Special Edition on the occasion ofMaterials Management Day

Theme: SCM Role in GST Implementation & India Digitization
INDIAN INSTITUTE OF MATERIALS MANAGEMENT,
BANGALORE BRANCH

ADMISSION OPEN FOR FOLLOWING COURSES

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<tr>
<th>Sl.No</th>
<th>Course</th>
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<td>1</td>
<td>Graduate Diploma in Materials Management (GDMM)</td>
<td>2 Years - Regular (Evening classes)</td>
<td>Engg. Diploma / Degree</td>
<td>Rs.55,500/- 4 instalments</td>
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<td>2</td>
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<td>Degree + 2 Years Experience in Purchase/Supply.</td>
<td>Course Fee:  Rs.2,500/- per Module Proj. Rs.3500/- Exam Fee: Rs.1500/- per Module</td>
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<td>8</td>
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<td>Degree + 5 Years Experience</td>
<td>Rs.20,000/- Exam Fee:4,500</td>
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<td>Engg. Diploma / Degree</td>
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<td>11</td>
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<td>Any Degree /12th Standard</td>
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<td>SKILL Development Program Purchasing Management Stores Management</td>
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<td>10th 12th Standards, with Working People</td>
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- For further details and prospectus please contact IIMM Bangalore Branch Secretariat at the following address:

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Dear fellow professionals

It is more than 3 decades since IIMM came into existence. IIMM has grown from humble beginnings and is now spread across the length and breadth of the country with 10000+ professionals. IIMM enjoys a great reputation among the leading industries across India, thanks to the innovative and hard work put in by the stalwarts who have guided this organization during the past 33 years. The educational programs of IIMM has been accepted as the best by the industry and has helped all of us to keep abreast of the latest activities and trends in the area of Supply Chain.

We have seen many changes that has revolutionized the way we conduct our business. The demand for efficiency and cost reduction has been a dominant factor driving many of these innovations. Indian government, on its part has been supporting the industry with supporting infrastructure, rules, regulations, etc. in our objective of efficiency improvement and this is reflected in the latest changes.

Digitization and GST will bring in a sea change in the way we conduct our business in the near future. Information highway has always been and will continue to be the single most important component in determining the efficiency of the Supply Chain. Let us exploit the opportunities presented to usher in the effective supply chain.

Happy Materials Management Day !!

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Indian Institute of Materials Management, Bangalore Branch
Dear Supply Chain Professionals,

Greetings for MM Day !!!!

I am happy to present MATEMANEWS on the occasion of Material Managers Day. This magazine is being presented by IIMM Bangalore Branch exclusively for the academic and resource development for its students, members, faculties, supply chain managers, industry partners and well-wishers of the Institute. The theme selected is “Supply Chain Management Role in GST implementation and India Digitization”.

Government of India is committed to support Make-In-India and therefore implementation of GST is very important as well as complete digitization of the system. For this purpose, Government has introduced and focusing on Public Finance Management System (PFMS), Direct Benefit Transfer (DBT), new procurement e-sites of Central Public Procurement Portal, Government e-Marketplace (GeM) portal, Non-tax Revenue portal, etc. These decisions are being taken to make the Indian market and economy stronger, and improve the country’s reputation in the International market in different verticals. MATEMANEWS will soon cover these dimensions in its forthcoming editions. As a Supply Chain professional we have to ensure maximum contribution for making smooth process flow of the business, for development of this nation and to the organisation.

I would like to express my appreciation to all authors of the articles in this issue. These contributions have required a generous contribution of time and effort. It is this willingness to make the effort to share knowledge, concerns and special insights with the IIMM community at large that has made this special issue possible.

Thank you all !!

AKASH KUMAR GUPTA
Hon.Editor, MATEMANEWS
The Government of India has been promoting digital technology to be adopted to all walks of human life including in the rural India. This has a great impact on Supply Chain Management in all sectors of Industries. Supply Chain Professionals are the one who are to adopt the digital mode of business. This will make their professional life much simpler and more efficient and time saving too. All the data are stored in Cloud which can be retrieved any time. The only requirement is net connections throughout the working hours in an organization.

The Govt. is encouraging even to common man including the rural areas to adopt simple technology of using mobile phones as an instrument to transact buying and selling of goods and services.

The SCM professionals who are used to hard copy transactions, particularly Govt sectors for their need to document all their activities, are now required to make it a habit to use the gadgets (and not phones) to professional procurement activities. It is not just phone calls or sending mails. The very sourcing is through web and all correspondences are through mails, skype and E-mode. I am referring to those companies and professionals who are not involved in E-procurement and reverse auction. They may be supported with Tally, ERP, SAP or Oracle software.

In India we have 68 crores of MSMEs. Biggest employer in the country, next only to agriculture. Imagine even if there is one SCM person in each MSME the SCM population is 68 crores. In many companies the owner himself or Finance person may be working as SCM person. Whoever may be doing SCM work, the skill is required to be adopted. However, mostly they will not be having formal education in the domain of supply chain management. We have seen that in many professional companies including many MNCs there are no professionals qualified with formal education in SCM. They have to equip with the knowledge and skill of practicing Digital SCM.

The Government, as all of us are aware, is encouraging or even driving for E procurement and reverse auction with paperless purchase. The main aim is for preventing or reducing corruption and unethical practices. This will also improve efficiency. The demonetization of higher currencies has spurted the common man’s activities of buying and selling with cash less leading to be digital. There is hardly any negative impact of demonetization at least in the GDP numbers as we have seen, even if there is an impact, it is not drastic.

The object of the Govt. is to increase tax base and give an impetus to digital mode of business which will lead to transparency whether it is Govt. or Private. There is no other way to handle corruption without being transparent and being digital. To be digital without demonetization would have been a task of minimum of 5 years. If the payment and receipts become digital, then the Govt. mission is near to success in preventing or at least reducing corruption.

Coming to our domain of supply chain, the methods being used in digitization of our activities are many. Right from digital sourcing through web based till payment is made to the supplier through EFT or RTGS or various other overseas payment terms or even through purchase cards. All the purchase activity from P to P is digital. In many RTGS or various other overseas payment terms or even through Purchase Cards. All the purchase activity from P to P is digital. In many MNCs the purchase professionals are given the Purchase Cards like credit cards which enable them to purchase the requirements of...
the organization as per Bill of Materials. This system starts and close the purchase activity instantly with transparency and efficiency.

In conventional manufacturing industries, whether Govt. or private, the process of purchase is by and large common. Govt. Dept./PSU’s may indulge in various kinds of tendering as per CVC guidelines and the organizational manual. Now, Govt. may allow the purchase professionals to source as per the delegation of powers and place the purchase order electronically. The suppliers are fixed based on their offers received through electronic media. However, there is no negotiation in the Govt. sectors. Govt. believe that when the selected firms are sought for offers, the order should be placed on L1. Otherwise there will be no level playing field.

The supplier ship the goods as per delivery schedule and inform the customer again through E mail and mail the invoice. The invoice will be processed depending on the terms of purchase order and if found ok, arrange the payment through RTGS or EFT or Letter of Credit or Purchase Credit Cards linked to the bank Master card or Visa card with One Time Pass Word for security reasons.

The next Public Procurement Bill which is said to be in the offing has to take care all these issues in the regime of digital age and technology encompassing the professional Supply Chain domain. All the punitive provisions may become redundant since the process has no or less human interference. As a result, the scope for corruption either totally avoided or reduced to the minimum.

