



CATALYZING THE ECONOMY THROUGH NEXT-GEN SUPPLY CHAINS

EXPERTS SPEAK



George Lawson
CEO - DHL GLOBAL FORWARDING, INDIA

A connected world is a better world, in terms of global welfare and individual development. There is tremendous untapped potential for growth in India as well as globally, with free trade of products and services, especially for small and medium enterprises. SMEs have great opportunities to get better and economic growth and job creation.



Rajesh Mehra
EXECUTIVE DIRECTOR, ULADHAR PRISO

Post GST, I anticipate a change in landscape of SCM, with a need for larger and multi user size modern warehouses delivering on IT and SPL capabilities. E-commerce will grow rapidly, COD and CSD will be the preferred way of purchase. Though challenging, there is immense scope for disruptive opportunities. Robotics and technologies supporting data analytics, better visibility over the movement of goods will drive the digitisation in future Supply Chain Management.



Vikas Anand
MANAGING DIRECTOR, DHL SUPPLY CHAIN

The supply chain industry can benefit from the growth with the catalytic gains changing GST reform, with accelerated consolidation and integration benefiting commerce and industry in India. Strong compliant 3PL service providers, who are able to deliver end-to-end and innovative supply chain solutions, optimize use of technology and pass on these benefits to their customers, stand to gain potential benefits in the post GST regime.



Pirojshaw Sarkari
CEO, MAHINDRA LOGISTICS

Key focus areas focus at Mahindra Logistics. The onus is on established players like Mahindra Logistics to enable hitherto unorganized players to come up the curve and stay relevant in the new regime.



R.S. Subramanian
SENIOR VICE PRESIDENT & COUNTRY MANAGER, DHL EXPRESS INDIA

Ease of trade is the cornerstone for increasing India's trade competitiveness and for the success of the 'Make in India' campaigns. There is massive opportunity for the logistics industry, which is the backbone for the trade. Moreover, with implementation of policies such as GST and the investments being made into various aspects of logistics like physical infrastructure and technology, we see a significant scope for efficiency gains that can translate into better cost position for all.



Ramnesh Agrawal
CHAIRMAN, AGARWAL PICKERS MOVERS

To avoid GST, earlier companies used to have several small warehouses at the state level. But in a uniform tax regime that will not be required. With this solution, we can offer the big companies, the Virtual Warehousing solution. They can just continue with their regional distribution centers (RDCs) that will not be required with their clients while their goods can remain parked with us in containers in our stock yards.



Sanket Shekh
MD, ELDO TECH

The ET-Edge SCM Summit was a great platform for all key stakeholders in the logistics and supply chain verticals. We at Elita Tech provide end-to-end solutions to over 500 customers across industries to automate their logistics and supply chain processes. We believe that automation in general and our customer-centric solutions in particular are the key growth drivers and differentiating factors in this very dynamic, diverse and fast-paced ecosystem. Technology is what will now drive this industry forward.

The ripple effects of GST on the Supply Chain

The logistics sector has formed the backbone of India's economic ascendance on the global stage, and experts at **The 4th Economic Times Supply Chain Management and Logistics Summit 2017** deliberated on the impact of GST and the road ahead

Few policy reforms have ever been as ambitious as GST, which holds the potential to reshape the Indian business landscape. The ripple effects of the implementation of this landmark reform will doubtlessly be felt by supply chains across the country and the economy at large, but the future of the supply chain & logistics sector is contingent on more than just this. The creation of regional and national economic corridors plus the impact of technological innovations cannot be underestimated.

Thus, with myriad factors impacting the supply chain and logistics sector at large, the 4th Edition of The Economic Times Supply Chain Management & Logistics Summit 2017 looked to focus on the 4 big factors that will help build a next generation supply chain, namely GST, economic corridors, technological innovations & skill development. Over the course of the day, the mix of speakers from a cross-segment of the industry and government drew up a clear map of the challenges as well as the imperatives for all stakeholders as India enters the next phase of its growth story.



"GST and the Supply Chain together keep the gears of the economy in motion"

GST - The Harbinger of change

A tax overhaul like no other, GST promises to unify India's disparate tax regimes in what will be a fillip for the logistics sector



Left to right: Devraj Prabhu, Chief Strategy & Implementation Officer, Shriraj Value Chain Process; Maheshjee, Chief Procurement Officer, Lafarge Holcim; Raju Sakthivel, Additional Commissioner of Service Tax, CBEC, Mumbai; Ramnesh Agrawal, Chairman, Agarwal Pickers & Movers and Anil Daxar, Director - Value Added Services, DHL, Global Forwarding, India

Nearly seven decades on from gaining its political freedom, India is set to free up its businesses too with the passage of a single, nationwide goods-and-services tax that subsumes India's plethora of taxes under one unified head. While the idea of GST isn't new, the sheer scale of India as a country means that a reform of this magnitude, complexity and scale hasn't been attempted before. The upsidars are innumerable though. GST will make supply chains more efficient, with savings up to 8.5% in logistics costs and a reduction in inventory stock of up to 10%. GST is a win-win situation for all concerned and will serve as a fillip for India's logistics sector, which is expected to be worth US \$307 billion by 2020 and grow at a CAGR of 15-20% between 2016 and 2020. However, this requires organizations to revisit their supply chain strategies in order to make the most of this change. The proposed GST regime might not be perfect, but it is without doubt an improvement on the current current patchwork quilt of taxes that blankets India Inc. Stitching together all these disparate taxation regimes will help create a unified market, and this augurs well for the Indian logistics sector that does a lot of the heavy lifting for India Inc.

