel ecosensitive?**

After the hotel went into business, I made it a point to bring in the leaders of the hotel industry from all over India, to the hotel and personally led them through the many paces of innovation in ecological sensitivity that I had introduced and right then, many of them made a request to me to guide them to introduce the same practices in their hotels.

Some of the innovations introduced included far reaching measures aimed at reducing stress on the building, saving in costs, reducing pollution to a minimum, making eco-friendly practices, customer-friendly with guests themselves being encouraged to participate in environment protection within the hotel, etc. Thus we ensured all the 72 rooms faced the atrium reducing heat intake levels, a doubly layered skylight that regulates intake of sunlight and reduces heat ingress...(See Box *The Orchid Blazes an Ecotrail.*)





### What was your motivation for building an eco hotel?

I believe that we do not value whatever we enjoy free from nature. We must think beyond immediate gains and ensure that the beauty of nature is available to our coming generations. We have a right to enjoy what nature has given us for free, but do not have the right to pollute and jeopardise Mother Earth. Here was an opportunity to put my belief into practice and I decided to grab it with both hands.



### Why is India lagging behind smaller countries in attracting tourist traffic?

The problem with our country is there is no motivation or fire in the belly to push India into the frontline of tourism centres, when, in fact, we have a multiple choice of genres of tourism – like adventure tourism, beach tourism, pilgrim tourism, medical tourism, history tourism etc. Our culture is age old and it can be exploited to bring in more footfalls and create job opportunities.

The first thing that we have to learn is that Incredible India should first become Credible India. Infrastructure and Law and Order are prime considerations for a tourist to visit India, and unless we make marked improvement in both, we cannot aspire to join the big league. Women tourists are even today being taken advantage of by unscrupulous elements and this is a big dampener for traffic to grow.



## THE ORCHID BLAZES AN ECOTRAIL...

*"A tree always grows from its roots,  
Every building needs a strong  
foundation"*

### The Facade

Depressions and protrusions in the facade play an important role since majority of the dead walls remain under shadow thereby reducing the surface radiation.

### The Plan Configuration

The building is designed with 72 rooms facing the atrium, therefore these rooms are not directly exposed to the external elements thus reducing the heat load.

### Natural Lighting In the Atrium

This has been achieved by skylight as an architectural element, detailed in a manner of doubly layered domes to reduce heat load and noise levels yet admitting maximum natural light in the atrium space.

### Roof top

The swimming pool is located on the rooftop with 4 feet of water body, which acts as an insulator from the heat. KoolDeck is applied around the swimming pool deck to reduce the glare and the surface temperature so that one can walk barefooted around the pool.

### Civil Work Cement ("Ambuja silicate")

To start at the very beginning the cement that has gone into making The Orchid an Eco friendly Hotel is absolutely environment friendly. This cement, PPC (Portland Pozzalana Cement) contains 15-20% fly ash, as compared to OPC (Ordinary Portland Cement).



**QED (Quite Easily Done)**

Internal partitions are made from QED wall panels, which are made from fertilizer waste, instead of red bricks, which are made from the topsoil of the earth. That's not all, these wall panels are reusable too and will save you from curing, plastering and recurring.

**AAC (Autoclaved Aerated Concrete)**

Another environment friendly alternative used is AAC. This material is used for external walling and wet walling structure of the Hotel. AAC is Eco friendly as it is manufactured using approximately 60% fly ash. It is the brick substitute building material of the future having excellent thermal insulation properties and better sound absorption coefficient than ordinary bricks.

**Water conservation**

The three "R" theory of reduce, reuse, recycle at work. Water being one of the earth's most precious resources and vital to life we have tried to put this theory in practice by taking special care to conserve this resource by employing carefully planned techniques enlisted below.

**Aerators/Flow Restrictors**

All taps contain aerators, which increase the water's force and reduce outflow, saving water. Using these aerators saves up to 50% of water. In addition the staff cafeteria has taps operating on timers.

**Cisterns and flushes**

Two other ingenious water saving devices are the Geberit Concealed Cistern which uses only 6 litres of water per flush as against 15-20 litres used in conventional flushes, while the Geberit Urinal Flush Valve's infra red detector ensures a definite flush after every use preventing the unwanted flushing of timer set systems.



**Will the Government of India's move of setting up a Hospitality Development and Promotion Board to facilitate single window clearances required for the hotel industry in a timebound manner, help in this?**

In order to really get a feel of how the single window concept works for approvals and licenses, one must study the Singapore experience. Here, a single window means exactly ONE window, and not a host of smaller windows within the Single window. All the necessary approvals and conditionalities are entertained at one single counter with the result that once the entrepreneur is through this one counter, he does not have to worry about any more compliances. This is where India takes a back seat because an entrepreneur is taken aback by the number of windows that open up for attention, when he approaches the authority for a license. That is why I say, Incredible India is a good slogan, but it can become so only after India becomes a Credible India in the eyes of the visitor.



**You are today a name to reckon with in the hotel industry. In your autobiography, you have attributed this to your tough upbringing in the earlier years...**

**In retrospect would you have preferred your early years to be any different, considering the qualities that it has ingrained in you?**

As mentioned in my book *Idli, Orchid and Willpower*, I strongly feel the upbringing called Sanskaras in Sanskrit and Hindi, is imbibed in you at the early years, like a sapling planted to grow into a mighty oak.

The tough upbringing of my childhood has prepared me to face any kind of adversity in life, also taught me to believe, *Duniya Mein Kitna Gham Hai Mera Gham Kitna Kam Hai*.

I strongly feel one's Parents, Grand Parents, Teachers and Childhood friends are most important and contribute a lot to imbibe sanskaras.



**You have placed great value on personal trust and faith among friends, relatives and associates. Yet, you have not been rewarded with the return of this trust. Have you, as a result, changed your opinion about the value of trust in people around you?**

The implicit trust which I have put into the friends and associates, only in 10 % cases I have not been rewarded but I have not changed my opinion and I value trust in people the most.

Trust is a base and foundation to achieve any impossible goal/target



**Any plans to expand your group's properties in India? Abroad?**

Expansion is an opportunity enmeshed at the appropriate time. After Fort JadhavGadh, Heritage hotel in Pune, we have expanded in Orissa, Fort Mahodadhi Palace.

One has to consider today's hospitality scenario to build and to expand.



### **Sewage Treatment Plant**

With the latest technology, wastewater is treated and then reused in areas like air conditioning & gardening.

### **Drinking Water Treatment (Aquazone)**

Aquazone employs ozone which destroys all micro organisms including bacteria, virus, spores, mould, fungi etc. The resultant water is absolutely safe, pure, fresh and healthy. The water is free from chlorine. When drinking water is treated with chlorine (chlorine is a highly carcinogenic chemical), the residual chlorine in water is also consumed along with the water. On the other hand ozone, having half the life of only about 20 minutes, unreacted ozone reduces to oxygen, leaving no trace of toxicity in water. This makes it the most environment friendly treatment known today.

Aquazone diffuses a controlled dosage of ozone into the drinking water as and when required. Ozone reacts with impurities like micro-organisms and chemicals neutralizing them. The result is clean fresh and healthy water to drink.

### **Interiors**

Rubber wood (siti wonder wood) Despite its natural timber look the window frames, master control panel in the guestrooms and shutters are made from Rubber wood. After producing rubber sap and the tree is cut down, the same cannot be used for any constructive purpose, as the wood acquired from the rubber tree is soft.

### **Nuwud MDF (Medium Density Fibre Wood)**

The interior works of the Hotel is made from MDF, which is manufactured using cotton stalks, having all the features of natural wood.

**Major Benefits**

Electrical - to reduce starting current  
 Mechanical - to control starting acceleration  
 Economic - to save energy on partially loaded motors plus electronic motor protection without extra cost.

**Mechanical**

Air-conditioning : At The Orchid ozone depletion levels have been reduced to 99.55% by the use of the more eco-friendly alternative i.e. R22 instead of CFC refrigerants. The mono screw chillers which have the least number of moving parts operates on a stepless efficiency range of 10% to 100%.

Attached to the air-conditioning system is the STL tank to store cold energy during off-peak hours. This stored energy is then used during the peak hours /periods reducing compressor overloading and cutting power consumption.

**Electronic**

Master Control Panel : This control panel in the guestrooms incorporates a unique feature known as the green button. On pressing the green button the thermostat of the air-conditioning unit is stepped up by two degrees. The saving in electricity resulting from the 2 degrees increase in temperature is translated into rupee terms and the same is displayed on the guest folio and profile. A certificate is then issued to the guest who has voluntarily participated in conserving energy. A database is maintained of all these guests and we have developed a direct mail link with them, telling them about ongoing environmental activities.

**Zero Garbage :**

Garbage bags made from recycled plastic and milk pouches, recycling bins with sticker for guest, and vermiculture strengthen the effort to achieve Zero Garbage at the Orchid.



**Your book makes a mention of the very different working conditions obtaining in Airport Plaza hotel when you bought it and you retained the same employees thereafter... How did you help the employees to cope with the change in management practices?**

I have been experiencing that though my father was not highly educated he had the talent for managing the unmanageable, which is not taught in any MBA school.

I have picked up his way of management and have helped myself to get the best out of people. He believed in genuine empathy and not in sympathy and always showed the path to get the ultimate success to each one who came in his contact. When you show a person road map to reach the top his/her attitude changes which gives them more self confidence and that self confidence helps them as the fuel for their growth. In case of Airport Plaza Hotel, earlier the management and the manager used to eat special and elitist food prepared for them, we started cooking food common for everyone. When there is parity then there is no disparity, which helps in the growth of the organization.



**You have become an entrepreneur after undergoing many trials and tribulations in your earlier years... yet you recommend self employment as a career option for the younger generation. Why do you think it is the most appropriate option for them?**

I strongly believe if India has to be one of the leading countries in the world then the 62 crore youth should think of self employment. Specially the Indian woman can be the most successful entrepreneur. In earlier day's woman like my mother and other were the entrepreneurs behind the curtain supporting, guiding, motivating and sacrificing for the success of entrepreneurship.

Today they can do it individually and I expect their spouse and family to support them. Self employment simply means you are working for nobody but you are answerable to EVERYBODY.





**Mr. M S Oberoi has been mentioned by you as the idol who you followed into the profession? Any particular reasons.. and how was it meeting and knowing him? Also a bit about Behram Contractor – Busybee to the world! How did he inspire you to become what you are today?**

Mr. M .S. RaiBahadurOberoi's success story started from the kitchen of Shimla Hotel to become one of the best Hoteliers of the world. The entrepreneurs have to draw self inspiration from these icons.

Regarding Mr. Behram Contractor who was most popular as Busybee was my mentor, because of his simplicity, knowledge and guidance which I used to get from time to time. Being a vernacular student, my English was very poor, it was the column which I read and shared his wisdom to improve myself.

As a result, today, I am one of the best motivational speakers and have created the Kamat Hotel (India) Limited team.



### Reused Wood

At the specialty restaurant called "South of Vindhya" the entire interiors i.e. the woodwork has been made from wood recycled from old buildings! This concept was specially incorporated keeping our eco-friendly image of the Hotel.

### Triple Glazed Windows

The triple glazed window comprises of a hermetically sealed double glazed unit and an added reflective glass. This triple glazed window blocks the heat of the sun from entering the room and helps in conserving the air-conditioning energy. An added advantage of this unit is that it prevents fabric and furniture colours from fading as the triple glazed unit prevents the infra red light from the sun to enter the room. These windows also help in effectively cutting out the noise pollution from India's busiest airport.

### Electrical

The Orchid has not only made efforts to reduce solid waste and conserve water but also contributed in saving energy:

### PL Lamps/Fluorescent Tubes

At The Orchid energy efficient PL lamps are used which provide as much light as ordinary bulbs, yet consume substantially less energy.

What's more since your room lights come on only when your key card is inserted there's no chance that lights or the air conditioner remains on once you leave the room.

### Minibars

The CFC free minibars used in the guestrooms save upto 40% energy, as it is equipped with "fuzzy logic" which senses the load inside the refrigerator and cools it accordingly...and many more energy saving & pollution reduction measures adopted.

# Supply Chain And Logistics Industry In India

P. G. Vijairaghavan

According to the latest estimates, The Indian economy is today said to aggregate over \$1.8 trillion in 2012 and subject to fluctuations in the dollar rate, it is expected to cross \$2.10 trillion in 2013. Yet, if studies by reputed agencies in the recent past is to be believed, the space occupied by the logistics industry in terms of its ability to facilitate the growth of the economy to enable it to reach the vaunted Super Power status is negligible, if not, pitiable. The reasons are not far to seek for we have long distances to traverse if we can hope to catch up with the Dragon next door. While it is understandable that we have woken up to the need for improved management of the supply chain in the light of liberalization and growth, it is true also that a lot of the problems encountered in this industry are not insurmountable given a steely will and the availability of necessary resources.

As the supply chain essentially seeks to make available to the customer and end user the product of his need at the time and place where it is required, it is essential to modernize and grow a system that ensures availability of every single resource in this direction. Yet, all the aspects of the supply chain mechanism – transportation – and the various channels involved, storage, insurance, tax structure et al need to be looked at to make conditions favourable for the entrepreneur to take the plunge to be of utmost service to this sector.

Some of the challenges in various segments of the industry variously result in delays, bottlenecks and cost over runs, that could broadly be considered as under:

**Rail :** Infrastructure is considered woefully weak considering the route and rail network of the Railways which have grown at a paltry 3% and 6.6% in over 50 years, while the traffic – both passenger and freight – has grown at a frightening 54% annually (CAGR). Which in effect means no fresh routes have been added nor fresh railway tracks laid to relieve stress on the existing lines, especially in the crowded railway corridors in the country. Some effort by the Indian Railways through the setting up of the Dedicated Freight Corridor Corporation to provide a dedicated logistical facility along the Delhi-Mumbai route is on the drawing board, and a similar connecting Bengaluru and Mumbai is also contemplated.

Railways have been known to be slower compared to road traffic resulting in fall in traffic inspite of the disadvantages of carrying freight byroad.

The infrastructure is short of actual needs; and growth in critical infrastructure and expansion of existing facilities is too slow to promote confidence in the trade. Exclusive freight corridors and facilities for movement of goods in dense traffic sites required to be put in place

Curtain Raiser

**Road :** Quality, connectivity and length of roads in India has been a cause for persistent worry and the coming of the Golden Quadrilateral gave some signals of assuaging the gaps, but the construction of further highways has been caught in controversies resulting in considerable slowing down of the growth of route kilometers of roads. The expressways do not appear to be ready to take off yet with the total length planned to reach 15000 kms by the 13th plan end. Interestingly, ownership of trucks plays an important part in development of this business, and studies have indicated that 70% of the trucks in the country are owned by entrepreneurs with a fleet of 1-5 trucks; also most of these trucks are over 10 years of age, thus restricting the efficiency of road transportation due to frequent breakdowns or accidents. Added to this is the prevalence of corruption due to the multiplicity of check points across the country resulting not only in delays in reaching the goods to their destination, but also increasing the cost of transportation.

**Shipping :** The port facilities in India cannot be called modern by international standards. This is evident from the fact that India's most modern port, the Jawaharlal Nehru Port Trust has been reportedly unable to ensure turnaround of ships for as much as 6-8 months, while it is a fraction of this time for ports like Singapore and Colombo which are our nearest competitors for international ocean based freight movement. Besides, storage facilities at ports leaves much to be desired causing delays which are not welcome features for a growing economy.