There are customized software programs to support the entire activities of SCM. If a company has few thousands of Raw material, components, assays, consumables, Capital Goods and R & D items, it was an herculean tasks to locate in the stores or warehouse. Today with the warehouse software, it can be easily located in the system to know where exactly in which bin or what level of shelf the material is stored and the equipment required, if any, to retrieve. This is the digitization of warehousing activities. The indent to draw the material from the stores/warehouse will be received through the e-mail and the indent is processed by viewing the stock position and check the authority and then send the confirmation by e-mail and then the staff can come to Stores/warehouse by which time the goods are physically retrieved and kept ready to collect by the production or service staff. There is hardly any time required to these transactions which earlier used to take few hours. All the records are in soft form and beyond human errors or tamper free. In big steel industries, where the location of stores and production points are miles away, these digital modes are most welcome.

IIMM should immediately take the lead and develop a course for those who need to familiarize with digital handling. It may be combined with E-procurement and Reverse Auction so that there is seamless learning in continuation with E procurement/Reverse Auction. The E learning courses are to be included with these topics with sound academic material. In fact, the trainers are to be trained first by IIMM with the association with MSTC or other E-procurement companies. They can give live demo with other theoretical inputs. There is great deal of potential and market for IIMM for the Digital Supply Chain Courses. If a software company is also involved, the course will be a great success and will be greatly useful for the entire SCM fraternity. But IIMM should be the pioneer to capture the market. Since IIMM is already using e-procurement platform and is having trained trainers of ITC in all the modules of IP SCM including e-procurement, this should be the strength of IIMM.
Role of SCM Professionals in Improving Local & Global Supply Chain Management

D. SUBRAMANI
VICE President (South)-IIMM.
E-mail ID - smani_doraiswamy@yahoo.co.in

Its our true endeavour to promote professional excellence in Materials Management towards National Prosperity through sustainable development.

Objectives:- to secure wider recognition, to safeguard & elevate the professional status of Individual in Materials Management to constantly impart advanced professional knowledge & to improve the skill of the persons in Materials Management functions.

To propagate & promote among the members strict adherence of IIMM code of ethics as necessity for the development of members organisations.

Considering In line with the IIMM Vision, Mission & the objectives this write up looks at the “Role of SCM professionals in improving their Local & Global Supply Chain Management, qualitatively”.

Where are we today:-
Professionals are needed to be quality conscious to learn and un-learn.

Supply Chain Management (SCM) is moving at a greater pace, rapid changes are happening continually, in logistics front & Technology, most of them are disruptive Tech. digitization(payment system), Internet of things, Drones RFID and usage of Hyperloop, wearable tech. for fastest delivery, fully Automated Warehouse Customised services, 3D printing, cloud computing & painstaking efforts have made us almost self-reliant in space & Space material field today, Physically you cannot evolve carbon based computers then silicon computers etc.,.

The Indian market and economy is becoming stronger day by day, its repute in the International market has improved drastically under different verticals. The adoption of tools of supply Chain Management is considered as a KRA in emerging fast developing Indian economy, as an opportunity to invent new source. Now the leading supply Chain Management Materials professional will have to share their rich experience qualitatively among themselves and to the organisations.

If we try to define Supply Chain Management (SCM) it is about managing the flow of information (IT), materials services and money across any activity besides its cross functional aspects, in a way which maximizes the effectiveness of the entire process. A supply chain is a network inclusive of Logistic facilities and distribution options that performs the functions of procurement of materials, transformation of these materials into intermediate goods as well as finished goods & distribution of these finished product to customers in the fastest economic activity, though Digital Driven Supply Chains exist in both service and manufacturing organisations, although the complexity of the chain may vary greatly from industry to industry and firm to firm.
International Challenges:-
In the global scenario, organisations are managed by the qualified professionals particularly in Material Management fields. The challenges faced by the Supply chain managers, Educational entrepreneurs and Manufacturers who went global in terms of operations and spread, faced enormous task of establishing themselves and subsequently becoming profitable in accordance with their targeted goal.

Supply Chain professionals are already feeling the heat due to expansions and cross border accusations along with high integration in digital driven technology. Hence it is necessary that SCM professionals understand the challenges and develop suitable strategies to meet the objects successfully without compromising on quality. Typically Supply Chain Management includes determining the (a) Cash and Credit Transfers. (b) Suppliers and distributors Order fulfilment (c) Accounts payables and Receivable, (d) warehousing and inventory (e) considering Customer’s customised needs (f) forecasting Demand and Supply including strategic outsourcing, partnering, financing & other functional requirements of partnering organisations & their goods & services (g) Survey & identifying self & competitor’s SWOT analysis to excel in the business. etc.

DOMESTIC PROBLEMS:
We Indians have our own inherited attributions to play far away from the competitive corresponding international markets& market mechanism. Generally the world markets are controlled by developed countries with reference to product quality, entering to that scenarios is very easy now, because of greater integration in Information Technology. It is a fact that global supply chain management has significant built in time because of the time involved. This usually turns into cost and as a results leads to time extension. Hence distance proves to be critical factor. Secondly response logistics being the order of the day, distance can affect the efficiency of the entire chain, now Dynamic multi-modal fastest transportation as mentioned in the para 1 above will surely take care of domestic problems.

If we look toward developing competencies, there are some suggestions to be examined.

- Inclusive Technological collaboration and cooperation as culture of organisation including the quality within.
- Extending & educating the organisational culture between and among trading partner to reduce the cycle time & increase inventory velocity.
- Adopting lean principles, & Kanbon practices in every sphere of operations. Viz (Removing waste & cost reduction across entire supply chain) specially in high volume & margin products.
- Value stream mapping for understanding the present & global supply chain and designing a new one.

SCM professionals are expected to meet the global challenges by mix of strategies viz., Merger, acquisition, amalgamation & absorption in all dynamic aspects, to successfully carry out the operations across the globe. Finally, the Indian manufacturers and all those related to SCM business can pick up from the recommendations given by the experts in the Liberalization, Privatization & Globalisation scenario.

• • • • •
Audit of Supply Chain

SRINIVAS V. RAO
General Manager – Purchase & Supply Chain Management
Sakra World Hospital, Bangalore

Introduction :
Every department / process has to undergo an audit process, not as a fault finding activity but as an process improvement over the previous actions and initiatives. Further, the auditors are like watch dog who by their constant monitoring will make the organization stronger and effective and close all the relevant loop holes which will give way for committing any mistakes or unethical practices. Thus, it has been rightly stated that it is a process improvement activity.

Supply Chain Audit :
In the layman language, the supply chain audit comprises of audit of following four major areas of functions :-

(a) Set the requirements;
(b) Sourcing of vendors;
(c) Raising of the orders; and;
(d) Observer the performance;

Let us have a panoramic view of each of the above functions.

(a) Set the requirements : One of the basics and fundamentals of auditing is to measure and evaluate against any set requirements. Hence, we always compare the actuals as against the set budgets for as many areas as possible. The requirements may vary or is obtained from multiple sources both within as outside the organizations, but for supplier audits these requirements come from the contracts, which in turn comes in different forms such as purchase orders, letter of agreements, etc., However, focus should be laid in three important aspects which cover the setting of requirements.

