



Who and what drives the management of your supply chain?

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Logistics has by far been one of the most crucial and yet one of the least significant functions across business setups; mostly considered to be an 'operational' function instead of a strategic one. As a result, it remained a low skill job that was an additional/ on-the-side function handled by someone in administration or finance and rarely a purchase or supply chain professional. Learning from their predecessor, they would obtain quotes, book a shipment and track/ update the said stakeholders on the successful completion of the process.

Recently, with the advancement of technology and automation processes as well as progressive government policies, Companies are operating from a mindset that mandates a reduction in Logistics cost on a Year on Year basis. Albeit,

looking at the historic modus operandi this is required; this shift is usually driven by the top management as a part of their budgets and board meetings which is then overseen by CFOs or Purchase Managers. However, the person who is championing the ideas, the financial controller and the actual driver of the solution rarely sit in the same room, resulting in a colossal disconnect and inability to generate the expected results.

Reverse Auctions and RFQs are extremely common today; after participating in several and dealing with customers on their requirements, it is easy to identify how well versed with Supply Chain the customer is. The concept of Total Cost of Ownership (TCO) isn't prevalent, and even

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relaying what the AS-IS and TO-BE situation is not highlighted at the time of the RFQ. In turn service providers quote with aggressive pricing based on the information that is provided and at the time of execution there is a disparity resulting in lower service levels in order to save costs but also lower customer satisfaction. With this disconnect it reminds me of a cliched yet apt quote by Terry Pratchett, "They say a little knowledge is a dangerous thing, but its not the one half so bad as a lot of ignorance"

They always say, you can't change the world unless you change yourself from within, this is also true to when one is looking at changing their service provider. The questions that one should ask themselves first, this is not in any specific order:

1. Why am I challenging the status quo?
2. Is this driving my new strategy?
3. What are the pain points that I have NOT addressed with my partner (service provider)?
4. Is my LSP capable of addressing the change in my requirements?
5. Can we change the way we have been working all these years?
6. What am I going to gain out of this exercise? Cost Saving? Better Visibility? Lower TCO? Higher Service Levels?
7. Am I personally going to be driving the change or am I deputing someone who has the knowledge to carry it out?
8. Have I hired the right person for the job internally and externally?
9. If I make this change, am I willing to pay for it? What will the impact be on my Manufacturing? Delivery? Raw Materials purchase?
10. How will this change impact my customer?
11. Am I willing to share information or have

open data exchange to increase efficiencies with my LSP?

There are a lot of questions that need to be answered and it has to be done with open communication and even if you don't have the answers it makes to sense to work with someone who can help you to come to that conclusion. There are some extremely brilliant Purchase & Supply Chain managers working and driving fantastic changes and supply chains, but then again, the majority aren't. In my experience I have learned a lot from customers in this decision-making role and sometimes even more so from those aren't driving the changes on the ground.

Something more to think about when looking at the existing set up in the organisation can be further expanded below with a couple of poignant points as to why one should look at making changes and where does the value proposition drive efficiencies and cost saving and driving the company strategy.

How vital is an efficient SCM for the business?

For businesses in International trade, FMCG, E-Commerce and domestic consumer consumption the active function of a Supply and/or Demand Chain department are at the core of the business. In such a case, outsourcing the function to a 3PL/4PL expert who can ensure efficiency and cost-effective operations can be beneficial to the bottom line but more importantly customer satisfaction. When creating a customised solution for your business it is critical to evaluate the long-term impact and not just put a band aid on a current need because it is a "buzz word".

Are the core competencies of business optimized?

Often times, most businesses look at building the Supply Chain function internally; while this offers them the flexibility, control and customization benefits, the process of creating,

setting up and running an ancillary set up, can actually eat away into crucial resources and compromising on the focus and output of their core competencies. Often, larger conglomerates and MNCs who hold a diversified portfolio of business and can employ skilled resources to manage each function, prefer to build an in-house SCM operation that complements their core competencies. However, in case of many businesses not limited to start-ups or SME's and first-generation entrepreneurs; incurring an additional cost and diving resources to run an in-house operation for SCM may be counter-productive and harmful to the business. Thus, in addition to evaluating the significance of logistics and SCM for the business, one must also introspect on the availability of resources and whether the core competencies of the business would be impacted by an in-house set-up.

Does the SCM function directly impact customer satisfaction?

Emulating an E-Commerce type of customer engagement and satisfaction with same day or next day deliveries even though possible for a B2B user comes with a heavy cost. Forecasting the demand of the customer and appropriate heavier inventory holding costs can ensure this but is it something that businesses outside of Automotive and Aviation doing today?

Understanding what the customer requires will determine how to structure the supply chain, because if there is no transparency in communication and forecasting it will lead to a bullwhip effect which is counterintuitive to the supply chain prospect all together. There are many concepts of Just in Time and Lean will be featured upon later but simply understanding what the customer wants / needs based on actuality and not on replication of a B2C / last mile model will help improve and engage a customer for a longer period hence impacting customer satisfaction.

About Robinsons Global Logistics Solutions (RGL)

RGL, a warehousing and distribution company than has been spun off from the reputed Robinsons Cargo & Logistics (RCNL), it brings a strategic combination of technology, international best practices and deep domain expertise to the Indian market. Building on the 65 years of legacy of RCNL's market leadership, RGL is built on the firm values and business ethics of integrity, commitment, customer satisfaction, and drive for excellence.

With a strong network of 40 warehouses in 20 states; and an extensive experience of delivering superior services for the past 23 years, RGL aims to offer expert warehousing and distribution solutions that are aligned to the dynamic needs of modern business. Through a well-crafted strategy that combines technology and strong business values, RGL is committed to creating a niche presence in the areas of customized warehousing and innovative distribution solutions to clients across sectors like Manufacturing, Retail, Infrastructure, IMPEX and SME's. Apart from this, RGL also provides customized, technology-enabled Warehousing and Distribution solutions for Cold Chain, Automotive, Garments, as well as for Consumer Electronics sectors.

About Mr. Aditya Vazirani, Founder Director, RGL

Aditya Vazirani is a passionate and meticulous professional with a vision to transform the Logistics and Warehousing industry by leveraging the new age technological advancements. In his previous role as Vice President for RCNL, Aditya overlooked the Freight Forwarding, Customs Clearance, & 3PL aspects ensuring the highest level of quality service is maintained. He was also instrumental in obtaining the Good Distribution Practice Certification for Freight Forwarding and ISO 9001:2015 for RCNL, making it the first Indian Logistics & Supply Chain Management Company to be awarded the quality accreditation. Before he decided to consolidate and bring his rich experience to drive focused growth in the warehousing and distribution solutions, with RGL, he had been driving strategic improvisation by implementing Industry best practices, applying business intelligence, and data analytics to implement superior training and digital tools for RCNL.

Alumni of the prestigious Bordeaux Business School (KEDGE) France, Aditya holds a MSc in Global Supply Chain Management and also has obtained an Advanced Certificate in General Management from Massachusetts Institute of Technology (MIT), Sloan School of Management. Having lived and worked across the globe, learning and improvising Supply Chain, Logistics, and management practices, Aditya calls Mumbai his home, is an ardent foodie and enjoys spending his free time caring for his pet pooch.