**Warehousing :** Tax Regime changes and human resource issues involving promotion of facilities for training and creating opportunities for attracting talent to the industry, are being regularly talked about in the proposals to improve logistics as a value proposition that can drive India's economy faster into the Ivy League of countries. It is not a question of whether India has it in her to come to terms with the need for better infrastructure, transportation, insurance, warehousing etc. but when it will meet these shortcomings head on, that will decide our place in the international community. Else, we shall be left watching as the world goes by in a saga of missed opportunities.

Elsewhere we have quoted a Deloitte Consulting Report on the impact of challenges facing the industry, which sheds light on the weak links and the way forward.

Tapasya peeps into an industry that is not high-profile and has been somewhat of a distant cousin for other sectors of the economy. And yet, plays such an important part in ensuring that we, as consumers are never made to feel the absence of an effective and efficient logistics system that delivers.

While limitations of space and time have precluded a more detailed look at the industry, some of the best practitioners and observers of the Logistics and Supply chain industry have contributed to this issue, giving it that special benchmark of credibility.





## India's Logistics Industry- Opportunities Galore!

**Pooja Dayal,**  
Head, Business Excellence & Strategy,  
Drive India Enterprise Solutions Ltd,  
(A Tata Group Enterprise) Mumbai



*Ms. Pooja Dayal, a PGDBM in Operations Management from Symbiosis, Pune, has 14 years of rich experience most of which, in the field of Logistics and Supply Chain Management. Currently, with Drive India Enterprise Solutions Limited, heading the Business Excellence and Strategy Functions. Her work areas encompasses detailing of sectoral strategies, exploring new business opportunities, tracking external environment as well as competition. Having excelled in all walks of life, she is also credited for visioning and executing in-house quality module "CALIPER PRO©" as internal benchmarking and improvement tool. Other quality initiatives handled are Process Benchmarking, Customer Satisfaction Survey and Tata Business Excellence Model (TBEM).*

India has experienced fast-paced economy growth over the last decade. Though India's growth rate has currently slowed down as a result of global economic instability, it is expected to be back on the track in near future. As the manufacturing and exports activities have risen substantially, the scope of logistics activities has also widened proportionally. Logistics as a function is being increasingly outsourced by manufacturers. However, the Indian logistics sector in many ways still lags behind the global standards of performance. This is evident from the fact that we are ranked as low as 46th among 155 countries in the World Bank International Logistics Performance Index, behind not just developed countries but also ranked the lowest amongst the BRICS. Comparatively, our neighbor China got the 26th rank.

A well developed and networked logistics industry is imperative for the success and overall growth of economy. An efficient supply chain comprising unified infrastructure and efficient logistics solutions provides a competitive edge to companies especially in India's demography. Supply chain and logistics had always been perceived as a cost centre and across industries, efforts are made to manage cost rather than use it to enhance customer satisfaction and improve revenue growth. However, in recent times there has been a marked change in this view with companies now viewing it as an essential and strategic tool in their value proposition, profitability and growth.

The annual logistics cost in India is estimated at 13% of the GDP, which is both significant and inefficient. Given this, there is a substantial need to invest in, and improve efficiencies in intermodal and multimodal logistics sector so that the friction costs do not impede the desired shifts.



## India's biggest Challenge also presents largest opportunity

India's logistics story is indeed an attractive one, fuelled by factors like growing economy, the increase in outsourcing of logistics and a significant government thrust on investment in infrastructure. Currently total logistics industry is estimated around Rs. 5,500 crs and expected to grow at CAGR of around 10% in future. Presently, the industry is highly fragmented and is still evolving, with organized sector of being around ~10% of the total logistics industry.

### Unorganized Nature of the Industry

The logistics market in India is highly unorganized as there are a large number of market participants present across the value chain. In road transport, the market is highly fragmented with individual truck owners and small unorganized players or small fleet operators (SFOs) holding significant market share. The infrastructure segment is also highly unorganized with individual owners dominating the segment. The fragmented nature of the industry leads to end user industry utilizing the services of various logistics players. This involves dealing with large number of transporter, warehouse agents and distributors. The presence of a large unorganized market and numerous intermediaries in the logistics chain has a negative impact on the logistics operations. As each of these intermediaries levies a charge for the services rendered, this increases the logistics cost. As unorganized players compete on prices and not on service quality, it indirectly results in higher per unit cost for

*"The penetration of 3PL and the propensity of customers to outsource have been most pronounced in transportation, followed by warehousing, as these have been historically easy-to-implement point solutions that most service providers can readily offer to customers."*

companies due to higher wastage of inventory cost. This provides a strong growth opportunity for organized and integrated players to differentiate on service quality and ability to reduce costs through streamlining supply chain operations.

With growth in the logistics industry, the share of the organized players is expected to go up. With changing

business dynamics, organized players are expected to play a significant role in the Indian logistics industry over the next few years.

### Evolution of 3PL industry -

Impetus on core competence and growing complexity of the logistics function has led many companies to outsource logistics activities like transportation and inventory management to Third Party Logistics (3PL) providers. In addition to this, by outsourcing to 3PLs, companies avoid locking capital in warehouses, trucks, containers, etc. Another factor influencing the adoption of 3PL services is globalization. As firms expand and their markets beyond national boundaries, the need for more sophisticated services like multi-modal transport and international trade rules compliance increases.

The third party logistics (3PL) market in India is still in a relatively nascent stage. While multinational companies in all industries have been predominant users of these services, domestic majors in leading industrial sectors have also begun to follow the footsteps of their multinational counterparts, starting with outsourcing their basic logistics functions. Realizing the significant cost reductions and several other benefits gained by these companies, a large number of small to medium companies in all the industries are gearing up to use 3PL services for their logistic functions, resulting in tremendous potential for 3PL market in India. Currently the 3PL market in India is estimated around Rs. 31,350 cr, growing at the CAGR of ~20%.

The penetration of 3PL and the propensity of customers to outsource have been most pronounced in transportation, followed by warehousing, as these have been historically easy-to-implement point solutions that most service providers can readily offer to customers. Customers still retain in-house the highest value





adding activities, such as production process alignment, invoicing and spare parts management, as 3PL vendors often lack the capabilities to deliver full supply chain solutions.

3PL providers are rolling out the next level of value-added service offerings centred on transportation and warehousing. Topping the userlist of 3PL services are the automotive and information technology (IT) hardware industries, followed by manufacturing, FMCG and FMCD. Organized retail and textile sectors are among the other end-user verticals with significant growth potential. The emergence of the retail sector is also helping the prospects of 3PL providers.

3PL providers are also expected to play a major role in facilitating e-commerce, which is on a good growth trajectory. In addition, India may soon see the emergence of the 4PL segment, constituted of knowledge partners offering operational capabilities, technology and process management capabilities. Providers of 4PL services manage different 3PL vendor services and work on getting the best logistics solutions for their clients, thus facilitating cost savings from lower inventory and transaction costs, greater access to resources, the sharing of risk and better fund management.

#### **DIESL - An integrated logistics solution provider**

DIESL, a TATA Group enterprise, is one of the leading end-to-end logistics service providers in India. Pan India strong distribution network is one of our strength that connect about 80% cities across India. We have warehousing network of 157 warehouses in the country, which is the one of the largest in terms of number of warehouses run by any single logistics service provider in India. We have 5.8 million square feet of warehouse space on account.

We are currently focused on sectors like FMCD, FMCG, telecom, retail etc. Our emphasis is on expanding 3PL contract logistics services to more sectors and add more innovative products like in-plant logistics and consignment sales.

The integration of the entire 3PL business and to focus on bringing in significant improvements in the operational efficiencies, IT plays an imperative role. Without applications like warehousing management, inventory

management, distribution, etc, the customer would be uninformed about its shipment from pick-up to delivery. We have invested heavily in IT systems

which are at par with international standards. Their warehouses are SAP enabled and they have installed WIMAC (Warehouse Management System) and Connect (Transportation Management System) to provide clients with

visibility and transparency in supply chains. The implementation of CRM allows DIESL to manage the customers efficiently while providing them the pulse of the market as well as a clear picture of their business. Customer accounts are seamlessly managed so that billing/ outstanding data can be tracked.

**To conclude** - Though most companies continue to perceive 3PL usage as a cost centre rather than a tool for effective logistics management, 3PL penetration is expected to increase to around 4% of total logistics industry by 2013-14. Further the growth will be fueled as the companies will be aware about the basic premise of the 3PL, which involves efficient use of resources that ultimately lead to savings in cost and resolution of issues such as inadequate infrastructure and uniform tax regulations.

*"The presence of a large unorganized market and numerous intermediaries in the logistics chain has a negative impact on the logistics operations. As each of these intermediaries levies a charge for the services rendered, this increases the logistics cost."*

*A man asked a fairy to make him desirable and irresistible to women. She turned him into a credit card.*





## Service Logistics - Adding Value, Gaining Visibility !

### Harpreet Singh

Country Director,  
Sales and Marketing, TNT India



*Harpreet Singh is the country director – sales and marketing at TNT India. Harpreet has been with TNT for over 15 years now and began his career with TNT as an Area Sales Manager in Delhi in 1997 and assumed responsibility for Special Services in 2002. In 2007, Harpreet took charge as Regional Manager East and later, in March 2008 became the Asia Regional Account Manager for Global Accounts in India.*

*A B.Com (hons) graduate with a diploma in the French language, Harpreet has a very good understanding of numbers which has helped him. He believes in delegating work and calls himself a 'People's man'. Harpreet has won numerous awards within TNT like being the No 1 ASM in the country, consecutive 3 years award for the Best Special services- EMEA.*

*His vision is to see TNT as the best service provider and wants all TNTians to excel in their positions and rise to a higher designation.*

*Harpreet likes to drive and travel extensively. He loves spending time with his family and enjoys playing golf.*

*The hi-tech service logistics market is particularly attractive since it is seen as 'recession-resistant'. Manufacturers frequently focus on retaining existing customers during times of economic slowdown.*

Service Logistics refers to any logistical activity that supports the servicing of a sold product throughout its life cycle. This can range from spare part management and distribution through to reverse logistics and returns. In other words, it involves all movements of materials around in the after-sales (also known as 'post sales' or 'after-market') supply chain. Service Logistics activities are traditionally important in a number of vertical markets, especially those with complex machines, essential technical equipment or very high-value products where a product failure or breakdown can carry high costs for the manufacturer. These sectors include hi-tech, automotive, aerospace & defence and healthcare (med tech). Whilst the customer requirements share similarities across these verticals, infrastructure and operational requirements vary significantly. Moreover, different terms are used in different verticals and sectors. The automotive industry, for example, tends to talk about 'aftermarket logistics' while the hi-tech sector prefers to use 'service logistics' or, where appropriate, 'service parts logistics'.

Hi-tech infrastructure companies are seeing increasing portions of their profit generated from their services business. Meanwhile, soaring sales within the consumer electronics sector drive the demand for competitive warranty and after-sales service offerings to keep consumers loyal to brands. For both of these market sectors, the importance of value added after-sales logistics services, popularly termed as 'Service Logistics', is increasing rapidly and becoming more visible.

According to TNT research, the value of the Service Logistics market in the hi-tech sector



in Europe, Middle East, Africa and Asia Pacific is estimated to be €4.6bn. This total includes the estimated outsourced logistics spend for the servicing of both installed products and returns of moveable devices. This market is forecast to grow about 7% a year up to 2016, with faster growth in the smaller Asia Pacific market than in the larger European one due to emerging markets.

The hi-tech service logistics market is particularly attractive since it is seen as 'recession-resistant'. Manufacturers frequently focus on retaining existing customers during times of economic slowdown. During times of high product sales there is also an increased focus on the post-sales supply chain as manufacturers seek to outsource services and maintain their warranty or service population of sold equipment and devices. Most visibly for consumers, the sales boom of mobile devices utilising cloud technology such as smart phones and tablets has significantly changed the after-sales logistics needs in this segment, with consumers no longer dependent on the same hardware to retain their personal information.

The hi-tech service logistics market can be split into two broad segments:

- **Servicing of installed products (infrastructure):** field engineers require spare parts for on-site maintenance of high-value installed equipment, like the servicing of telecoms infrastructure, medical technology devices, IT servers.

- **Returns of moveable devices (consumer electronics):** return, repair, refurbishment or swap of end

customer products (laptops, tablets or mobile phones).

- **Servicing installed hi-tech products :** Businesses with installed hi-tech products are a demanding but attractive customer group that faces diverse critical challenges. These companies require high service levels to support their revenue-

*"These factors and trends create a large need for after-sales logistics services when products fail to meet consumer needs or wishes. These services can range from repairs and refurbishment of devices to returns of purchases or recycling of some goods."*

generating services business (i.e. service contracts sold to their customers). For example, mobile phone operators do not buy a network mast from a telecoms company, but they lease the use of the hardware with a service contract. 'Down time' of such equipment can incur penalties for the manufacturer (in some cases over €100,000 per minute). This drives the need for emergency, time-critical spare part order fulfilment in the case of an unexpected product failure. However, supporting these kind of rush orders is expensive so manufacturers look to balance low stock levels with rapid on-time availability of spare parts. This is where services like Innight can become an attractive offer for lower cost spare part supply of non-emergency, scheduled repair events (similar to the planned servicing of your car).

Multinational manufacturers of installed products are also seeking globally transferable service supply chain solutions leveraging network reach to obtain cost reductions, standardised service levels, lower inventory holdings, data availability and ease of doing business. There is an increased importance of end-to-end visibility, ease of implementation and efficient collection and distribution of returned spare parts.

There is an imperative need for Service Logistics providers to adapt to these requirements through service innovation. For example, cost reductions can be achieved through screening activities of return parts at origin (by the service logistics provider) to reduce transportation and repair costs, whilst utilising Pick Up Drop Off (PuDo) networks can improve engineer productivity as it can reduce delivery waiting time.

#### **Service logistics for moveable devices:**

Sales of consumer electronic products such as smartphones and tablet computers have soared in the last few years thanks to attractively-priced new products and aggressive marketing. Market penetration of mobile phones is already approaching saturation levels in some developed



economies while tablets are rapidly establishing themselves in homes around the world. Moreover, product technology and functionality is becoming more complex while consumer expectations are rising and warranty periods are extending. In mature markets, consumer service experience is increasingly becoming the essential differentiator for customer retention, driving down acceptable turn-around times for returns fulfilment.

These factors and trends create a large need for after-sales logistics services when products fail to meet consumer needs or wishes. These services can range from repairs and refurbishment of devices to returns of purchases or recycling of some goods. In particular, the management of return flows is becoming more important. For example, 15% of a leading gaming company's computer units sold is being returned to the vendor, distributor or manufacturer, creating a massive returns flow to be managed. Even more surprising is that as many as two thirds of the returned units are found to have nothing wrong with them.

TNT's Service Logistics portfolio, recently launched, consist of three main pillars that together cover all aspects of the Aftermarket supply chain.

**1. Service Parts Solutions** providing storage, delivery and return of spare parts for use in corrective and preventative servicing of installed base products. For the customer, this solution enhances field service engineer productivity, reduces the inventory spend and improves installed base product up-time.

**2. Centralised Parts Solutions** involves the centralised storage and direct distribution of spare parts for end use, repair or stock replenishment (to FSLs). Direct customer benefits are streamlined central stock holding operations, reduced central inventory spend and maximised defective stock re-utilisation.

**3. Returns Solutions** cover the return handling and fulfilment of products for re-use, recycling, refurbishment, recall, repair or replacement. These solutions offer enhanced control on reverse logistics flows, a better control of the end customer's after-sales experience, and reduced warranty costs.

TNT's Service Logistics offerings are aimed primarily at the

hi-tech (and med tech) market verticals.