(i) Specificational Requirements : These are nothing but the technical requirements which are usually in classic form and specifies the function related to it. In many cases, the specifications are found in the form or drawings, standards, etc., In an audit check list, the auditor must read and understand these technical data. He / she should get them clarified from the process owners / engineers about these technical aspects. This knowledge will help the auditors while cross examining the documents vis-à-vis the physical item data.

(ii) Accept-Reject Option : There are certain tolerance levels in a process industry which the supplier will claim to have complied with but as an auditor it becomes his mandatory duty to verify these data on the site and confirm the status as correct or incorrect.

(iii) Management Objectives / Standards : For certain category of items and vendors, there are certain set management standards, below which it is just not acceptable. These standards come through government regulations from the FDA, GMP, ISO, ISI, NABH, NABL, etc., For smaller vendors they can select / set their own site specific manuals, procedures, etc., and follow the same in letter and spirit and also imbibe the same as part of the regular work culture with their team members. However, the above set three criteria must be spelt out clearly in the purchase orders / contracts, but in many of these documents, they are given as a separate attachment. A keen auditor will peruse the contract orders and all these documents and prepare a detailed checklist against a
particular vendor. Additionally, the auditor can also lay his hands on the external codes, specifications and standards along with the site-specific quality, safety and environmental manuals from the internet and retain them for scrutiny at later stages. This will help us to generate questions as and when the audit is taken up, which becomes the basis of supplier audit.

(b) Vendor Sourcing: In all private organizations, audit happens only after the contract is placed. However, in government/public sector unit contracts, there is a provision for an internal auditor/rep of Competent Financial Authority to be part of the purchase committee, whose note approval is taken before awarding the order/contract. Potential critical suppliers need lots of background research. Some suppliers might need an engineering review and history of good service to others. Certain vendors may be registered to one of the ISO 9001 based management system standards, where they got a few bonus points on selection rankings. For most category of potential suppliers (critical, important and general) auditors can probably get involved in the selection process whereas it is not a mandatory requirement.

(c) Raise the order: Vendor’s quality engineers and others will be advised to review draft contracts to ensure that quality, environment, safety and security measures are ensured to be included in the order contract. The main reason behind this being that they will form part of subsequent audits. Further, if any audit of the suppliers is to be carried out then it is to be supplemented with an authority to do so. Authority may range/be as simple as a “rights to access” clause being included in the general terms and conditions of supply duly printed on the obverse side of the purchase order. For critical vendors, this authority should appear as one of the numbered clauses in the front side. These form part of Contract Law and most of the auditors are not familiar with the contract law, hence it is equally important to have all audit communications—notifications, results and corrective action requests to be routed through the purchase department.

(d) Observe the performance: In majority of cases, the codes and standards does not require vendor audit. Auditing is but one of the many methods used to monitor the vendor performance. Going by the concept of easiest and cheapest to the hardest and expensive audits, one can have the following documentations as supportive evidence for compliance to the audit requirements:

(i) Certificates and other paper works;
(ii) Inspections;
(iii) Registrations;
(iv) Technical site visits; and;
(v) Audits;

Usually certificates of conformance/compliance are generally not worth, but it is suggested that to have an on-site performance audit and carry out check on few instances and assess whether there are no hidden information and that they are representing a true and fair picture. Auditors are also advised to carry out/examine the supplier’s inspection program about their incoming, in process and final product audit so as to ensure that it is sound and dependable. Usually, audit is combined with a technical visit so that the vendor’s overall positives and negatives are examined along with specific issues/problems.

Summary:

Unlike internal audit, vendor audit is an option. In some cases, vendor audits may not be mandatory, however a strong and profitable organization will always ensure that vendor audit forms one of their laid down processes, as strong organizations need strong vendors and auditing builds a stronger and robust supply chain process.
LOGISTICS INDUSTRY SET FOR A SMOOTH RIDE

Goods & Services Tax (GST), for sure, remains one of the two bold-play initiatives taken by the reigning government so far. After years of being entangled in political knots debating a transparent and efficient unified tax system, India is soon on its way to become a clutter-free tax highway.

GST is on track. Parliament has approved it. It looks that date of implementation of GST is July 1, 2017.

The three enabling GST bills – Central GST, Integrated GST and State GST.

India’s logistics performance at its key international gateways has scaled up significantly in the last two years and that was evident in the World Bank’s biennial measure of international supply chain efficiency report namely the Logistics Performance Index where India’s ranking catapulted from 54 in 2014 to 35 in 2016.

The introduction of GST will further give impetus to the transport and logistics industry in India. While the entire dynamics of transportation and logistics will undergo a sea change once GST is implemented, it will lead to a leaner and fitter logistics industry, which in turn will lead to greater efficiencies. Both transport as well as manufacturing companies will be able to take better advantage of the economies of scale.

Lauding the government’s move, Pirojshaw Sarkari, CEO, Mahindra Logistics said, “The announcement of GST Council finalising its recommendations on almost all issues and timely preparation of IT system needs to be welcomed. In an endeavour to create awareness about the new GST led taxation system, we support the government’s move to reach-out to trade and industry.”
Budget 2017-18 pushes for infrastructure

Readying the stage for GST, Jaitley’s Budget proposal for 2017-18 laid special focus on road and infrastructure sector. The Budget allocation for highways was increased from Rs 57,976 crore in FY2016-17 to Rs 64,900 crore in FY2017-18 while 2,000 km of coastal connectivity roads have been identified for construction and development. This will ensure better connectivity with ports and remote villages. The total length of roads, including those under the Pradhan Mantri Gram Sadak Yojana (PMGSY), built from 2014-15 till the current year is about 140,000 km, which is significantly higher than previous three years.

With an eye on improved logistics across the country in the future, the finance minister said, “An effective multi-modal logistics and transport sector will make our economy more competitive. A specific programme for development of multi-modal logistics parks, together with multi-modal transport facilities, will be drawn up and implemented.”

Advantage for 3PL providers

Implementation of GST will ensure that the nascent 3PL further embeds itself in the logistics space. Market research agency Novonous in its recent report estimates that 3PL logistics market in India is expected to be worth $301.89 billion by 2020. By 2020, Indian logistics market is expected to grow at a CAGR of 12.17 percent primarily driven by the growth in the manufacturing, retail, FMCG and e-commerce sectors. This growth rate is also based on the expectation of GST being implemented and the logistics companies can optimise their operations to reduce cost and increase their margins.

Further, it is the implementation of the GST that would increase productivity and raise efficiency levels in the logistics sector and the economy as a whole. According to various industry estimates, freight times will come down by 30-40 percent and logistics costs are expected to reduce by 20-30 percent.

Once GST is implemented, instead of maintaining smaller warehouses in each and every state, the companies will be setting up lesser and bigger warehouses, and can follow hub and scope model for freight movement from warehouses to manufacturing plants, distributors and retailers.

“All with GST in place, there will be consolidation of warehouses, thus reducing the time lost between transporting from one warehouse to another. Shorter supply chain cycles will entail lesser time spent on unnecessary activities like paperwork, material scrutiny at checkpoints, compliance with multiple regulations, etc. This will make it smoother for transport companies as they will be able to transport goods with lesser stoppages and breaks in journey. Consequently, it will reduce the need for extensive documentation in inter-state sales, making it a lot easier to transport goods than it is currently,” Allcargo Logistics posted on its blog.