"We need to intelligently combine all forms of transports to drive supply chains"

Diwakar Raote, Minister for State Transport, Govt. of Maharashtra

Our vision is to have better roads, a better supply chain for the villages. We also need to intelligently combine all forms of transports - road, rail and sea - to drive supply chains passing through or culminating in Maharashtra. In the time to come, the central transport minister, Shri Nitin Gadkari, has already commissioned 19,525 kms worth of roads to be created, which will see an investment of Rs. 140000 crores.

"Recent developments have changed the way trade takes place across the country"

Swatantra Dev Singh, Minister for State Transport, Govt. of Uttar Pradesh

The recent developments in the sphere of supply chain management and logistics have changed the way trade takes place across the country, benefiting end users and businesses. Deeper penetration of roads into the state will facilitate supply chains, and we can also not underestimate the importance of technology. Taking transport registration processes online and building an e-commerce hub at Noida are important developments that will impact society as well. The 1,60,000 villages in Uttar Pradesh form the heart of the state, and their citizens give our state direction with their hard work and determination.

Improving connectivity through economic corridors

The emergence of economic corridors can help India Inc. tap into rapid economic development, ongoing urbanization and the emergence of India's upwardly mobile middle class

The Indian economy is no doubt one of interest to businesses all across the world. However, given India's sheer size, there are several unique challenges that must be overcome for India's massive economic potential to be fully realized. Creating economic corridors would help businesses do "more with less", helping drive efficiencies and balance the dual needs of creating customized solutions while reaching out to a larger customer base than ever before.

KEY INSIGHTS	
• Freight corridors will reduce Delhi-Bombay travel time from 72 hours to 22hrs, which will be the biggest game changer, with average capacity increasing from 5000 tons to 15000 tons	• There is a need for transport, transactional, logistic and urban infrastructure, which also includes education, metro and warehousing facilities for seamless movement of goods.
• Economic corridors could reduce the logistics cost by as much as 50%	• 10% of the GDP must be dedicated to urban infrastructure
• 57% of India's economic potential is still untapped because of a lack of connectivity	• India is very efficient in manufacturing but lacking in economic corridors

Investors concur, execution is critical

India's attractiveness as an investment destination has soared in recent years, with investments in logistics proving to be particularly dynamic

Several interesting talking points arose out of an investor meet that took place at the Economic Times Supply Chain Management & Logistics Summit 2017. The industry practitioners, analysts and government participants observed that present-day businesses, especially in the tech space, were seeing a problem of plenty - lots of new ideas and solutions without the requisite business experience and execution expertise to back it up. This was why in 2017, when execution took centre stage, a lot of investments dried up. Under the new market dynamics, probably for the first time ever, the industry will see a collaboration between experienced resources and young DNA. The fire of youth and wisdom born of experience could combine to create business models that are truly exciting.

A barometer of industry sentiment

The discussions surrounding GST were tightly encapsulated in an insightful **whitepaper** penned as an outcome of the Summit

With July 1st round the corner, the time is finally here for India to embrace the Goods & Services Tax (GST), one of the largest constitutional amendments since Independence. The Indian Government is determined to implement this ambitious tax reform with immediate effect. Now that the wait is finally over, stakeholders are encountering a range of emotions, including those of ambivalence and doubt. Although this move by the Indian Government is a step in the right direction, there is uncertainty around the degree of preparation of relevant stakeholders. There are several unanswered questions with respect to tax slabs, network redesign, system integration, API stabilization, transport documentation, forms/compliances, training etc. While promising, everyone involved must work together to make the most of these changes. Authorities will have to consciously engage with

Unraveling sectoral challenges THROUGH AN INCLUSIVE SESSION

The delegates at the Economic Times laid out their thinking for the ideas underlying the next generation of supply chains

The basis of progress in all walks of life is an idea. As the flux in the global and domestic business environment shepherd people towards asking ever more penetrating questions, there is a need and indeed a hunger for a newer understanding of our ground realities and a reimagining of the road ahead that is intelligent and actionable. Ideas matter now, perhaps more than ever, and the delegates in attendance at the Economic Times Supply Chain Management and Logistics Summit sparked ideas aplenty at an interactive session held at the Summit. Sample some of the solutions they came up with to combat challenges faced by the modern-day supply chain.

For more information, visit: bit.ly/SCM17Whitepaper

ET Edge - SPEAK:

DEEPAK LAMBA, PRESIDENT, TIMES STRATEGIC SOLUTIONS LTD.
>>> The advent of game-changing reforms sees the supply chain industry stand at an interesting cross-road. Supply chain management & logistics forms the bulwark of economic growth by bringing together industry leaders, the focus is to push past traditional boundaries, drive innovation, and uncover new sources of value for today's enterprises, thus helping businesses achieve future success.

• Increasing the distribution network and collaborating with suppliers for innovation is vital because they can bring their own skills for companies to piggyback off. This helps get an advantage that enhances revenue.

IDEAS AND INSIGHTS
• In order to mitigate risk, data analytics is vital in order to identify gaps, visibility issues in planning and end to end delivery
• Rationalisation in warehousing is vital. Once you reduce inventory, it is important to optimise inventory further still.

PULSE OF THE AUDIENCE					
62% felt an enhanced focus on documentation and filing is required	48% felt a deeper understanding of tax implications is needed	57% were concerned about vendors adhering to GST norms	73% felt technology is a critical part of the learning curve	38% earmarked added investments for training and development	29% planned to budget for the services of expert advisors
68% opined that their company's operating structure would have to change	34% looked forward to the simplification of processes rather than tax efficiencies				