As for the competition in the service logistics market is concerned, it is extremely diverse and fragmented. There are many similarities between the service offerings of the numerous significant players and yet also key differences, including service range, geographical coverage and sector focus. A clear market trend of supplier convergence can be seen as service vendors seek to lock in customers by offering an increasing scope of services. In conclusion, the rapidly growing hi-tech sector presents attractive new opportunities but also a complex competitive landscape with well-established players.



*"The difference between genius and stupidity is - genius has its limits."*

*- Albert Einstein*





# The Evolving Face Of Supply Chain Management And Logistics In India

**A.N. Parikh,**  
Chairman, Lemuir Group  
Mumbai



*Mr. Arvind Parikh has been a visionary, pioneer and leader in the international freight forwarding and logistics field since 1948, when he joined his father Natverlal Parikh to build the family business from its modest beginnings into its present position of strength and industry leadership.*

*His vision for the development of the shipping, freight forwarding and logistics sectors in India and globally, have been acknowledged by the world and national association, federations, chambers and governments, on whose managing bodies he has held key positions.*

*Mr Parikh currently is on the Board of Advisors of many trade bodies like FIATA – Int'l Federation of Freight Forwarders Assocns., Federation of Freight Forwarders Association of India , Bombay Customs House Agents Association of India ,Air Cargo Agents Association of India etc and is Vice President of the Air Transport Committee of the International Chambers of Commerce, Paris. He is a renowned Sitarist and is extremely active in promoting Indian music through the many organisations which he has been working for as Convenor, All India Musicians Group, and Trustee at Music Forum, ITC Sangeet Research Academy, and is a Past President of Indian Forum for Fine Arts.*

It is a recognized fact that in today's world, a nation's relative prosperity in the global community is determined by its capacity of market acquisition rather than its ability for territorial acquisition.

It is also recognized that an efficient supply chain and its management is an essential prerequisite to support the activity of market acquisition.

Supply chain Management and Logistics is the process of planning, implementing, and controlling the efficient, effective flow and storage of goods, services and related information from their point of origin to point of consumption for the purpose of conforming to customer requirements.

Ever since countries lowered their economic barriers to the global market, goods, services, information, funds and knowledge started to flow across borders making the Supply Chains more complex to manage, than ever before. Though Countries have been working on many competitive factors such as Government and Enterprise effectiveness, geographical and natural resources utilization, technology and knowledge exploitation and process excellences, efficient supply chain management would be the key to competitiveness and staying power in the global market.

At present in India our supply chains are not yet fully evolved and suffer from, lack of efficient modern infrastructure, proliferation of multiplicity of taxes/duties and abundance of regulation in the name of Federalism. The general lack of investments into logistics infrastructure is also a bane of Indian logistics/Supply chain industry.

Thus for instance, although we have one of the largest railway network in the world, the goods that are carried by our railways are essentially bulk commodities. Only a very small part of manufactured and semi manufactured articles are



transported by the railways.

This speaks volumes, as, an efficient rail transport network with multimodal transshipment facility would have offered secured and speedy transportation and reduced the transportation (therefore Logistics / Supply chain) costs substantively.

Similar is the case of unexploited or under exploited Coastal transportation. India with its large coastline stretching from North Gujarat to West Bengal has hardly any efficient and organized Coastal transportation network, which offers an economic and environmental friendly alternative

Inland waterways presents a bleaker picture. Barring some transportation on rivers like the Ganges and Brahmaputra, there is little or no inland waterways transportation in the rest of the country.

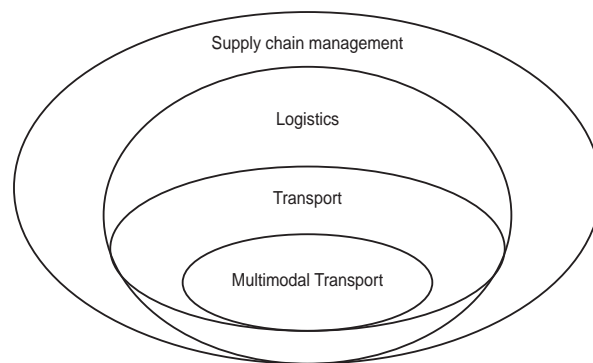
Even the road network is still lagging behind the economic development of the country. It is true that some attention is being paid in the last 2 plan periods with focus on quadrilateral corridors, port connectivity project as also Pradhan Mantri Gram Sadak Yojana etc. A lot more needs to be done.

In this connection it may be seen that the 'supply chain' may be defined on four levels A perspective on transport & logistics

A secured logistics network and service would ensure an environment where costs and time to do business would be minimal and assured. This is so because the key drivers for the competitiveness of a Country and Enterprise are time to market and meeting Customer demands at an optimal cost. It has been estimated that a 10 per cent in the decline in transport costs accounts for 8 per cent of average world trade growth in the post-World War II period.

Though developed Countries such as the US, the UK and Germany have developed excellent logistics networks supporting the supply chains and strategies like outsourcing to be competitive in the global trade, developing countries such as India, Mexico and China are finding it a challenging competitive advantage to counter.

The key drivers for the efficient supply chain and



logistics competitiveness of a Country is costs, time and value added services provided at each node of logistics

s y s t e m s .

Though India has been one of the fastest growing economies in the world and a destination for

FDI inflow, it lags behind the other leading developing countries in International Trade due to its ineffective logistics infrastructure as none of the Indian sea and Air ports are competitive enough to attract trade flow.

*“Transit time, Turn around time and freight costs and value added services are the major concerns at the sea and airports in India”.*

Transit time, Turn around time and freight costs and value added services are the major concerns at the sea and air ports in India. The low competitiveness of road, rail and port facilities in India limits Indian enterprises from being competitive.

Of late there has been several port expansion projects both with public and private participation, as also the development of some minor ports. Still the capacity may only serve for the next 1-2 plan periods and we may require much more to be done in this sector as well.

Development of infrastructure alone would not answer all our needs. There are several obstacles for free movement of goods in India, in the form of Check posts, local tax / octroi collection posts etc. Multiple and varied



documents are required to be executed for movement of goods from one part of India to another which is a major

hough the above mentioned initiatives and attempts at smoothening the regulatory stranglehold on the supply chain in India is heartening, much needs to be done as the vision for the modernization effort may not have percolated to the bureaucratic working level officials who still have not changed their feudalistic mind set.

Intensive training to change the mind set of working level bureaucracy to convert their feudalistic mind set to one of public service is the crying need of the hour.

Availability of trained manpower to plan and handle supply chains and logistics efficiently is also a concern. At present there is no formal training available to train professionals required for manning the supply chain and logistics network. We should immediately invest in setting up Polytechnic Institutes to train professionals in Logistics and Supply chain operations, an all important segment for nation's productivity.

In today's global environment of components and semi finished products move between different countries for assembling and finishing before final product rolls out of the assembly line in may be a third or fourth country.

To encourage such movement of goods between countries, there should be simpler regulatory procedures and tax / duty exemptions.

Recently announced policy for setting up of Free Trade Warehousing Zones may to some extent help in this regard, but although legal framework is ready, appropriate procedures are yet to be evolved.

Modern warehousing and efficient distribution processes are an essential ingredient of an efficient supply chain. A lot of investment is required to build modern warehouses, implement automatic inventory controls and develop distribution networks.

*"...obtaining a permit from each state is a time consuming process and often delays the project which is an antithesis of an efficient supply chain."*





Proliferation of multiple taxes/duties is a nightmare for anybody to do business in India.

# SUPPLY CHAIN MANAGEMENT



*"The statistics on sanity are that one out of every four people is suffering from a mental illness. Look at your 3 best friends. If they're ok, then it's you."*

*-Rita Mae Brown*



## Supply Chain Management - Essentials, Trends & Best Practices

**M. Gurunathan,**  
Sr. Counsellor, CII Institute  
of Logistics, Chennai



*M. Gurunathan, Senior Counsellor, CII-IL He has a Masters in Engineering Management with over 22 years of experience. which includes 15 years with India's leading truck Manufacturer, ERP functional consulting (Oracle) and teaching in a Deemed Engineering University as faculty. He spearheads the training activities of the CII Institute of Logistics. He is one of the members in all the consultancy projects of Institute and is a Warehouse Certification (WAREX) assessor.*

Supply Chain Management envelops all activities starting from point of 'origin' through point of 'consumption', till "End of Life" of the Product or Service. It includes Planning and execution part of satisfying the customers' demand.

Supply Chain has the gambit of activities that includes demand planning & Forecasting , purchasing, manufacturing planning, warehousing, distribution, transportation, customer service, Supplier Relationship Management, network management etc.,

In crux, supply chain management integrates supply and demand management within and across companies.

Supply chain management essentially ensures three flows : a) Product / Service Flow b) Information flow and c) Finance flow.

### Figure

Referring Fig 1 , an Automotive Supply chain can be visualized as a long chain with a number of Suppliers, storage Warehouses, dealers etc., The Manufacturer, the Original Equipment Manufacturer (OEM) is at the centre, designs and produces many of the parts in-house, and the other parts are supplied by suppliers in tiers. Assembled and tested automobiles are distributed to the customers through a distribution network comprising of Dealers, Regional Sales Depots/offices, parking Yards and Showrooms. Service and Spare parts supply is an important activity for an Automotive Supply Chain. Owned and franchised dealers, Multi-brand dealers, Small garages/ gas Stations, authorized service stations provide the necessary after Sales service and Spare parts to the customers.

The beginning of a supply chain inevitably can be traced back to "Mother Earth," that is, the ultimate original source of all materials that flow through the chain (e.g., iron ore, coal, petroleum, wood, etc.). An important recent trend in



supply chain management is the recovery, recycling, or reuse of products from the end user which is named as Reverse Supply chain. This is because, all stages of a product's life cycle will influence a supply chain's environment burden, from resource extraction, to manufacturing, use and reuse, final recycling, or disposal. The recent awareness of Companies on Green Supply Chain Management (GSCM) recognizes the disproportionate environmental impact of supply chain processes in an organization. The idea of GSCM is to eliminate or minimize waste (energy, emissions, chemical/hazardous, solid wastes) along supply chain.

**Logistics Vs Supply chain :** Supply chain is the network of facilities (warehouses, factories, terminals, ports, etc), vehicles (trucks, trains, planes and ocean vessels) and the Information systems connecting the suppliers & customers. Logistics is basically what happens in the supply chain and involves the flow of material, information & money. Logistics activities (customer response, inventory management, supply, transportation & warehousing) connect and activate the objects in the supply chain.

### **Drivers of Supply Chain Management**

Each supply chain has its own unique set of market demands, customers base and operating challenges and yet the drivers that influence Supply chain efficiency mostly remain the same in every case. They are :Demand Planning , Sourcing, Inventory Management, Facilities & Location, Transportation and Information.

India today is one of the fastest growing economies in the world. As the Indian retail, manufacturing and infrastructure sectors are poised for rapid growth, they are faced with new challenges when it comes to logistics and supply chain issues —costs and efficiency. For any country, the logistics cost is estimated between 9 and 20 per cent of its GDP. The logistics spend of India is estimated to be 13 per cent of the GDP.

The key enablers to improve the efficiency and reduce costs in Logistics & Supply chain Management are – Infrastructure, Use of proper Technology and Skills.

### **Infrastructure**

India, being a liberalising market, the domestic market is growing and International trade is also very vibrant. Export

volumes of traditional items are growing, and the exports of nontraditional items have been growing faster. Overall export-import (EXIM) cargo at Indian ports is projected to increase to around 2,800 MMT by 2020 from approximately 890 MMT currently. Finished consumer goods, both imported and those produced in India, will have to be transported to the country's middle-class consumers, which, by 2030, are expected to increase fourfold from the current middle class population of 160 million. Indian government is focused to increase the logistics competency of the country.

The Dedicated Freight Corridor project (DFC) by Indian Railways, envisages the construction of two corridors, one each on the west and east routes, spanning a total length of about 3,300 km. The DFC has special features like - Double stacking for containerized cargo loads, Larger lot evacuation on single shipment, Increased load factor, Increased real time speed by over 100 percent given average realized speed of 25 km/hr currently, thus facilitating speedy turnarounds.

Heightened focus on developing Air cargo terminals and related infrastructure are focused in recent times. These include successful upgrades at airports in Cochin, Bengaluru, Hyderabad, Delhi and Mumbai, as well as the ongoing modernization of the Kolkata and Chennai airports. Further, the ongoing modernization of 35 non-metro airports, is expected to enhance cargo handling and storage significantly.

India's ports act as entryways to India's EXIM trade and facilitate 90 percent by volume and 70 percent by value of India's external trade via maritime traffic. The country's long coastline lengths across 7,500 kilometers with 13 major ports governed by the Centre and about 176 non-major ports, governed by respective state governments and union territories. Through the proposed Maritime Agenda 2010–2020, the Indian Government plans to invest INR2,870 billion in generating total port capacity of 3,200 MMT.





Roads account to 60 percent of total freight movement in the country. The completion of the National Highways Development Programme (NHDP), which is aimed at developing 50,000 km of National Highways by 2015 in seven phases with an investment of INR 3,000 billion, combined with modernization like electronic toll collections, it is expected that India's low average trucking speed of 30–40 km per hour (kmph) will be improved. This will push up the efficiency of road transportation.

More investments are planned by Government to encourage goods movement through waterways. Five inland waterways have been declared as National Waterways, one more announced in Assam in budget 2013-2014. India has the opportunity to increase freight flows on coastal corridors along the West and East coast. Strengthening of these coastal freight corridors is about to make Coastal shipping an attractive alternative to other modes.

### Technology :

Supply Chain Management is multi-echelon in nature, involving number of stake holders. Efficiency can be achieved through proper integration, real time sharing of data for which 'right' technology has to be in place. Technology across Supply Chains help for (a) Decision support and (b) Transaction enablement. Starting with ERPs, many companies have adopted good amount of automation in their warehouses which includes Warehouse Management Systems (WMS), Automatic Storage & Retrieval Systems (AS/RS), Put To Light systems, Radio Frequency Identifications (RFID) etc., and experienced increased productivity in Warehouse operations. Some of the warehouses have to plan to implement Voice Assisted Picking systems too (fig2). Figure - Voice Assisted Picking

*"India's ports act as entryways to India's EXIM trade and facilitate 90 percent by volume and 70 percent by value of India's external trade via maritime traffic."*

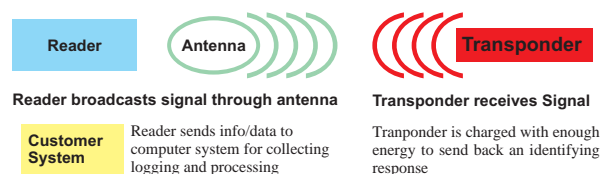
Many warehouses are WI-FI enabled and completely paperless. Picking of items is done with hand-held scanners. The Bhiwandi DC of the Future Group, is equipped with the Put-To-Light (PTL) sortation system, which enables category specific



segregated packaging. PTL has bumped up order pick accuracy by nearly 100 percent, increased sortation speed by more than 40 percent and substantially amplified the order processing capacity of the Distribution Centre – as told by Mr. Anshuman Singh, MD & CEO, Future supply Chain solutions Limited

### Figure RFID Working

GPS stands for Global Positioning System, a satellite based system to determine position of any object on earth. GPS was set up by United States Government for military purposes. Later, the system was made available for commercial and scientific uses. US Air Force operates 24 satellites circling the entire earth.



At any time, from any location on the planet, any four of these satellites are "visible" - capable of receiving and sending signals.