Therefore, there lies a bigger opportunity for the 3PL service providers who can manage these bigger routes and deliver accurately and efficiently. The Indian logistics industry constitutes around 14 percent of the GDP which is greater than the other developing nations. The 3PL logistics firms are evolving from traditional service delivery systems to highly integrated and technically equipped service providers striving to meet the service demands. GST provides them with ample opportunity to invest and expand the 3PL base in India.

According to a report by CARE Ratings, post GST implementation the 3PLs would have to restructure its assets and realign its operations in line with changes in the operations of its customers in the new scenario. Currently, 3PLs have warehouses located near major distribution centers of its key clients (different industries) irrespective of its geographic disadvantage mainly to avoid interstate taxes. However, post GST implementation, 3PLs are expected to build integrated warehouses at logistic suitable locations. So accordingly, their assets would need to be restructured to accommodate the long distance consignments which will occur with this scenario of free movement of goods across the country. The consumer durables
sector is expected to witness maximum drop in the logistics costs as percentage of total sales, as their warehouses are built at different states to avoid interstate tax.

The central taxes which will be subsumed into the GST are: Central Excise duty, Additional Excise duty, Service tax, Countervailing duty, and Special Additional duty of Customs. Also, the state taxes which will be subsumed by GST are: Sales tax, Entertainment tax, Central Salex tax, Octroi and Entry tax, Purchase tax, Luxury tax, and Taxes on lottery, betting and gambling. GST will be collected at every stage of sale or purchase of goods or services, based on input tax credit method. This simplification of the taxation system would make the inter-state transportation of goods more efficient.

Impact on Supply Chain Management

The structure of the supply chain is influenced by differential taxes based on geographical location. By eliminating multiple state taxes, the logistics companies are encouraged to consolidate their warehouses instead of maintaining one in each state to avoid central tax.

The following table illustrates the expected benefits that logistics industry would derive post implementation of GST

<table>
<thead>
<tr>
<th>Pre GST</th>
<th>Post GST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interstate tax burden</td>
<td>Currently, each of India’s 29 states taxes goods that move across their borders at different rates apart from that Corporate state tax of 2% is levied for inter-state goods transfer.</td>
</tr>
<tr>
<td>Nature of the industry</td>
<td>Current interstate taxation has resulted in a large number of unorganized players in this industry. Resulting in fragmented industry.</td>
</tr>
<tr>
<td>Logistics time</td>
<td>Due to trade barriers such as entry taxes, local body taxes, OCTROI and other hurdles trucks lie idle for 30 to 40% as per industry estimates during their delivery schedule.</td>
</tr>
<tr>
<td>Cost</td>
<td>The existing interstate taxation system has forced the companies to create and maintain warehouses in each state. Currently, there are around 20-30 warehouses per company, one in every state, in addition to this 20-30 Carry &amp; Forwarding agents per state making the supply chain longer and inefficient.</td>
</tr>
</tbody>
</table>

Critical business implications post GST implementation

Supply Chain Re-Engineering

Many service providers have to revamp their supply chains, realign their warehouses and logistics networks. This gives tremendous opportunity to 3PL and 4PL logistics providers.

Transportation

Re-organised manufacturing plants and warehouses would reduce the primary freight charges as they are located close to each other irrespective of which state they are in. However, secondary freight may increase because of the fewer warehouses.
Consolidation and Outsourcing

With the increase in the availability of organized and efficient players, there is a possibility of consolidation. Also, this leads to the outsourcing of their logistics operations to logistics service providers.

Skill set up-gradation and service levels

The need for optimally skilled and technically qualified workforce is likely to become a challenge. Hence, to cater to this need, supply of skillful workforce should improve which in turn improves the service level of the company in its operations and meet the customer demands.

Automation

Because of the fewer warehouses, the warehouses can be ramped up and equipped with state of the art technology to facilitate long term benefits. Latest warehouse management systems (WMS) and modern robotics can be used for the effective and efficient warehouse management.

This in effect brings the overall cost of the product down as the inventory cost and inventory carrying cost is down. This directly affects the final cost of the product bring the selling price down. The cost saved by the companies as a result of GST can be used to invest further to improve serviceability.

One important highlight that GST’s implementation will do is to reduce the time taken at various check posts while transporting goods. This, in turn, will reduce costs for customers and logistics companies, making the latter more efficient and profitable. Presently, trucks are idle for about 40 per cent of the total travel time due to Central Sales Tax/Octroi payment.

GST has the potential to accelerate growth in the logistics industry. While industry pundits still feel that many contentious issues remain, such as the clear definition of supply, supply chain management through warehouse engineering, credit allowance during the transition phase etc, there is general consensus to welcome this new tax regime.

With GST’s imminent implementation, the logistics industry should start exploring different supply chain models with their clients and at the same time develop a completely synchronised ERP accounting system to support inventory supply management as required under the GST regime. Nevertheless, GST is still the change the logistics industry is eagerly awaiting as overall, the positive impact of GST far outweighs the disadvantages for this industry.

Source: www.itln.in
Contract logistics is the outsourcing of resource management tasks to a third party company. Contract logistics companies handle activities such as designing facilities warehousing, transporting, and distributing goods, processing orders, and collecting payments, managing inventory and providing certain aspects of customer service. Examples of major contracts logistic companies include United Parcel Service, DHL, GenCorp Logistic. Management is an important component of many companies’ profitability and overall success. While some companies manage their own logistics, others find it more efficient to hire specialized contract logistics companies to manage their logistics for them.

Contract logistic companies often need to develop a deep understanding of how different industries work in order to manage the logistic of a variety of companies in the best possible manner. Outsourcing of core logistic function of warehousing is rapidly becoming popular not only for MNC’s with global operations but all organization in medium and small sector too. Outsourcing may fall into two categories. One category would be the flow through warehouse, merging and distribution centers that are consolidation points in the supply chain network.

These can be managing finished goods or raw material supplies or even spare parts etc., The project size is relatively smaller, and the warehouse is not expected to hold inventories beyond a few days. The second category of warehouse could be the larger distribution centers managing finished goods inventory, and related operations in large scale, catering to exports or supplies to a region continent or country level or inbound raw materials warehouses managing JIT or VMI operations in plant management, plant FG operations etc., These warehouse operations are critical in nature and are primarily categorized by the volume and value of inventory held, size of operations and its relative position and importance in the supply chain network.

THE INDIAN SECENARIO

India’s growth is directly linked to the state of infrastructure in the country. The work done to improve this has not been very important over the past many decades. This has ensured a lethargic and infrequent growth for the Indian economy. It would be safe to say that owing to this road network is incomplete rail network has been upgraded significantly in a long time, and sea and inland waterways are still underdeveloped. The present government has given enough indications that it is finally addressing these issues in a significant way. However this has been marred by the complex nature of the logistic industry in India, including the contract logistics sector. Improving the infrastructural deficiencies and improving the logistic industry involves a coordinated effort by different ministries, which are different decisions making bodies.

