R Shankar, CEO, TVS Logistics Services, India, speaks about the changing dynamics of logistics in India.

With GST having kicked in, could you tell us in detail some of the drastic changes for the logistics industry in 2018?

Prior to roll out of GST, most companies had their logistics networks planned around tax structures and compliances. This is now expected to shift in favour of optimisation of warehousing space, network capabilities, and fleet choices. The demand for greater efficiency and faster ways to reach raw materials to manufacturing units and from the manufacturing units to the market place will accelerate the change. This can reduce logistics cost, which, at 13% of GDP currently, is very high.

To swiftly roll out this model, with the advent of GST, matured organisations are looking at large-scale, end-to-end supply chain outsourcing. Large, organised 3PL providers like TVS Logistics who have invested in technology and operate with a focus on quality and compliance are benefiting from this move. Efficiencies on the back of cutting-edge technology will include predictive and prescriptive models for enhanced visibility of load carriage, turn-around time, vehicle utilisation, loading/unloading time, load design solutions, vehicle geo-tracking, inventory tracking and safety; and route optimisation to add more value to customers' supply chain. Smaller/unorganised logistics players, who may not be as equipped to manage the changes brought in by GST, may therefore look at consolidating under larger 3PLs.

On the transportation front, the industry is already witnessing some transit trucks savings and the e-way bill has also been made mandatory from February 2018. However, high wait times at toll booths is still a challenge; and can be addressed with wider implementation of the Fast Tag system along all highways.

Within the supply chains of corporates, what are some of the factors that are changing and will have an impact on logistics, going forward?

Supply chain planning is increasingly becoming a collaborative process, involving all stakeholders – customers, LSPs, suppliers, dealers, etc. Recognising the impact of logistics and supply chain on the bottom lines of corporates, the exercise is becoming less transactional and more strategic in nature. Corporates are choosing their supply chain partners not only on the basis of cost efficiency, but are also looking at synergy in culture and strategy, transparency in communication and ability to provide visibility and control through application of technology. The other major change is the shift towards long-term contracts to realise real value for both partners, while also capturing any available quick wins.

Technology adoption to create visibility and enable agility in supply chain decisions is also on the rise. Solutions like RFID, GPS tracking, connected sensors, data analytics, IoT, and machine learning are becoming widely accepted for better planning and reducing total cost of logistics.

This mind-set shift, coupled with many progressive reforms by the government and investments in infrastructure, capability building and skilling, will push the growth for the logistics sector in the medium-term.

How can supply chain costs be reduced and more technology incorporated so that products can be made cheaper and more accessible to the masses?

While improving warehousing infrastructure and enhancing efficiencies in transportation services – which form a third of the logistics cost – will have a major impact on accessibility and affordability of products for masses, technology implementation will also be a deciding factor. Technology-aided visibility will make planning and asset utilisation better; and enable the reduction of inefficiencies, wastages, pilferages and damages in the supply chain process. Digitalised tracking and electronic documentation (like e-way bill, PODs, etc.) can boost efficiency and safety on the road, offer significantly enhanced control over inventory, reduce shipping errors and allow a more rapid response to the errors that do occur. Demand and supply aggregator platforms are proving to be a great leveller in these circumstances, providing an essential network-connecting ecosystem, where even relatively smaller service providers can get good visibility, especially for short-haul movements.

organisation is looking at; for us, it is about customer serviceability and cost efficiency. The advantage of using 3PL lies in effectively harnessing their core competency in terms of speedy execution, experience, assets, relationships and logistics capabilities," says Jalan.

The appropriateness of the choice is defined by the organisation's balance definition between control of each leg of the supply chain, cost levels of its own operation versus third-party suppliers and the efficiency levels possible in a dedicated operation despite variances in demand and demand pockets of each SKU of the company. Each choice is appropriate in certain combinations of the variables and not so apt in other combinations.

V V S Mani, director - operations, Unibic Foods India, explains, "We started with our own fleet of autos for distribution in 2005. With this, we directly distributed our products in Bengaluru. Over the years,