**Skills :** In addition to massive infrastructural projects which are already started, Government is



keen on addressing logistics-related issues like developing enough skills qualitatively and quantitatively through National Skills Development Corporation.

In warehousing sector alone, at present, the number of warehouse managers required in the

organized sector is estimated to be around 14000 which will grow up to around 35000 by 2015. This will require supplying around 8000 new warehouse managers by 2015. (CII-KPMG Study report)

**Conclusion :** The Indian Supply chain & Logistics sector has progressed significantly. The 'best practices' at par with developed European and American countries are happening in India – to name few concepts like Just-in-time (JIT), vendor managed inventory (VMI), reverse logistics, Cross docking, milk-run collections /



distributions, E-procurements, greening of Supply chains, 3 PL outsourcing etc., Confederation of Indian Industry (CII) has represented to the Government to accord 'Industry status' to logistics sector. Many policy reforms to promote multi modal logistics, logistics parks, Free Trade Warehousing Zones, implementation of the provisions of the Warehousing (Development and Regulation) Act, 2007 provide a very promising outlook to Indian logistics and Supply chain Management sector.

*"Choose a job you love, and you will never have to work a day in your life."*

*-Confucius*



## India & The Shipping Industry - Need For Total Reform

**Capt. Dinesh Gautama,**  
President, Navkar Corporation Ltd,  
Container Freight Station, Nhava Sheva  
& Advisor to the Indian Shipping Ind.



*DINESH GAUTAMA joined The Shipping Corporation of India Ltd in August 1973 rising up in various ascending capacities till he became a Master in December 1981. His forty years of experience spans the entire gamut of the shipping spectrum and organisations like the Shipping Corporation, Patvolk (a Division of Forbes Gokak Limited (then a Tata Group Company) and the Sea Consortium Pte Ltd., Singapore (now called X-Press Feeders) the largest common user container feeder operators in the world.*

*In 2004, he was re-called by "Forbes Sea Consortium" which led to another stint in the container feeder industry. During his tenure, he was made the Vice Chairman of Container Shipping Lines Association(India) and continues to serve them in the capacity of an Advisor.*

*Today, Captain Dinesh Gautama is a known advisor to the Indian shipping industry – investigating frauds, assisting in amending shipping regulations, and a prolific writer.*

*Captain Dinesh Gautama pursues his hobby of teaching the shipping interests and was a visiting faculty at the Maritime Training Institute, Powai. He has also trained seafarers in various courses conducted by training institutes like Naval Maritime Academy, Tolani Maritime Institute, SCI's Maritime Training Institute, Training Ship Chanakya, and Barber Shipmanagement's IMTC.*

*Dinesh is presently pursuing a PhD in English Literature.*

Despite the fact that about ninety percent of the world's trade is carried on ships, what is little known is the fact that shipping is still an adventure and all laws of shipping are also based on this premise. It is this fact that makes shipping a lot more different than other modes of transport like air, road and rail. It is said "If it moves, then it can be shipped". Cargoes ranging from pins, needles weighing a few grams to heavy lifts of more than a thousand tons a piece can be moved effortlessly across the oceans on a ship.

Everything can be carried on board ships. Ships are designed to carry dry bulk cargoes like grains, fertilizers, ores, chemicals, wood chips, paper and paper products, containers, refrigerated cargoes (e.g. bananas at 6 degrees Celsius, LPG at minus 33 degrees centigrade, fish and mutton at minus 30 degrees centigrade), wine (hermetically sealed) and even livestock (sheep, cattle and race horses). With such a wide range of cargoes it goes without saying that ships can cost anything upward than USD 100 million.

Buying ships is an expensive option and India as a developing nation has never really taken off in shipping despite the fact that most ships of the world are manned by Indian officers and crew. Japan's shipping industry took off at a rapid pace because the government subsidized shipyards which constructed ships at a battling speed making them a force to reckon with. There was a time when Japan became a leader in ship-building and maintained that status for four decades when they were superseded by South Korea and later by China. India still lags behind in ship-building though it has more than a dozen shipyards.

With the world of shipping moving at a frenetic pace, has India kept pace? No, it has not.

When a medium-sized (of 3000 TEU capacity. A TEU is an abbreviation for Twenty-foot Equivalent Unit or simply put a "20ft container") container ship, chartered at a cost of USD 25000 per day, arrives at a port in India, it





could wait for about 3 to 4 days. This waiting period itself results in an extra cost of Rs 50 lakhs only on account of a pre-berthing delay. Ships should not wait for a berth. It is the berth that should wait for a ship. Every days delay only adds to the cost of an item that we buy in the market.

Let us have a look at “containerization”. The first containers in the world were transported in the USA in April 1956. Japan, Korea, Europe and the US entered the era of containerization within a few years. Ports like Shanghai have more than 30 million boxes passing through them. If we compare this with India, it will be noticed that India's entire annual throughput is about 9.2 million TEUs which is just one-third of what passes through a single port in China. According to the development plans, India hopes to achieve a throughput of 20 million TEUs in the year 2020. This is too slow when compared with the global industry. How many container ships does India have on its shipping registry. The answer is not more than a dozen! And despite this, India does not permit foreign flag ships to participate in the growing coastal trade of India.

Let us have a look at India's shipping laws. The shipping laws in India are not only old but archaic. The Major Port Trusts Act was enacted in 1963 and the Merchant Shipping Act in 1958. We have The Lighthouse Act of 1927, the Carriage of Goods By Sea Act of 1925 and the Indian Ports Act of 1908. It does not end here. We can go still further back to the Indian Bills of Lading Act of 1856 and the Coasting Vessels Act of 1835. With such laws in place, it is hard to give Indian shipping any fillip.

Whatever attempts are made to move faster, our bureaucracy and associated laws act as stumbling blocks. If edible foodstuffs arrive in India and are found to be bad, they will require to be destroyed. So far so good and understandable. But according to the procedures, they are still required to be kept in their refrigerated condition till such time all permission, NOCs (No Objection Certificates) and approvals are granted by different authorities. In a recent case, a consignment of rotten kiwi fruit was maintained at a temperature of minus 10 degrees Celsius for 18 months resulting in electricity and ground rent costs of about Rs 38 lakhs. After that it was sent for destruction where the 19000 kilos of kiwi fruit were destroyed at a cost of Rs 35 per kilo!

Most of India's consumer products arrive in containers. But the word “container” is not found in Indian shipping laws. And it is due to this reason that the Customs Department interpret the Merchant

Shipping Act ( of 1958) and the Light House Act (of 1927) in such a manner which results in heavy financial outgo to the shipowners and operators. All efforts to make them see reason falls on deaf ears.

And so the India consumer continue to pay through his nose for all goods that arrive by sea.

Multimodalism is an important aspect of the logistics industry. It took a long time to enact a law for moving goods by multiple modes of transport. Ultimately, the Multimodal Transportation of Goods Act was enacted in 1993. Did it help? No. It only added to more costs and expenses for the logistics industry. Firstly it involved the obtaining of a License for anyone who wanted to initiate a contract for exporting cargoes by using two and more modes of transport. This wasn't a happy situation because no foreign party ever accepted the Indian Multimodal Transport Document as a “negotiable” document. It was considered more like a simple receipt which could not be “negotiated” at the bank.

Let us look at India's infrastructure for multimodalism at the ports. For this we need to look at what India has for handling the container industry. Here a small knowledge of the background will help. India's annual container

*“The shipping laws in India are not only old but archaic. The Major Port Trusts Act was enacted in 1963 and the Merchant Shipping Act in 1958. We have The Lighthouse Act of 1927, the Carriage of Goods By Sea Act of 1925 and the Indian Ports Act of 1908.”*



trade of 9.3m TEUs is handled through 10 major ports (Nhava Sheva, Kolkata, Visakhapatnam, Chennai, Tuticorin, Kochi, Mangalore, Mumbai, Marmugao, Kandla) and 2 non-major ports (Pipavav and Mundra). The three terminals at Nhava Sheva (which have a capacity of about 2.5 m TEUs) are presently handling 4.3m TEUs annually. This already indicates that they are working beyond their rated capacities and all efforts should go into speeding-up development projects (Fourth Container Terminal, 330m extension, etc), improving efficiency, avoiding breakdowns and controlling all factors that affect operational outputs. Any small mishap can send the entire industry into doldrums. And this has happened when the container ship “MSC CHITRA” collided with the bulk carrier KHALIJA III in Mumbai harbour. The resulting collision resulted in pollution, complete closure of the port and a congestion that took months to bring the port back to normalcy.

The logistics industry relies upon container shipping. With disasters like the MSC CHITRA affair, the container shipping lines providing liner services are bound to recover their costs as operating such high capital-intensive assets with sky-rocketing charter hires is not a very conducive environment. A container ship costs about USD 10000 per TEU of its profile capacity. So, if one wants to buy a ship of 8000 TEUs it will cost USD 80m. This is today’s “buying rate” for minimum 10 ships.

India’s biggest port, Nhava Sheva, has 40 liner services operating weekly through its three terminals. So, effectively about 160 ships call every month at Nhava Sheva port discharging/loading about 3,60,000 TEUs on a monthly basis. When the port planned to replace the gantries (which was long overdue and scheduled for a period of 6 weeks) it had become imperative for some liner services to re-structure by diverting to other Indian ports, as the replacement schedule would reduce the port capacity by about 10%. Fervent requests were made by shipping lines to assist the Indian trade by relaxing cabotage laws did not meet with effective results. So cargoes that were bound for Nhava Sheva and diverted to ports like Pipavav and Mundra added to the woes as adequate coastal services were not available to bring them back. With the accident, the port capacity reduced by another 10%. Faced with a desperate situation, a few liner services suspended calls or by-passed Nhava Sheva

support and (b) Transaction enablement. Starting with ERPs, many companies have adopted good amount of automation in their warehouses which includes Warehouse Management Systems (WMS), Automatic Storage & Retrieval Systems (AS/RS), Put To Light systems, Radio Frequency Identifications (RFID) etc., and experienced increased productivity in Warehouse operations. Some of the warehouses have to plan to implement Voice Assisted Picking systems too (fig2). Figure - Voice Assisted Picking Many warehouses are WI-FI enabled and completely paperless. Picking of items is done with hand-held scanners. The Bhiwandi DC of the Future Group, is equipped with the Put-To-Light (PTL) sortation system, which enables category specific segregated packaging. PTL has bumped up order pick accuracy by nearly 100 percent, increased sortation speed by more than 40 percent and substantially amplified the order processing capacity of the Distribution Centre – as told by Mr. Anshuman Singh, MD & CEO, Future supply Chain solutions Limited of space for cargoes bound towards the West Asia Gulf region where about 25000 TEUs of exports are headed each month from Nhava Sheva alone.

The logistics industry needs the ports to facilitate the movement of its cargoes. But the development at ports is slow. The Fourth Container Terminal at Nhava Sheva is scheduled to be operative only by 2016. The extension of 330m in terminal length is bogged down in procedures. There will always be a queue for containers to enter terminal gates.

*“With disasters like the MSC CHITRA affair, the container shipping lines providing liner services are bound to recover their costs as operating such high capital-intensive assets with sky-rocketing charter hires is not a very conducive environment.”*




port. This became evident when suddenly there was a dearth

Evacuation of imports will always be a problem. The scanning machine in port area will mostly be down. The navigational channel which was planned (about 10 years ago) to take ships of 14m draughts will take about a year more. The in and out movements of ships is never an easy task.

There are already enough troubles for container liner shipping in India. Low value cargoes will always be abandoned by consignees, bills of entry will never be filed on the first day of discharging and customs will always ask for hard copies of IGM and EGM despite "paperless trade". Then ports will never auction cargo after even 60 days as per the law and TAMP (Tariff Authority for Major Ports) will always chide them for this and ports will never listen to TAMP for that.

Logistics for export and import in India is a challenge. Arranging export/import logistics through multimodalism is a bigger challenge because it involves "modern" shipping backed by "archaic" Indian laws. And add to this the "paper-filled" system of customs procedures and bureaucratic approach replete with "registrations" and "licenses", and we



*"When you are courting a nice girl an hour seems like a second. When you sit on a red-hot cinder a second seems like an hour. That's relativity."*

*- Albert Einstein*





## Rethinking Reworking Supply Chain To Reduce Costs : Learning From Intel

**Dr. Sarika Kulkarni**  
Founder Raah Foundation



*Sarika has a Ph.D in Operations Management and has been a visiting Professor at Asian Institute of Technology Bangkok and JBIMS, Mumbai. She started Suyash Software P Ltd., in 2001 which became the biggest start up in Central India, in its space and sold it to a large US MNC in 2011. She then started the Raah Foundation and took up the cause of village school and college dropouts and to bring to them sustainable occupations based on locally available resources, through training them in entrepreneurial activities. She has authored three books – on Supply Chain Management, on Purchasing and on BPOs. She is an avid golfer and loves travelling.*

What do you do when you have to reduce the total supply chain cost by 80%?

What do you do when the cost of the product keeps on decreasing while the supply chain costs do not?

What do you do when cost cutting options narrow?

What do you do when supply chain risk becomes strategic imperative as the need for cost cutting continues?

You take it as a challenge and start with a paper and a pen and attack all your presumptions, assumptions and limitations. That is exactly what Intel did. Under the dynamic leadership of Jim Kellso, a senior supply chain master, Intel decided to dramatically change the supply chain approach for their new chip – the Atom chip. This paper describes the approach they took and valuable lessons from the exercise.

The traditional Intel chips sell for about \$100 and have supply chain costs (including inventory costs) of about \$5.50, or 5.5% of revenue – an acceptable cost ratio. Recently company planned to release its new Atom chip, a product that was not targeted at traditional uses such as PCs but consumer electronics, mobile devices, web only computing, emerging markets, and other applications that in total represent an annual revenue opportunity of \$10 billion or more. The challenge that the Intel management was facing was : the Atom would sell for only about \$20 initially and was headed for an average selling price of perhaps just \$10 in a few years. Obviously a \$5.50 cost for the supply chain wasn't anywhere near good enough at those sell process. Supply chain costs needed to be brought down to perhaps under \$1.00 – a decrease of as much as 80% of the level for traditional chips. And this was indeed a mammoth challenge.

The first step was to look for opportunities of cost reduction. And it was clear that something



radically different had to be done. Cross-functional teams of the best brains of Intel were brought in for brainstorming. The news about this initiative and challenge spread and a positive energy started getting generated with lot of people chipping in with ideas and thoughts and contributing effectively. Everyone had only one agenda – reduce supply chain costs without reducing or compromising on the service. Service had to stay the same or improve while ratcheting costs dramatically down.

### Focus on Inventory

Computer chips are small and extremely high value to weight ratio. Therefore there were only marginal opportunities to improve distribution costs and even less in transportation. At the same time inventory carrying costs represent the preponderance of total supply chain costs. For the traditional chips Intel operated on about nine week total order cycle time with its customers. During the first seven weeks of that time, there were generally many order changes from the customer – over 90% of the orders were changed after the initial order was placed. This also led to inventory builds, as the factories spent a long time optimizing and re-optimizing the factory schedule in part dealing with all the customer change orders. However those order changes dropped to single digits in the last two weeks as Intel's customers froze their own MRP runs.

The first challenge was to figure out if the process could be moved to a more true “make to order” model with firm orders accepted and then delivered in two weeks instead of nine. The immediate challenge was to figure out if instead of allowing changes can it be frozen and then no changes allowed. This was possible but this could have hit factory utilization however those costs would be offset by the reduction in inventory, storage and handling for all the chips that currently went into the distribution center. There were several arguments against this such as in this type of an industry you cannot build to order, and that it was impossible to be fast and have high factory utilization at the same time. But the team realized that these were mere fallacies and the key was the compression of cycle time with an end to change orders and schedule adjustments. And this then became the immediate priority.