The still imperfect coordination between the ministries has led to inefficiencies when it comes to implementation. There is also the issue of constantly changing complex federal tax structures. Contract logistics sector in India is still underdeveloped and under penetrated. About one third of all Indian companies utilize the services of logistics companies, which is lower than the international standards. Within the logistic value chain transportation is the most outsourced activity by industries or companies followed by freight forwarding. Cost reduction is the primary driver for outsourcing logistics in India, transportation accounts for almost half of their total logistics expenditure. Reputation and the ability to provide end-to-end solutions are the key factors favoring the selection of Logistic Service Provider for outsourcing in India. Nevertheless, experts are positive about the growth of 3PL services in India in the upcoming years. In the recent years 3PLs have grown with a CAGR of more than 20%, but the scope to grow is phenomenal. In India auto companies have been
major users of 3PL services so far and significant growth potential exist in information technology hardware and electronics, FMCG, pharmaceuticals, and retail sectors. Initially, MNCs were using services of 3PL companies but now domestic companies has started outsourcing of logistics and warehousing function even few SMEs are using outsourced model in bits and pieces.

EMERGING OPPORTUNITIES AT THE ONSET OF GST: Contract logistics has been growing over the past few years and GST is going to change strategies for a large number of enterprises, changing the compact logistics landscapes. The quantum of investment from the private sector, government regulation, the investment in infrastructure by the government year on year are all factors that determine whether the logistic sector in India has been performing well in the last few years growing at a rate of 15% p.a. However it is the implementation of GST which will give the sector a much needed in India. The Goods and Services tax will be comprehensive nationwide single tax, which will subsume the plethora of taxes n the country. GST will be a single tax on manufacture, sale, and consumption of goods and services throughout India. The purpose behind this move is to have one indirect tax, for India which will make the country a unified common market.

The central taxes which will be subsumed into GST are: Central Excise duty, Additional Excise Duty, Service tax, Countervailing duty, and special additional duty of customs. Also the state taxes which will be subsumed by the GST are: Sales tax, Entertainment Tax, Central Sales tax, Octroi, and Entry tax. Purchase tax, Luxury Tax, and Taxes on lottery, betting and gambling, GST will be collected at every stage of sale or purchase of goods or services, based on input tax credit methods. The simplification of taxation system would make the inter-state transportation of goods more efficient.

The logistic sector in India, including 3PL is a highly fragmented sector with highly inefficient supply chains of the firms. After GST implementation companies will have an added incentive to either develop its own logistics arm or tie up with the domain exerts which are the 3PL companies. This will benefit the companies as system of seamless tax credits throughout the value chain and across state boundaries will bring down the cascading effect of taxes and thus reduce the hidden costs of doing business especially the benefit of entering 3PL will increase.

For logistics players streamlined logistics processes and better bottom line will lead to consolidation of the sector. Further newer players will enter the arena and investors will find it lucrative to invest in the sector knowing that returns are guaranteed in a much more predictable business dynamics. Plus existing players are fully expected to scale up the business environment that will follow GST implementation in the logistics sector in India. In general the proposed roll out of GST would impact the current network structure of the LSPs (Logistic Service Providers) are likely to be more agile responsive and would need restructuring of their assets and operations to create an fulfilling the demand from changed operations of the customers.

Currently LSPs have their warehouses located closer to the major distribution centers or manufacturing plants of key clients, even if these locations were logistically unviable. Post GST scenario there would be need to recalibrate, the net work model and build large integrated warehouses in specific well connected and at logistically optimal locations, with a focus on reducing the overall cost of distribution.

As companies face increasing competition their supply chain would need to be more agile, and responsive, to face the changing demand. Clients would look to move into asset light model, which would provide opportunity, for LSPs to acquire greater share for outsourcing and provide end-to-end logistic solution to their clients. GST aims to enable free flowing of goods across the country. Currently the transportation volumes are not uniformly distributed across the country due to the regulatory control on goods, transfer and usage of different LSPs for each region. Free flowing movement of goods would result in LSPs gaining larger volumes and nationwide contracts from clients. With the growth and penetration of e-commerce demand and distribution is becoming Omni-channel in nature. In order to service Omni-channel distribution LSPs would need to invest in technology, so that they have visibility and control over the entire range of distribution channels and can optimally tweak them in real time.

Comparing the surge in outsourcing and consolidation by LSP (Logistic Service Providers) in India and globally. The logistic
sector in India is highly fragmented in nature with several small and mid-size players dispersed across multiple regions, asset types and services. This limits the ability to offer true end to end and integrated service to customers. In many key logistics intensive sectors the source and destination, locations of cargo and distant and often located I regions with poor access by any mode of transportation. Further this physical distribution is impacted by an unfavorable modal mix, skewed towards usage of surface transportation modes roads in particular. The share of road transport in the total freight volume has increased in the recent years, contributing up to 65% of the total share of freight volume.

The choice of transportation mode significantly impacts cost efficiencies with road transportation having the lowest cost efficiency in comparison to rail and inland water ways. Most of the Indian ports are operating beyond 100% utilization. This results in congestion within the port resulting in bottlenecks throughout the logistic value chain. As business seek to focus on their supply chains, they are realizing that outsourcing and partnering with a LSP is the optimal to achieve these objectives. In the developed global markets, the focus, of manufacturing and sales organizations shifted towards investments in core activities, with the non-core activities getting outsourced. With the service requirement and expectations from the logistics service providers, in the outsourced model becoming more complex (both from a service and cost standpoint) economies of scale have become critical in meeting the demands. The changing dynamics, coupled with larger investment needs in long gestation supply chain business activities led to consolidation by logistics providers who leveraged their network strengths build across geographies.

**Challenges faced by 3PL service providers:** The contract logistics space continues to evolve with changing consumption pattern and expectations. The traditional Indian business model built around long standing relationship is increasingly coming under strain. The core challenge for 3PL are: 1. Weak and slow infrastructure development. 2. Volatility due to frequent change in regulations. 3. Shortage of talent and inability to attract the younger generation to invest their resources and future which could being fresh and out of the box ideas. Infrastructure development is one of the biggest bottlenecks in the development of 3PL market in India. Infrastructural problems such as poor road conditions, poor connectivity, inadequate air and sea port capacities and lack of development of multimodal transport infrastructure have been constant irritants. Convention road transportation is relatively costlier than inland waterways or rail transportation. But industries and LSPs are compelled to use the road transportation due to insufficient capacities of rail and port infrastructure as well issues in multimodal at connectivity, thus escalating their overall logistic costs. Delay due to tolls, interstate check points and other inspection stoppage, further add to the logistic costs.

What the future holds? The growth of the 3PL market in India is linked to the consistent growth of the automotive, consumer retail, healthcare and other major industries, which depend on the services of third party logistics to source and distribute their products and raw materials. Also improvement in the logistics infrastructure in the recent past is enabling the 3PL providers to offer integrated transportation and warehousing services and have better control and deliver better services. Another important factor which is expected to lead to the growth of 3PL market in India is the introduction of Goods and Service Tax. This single tax will simplify the current complex, manufacturers to pay a number of taxes. Further rapid globalization, 100 percent FDI in cold chain segment private equity investment and FDI in the retail sector in India are adding the growth trajectory of the 3PL service providers in India.

As supply chains are becoming more complex and global in nature, logistics outsourcing is expected to move towards a more asset light end to end integrated demand driven model, providing multiple growth opportunities. Investment in infrastructure development capacity enhancement of ports, development of multimodal freight connectivity corridors, thrust on manufacturing are expected to drive the transportation segment. With companies facing increasing competition, they are expected to increasingly outsource their logistics function and focus on their core competencies. This will open up opportunities for integrated 3PL services providers. Warehousing requirement is expected to increase significantly due to growth in manufacturing, trade and consumption driven sector. Growth in e-commerce and new channels in the retail trade is expected to increase to demand for warehouse and cold storages. Implementation of GST would affect the current configuration of supply chain network and would generate demand for new integrated warehouse.
Supply Chain 2025: Planning Today for Tomorrow

AKASH KUMAR GUPTA
Executive Committee Member,
IIMM Bangalore Branch

It is nearly impossible to predict the future, but by examining current trends, we can prepare for the unknown. It is right time for supply chain strategists to examine how the global landscape, algorithmic business, the economics of connections and human resources may shape the future supply chain. When 2025 rolls around, traditional supply chain models will be extinct.

There are 10 different disruptors prompting this transformational change. Some are well underway and evolving toward maturity. Others are in early stages of development. All will have a decisive impact on the industry’s future. They include:

**E-commerce and omni-channel distribution:** Online purchases will be a full 10% of all retail sales by 2017. This is due both to increasing use of mobile devices and retailers willingness to invest in omni-channel distribution centers—consolidating multiple facilities used to address three different sales channels (retail stores, resellers, and individual customers) into one location.

**Urbanization:** Today approximately 28% of the India’s population lives in cities, challenging current last-mile distribution operations to develop new methods for goods delivery.

**Mobile and wearable technology:** Nearly 60% of Indians will be owning and using a smart phone to shop and track purchases (as compared to present 17% owners of smart phone). The embedded global positioning system (GPS) capability in the devices could be leveraged to enhance deliveries. The Government of India is promoting Digital India and recent move of demonetization is the indication for future transaction method.

**Robotics and automation:** Autonomous control, driverless vehicles, and wearable computing—integrating these into coordinated systems will produce for revolutionary change in the industry by removing the potential for human error or performing tedious or dangerous tasks humans don't want to do.

**Sensors and the Internet of Things:** The proliferation of embedded sensors that communicate in real-time via the Internet without human intervention supports the Internet of Things. Among the opportunities: sensors in manufacturing could warn of problems and offer instructions for corrective action; packages and transport containers could be continuously tracked via GPS for optimized routing and delivery.

**Big Data:** Managing and leveraging the massive amounts of information companies collect and store about operations, sales, and customers requires advanced computing power to analyze and visualize the data. Organizations no longer have to look back to reconstruct what happened; they can apply sophisticated algorithms that perform predictive analytics to anticipate and prepare for future scenarios, thereby mitigating risk.

**Workforce:** The supply chain has an image problem. Although warehouses of the past no longer resemble those of today, as baby boomers retire the industry is challenged to attract, train, and keep an adequate workforce. Projections anticipate more than 270,000 new jobs will be created annually in the field over the next five years, meaning the industry must find
new ways to appeal to a very different workforce: women, veterans, people under the age of 35, and differently-abled persons.

**Sustainability:** Societal pressure for corporate responsibility dictates that the industry must address the environmental impact of supply chain operations in order to mitigate its effect on local wildlife, solid waste generation, and polluting emissions.

**Total supply chain visibility:** Thanks to GPS, the Internet of Things, and Big Data, precise location services will make all shipments trackable in real-time by suppliers, manufacturers, shippers, and receivers—from the instant of order to the instant of delivery.

**Collaboration:** Existing technologies can significantly reduce the inherent cost associated with supply chains by leveraging the data held by each party. To truly reap the benefits, however, trading partners will have to establish trust in order to collaborate. For example, competitors might share trailers to eliminate empty truck miles, thereby reducing transportation costs.

Companies must formulate a strategic plan that includes core competencies and future business objectives, and is in step with the customer and the changing marketplace. It is right time for every supply chain professional to get equipped with industry resources and best-in-class equipment and systems to help deliver on the promise of supply chain efficiency, costs savings and speed to market that customers are demanding and going to demand soon. In a transforming world of Supply Chain Management, it is essential to take a peek into the future, and ensure that present business practices are designed to cope with subsequent uncertainties.

**Today’s best practices will be tightly integrated in the future leveraging advanced modeling tools**

The next generation supply chain will build on today’s best practices by:

- More tightly integrating them.
- Utilizing advanced modeling tools and techniques.
- Moving to cloud based platforms
- Creating centers of excellence (CoE) to champion change management and best practices and lead tiger teams.

The next generation of supply chain risk management will evolve to:

- Deploy advanced quantitative analysis now widely used in global banking
- Address intellectual property and patent issues arising from outsourcing to emerging markets and the collective nature of innovation.

**Today’s best practices**

The leading supply chain operations of today typically employ a majority of the following best practices:

- Centers of Excellence (CoE)
- Segmentation
- Hybrid Outsourcing
- Cost to Serve (CtoS)
- Big Data Analysis and Analytics
- Mobile Supply Chain
- Hybrid Supply Chain organizations
- Big Data Analytics
- Supply Chain Risk Management
- Supply Chain Network Design
- Demand Driven Supply Chain
- Labor Arbitrage Outsourcing
By 2025:
- Supply Chains will learn as we sleep
- Driverless vehicles will redefine trucking
- 15% of companies will make the digital pivot
- B2B Automation will happen through a network of networks
- Outside-in processes will become the norm

Supply Chain 2025 – Trends & Implications for India

India is likely to be a global economic power house by 2025. As the economy grows and the operating environment evolves, several macro trends will shape the future supply chain design. It is critical to understand these trends.

By 2025, the Indian economy will have grown multi-fold and consumers will have become much more heterogeneous, presenting organizations with a unique set of opportunities and challenges. The supply chain will be impacted by various evolving macro-factors.

The following six trends will have the most impact on the future of the supply chain in India:

More mega cities: A growing population and urbanization will lead to several cities becoming mega demand centers. Increased congestion and space constraints will require organizations to create a different supply chain model to serve these cities. Going vertical, common carrier deliveries, use of electric vehicles, and flexible unloading are some levers to consider in designing supply chains for these cities.

Proliferation of segments: Increasing consumer segments, the emergence of new channels, and a greater number of products will lead to multiple new segments being created. Organizations will need to customize activities across their supply chain to be able to deal with different segments (moving away from the “one size fits all approach” that is prevalent today).

Improved supply chain infrastructure: With planned investments in road, rail, and ports, the supply chain is expected to become faster and more connected across all modes. This will drive a larger scale and a more consolidated supply chain.

Better regulatory climate: Regulatory changes are expected but the timing will continue to remain uncertain. GST, fiscal incentives, and sustainability and activism are some of the factors that are likely to change. Scenario-based planning will help in preparedness.

Increased globalization: India will become more connected globally with higher imports and exports and an increase in share of global trade. More organizations will have a regional manufacturing footprint. Managing risk, traceability, compliance, and responsiveness will be critical to success.

Affordable technologies and Big Data: Decreasing technology costs will make available a larger amount of data on supply chains. Organizations will need to build capability to leverage this data and create analytical capabilities to benefit from this.