To make this change, Intel proceeded in a series of spirals

that incrementally moved the process towards its final goal. Obviously major work had to be done with Atom customers to buy into the idea and then to actually operate their own supply chains consistent with this new strategy (order and inventory planning etc.)

*“The experience showed that not only could the inventory costs be brought way down and that the minor hit expected to hit the factory utilization did not materialize, providing more benefits than expected to the supply chain program.”*

An Intel factory in Asia was chosen as the pilot fab plant and the plant manager their quickly embraced the approach. The experience showed that not only could the inventory costs be brought way down and that the minor hit expected to hit the factory utilization did not materialize, providing more benefits than expected to the supply chain program.

The make to order model initially brought the supply chain cost per chip down to \$1.40 and they expect it to get further down to \$1.00 by 2010.

Buoyed by this success, rest of Intel is looking at adopting many ideas into the supply chain processes of Intel's traditional chips.

This is an amazing example and should become a benchmark for all supply chain professionals. If something like this can be done in such a difficult industry that is known for tremendous cost pressure, it can surely be adopted elsewhere as well.

*“I generally avoid temptation unless I can't resist it.”*

- Mae West



## Railways Ups The Ante To Regain Lost Ground - Introduces Various Measures To Catalyse Rail-borne Traffic Across Commodities

*The falling share of the Railways in the transportation business has underlined the need for it to wake up to the need to contribute effectively to the economy and justify its claim to being the lifeline of the Trade. As the following piece from the Economic Times will show, the railways appear to have realized the need to bolster its freight carriage record if it is going to travel on the road to pulling the weight of the economy and becoming a responsible player in the transportation trade in the country.*

**Economic Times, April 1, 2013**

### Shipping Bureau

Ministry of railways has initiated a slew of measures to restructure railway operations in order to meet emerging demands of Indian economy as the government is trying hard to revive sagging growth of the economy.

The important initiatives undertaken by the ministry to catalyse rail-borne traffic include rationalizing of haulage charges for containers transported by rail in privately owned wagons, concession for movement of fruits and vegetables in containers, and permitting box transportation of feldspar.

In the modified tariff structure, which takes effect from Monday (April 1, 2013), the share of traffic moving in 40 feet containers has been reckoned for the first time; the resultant reduction in the haulage rates of 10 T to 20 T loaded containers is 5%.

In addition, the linkage of haulage rates of empty containers and flats to the haulage rates for 20 feet containers (single deck) in the 0-20 tonne weight slab @ 65% and 60% respectively) has been reintroduced, which has resulted in the reduction in haulage rates of empty containers and empty flats by 13% in each case.

The ministry has also allowed, with effect from March 15, 2013, 25% concession in the haulage rate for containerized fruits and vegetables sponsored by the ministry of agriculture and / or National Horticulture Board. This scheme will be in force up to March 14, 2014.

Responding to demand from container train operators, the ministry has permitted felspar (or Feldspar), which is a mineral, to be transported in containers as a specific exception, with effect from March 19, 2013.

In a welcome move, the ministry has also formulated a new Automobile Freight Train





Operator (AFTO) Scheme, superseding an earlier one.

The new policy, AFTO Scheme 2013 aims at increasing Indian Railways' very meager share in transportation of automobile traffic. In addition, the policy also tries to provide an opportunity to logistics service providers and road transporters to invest in wagons and use advantage of rail transport to tie up with end users and market train services to create a win-win situation for all stakeholders.

Meanwhile, the railways have introduced heavy haul goods trains to modernize and improve the freight transportation in the country. The axle load of freight trains has been increased from 20.32 tonne to 22.32 tonnes on select routes. In addition, on certain identified routes, freight trains with 25 tonne axle load have been permitted, thus adding to the overall transportation capacity.

During December last year, the ministry came out with a new policy called "Policy for participative Models in Rail Connectivity and Capacity Augmentation Projects". The policy provides for five generic models for encouraging private investment. The different models of participation are: Non-Government Railway Model, Joint Venture Model, Railway Projects on Build Operate Transfer awarded through Competitive Bidding, Capacity Augmentation-Annuity Model. These models provide state governments, local bodies, beneficial industries, ports, large import and export companies, co-operative societies and other body corporates, infrastructure and logistics providers etc. the opportunity to participate, depending on the model that suits their business interests.

The various measures are expected to catalyse rail-borne container traffic at a time when growth, both globally and domestically, is stunted.

Way back in 1951-52, the share of railways freight was 79% as against 21% of road and the rail mode enjoyed total dominance of bulk as well as retail parcel cargo on the medium and long haulage. But in last 60 over years the wheel has gone full circle and the roles have reversed 180 and now road freight has 80% share as against rail having only 20% share, according to Indian Foundation of Transport Research and Training (IFTRT). These measures to up container movement of cargo by rail by private train operators are also expected to not only augment existing

traffic but also provide a win-win situation for both the railways and private container train operators in the country.

In the prevailing context of slow economic growth both domestically as well as globally, according to the ministry, the measures are to help Container Train Operators (CTOs) in augmenting their competitive edge. The consequent increase in traffic volumes would be to the mutual benefit of the CTOs as well as the railways, it added.

*"The policy also tries to provide an opportunity to logistics service providers and road transporters to invest in wagons and use advantage of rail transport to tie up with end users and market train services to create a win-win situation for all stakeholders."*

"Due to limitations in capacity and overwhelming focus on bulk cargo, the railways in last four decades had gradually surrendered the lucrative retail parcel goods transportation to the well organized transport trade. The economy has been on the growth path and incomes of middle class has grown and so also spending. Therefore, the consumption of auto components, pharmaceuticals, hardware items, tiles / marbles, motor vehicles, steel moulded products, electrical goods, cycle parts, paper products, stationery items and general merchandise etc. In addition, the movement of fruits, vegetables, pulses etc. constitutes important contributor to the goods carried by truck transport," the foundation added in its update last month.

*"Some books should be tasted, some devoured, but only a few should be chewed and digested thoroughly."*

- Cornelia Funke, Inkheart



# Outsourcing - Third Party Logistics Functions

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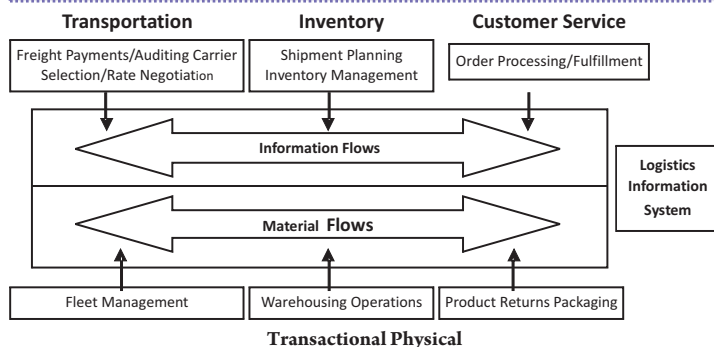


Figure 1 : Logistics as a Functional System

The Outsourcing of third party logistics functions, world over, has increasingly become a powerful alternative to the traditional, vertically-integrated firm. A growth in the number of outsourcing partnerships is contributing to the development of more flexible organizations, based on core competencies and mutually beneficial longer-term relationships.

The development of logistics outsourcing can be broadly defined as long and short-term contracts or alliances between manufacturing and service firms and third-party logistics providers. It has been largely based on the needs that companies have to obtain cost savings and to concentrate on their core competencies. These services range from single transportation activities to integrated warehousing, distribution, and information management activities.

The study shows that across many industries, logistics outsourcing has become a rapidly expanding source of competitive advantage and logistics cost savings. Further, some firms routinely have achieved up to 30 per cent to 40 per cent reductions in logistics costs and have been able to greatly streamline global logistics processes as a consequence of outsourcing.

**Logistics as a functional system :** In general, a functional system can be defined as a “collection of interrelated objects and the therefore interrelated activities in which these objects are engaged”. The conceptualization of logistics as a functional system (figure 1) is crucial to improving the efficiency in the flow of goods and information and to meeting low-cost, fast, and reliable delivery objectives within a firm and throughout a network of firms. A system of logistics functions can be divided into five broad areas i.e. i) Facility location, ii) Transportation, iii) Inventory, iv) Communication and v) Material movement. Figure 1 shows that all logistics activities can be divided into two categories. The first category includes the “physical activities that are required



to create form, time, and quantity utilities of customer need". These activities encompass Fleet Management, warehousing and product returns for customer service operations. The second category includes the "transaction activities that follow or initiate the physical activities previously presented". The activities in this category are centered on transaction negotiation areas (i.e. the interaction between firms through the purchasing of inbound materials, supplies, and products) and order cycle management areas (i.e. the management and control of information flows necessary to create customer service in the logistics system).

The integration of third-party logistics services. In order to understand, how the firms are bundling the services of third-party logistics provider, the outsourced logistics functions can be grouped into six functional areas i.e. i) transportation/transactional, ii) transportation/ physical, iii) inventory/transactional, iv) inventory/ physical, v) customer service/transactional and vi) customer service/ physical.

Complementarily, logistics information systems can be kept as a separate linking instrument.

There is an association between outsourced logistics functions in the transportation/physical and inventory/transactional areas. This outsourcing relationship indicates that firms tend to jointly outsource logistics areas that share an active flow of goods and information. Indeed, logistics functions in the transportation/physical and in the inventory /transactional areas involve a sequence of complementary transactions that will routinely begin with the forecasting of inventory and the planning of shipments and will end with the transportation of

*"There is an association between outsourced logistics functions in the inventory/physical and in the customer service/physical areas. These two logistical areas share a steady flow of goods."*

goods to and from the firms' warehouses. In addition, there is an association between outsourced logistics functions in the inventory/physical and in the customer service/physical areas. These two logistical areas share a steady flow of goods. They involve a

sequence of operations that originates with the packaging of goods for storage and ends with the operations needed to consolidate and repackage the goods for delivery.

The outsourcing association between inventory / transactional and customer service / transactional functions indicates that firms tend to integrate the services of third-party logistics firms across a well-defined sequence of activities that share information from the reception of customer orders and from the execution of shipping orders between the firms.

**Conclusions :** Transportation, inventory, and customer service as distinct functional areas within generic logistics systems. In deciding to contract the services of third-party logistics providers, firms bundle functional areas and activities in distinct patterns which, might enable the achievement of efficiency gains reflected in the achievement of economies of scale, scope, and conjunction. The results indicate that firms outsource bundled transactional and physical functions within inventory and customer-service areas. Firms might adopt this outsourcing practice in order to achieve economies of scale resulting from the coordination of complementary routine operations such as stocking of finished goods and the planning of inventory and shipping requirements. Firms might also bundle these outsourced logistics functions in order to obtain a higher efficiency in the utilization of capital assets such as warehouses. In addition, firms outsource groups of logistics functions which share common transactional elements and information flows and logistics functions which share complementary flows of goods. Firms bundle the outsourcing of logistics information systems with the information systems with the information flows across transactional functions such as inventory management and shipment planning. Firms might choose to adopt these outsourcing practices in order to improve their customer service without having to commit significant resources.





# Logistics Industry : The Unsung Hero of The Economy

## A Deloitte Consulting Report

*The Logistics Industry in the country is at the cusp of a historic upward curve considering the growth of the economy.*

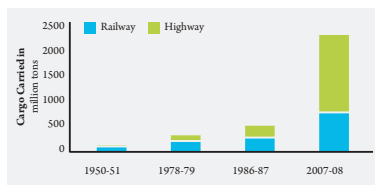
*A 2012 report by Deloitte Consulting has outlined the challenges and their impact on the industry and the ways to tackle them to ensure a vertical take off for the sector. Excerpts from the report are reproduced below.*

### I. Challenges Faced By The Logistics Industry In India

**Transportation related challenges :** In India road has become the predominant mode of transportation of freight cargo. Estimate of the modal movement of cargo highlights that In India nearly 61% of the cargo is moved by road, 30% by rail and rest by airway, pipelines and inland waterways. This is as compared to a 37% share of road in the USA and 22% in China.

It is recognized that movement of long haul bulk traffic by road is less efficient than by rail. But road is still preferred over rail because :

**Important rail networks are oversaturated :** There has been little investment in track infrastructure since independence. While route kilometer has grown only at a CAGR of 3%, track kilometer, incorporating



additional lines on existing routes, has not fared much better growing at a low CAGR of 6.6%. During the same period freight and passenger traffic has grown at a CAGR of nearly 54%. This has led to most high density corridors becoming over saturated.

**Rail freight tariffs are high :** Indian Railways follows a policy of subsidizing passenger tariff by freight tariff. This has resulted in a sharply rising trend in railway freight rate over the years compared to an almost stagnant passenger tariff rate. The result of this has been that Indian rail freight rates have

already become one of the highest in the world, with freight rates in India being nearly 4 times that in United States. If truck overloading is also taken into account then rail freight rates work out to be higher than road freight in many instances.

**Transit times are long and uncertain :** Freight traffic is frequently subordinated to passenger traffic on the railway network. This results in a freight train taking as much as 6-8 days for a journey of 2000 kilometers. Also there is no guarantee provided on the transit time for freight trains.

**Rail terminal quality is poor :** Most rail terminals (goods shed) used for loading/unloading of freight are antiquated. They also suffer from issues of access and evacuation of traffic.

**Less flexibility in carrying different types of Products :** Special wagons are not easily available for carrying specialized products. For example special types of steel required for automobile production have to be carried by trucks as the existing wagons do not offer the kind of protection that these high value products require. While customers are allowed to request for new wagon designs the process of getting these wagon designs approved by railways is cumbersome.

**Railway carriage not easy for industries which cannot provide full train loads :** Railways have a preference for customers who can provide full train load as unlike in some other countries, railways in India no longer run mixed trains which can carry different types of cargo. Operational efficiency is cited as the major reason for the same. While containerized rail movement can provide for freight movement for industries with smaller rake loads domestic container movement has not taken off in a big way- with one of the issues being a lower priority being accorded to container trains on the railway network.

While road movement is preferred to rail, road movement has its own fair share of issues. These include:

**Inadequate road network coverage :** Freight movement in India is dependent on National Highways. While National Highways constitute only about 2% of the road network of India they





carry nearly 40% of the total traffic. As a result most of these highways are severely congested- resulting in freight travelling only a third of the distance compared to developed countries.

**Poor road quality :** The road quality in India, on the National Highways as well and other roads, is improving but is still poor in many locations. Estimates suggest that motorable roads are still less than 10% of the total road network. Large stretches of National Highways are also two laned in many stretches reducing their capacity to handle large traffic loads.

**Expressway network will take time to develop :** In many developed countries expressways have been developed to facilitate high speed freight movement through linking of important cities, ports and industrial centers. In India the expressway network is still largely at a planning stage with a target of development of around 15,000 kilometers of expressways only by the end of the 13th plan period.

**High level of fragmentation of the trucking industry :** The trucking industry in India is largely fragmented and in the hands of small truck operators. Estimates suggest that nearly 70% of the truck owners in India own between 1-5 trucks. As a result of disaggregated ownership there is fierce competition amongst operators leading to truck owners resorting to overloading to recover investments. Also due to the limited investment capacity of these operators technology in terms of better vehicles (average age of trucks in India is over 10 years), tracking, safety etc. has been slow to percolate.

**Multiple check points :** Trucks in India have to pass through multiple check points in their journey. Trucks have to stop at state borders, for payment of toll taxes, for RTO inspections, Octroi etc. An estimate of the time taken at the check points shows that in a journey of 2150 kilometers between Kolkata and Mumbai a truck had to stop for as much as 32 hours at various checkpoints on 26 different locations.

In addition to roads and railways which carry the bulk of freight traffic in India other modes of freight carriage also suffer from their own issues. The ports sector in India suffers from several issues :

**High turnaround times :** Data from Indian Ports Association shows that ports in India suffer from high turnaround times for ships. JNPT, which is the premier port in India, has more than 2 times the turnaround time of Colombo and Singapore ports because of congestion on berths and slow evacuation of cargo which are unloaded at the berths.

**Inadequate depth at ports :** The depth at many ports in India is not enough and dredging tenders take a long time in getting awarded. As a result with the existing depths many ports are

not able to attract very large vessels.

**Costal shipping has not taken off :** Costal shipping in India is hampered by inadequate port and land side infrastructure which hampers large scale use of it for freight movement.

Finally Air cargo has also not taken off significantly in India. With increased volumes of cargo major airports are getting congested resulting in long waiting time. The waiting time for exports in India is 50 hours compared to a World average of 12 hours while the waiting time for Imports in India is 182 hours compared to a World average of 24 hours. Also the airfreight sector suffers from high fuel costs and tariffs as well as several manpower issues.

**Storage infrastructure related challenges :** In addition to the poor transportation infrastructure the storage infrastructure in India also needs significant improvement.

**State of ICD/CFS is poor :** The ICD/CFS infrastructure available for EXIM trade is inadequate. The land requirement for setting up ICD/CFS at an appropriate place is difficult to come by as several hurdles have to be cleared in the consolidation of land. As a result many logistics companies with an interest in setting up ICD/CFS's eventually fail to do so, mostly on account of lack of land availability at an appropriate place.

While it is difficult to set up a facility, at the same time, the existing facilities themselves are plagued with several issues :

- Many of the older facilities today are located within city boundaries restricting day movement of trucks
- The approach roads to the facilities are poor making evacuation of cargo difficult
- Most facilities have issues of inadequate parking, lack of available land for expansion, paving etc.

**State of warehousing is poor :** Various estimates put warehousing costs to be between 20-25% of the total logistics cost.

Not only are the existing warehouses of poor quality, there are also not enough of them. This is because land availability for warehousing at an appropriate place and at an appropriate price is a



concern. The magnitude of the problem in this regard was highlighted in a recent CII conference on warehousing where it was highlighted that Delhi alone has a deficit of 9000 acres of land for development of warehousing facilities !

### **Tax structure related challenges**

A complicated tax regime is in place which places several challenges on the logistics industry. Payment of multiple state and central taxes results in :

- Considerable loss of time in transit for road freight in order to pay such taxes
- Fragmentation of warehousing space especially for low margin products thereby providing a disincentive to create large integrated warehousing spaces

A uniform tax structure to be introduced through the GST is being highlighted as a panacea for the existing situation. If implemented in spirit GST will enable logistics services to be provided without consideration for tax boundaries. However while the introduction of GST looks fairly certain several companies have already started raising doubts about the final shape the bill will take, given the deep divisions between several state governments and the central government on the issue.

**Technology and Skills related challenges :** The logistics industry is also hampered by low rates of technology adoption and poor skill levels. On the technology front the industry now seems to be paying serious attention with use of RFID, vehicle tracking technologies, warehouse management systems etc. However while acceptance is perhaps not an issue any more, the marriage between IT and domain requirement needs to be resolved. Automation in processes is still only in its infancy. Further progress is dependent on a certain level of standardization which is made more difficult by the high level of fragmentation in the industry. This is a drawback that needs to be tackled early.

In addition to technology-related issues the skill levels of in the logistics industry also require to be upgraded urgently. As of now courses focusing on logistics industry remain few and far between. Also logistics industry is still not looked at as the industry of choice for young graduates thereby making hiring of quality professional manpower challenging. On the ground level too there are challenges. A recent study has found that a variety of skills are required in the sector. These include technology skills, driving skills including safety procedures, industry understanding and multioperations skills.

## **II. Impact Of Challenges Faced**

The various challenges faced by the logistics industry lead to high logistics cost incurred by the Indian Economy. This is despite the fact that the cost of labor, one of the most significant contributors to logistics cost in developed countries, is significantly cheaper in India.

With regards to cost of spends on logistics, India's logistics sector accounts for 13% of the GDP of India. This is much higher than that in the US (9%), Europe (10%) and Japan (11%) but lower than in China (18%). Major elements of logistics costs typically include transportation, warehousing, inventory management and other value added services such as packaging. What is worrying about the logistics costs in India is the distribution of costs across various heads. As can be seen from the accompanying chart, in India, as much as 31% of the logistics cost is attributable to the 'others' category, which primarily includes various types of losses.

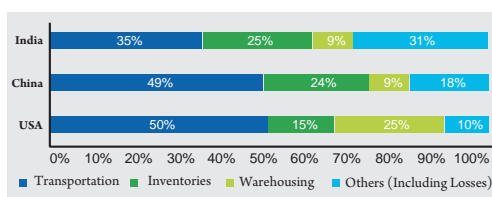
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If looked at from the perspective of logistics cost as a percentage of the total product cost India again fares poorly. The logistics cost as a percentage of total product cost in India is in the range of 4-5 times that in developed countries, to the tune of 20% of product cost. This is at a time when the quality of logistics services provided is not of the highest standards. Also, worryingly, these costs have been showing a rising trend. Fuel price hikes



have sharply increased the cost of freight transport. Ever increasing congestions at ports are resulting in high levels of ground rents required to be paid at CFS's near the ports. High levels of inventories are being required to be maintained to guard against sudden disruptions in supply chain, all of which adds to the cost.

The high levels of logistics cost in the economy adversely impacts the competitiveness of the Indian economy as well as the financial well-being of the individual citizen. Additions to product cost due to inefficient logistics adds to inflation. Wastages lead to scarcity. This makes efforts for reducing logistics costs a critical goal to pursue.



The rewards of reduction in logistics cost are many. As has been shown for other parts of the

world, decrease in logistics cost leads to significant increase in employment opportunities in the economy. Also it helps in increasing the trade flows in a country by increasing the inherent competitiveness of the economy. Finally, and importantly for India, decrease in logistics costs leads to a decrease in poverty levels in the country through increasing earnings for the poor. Therefore stringent and coordinated efforts need to be made for logistics cost reduction.

### III. The Way Forward

The growth in the Indian economy in coming decade is likely to be driven by the increased activity in the manufacturing and retail sectors. To enable these sectors to contribute effectively to India's growth the logistics sector will have to step up to provide value-enabling solutions for these sectors. This would require action on three fronts :

- Creating an environment for graduating the Indian logistics market to provide value propositions in logistics solutions
- Increasing the capability of the Indian Logistics Industry to provide such solutions
- Requiring Government and other regulatory mechanisms in the country to provide an enabling environment for value propositions in logistics services

Due to decades of growth and increasing globalization of the Indian economy Indian entrepreneurs become active participants in business strategy issues which can take their business forward and make them competitive. However old

habits die hard. Therefore we still see numerous instances where little premium is put on service delivery, quality and transparency in logistics services. Demand for logistics solutions still gets conditioned by an undemanding, quality-neutral client used to a non-standard product and service deliveries. Large logistics departments have come up within companies to manage this 'chaos' and lowest price frequently becomes the watch word for many companies rather than quality of the solution provided. For instance, dust-proofing at a storage place still does not command the kind of premium in India that it should, and as a result, the logistics service provider does not invest in such provisions. After-sales service gets lost in a retail logistics maze, and the client finds local suboptimal solutions. This is routine today. Some change in certain specific product ranges do seem to be happening, but at a very high price. Once such value additions begin to get recognized and priced in value terms, the logic of the Logistics industry will undergo a sea-change.

The Logistics industry assesses client needs in practical terms. Most logistics companies do not have the financial wherewithal to put in world class facilities upfront and wait for the returns to be realized at a later date through an 'education' of the customer. Therefore a logistics service provider today gives exactly the service that is demanded of him. This is perpetuated by the fact that today a logistics company can set up business, offer base level service and make money, albeit with low margins because there is limited differentiation. Capabilities and skills are neither available nor do the customers currently demand them. The vicious circle of inadequacy and incompetence in supply and demand is self-propagating. There are stray instances of one supply chain streaking out of its orbit, but the risk perception in such ventures is high and generally discouraging.

However the ray of hope is that perceptions seem to be changing. The reason behind the changing perceptions appears to be mainly that supply side pressure seems to be growing faster than the demand side in so far as logistics services are concerned. Increasing competition is forcing





manufacturers and retailers to increasingly differentiate their products. One of the way through which differentiation is being made is through the supply chain strategies. Today for example, mastering the rural supply chain and making company products available in every corner shop in a rural area is becoming a business imperative for most retail products. This is because the pace of growth of markets in rural areas is handily beating those in urban centers. With such pressures the customers of logistics services are becoming ever more demanding. This is resulting in the capability and the inclination of the Indian Logistics industry to experience a change, which might be slow but is deliberate. The Indian market still remains extremely cost-conscious, and tolerant towards logistical mishaps, even misdemeanors but positive signs are being seen.

However this change may still be nipped in the bud if no efforts are made by the Government and its associated regulatory mechanisms to provide an enabling environment to facilitate a paradigm shift in how logistics industry can grow unfettered. It is well recognized that government is making efforts to make improvements to correct the infrastructure deficit- be it in physical transport, warehousing and terminal infrastructure etc. However while physical capacity creation is being facilitated, albeit slowly, there are other softer changes that are required to be made along with the capacity creation drive to realize the full impact of such changes. These include :

- **Coordination in infrastructure planning :** Today there seems to be no coordination amongst the various agencies of the government in creation of infrastructure. If creation of additional port capacity for container handling is being planned little thought is given to evacuation logistics. When main network roads are developed the links remain of poor quality. To improve the situation requires a change in our planning mindset. Coordination in infrastructure planning will need to happen not only to truly remove bottlenecks, but also to avoid overlap and attendant extra costs. Such resultant integration of facilities will help to reduce the high transaction costs prevalent in the economy.

- **Improvements in tax regimes :** Tax regimes and recovery procedures continue to be cumbersome and time consuming. There remains great uncertainty about the actual coming in of GST and the final shape in which it will come. However for improvement in logistics it is critical that tax regimes need to be simplified and reduced to a one- window /one- time levy across regions so that administrative processes do not hinder

physical free flow of movement.

- **Reforms in urban planning :** Urban planning today does not appear to factor in the enormous volumes of goods distribution catering to urban conglomerations in terms of road and peripheral infrastructure resulting in traffic restrictions and serious bottlenecks and logjams. This needs to be paid special attention by our planners.

- **Improving dialogue with industry :** Finally the regulatory agencies do not facilitate proactive and participative dialogue with the industry. Blueprints and policy regulations today are a largely one-sided affair with some industry representations sought. This makes policies prone to avoidable trial and error events.

The future Of the Indian Logistics Industry lies ultimately in value propositions for the customer. Value solutions can be engineered only if the complex strands of supply-chain mesh together seamlessly. These solutions are expected to command a premium but also come at a cost. The cost –conscious Indian Market first has to be made to appreciate the value of premium services. In a supply driven market, supply chain solutions need to unlock the cost -saving aspect of efficient logistics services first. This would result a reduction in cost down the line, which can only happen when most of the deficiencies mentioned above are removed. Logistics companies can leverage further economies of scale when operations are expanded. This may require industries to collaborate with logistic service providers to nurture their businesses, possibly in a way the automobile industry in India nurtured the auto-component companies. The future is bright for the logistics industry in India- the expectation is that a tipping point for the industry will soon be reached which will propel it to greater heights.

*“A lie can travel half way around the world while the truth is putting on its shoes.”*

*- Mark Twain*



## In A Nutshell

### Marketing Focuses on Relationships and Value

*(The focus on customer relationships and value has led many companies to emphasize relationship marketing, which involves creating, maintaining, and enhancing long-term relationships with individual customers as well as other stakeholders for mutual benefit.)*

The movement toward relationship marketing is due to several factors. First, companies recognize that customers have become much more demanding. Consumers desire superior customer value, which includes quality products and services that are competitively priced, convenient to purchase, delivered on time, and supported by excellent customer service. They also want personalized products and services that are tailored to their specific needs and wants. Advances in information technology, along with flexible manufacturing systems and new marketing processes, have led to mass customization, whereby a company can make a product or deliver a service in response to a particular customer's needs in a cost-effective way. New technology is making it possible to configure and personalize a wide array of products and services including computers, auto mobiles, clothing, cosmetics, jewelry, and mortgages. Consumers can log on to the Dell website and build their own computers or to NikeiD.com to design personalized athletic shoes and other Exhibit products.

Another reason why marketers are emphasizing relationships is that it is more cost effective to retain

*Often enough we tend to take basic concepts and thinking on most human endeavours and issues for granted. This includes Management and its many hues. Some of the principles and concepts of Management subjects like Marketing, Organisational Behaviour or Human Resource Management would do well to be reignited into our minds and jog our awareness so as to make our functioning in the workplace more effective and rewarding both for the organization as also for ourselves. With this in view, through this column, Tapasya brings the thoughts of eminent writers on Management related subjects back on stage, which could remind us of the basic purpose of management to get the best out of every stakeholder in the business and bring satisfaction in the process through better results to one and all.*

customers than to acquire new ones. Marketers are giving more attention to the lifetime value of a customer because studies have shown that reducing customer defections by just 5 percent can increase future profit by as much as 30 to 90 percent. As companies focus more attention on customer retention, many are developing customer relationship management (CRM) programs, which involve the systematic tracking of consumers' preferences and behaviors and modifying the product or service offer as much as possible to meet individual needs and wants. Information technology, particularly database systems, is an integral part of CRM programs as companies must capture information about their customer and adjust elements of their marketing programs to better meet their needs and wants. Marketing communications is also an important part of customer relationship management as companies strive to create more personalized and meaningful one-to-one communications with customers and manage their contacts and interactions with them.

#### The Marketing Mix

Marketing facilitates the exchange process and the development of relationships by carefully examining the needs and wants of consumers, developing a product or service that satisfies these



needs, offering it at a certain price, making it available through a particular place or channel of distribution, and developing a program of promotion or communication to create awareness and interest. These four Ps-product, price, place (distribution), and promotion-are elements of the marketing mix. The basic task of marketing is combining these four elements into a marketing program to facilitate the potential for exchange with consumers in the marketplace.

The proper marketing mix does not just happen. Marketers must be knowledgeable about the issues and options involved in each element of the mix. They must also be aware of how these elements can be combined to form an effective marketing program that delivers value to consumers. The market must be analyzed through consumer research, and the resulting information must be used to develop an overall

### **Marketing Strategy And Mix.**

The primary focus of this book is on one element of the marketing mix: the promotional variable.

However, the promotional program must be part of a viable marketing strategy and be coordinated with other marketing activities. A firm can spend large sums on advertising or sales promotion, but it stands little chance of success if the product is of poor quality, is priced improperly, or does not have adequate distribution to consumers. Marketers have long recognized the importance of combining the elements of the marketing mix into a cohesive marketing strategy. Many companies also recognize the need to integrate their various marketing communications efforts, such as media advertising, direct marketing, sales promotion, Internet marketing, event sponsorships, and public relations, to achieve more effective marketing communications.