While there will be changes by 2025, some aspects will remain as they are today; volatility in supply and demand will continue making risk management critical. Business pressure to deliver “more with less” will continue driving the supply chains to further increase efficiency and balance customization with consolidation. Skill gaps in talent will continue to drive organizations towards selective automation, a focus on skill development, and improved work environment. Preparing for the future will require organizations to embed scenario-based planning and budgeting for small investments to pilot and learn new capabilities.
Industries revolutions are momentous events. By most reckonings, there have been only three. The first was triggered in the 1700s by the commercial steam engine and the mechanical loom. The harnessing of electricity and mass production sparked the second, around the start of the 20th century. The computer set the third in motion after World War II.

It might seem too soon to proclaim that the fourth industrial revolution, spurred by interconnected digital technology, has begun. When robotics, 3D printing, data analytics, the Internet of Things, and digital fabrication are joined together, they integrate the physical and virtual worlds.

When you look closely at the rapid pace of digitization in industry today, the name doesn’t seem hyperbolic at all. It is a signal of sweeping change that is rapidly transforming many companies and may catch others by surprise.

The term Industry 4.0 refers to the combination of several major innovations in digital technology, all coming to maturity right now, all poised to transform the energy and manufacturing sectors. These technologies include advanced robotics and artificial intelligence; sophisticated sensors; cloud computing; the Internet of Things; data capture and analytics; digital fabrication (including 3D printing); software-as-a-service and other new marketing models; smartphones and other mobile devices; platforms that use algorithms to direct motor vehicles (including navigation tools, ride-sharing apps, delivery and ride services, and autonomous vehicles); and the embedding of all these elements in an interoperable global value chain, shared by many companies from many countries.

This technological infrastructure is still in its early stages of development. But it is already transforming manufacturing. Companies that embrace Industry 4.0 are beginning to track everything they produce from cradle to grave, sending out upgrades for complex products after they are sold (in the same way that software has come to be updated). These companies are learning mass customization: the ability to make products in batches of one as inexpensively as they could make a mass-produced product in the 20th century, while fully tailoring the product to the specifications of the purchaser. As the movement develops, these trends will accelerate. So will the invention of new products and services, including new ways of tackling today’s most difficult problems: climate change and pollution, energy demand, the pressures of urbanization, and the problems that accompany aging populations.

A survey in 2015- More than 2,000 companies from 26 countries in the industrial production sectors, including aerospace and defense; automotive; chemicals; electronics; engineering and construction; forest products, paper, and packaging; industrial manufacturing; metals; and transportation and logistics. In this global Industry 4.0 survey, one-third of the respondents said their company had already achieved advanced levels of integration and digitization, and 72 percent expected to reach that point by 2020.

This momentum reflects expectations of rapid payoffs in business results. An overwhelming majority (86 percent) of the survey respondents said that on the basis of their experience to date, they expected to see both cost reductions and revenue gains from their advanced digitization efforts. Nearly a quarter expected those improvements, in both cost savings and revenues, to exceed 20 percent over the next five years.
As the fourth industrial revolution binds companies and countries ever more tightly together through worldwide supply chains and sensor networks, it will increasingly promote globalization. At the same time, it will link closely to local companies. That helps explain why the survey results differed considerably by region. Asian companies, especially those based in Japan and China, expected the greatest gains from the digitization of Industry 4.0, followed by companies in the Americas, and then Europe and the Middle East. Japanese companies are already the most advanced in this field, followed by those based in the U.S. and then Europe. Companies in all regions expect to catch up within five years (see Exhibit 2).

Industry 4.0 Exhibit 2: Expectations for Industry 4.0, by Region

Respondents from three major regions were asked: “What cumulative benefits from digitization [in the context of an Industry 4.0-related survey] do you expect in the next five years?” Asia-Pacific had the largest percentage of companies with high expectations.
“5S & 3T” the secret of success of Japanese companies

RAHUL BRAHMA,
Indian Air Force, Life Member,
IIMM Bangalore Branch

It’s a mindset & commitment to achieve a totally waste-free operation that’s focused on your customer’s success… achieved by simplifying and continuously improving all processes.

METHODOLOGY OF 5S

1. SEIRI (organisation/sort out)
   • Decide what you need.
   • Remove unnecessary clutter.
   • All tools, materials, classified and then stored.
   • Remove items which are broken, unusable or only occasionally used.

2. SEITON (Orderliness / Systemize)
   Once you have eliminated all the unneeded items. Now turn to the left over items. Organise layout of tools and equipment.
   • Designated locations.
   • Use tapes and labels.
   • Ensure everything is available as it is needed and at the “point of use”.

Workplace Checkpoints:-
   • Positions of aisles and storage places clearly marked?
   • Tools classified and stored by frequency of use?
   • Pallets stacked correctly?
   • Is safety equipment easily accessible?
   • Is floor in good condition?

3. SEISO (Cleaning/Shining)
   • Create a spotless workplace
   • Identify and eliminate causes of dirt and grime – remove the need to clean
   • Sweep, dust, polish and paint.
   • Divide areas into zones
   • Define responsibilities for cleaning
   • Tools and equipment must be owned by an individual
   • Focus on removing the need to clean
4. **SEIKETSU (Standardize)**
   - Generate a maintenance system for the first three.
   - Develop procedures, schedules, practices.
   - Continue to assess the use and disposal of items.
   - Regularly audit using checklists and measures of housekeeping.
   - Real challenge is to keep it clean.
   - Make everyone understood that it is driving force behind all 5S.
   - Make it a way of life a part of health and safety program.
   - Involve the whole workforce.

5. **SHITSUKE ("Sustain")**
   - Monitor the refine the methods consistently.
   - Maintain the defined methods for continuous improvement.
   - Establish norms and follow them.
   - Keep repeating the 1 to 4 ‘S’.

**METHODOLOGY OF 3T**

1. **TIE – (Where to put)** : Decide the location where to put something at our workplace.
2. **TIE HIN – (What to put)** : Decide what item needs to put.
3. **TIE RIYO – (How much to put)** : Decide how many quantities of items we need to put there.

**WHAT U HAVE COME ACROSS AT THE END OF DAY**

- Neat & Clean Workplace
- Smooth Working
- No Obstruction
- Safety Increases
- Productivity Improves
- Quality Improves
- Wastage Decrease
- Machine Maintenance
- Visual Control System
- Employees Motivated
- Workstations Become Spacious

“ONE MUST LOCATE THE ITEM WITH IN 30 SECOND IF 5S & 3T IS PROPERLY IMPLEMENTED”
RECAP-EVENTS

8th January 2017 - SCALE 2016 Get-together Meeting

As a memorable occasion of the grand success of SCALE 2016 a Get-Together meeting was organized on 8th January 2017 (Sunday) at Best Club by IIMM Bangalore Branch. Mr. M.S. Shankar Narayanan, Branch Chairman, IIMM Bangalore, invited all EC and SCALE 2016 Committee members and their spouses for the Get together meeting. He expressed his thanks to the all members for supporting during SCALE 2016. Mr. Subbakrishna has felicitated all members who have attended get together meeting.

19-20th January 2017 – Two Days Workshop

Two Days workshop on “Vendor Management and Negotiation Skills” held on 19th and 20th January 2017 at Royal Orchid Central, Bangalore. The main focused areas on “Supply Strategy and Supplier Relationship, Vendor Development, Importance of Supplier quality in vendor selections / Management handled by Mr. C. Subbakrishna, Former National President, Mr. D. Subramani, VP (South) and Sr Faculty of IIMM Mr. H.R.T. Chari, Mr. P.L. Mohan. The workshop was very interesting with lively interactions by participants with the Speakers.