### **Integrated Marketing Communications**

For many years, the promotional function in most companies was dominated by mass-media advertising. Companies relied primarily on their advertising agencies for guidance in nearly all areas of marketing communication. Most marketers did use additional promotional and marketing communication tools, but sales promotion and direct-marketing agencies as well as package design firms were generally viewed as auxiliary services and often used on a per-project basis. Public relations agencies were used to

relevant publics on an ongoing basis but were not viewed as integral participants in the marketing communications process. Many marketers built strong barriers around the various marketing and promotional functions and planned and managed them as separate practices, with different budgets, different views of the market, and different goals and objectives. These companies failed to recognize that the wide range of marketing and promotional tools must be coordinated to communicate effectively and present a consistent image to target markets.

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*Excerpted from Advertising and Promotion by  
George E Belch, Michael A Belch, and Keyoor  
Purani Published by Tata McGraw Hill  
Education Pvt Ltd.*

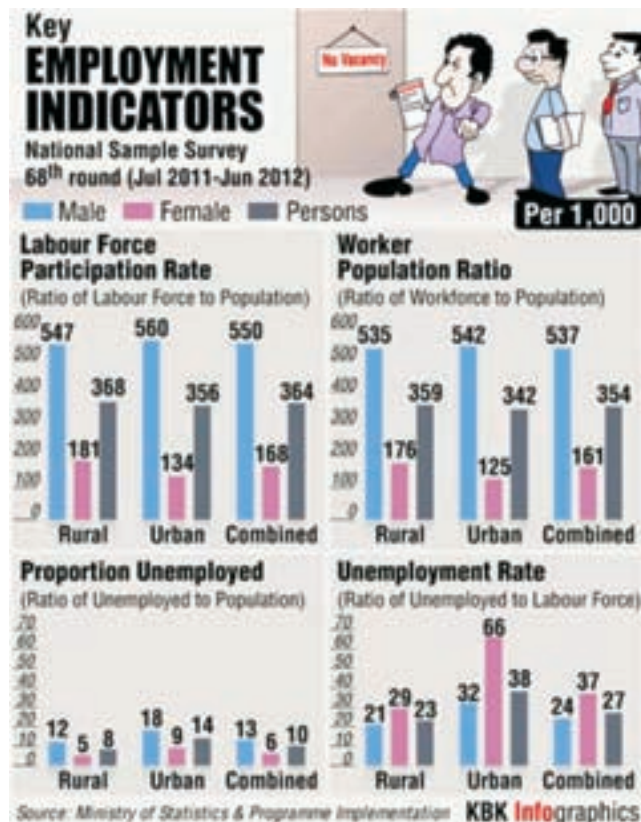
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*"Those who mind don't matter,  
and those who matter don't mind."  
- Bernard M. Baruch*





# Infografix



## HOW THE RUPEE CRUMBLLED



## RBI'S TAKE ON WHAT AILS INDIAN ECONOMY



## BACK TO THE BASICS



## Slavery in the 21st Century

Three out of every 1,000 people worldwide are in forced labour at any given point in time, ILO estimates say. At 55%, women and girls represent the greater share of the total.

Regional distribution of forced labour (million)







# Sebi acts against public float violators

Bars Dividend, Bonus, Voting Rights To Promoters Holding Over 75% In Co

## India takes centre stage in impact investing

Attracts Big-Ticket Projects As HNIs, Cos Seek Both Financial, Social Bottom Lines

May inflation at 43-month low

India to meet budget deficit target: Fitch

What's Up

# The Writing on the Wall

What's Down

India Inc Calls For Rate Cut | Mfg, Mining & Power Pull Down Industrial Production  
Factory output growth slows to 2% in April

Urea To Cost 50% More Than Global Prices As Ifco, Andhra Utility Contract Gas At Over \$20/Unit

## Power tariffs to soar on gas, coal price spike

Oops! Govt goofs up again on IIP data

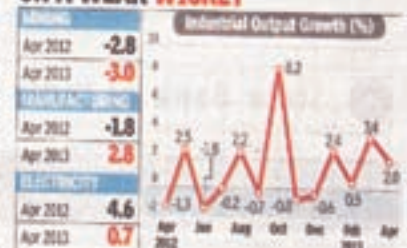
Revises April Industry Output Growth

Car sales fall for 7th straight month in May

THE NEWS NETWORK

**re Delhi:** The country's industrial output growth resumed sluggish in April due to weakness in manufacturing, mining and electricity firms triggering calls for most rate cuts and faster implementation of delayed steps to revive growth. Data released by the Central Statistics Office (CSO) Wednesday showed the loss of industrial production

### ON A WEAK WICKET



## Economy slows to 10-yr low of 5%

s' Q4 revenue growth at 10-qtr low  
ia Inc's Topline Grows 5.4% In Jan-Mar, Net Profit Declines 13%

### CRAWLING ALONG

Quarter	Q4 FY12	Q4 FY13	Q4 FY14
Revenue (₹ cr)	1,00,000	1,05,000	1,10,000
Net profit (₹ cr)	10,000	9,000	8,000
Profit margin (%)	10.0%	8.6%	7.3%
Net profit growth (%)	10.0%	9.1%	8.3%

But the sector's slow recovery and capital expenditure cuts have kept growth sluggish. The CSO's data showed that the economy's growth in April was 5.4%, down from 5.7% in March. The growth rate was the lowest since April 2003, when it stood at 5.1%.



## Work Life Balance : Working to Live or living to work..?

**Dr. T. S. Sathyanarayana Rao**  
Prof. & Head, Department of  
Psychiatry, JSS University, JSS Medical  
College Hospital Mysore



*Dr. T.S.S Rao, best outgoing student and gold medalist from JJM Medical College, Davengere, has been involved with teaching, practice, research and publishing for the last 3 decades. He specialized from the prestigious Christian Medical College, Vellore under Madras University and is serving as Prof. & Head since 1993 at JSS Medical College, Mysore. He was responsible for the establishment of Depression Brain Bank at JSS Medical College in collaboration with Central Food and Technological Research Institute, Mysore and National Brain Research Organization, Manesar, New Delhi. He has more than 110 research and review papers to his credit in National and International journals. He has authored and edited more than 14 books, of which 4 are major reference works in psychiatry. He is the editor of prestigious Indian Journal of Psychiatry, accessed at [www.indianjpsychiatry.org](http://www.indianjpsychiatry.org) one of the most popular psychiatric journal site and the global survey has placed IJP as first of 10 top most journals in the open access Ovid group containing 340 plus journals. He has traveled widely, internationally as faculty in the last 5 years. His areas of interest includes Adult Psychiatry, particularly Depression and Bipolar Disorders, Sexual Medicine, History of Psychiatry, publications and the role of Indian Medicine and Mental illnesses.*

*Dr TSS Rao has been assisted in the writing of this article by Dr Keya Das, Junior Resident, in the Department of Psychiatry at the JSS Medical College Hospital, Mysore.*

***“Staring at a monitor all day to go home to stare at a monitor all night?”***

Does this define you? Then the time for contemplation is now here. The last few decades have borne witness to a work revolution causing dramatic shifts in the lives of people, creating a new social and economic reality. Radical changes due to proliferation of dual-income families where role expectations toward men and women both in work activities and domestic responsibilities have altered. However, the potential of the recent trend for a negative influence on work –life balance is worrying. Globally, Dual earner families are the norm, populations are aging and birth rates are declining. These demographic facts imply that individuals have less traditional support at home, less of a child centered family life, and more work centrality, especially among well-educated career professionals. Independently, these three domains need not necessarily spell problems for balanced individuals. Nevertheless, these three domains in combination with greater productivity at work may be negatively affecting individuals' lives' on an overall scale. The paradigm shift that has taken place not only has placed the work-life balance on a precipice, the demands of the work itself may push an individual over the edge through stress and burnout.

In a society filled with conflicting responsibilities and commitments, work/life balance has become a predominant issue. Three major factors contribute to the interest in, and the importance of, serious consideration of work/life balance:

- 1) global competition;
- 2) renewed interest in personal lives/family values; and
- 3) an aging workforce.

The male model of work depicts an ideal employee who is male, full-time, and continuously at work from the time of completing education,





one who is fully committed to the organisation, and without any responsibilities outside of work. Not only has this viewpoint become out-dated, a change in attitude towards what constitutes a successful career has emerged. Young minds now question old assumptions about how to get work done, how to show commitment, where and when to work, and how to ascend the career ladder. Having a highly paid job and a sought after career no longer seems to be the central objectives of the individuals lives. The need for a 'more complete' life encompassing both a successful professional and personal life has been realised.

Work in itself has undergone major changes, becoming more complex and fragmented since the advent of IT and telecommunications. Rapidly progressing technology creates a sense that life is moving faster and that several activities are squeezed into shorter amounts of time. Faster and more accessible technologies have increased the number of interruptions during work as well as expectation of speedy replies, further impacting the time factor thereby affecting productivity. Invariably, the employees feel increasingly pressured not only to work faster but also for longer hours.

The current explosion of digital technology is not only changing the way we live and communicate but is also rapidly altering our brain. As we rely on the internet and other technologies for almost everything from political discussions to daily communication, including being in touch with friends and co-workers, our brains are evolving at a speed like never before. As the brain tackles the new found technology, it drifts away from fundamental social skills like grasping the emotional context behind a subtle gesture. Whoever claimed Gadgets and widgets reduce our workload should think

*"As we rely on the internet and other technologies for almost everything from political discussions to daily communication, including being in touch with friends and co-workers, our brains are evolving at a speed like never before."*

again, as we seem to become busier in this digital world. We are in times where conversations at dinner table resemble instant messages, wherein family members pop in with comments that have no linear theme. As much as new technology has brought us advances,

challenge is to take advantage of it without it taking over our lives.

The percentage of women in the active work environment has increased in many regions around the world. The massive integration of women in the workforce have resulted in several positive effects like increase in nations productivity, the wealth and consumption power of families, the financial independence of women and improvement of gender equity. However the downside is that family life is often affected. Due to the shifting role expectations, family time scarcity and the new mixture of gender equity, several couples are now required to run their lives differently. Striking a balance is fairly difficult judging from the high rates of separations and divorces. Separation of couples have resulted in new family forms, like mono-parental and mixed families. In these families, work-family conflict is rampant.

Due to the increasing work family conflicts and workload escalation couples now are controlling their procreative activities, resulting in increasing average first childbearing age and a considerable reduction in fertility. Children are considered a diversion from work, and self-worth may be originating more from work roles than others. Two essential viewpoints dominate the discussion about outcomes associated with engagement in multiple life roles. According to the argument of scarcity, individuals have limited resources and energy. Involvement in various roles means competition for these limited resources, thereby causing psychological distress and role strain. Hence work-life conflict is viewed as a type of inter-role conflict which is experienced by an individual when role demands stemming from one domain (work or family) are incompatible with role demands stemming from another domain. The concept of harmonization i.e. seeking enrichment between the domains of work, family and personal life is taking force.

As vacations get rarer and work takes over



lives, incidences of stress and burnout have pushed the need for a balanced lifestyle to the forefront. It has been well

Optimization of the harmony in the various spheres of life serves multiple purposes: economic, social and ethical. Corporations in recent times have brought about several initiatives in this direction including on-site day care centers, crèches which are convenient for employees with children, family-friends benefits, Dependent care

f l e x i b l e  
s p e n d i n g  
a c c o u n t s ,  
F l e x t i m e ,  
Family leave  
above required  
leave of Family  
and Medical  
L e a v e ,  
Telecommutin  
g on a part-time  
b a s i s ,  
C o m p r e s s e d

*“An interesting finding is that people and policies initially focus excessively on the primacy of work during the boom phase of economy and when the economy reaches a plateau, the focus is shifted toward enriching work life balance.”*

workweeks. Additional support in terms of managing time consuming and less desirable chores like going grocery shopping, paying bills can further improve productivity and work-life balance.

To reduce the detrimental effects of a sedentary lifestyle , firms are now equipping themselves with fitness centers that employees can use on work time to relieve stress as well as the provision of medical care in terms of doctors ,nurses and physical therapists at no expense to the employees.

***“A sound mind in a sound body is a short but full description of a happy state in the world” -John Locke***

Health is a natural facet of liveliness - both by definition and realization. The ancient Indians had attributed the secret of “jivem shardah shatam” - hundred years of vigorous, healthy, happy and creative \_life- to the total harmony of the mode of living with the Nature and the spiritual inheritance of \_life. Their approach was



focused primarily on the science of consciousness and dealt with the awakening and harmonious use of the vital power

to compliment one with the other. Thereby considering work life balance as a priority issue and making appropriate changes in the working conditions will serve to increase lifelong productivity of communities. As a famous saying reminds us “Work is like a rubber ball, you drop it - it will bounce back, but your life won't.” So?? Have you planned your vacation yet?

### Further Reading:

- Health and wellness, second edition. Gordan Edlin and Eric Golanty
- Health Psychology –Ed. Marks D F., Murray M, E v a n s B and Estacio E V
- The speaking tree – Times of India Vol 1,2,3
- Harmonizing work, family and personal life – S t e v e n A Y , Poelmans, Paula C.
- Sathyanarayana Rao T S, Vishal Indla ; Is digital boom spelling cerebral doom? Indian Journal of Psychiatry.
- Sathyanarayana Rao T S, Vishal Indla, Work, family or personal life: Why not all three?', Indian Journal of Psychiatry.
- My life is not defined by my work: Balancing professional life and personal life; Sathyanarayana Rao TS, Indian Journal of Psychiatry. In Press.

*“In today's global marketplace, as companies aim to reduce costs, it falls to the professional to understand the critical issues of work-life balance and champion work-life balance.”*





*The attitude of unselfishness is an outcome of the awareness of all one has received from the world. As man evolves he raises himself gradually to higher degrees of unselfishness.*



## Dr. APJ Abdul Kalam on The IGI Campus



Former President Dr. APJ Abdul Kalam did what he is best at doing: Igniting young minds. 'If all of us start asking "what can I give?" instead of "what can I take?" we would have a beautiful, beautiful world', he said while opening his hugely interactive speech at the Indira Group of Institutes (IGI) evoking a tumultuous applause from hundreds of young participants overflowing into the corridors outside the auditorium.

Dr.Kalam was addressing in a session organized by Confederation of Indian Industries (CII) & Young Indians (Yi) in association with Indira Group of Institutes on "Leveraging Society to Participate Positively in Nation Building" The dais was also shared by Ms.RituNathani, Chapter Chair, Yi Pune, Mr.RajanNavani, Chairman CII National Committee on India@75 and Mr. Raja Kocher, Vice Chairman, CII Pune Zonal Council, CII and Prof. ChetanWakalkar, Group director, IGI.

Dr Kalam asked students to repeat his poem with him: "I am born with potential...I am not meant for crawling; because I have wings, I will fly." Kalam asked students to "stand for yourself". "To be remembered you have to be unique. Will you decide to be unique?" he posed the question again.

The world is trying to make you just like anybody else. Parents may ask you why you are not among the top five in schools and so on. "Dear young minds, you have to have tools to fight the battle and stand for your unique self," he said.

Kalam said the tools to fight for the "unique you" are - a great aim in life, acquired knowledge and hard work, perseverance and while referring to greats like Madam Curie, C.V. Raman, S. Ramanujan and Thomas Edison.

With his trademark style, Kalam stole the hearts of the students. It was a dream come true for students, academicians and corporates alike.





## Indira Institute of Management

# International Campus Enrichment program at UAE



Indira Institute of Management, Pune organised an international educational tour to UAE for the students of PGDM batch(2012-14). At UAE, the students visited Dubai Museum, Dubai mall, Abu Dhabi University, Masdar City, Dubai sports city, Sheikh Zayed Mosque, Desert Safari. Our students had a wonderful session on Leadership, Personality development and live psychometric analysis as per individual test conducted at Abu Dhabi University and Etisalat academy. Students also visited DubalDubai aluminium, which is the Entirely state-owned, Dubai Aluminium ("DUBAL") owns and operates one of the world's largest aluminium smelters. DUBAL is one of the largest non-oil contributors to the economy of Dubai.





## Uth Kranti Awards Declared to Honour Selfless Social Activists



While education has been the tour de force of the Indira Group of Institutes, it has never lost sight of the need to keep the development of the less privileged in the community which alone can lead to a more wholesome social system in the country. A number of tangible gestures have been taken up in the past years to help bring deprived sections such as the physically challenged, senior citizens in need, aid for orphaned children and of course, organizations engaged in conservation of nature and wild life etc.

Five true and young Goliaths, engaged in the noble task of bringing the disadvantaged into the larger social fabric were selected by a panel of distinguished individuals and the 1st Uth Kranti Awards were conferred on these fighters for social upliftment. The Award carries a fellowship of Rs 1.25 lakh and a citation. The awards were presented at the hands of noted social activist and Magsaysay awardee Neelima Mishra amidst loud adulation and applause from an appreciative audience comprised of students, academics, parents and hundreds of admirers of the Awardees.

While announcing the names of the awardees, Indira Group of Institutes founder-chairperson Dr Tarita Shankar and Group director Prof. Chetan Wakalkar said that the fellowship of Rs 1.25 lakh is aimed at helping these youths carry forward the work that they have started. At the end of the year, the Indira Group of Institutes will review the work done by these youths with the help of the fellowship amount and will continue to remain associated with them in the future too, Tarita Shankar said.

Dr. Tarita Shankar said it is the youth who hold the power to transform the society and the country. The Indian youth have time and again displayed this strength to bring about a positive change in the society with whatever means at their disposal. The Indira Group of Institutes has conceptualized and instituted the awards in order to support these youths and encourage others to emulate them, Tarita Shankar said. It is an endeavor on the part of the Indira Group to fulfill its social obligations, she said.





## Uth Kranti Awards - The Winners

### Navin Gulia (Apni Duniya Apna Ashiana)



A freak accident left Navin paralyzed waist down. Underterred, he did masters in computer management. He learnt to drive and motored through mountains. He went on for hang-gliding. With nil resources, he started Apni Duniya Apna Ashiana to rehabilitate under privileged kids. The organization collects used launches a child helpline, started an ambulance to attend to abandoned or unwell street child, and has established a kitchen for street children.



### Santosh Garje (Sahara Anathalaya)



Tragedy in his personal life brought upon Santosh the realization of the misfortune that befell scores of orphans. It was then that Santosh decided that he would work towards making lives of orphans better. He started Sahara Anathalaya in make shift metal shed in Gevrai tehsil of Beed district. This NGO now has 44 orphaned children. Some children have lost both parents, some have lost one parent, few are children of sex-workers, and parents of few of them are serving sentences in prisons.



### Alakagauri Joshi (Vivekananda Kendra)

In School years Alaka attended a camp organized by the Vivekananda Kendra in Kanyakumari. After completing her studies, she decided to serve the Kendra full-time as 'Jeevan Vrati'. After first few years in Maharashtra, Alakagauri went to Arunachal Pradesh. For more than 12 years she coordinated activities like teaching children in primary schools, kindling a feeling of patriotism in them, spreading awareness by showing documentaries & video clips and organizing mobile libraries among other things.

### Ajit Kulkarni (Anam Prem)



Inspired by Baba Amte's work, Ajit decided to devote his life to social work. He takes care of Anam Prem, a NGO affiliated to Snehalaya. It is residential care center for blind-physically disabled-deaf and dumb children. It has 35 inmates. Anam Prem has Himmat Bhavan - which lodges the poor and differently abled children, runs the Anand Computer training centre, has a library of braille books for the benefit of the blind children, and also manages an orchestra that comprises differently abled artistes.

### Sarang Gosavi (Aseem Foundation)



Inspired by Lt Gen V G Patankar, Sarang decided to work in Kashmir. He started with computer training centers in remote villages. Aseem Foundation trained local youth in web designing and helped them to become entrepreneurs by providing training, support and access to the market. After stone pelting incidences in Kashmir, Aseem is trying to create permanent source of employment by establishing apple walnut biscuits industry. Foundation is also working in the north eastern states.





## Indira Institute of Management Convocation Ceremony



Indira Institute of Management Pune organized their Convocation Ceremony, on 9th March, 2013, at the Indira Universe Campus in Wakad. The convocation witnessed Batch 2010-12 PGDM students, being conferred their diplomas by the Chief Guest Mr. Abhay Bongirwar MD & CEO IDBI Capital, and Guest of Honor, Ms. Meenal Adesh, AGM-HR, NITCO. Ltd.

The inauguration of the convocation ceremony was marked with a rendition of our National Anthem by the students.

On this occasion, the chief guest, and the guest of honor, congratulated the graduating students and encouraged them to work for the betterment of the society. Mr. Abhay Bongirwar stressed on the need of India as a developing country to have an Entrepreneurship culture. He introduced IDBI as experts on enterprise startup, who are ready to fund and provide the resources that are required to start a business venture. He even gave examples of few of the ventures that have been funded by IDBI, and how they have managed to make it successful. He expressed this concern over placement scenario, but at the same time he showed his inclination towards starting of own enterprise.

The Guest of Honor, Ms. Meenal Adesh, stressed on the point that rather than talking about the problems it is important to be a solution provider. Innovation & Talent Management were her prime focus. She insisted on the fact that it is important to be a good listener and at the same time it is important to have patience, as success and a successful organization do not happen overnight.

After the convocation address the felicitation ceremony that followed was a spectacle to watch for the audience consisting of friends, family, and faculty, as members of the Alumni went on stage attired in their marvelous robes and graduation caps to receive their certificates from the dignitaries who did the honors. Students also received individual awards for excellence in performance in PGDM batch 2010-12.





## Indira College of Engineering and Management

### ICEM AVIRAT

The First volume of Students' Bulletin - AVIRAT-composed by ICEM-MBA students was released by the hands of Honourable Chairperson. The bulletin includes articles by the students on a specific theme. The theme for the first volume was "Change Management". The bulletin also includes the section for the alumni wherein the alumni share their views and opinions.



## Indira School of Event Management

### 1st Convocation

The 1st Convocation Ceremony of the Indira School of Event Management was held on 2nd May at Pune. A glittering and shimmering event that saw some wonderful performances by the talented bunch of ISEM ites and a committed band of passouts making it into the wide world of event management opportunities. Ms Kavita Kane, Features Editor, Pune Mirror was the Chief Guest. She spoke of the immense scope for Event management sector in the country with the economy set to boom once again and expressed confidence that the young Event Managers from ISEM would find that there would be no boundaries for achievement in this area.

The Chairperson, IGI, Dr. Tarita Shankar and Group Director, Prof Chetan Wakalkar spoke in glowing terms of the enviable work done by ISEM in turning out professional Event managers within a year of its inception !





# 12th Indira Marketing Excellence Awards



12th Indira Marketing Excellence Awards Hosted by Indira Group of Institutes, the event was held on 2 March, 2013 in Pune. The event is hosted every year to honour people who have contributed in the field of marketing and branding. The theme this year was 'Sustainable Brands' and brands like Western Union, Castrol, Wellness Forever, Corporation Bank and Dassault Systemes won awards in different categories.

## 12th Indira Marketing Excellence Awards

<b>Ceo of The Year</b>	<b>Gulshan Bakhtiani</b> Director, Wellness Forever Medicare Pvt Ltd	<b>Anil Datar</b> Global Director - Technology Alliances Informatica Corporation
	<b>Tata Motors Limited</b>	<b>Mts Group</b>
	<b>Symantec Corporation</b>	<b>Capgemini India Private Limited</b>
	<b>The Nature's Co.</b>	<b>Godrej Hershey Limited</b>
	<b>Appolo Munich Health Insurance Co. Ltd.</b>	
<b>Marcomm Professional of The Year</b>	<b>Nipun Kaushal</b> VP- Head Mktg. & Cor. Communication Star Union Dai-ichi Life Insu. Co. Ltd.	
<b>Women Super Achiever Award</b>	<b>Soma Ghosh</b> Vice President, Marketing - India & SA Castrol India Ltd	<b>Archana Sinha</b> Director- Marketing Dassault Systems India Pvt Ltd
	<b>Sunila Dhar</b> Dy. General Manager - Marketing Maruti Suzuki India	
<b>Young Achiever Award</b>	<b>Mukund Arora</b> Group Mgr. -Brand Office, Strategic Mktg. Hcl Technologies Ltd.	





<b>Ceo of The Year</b>	<b>Ajai Kumar</b> Chairman & MD Corporation Bank	<b>M Narendra</b> Chairman & MD Indian Overseas Bank
<b>Exemplary Leadership Award</b>	<b>H S Upendra Kamath</b> Vijaya Bank	
<b>Brand Builder of The Year (individual)</b>	<b>Rakesh Shalia</b> MD- Mktg., Mid East Ind. Subco. & Africa Fedex Express Services India Pvt Ltd	
	<b>Rakesh Shalia</b> MD- Mktg., Mid East Ind. Subco. & Africa Fedex Express Services India Pvt Ltd	
	<b>Chhavi Leekha</b> Group President - Brand & Cor. Com. Spice Global Private Limited	
<b>Brand Leadership Award (individual)</b>	<b>Ajay Singh</b> Chief Executive Officer Forbes Technosys Limited	<b>Suunil Dabral</b> Country Head -India Ssi Schaefer (schaefer Systems Int. Pvt. Ltd.)
	<b>Arun Kaul</b> Chairman & MD <b>Rep. by- Manish Kumar</b> AGM & Zonal Manager Uco Bank	<b>Ashvini Hiran</b> Chief Operating Off. - Co. Products Division <b>Represented by- Anup Tiwari</b> Tata Chemicals Limited
	<b>Ashok Anantharaman</b> Director - Sales & Marketing New Holland Fiat India Pvt. Ltd.	<b>Ravi Shankar Pooli</b> Country Dir., South & W. India Western Union Services India Pvt Ltd
	<b>Sunil Ghai</b> President -Marketing Ipca Laboratories Limited	<b>Ashvini Shedge</b> Sr. Group Prod. Manager
	<b>Dinesh Vyas</b> Sr. General Man. & Brand Head H&r Johnson India	<b>Satyanarayana Murthy</b> VP & Mktg. Head - Radio City 91.1FM Music Broadcast Private Limited <b>Represented by- Robin Saini</b> Regional Marketing Head
<b>Best Use of Social Media In Marketing Award</b>	<b>Shaadi.com</b> (people Interactive India Pvt. Ltd.)	







## 6th Indira International Innovation Summit & 4th Engineering Excellence awards



Indira college of Engineering and Management, a part of the Indira group of Institutes, recently organized the 6th edition of the annual “Indira International Innovation summit” and announced the winners for the 4th “Engineering Excellence awards – 2012”.

With the theme being 'Competitive Edge: Driving Growth and Profitability through Innovation', the key focus areas of the summit were developing an innovation culture; evaluating risk taking – innovation vis-a-vis invention; building a platform for knowledge sharing through open innovation; strategies for innovation to stay ahead of the competition; consumer-focused innovation: connect with the customers to turn insight into new products; trend spotting: anticipating the next big thing.

The summit had an overarching participation of innovators with established businesses providing tangible sustainable solutions to the business community through their initiatives. Some of the noteworthy speakers were Dr. Bert Grobben, Senior Open Innovation Manager – Proctor & Gamble Asia Pacific; Mr. Praveen Vettiyattil, CEO & Serial Innovator – Sharada Solutions; Mr. Gerard Rego, Director – Ecosystem & Developer Experience, Nokia India; Mr. PradipSubramaniam, Director – Innovation & Development Philips Electronics – Consumer Lifestyle; Dr. PremnathVenugopalan, Head – NCL Innovations & Intellectual Property Group; Dr. ArunPande, V.P & Head – Innovation Labs, Tata Consultancy Services; Dr. Venkateswaran, Sr. Vice President & CTO, Persistent Systems Ltd.; Mr. Dattatreya Gaur, Vice President –Engineering, Robert Bosch Engineering and Business Solutions India Ltd.; Mr. PrashantPansare, MD & CEO, Inteliment Technologies India.

Towards recognizing the innovative work being done by successful engineers from the Senior leadership team of various engineering organizations, 6 engineers were awarded with the “Engineering Excellence awards” for the year 2012. They were Mr. Mateesh Kant Rai, Director, Forbes Marshall Pvt. Ltd.; Mr. JagdishGandhe, Senior Vice President – Manufacturing Engineering, Piaggio Vehicles Pvt. Ltd.; Mr. NitinMahashabde, Head – Operations Insurance BU, L & T Infotech; Mr. VinayakShendkar, Engineering Director, Faurecia Interior Systems India Pvt. Ltd.; Mr. Deepak Manjarekar, Head – Business Intelligence Practice, KPIT Cummins Infosystems Ltd.; Mr. Neeraj Shah, Director – Silver bright.

Students of the Indira Group witnessed a value-added, learning experience encompassing real life, practical business knowledge as each participant discussed their journey, highlighting the importance of innovation and self belief.





**Employer Of The Year**

Category : Manufacturing  
Bridgestone India Private Limited

**Employer Of The Year**

Category : It  
Sungard

**Employer Of The Year**

Category : Shipping & Logistics  
Nyk Line (india) Ltd.

**Employer Of The Year**

Category : It  
L & T Infotech

**Employer Of The Year**

Category : Infrastructure  
Bramhacorp Infrastructures Pvt. Ltd.

**Employer Of The Year**

Category : Insurance  
Bajaj Allianz General Insurance Co. Ltd.

**Employer Of The Year**

Category : Telecom  
Idea Cellular Ltd.

**Employer Of The Year**

Category : Fmcg  
Asian Paints Ltd.

**Outstanding Contribution**

**To The Event Management Industry**

Category : Event Management  
Rasheedsait George P. Johnson, India

**Outstanding Contribution**

**To The Event Management Industry**

Category : Event Management  
Vikramjagdev Thot Media Pvt. Ltd.

**Young Achiever Award**

Anil Tripathi  
Citibank (Branch Head & Avp)

**Employer Of The Year**

Category : Mortgage Banking Industry  
Xl Dynamics India Pvt. Ltd.



B. D. Pande  
The Origin and Development of HR  
In TATA Steel (from 1947 till 1990)

Real Estate in India  
Sachchidananda Sanyal  
Challenges

### Indira Management Review

The Indira Group of Institutes has established a reputation for flawless, quality higher education, be it in Management or Computers.

For some time now, we have experienced the need for a dedicated journal of Management to empower academicians, professionals and aspiring students of subjects like Human Resources, Logistics, Operations, Finance and Accounting etc. with updates on present day thinking and concepts, mainly to help the decision making process – be it at the Corporate Level or individual level. This need has been satisfied with the coming of the Indira Management Review, a biannual journal of Management academics that aims to decongest the information channels and present clearly, where Management is today, and where it is headed. It reports, analyses and suggests changes to established ways of thinking to lead the way into a more profitable and immensely satisfying Management experience. The contributors to the journal are from an array of institutions across the country and from abroad who have what it takes in terms of qualifications and first hand experience to talk with authority on their chosen subject. This can only further empower those desirous of perfecting the art and science of Management in a world getting increasingly complicated as India gets more integrated into the global corporate village. Order your specimen copy of Indira Management Review.

Better still, subscribe to it at Rs 400/700/1000 for 1/2/3 years.

Contact us at [vijai@indiraedu.com](mailto:vijai@indiraedu.com) for more details.

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