27th January, 2017 – Lecture Program

IIMM, Bangalore Branch organised Monthly Lecture Program on “Impact of GST on various Sectors” for the benefit of IIMM Members & Students. Presentation given by Mr. Venkat Ramesh, Hawe Hydraulics Pvt. Ltd. – Bangalore and Mr. Akash Kumar Gupta, ISRO – Bangalore. They have given their presentation on issues of present taxation, cascading effect, Customs duty on Import, GST on import, talked on GST ECO System, Scope of GST and detailed presentation given how get set ready for “Registration” etc. The lecture program was very interesting with lively interaction by members, participated in good numbers.

After the lecture presentation award certification program was organised for Students who have successfully completed in Six Months Certificate Course on Supply Chain, Logistics and Materials Management Courses. Mr. C.L. Kapoor, Past National President and Branch Advisor and Mr. M.S. Shankar Narayanan, Branch Chairman awarded certificates to the successful candidates.

The entire program was very well co-ordinated by Mr. S. Subhash, as a MC.

16-17th February, 2017 – Two Days Workshop

Two Days workshop on “Emerging Technologies in SCM and Materials Management” held on 16th and 17th February 2017 at Royal Orchid Central, Bangalore.

The main focused areas on “Technology Overview in SCM, Lean Supply Chain Management, Customer – Centric Supply Chains of Onewith profitability, 3D Printing /Additive Manufacturing, Digitization of everything and Internet of everything data science and math houses, Software/Strategy – driven value chains, adaptive learning software / machine learning, ERP solution for ware house and logistics management. Mr. Pruthvi Kaushik, Director E-Fleet Management Services and Mr. Jagadish G. Vasishtha, Director, Data wood Consulting Pvt. Ltd. Session on Innovative in Supply Chain Management handled by Mr. P. Srinivas Rao, Sr. Faculty of IIMM. The workshop was very interesting with lively interactions by participants with the Speakers.

17th February, 2017 – Evening Lecture program

IIMM Bangalore Branch was organized evening Lecture Program on “SCM/LOGISTICS -STRATEGIES IN SHIPPING” for the benefit of IIMM Members & Students. By V Krishnan (IIT-B, MMS, JBIMS), IIT MBA retired Managing Director of a public limited consultancy organization, having rich experience spanning over 30 years in reputed companies like Great Eastern Shipping, L&T, DEPMOs and Church gate Nigeria. Mr. D. Lakshmaiah, Honorary Treasurer, welcomed the speaker and gathering. Program was well appreciated by the members attended in good crowd.

9th March 2017 - One Day in house Training Program:

Indian Institute of Materials Management, Bangalore Branch conducted one day in house training on “Best Practices in E-
Procurement” for executives of Ariba Technologies Ltd. at their venue. This program proved to be very informative and useful to the participants of Ariba Technologies in their day-to-day procurement activities as it dealt with risks involved in various stages of the procurement process they wanted to bring it forth for finding solutions on it. The ITP was very interesting with lively interactions by participants with the Faculty. Received very good feedback from the participants.

10th March 2017 – Evening Lecture Program:
Indian Institute of Materials Management, Bangalore was organized Monthly Lecture Program on “GST Implementation the way to forward” by Mr. H.R. Gowri Shankar, Advocate and Tax Consultant, for the benefit of IIMM Members & Students on 10th March 2017 at Woodlands Hotel, Bangalore. He highlighted issues pertaining to the present taxation system and its cascading effects. Other concepts like Entry tax on certain notified goods into local areas, as per the applicable tax in the respective States were also shared. Program was well appreciated by the members and the speaker responded to the questions proposed from the gathered audience.

6th April 2017 - One Day in-house Training Program
IIMM, Bangalore Branch conducted one day in house training session on “Contract Management & Supplier Relationship” for executives of Thomson Reuters, Bangalore. This program was very informative and useful to the participants of Thomson Reuters in their day-to-day procurement activities of various stages in relation to the theme. Dr. C Subbakrishna (MLS Trainer) / Former National President handled the sessions. He covered the contents on Preparing Contracts, Spot Contracts / Fixed Contracts, Transfer of Risk – Incoterms, Introduction to forming contract management plan, relationship Management – Disputes and termination, Contract administration – Measuring and controlling performance, issues related to contract administration in global trade etc., He also presented some case studies on the above topic. The ITP was very interesting with live interactions by participants with the faculty. Feedback received has been very good.

8th April, 2017 – Study Circle Meeting and Debate Competition
As part of MM Day activities, IIMM Bangalore Branch organized a Study Circle program on “Plastic Packaging, a vital Component of SCM – Is it a boon or bane in the current marketing scenario and Life Style”. Dr. H.B.N. Murthy, distinguished Member and Sr. Faculty, Mr. P. Srinivas Rao, Consultant and Sr. Faculty were the speakers for the study circle meeting.

Dr. H.B.N. Murthy, Packaging Consultant and speaker in his address with participants, mentioned that Packaging Materials, especially Plastic Materials, have become an integral part of our lifestyle. At the same time, disposal of these items once their utility is over has become a major issue. We are aware that improper or senseless disposal is a threat to the environment. It is indeed a tightrope walk! He gave a lot of examples and discussed some case studies. He also exhibited a lot of packaging materials which was using and recycling in current scenario.

Mr. P. Srinivas Rao, Sr. Faculty IIMM discussed that how packaging has evolved over the year and the major role played by Plastic Materials in the current Marketing Scenario and Life Style. He presented and explained types of plastic articles, their characteristics and quality, used etc.

12th April 2017 - One Day in-house Training Program
Indian Institute of Materials Management, Bangalore Branch conducted a one-day in-house training on “Best Practices in Procurement” for executives of Ariba Technologies Ltd. Training were held on understanding eProcurement and become familiar with the tools, assess its needs of an organization, developing e-procurement strategy, select right solutions, implement an initiative and its relevant definition, how e-procurement is evolved to the present day, main phases in the evolution of eProcurement strategy, Role and importance of e-procurement as an activity in supply chain management. How e-procurement differs from manual procurement, key performance benefits that accrue from e-procurement, main tools used for e-procurement and relative merits of different tools, set objectives fore-procurement strategy, determining whether to outsource or develop in-house, develop performance measures and identifying likely impact of eProcurement of purchase department. He also discussed some case studies in this regards.

19th April 2017 – Evening Lecture program:
Indian Institute of Materials Management, Bangalore was organized Monthly Lecture Program on ”Future air Cargo Supply Chain in India” by Mr. Vinay Varma – Bangalore International Airport, for the benefit of IIMM Members & Students on 19th April 2017 at Woodlands Hotel, Bangalore. He highlighted issues pertaining to the present development in the field of air-cargo and future opportunities. Program was well appreciated by the members and the speaker responded to the questions proposed from the gathered audience.
Prize Winners : Debate Competition:

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<tr>
<th>Sl.No</th>
<th>Name of the Participant</th>
<th>Organisation</th>
<th>Prize</th>
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<tbody>
<tr>
<td>1</td>
<td>Mr. Anant Ram</td>
<td>IIMM Member</td>
<td>I Prize</td>
</tr>
<tr>
<td>2</td>
<td>Gerald Paul D'souza</td>
<td>KAPL</td>
<td>II Prize</td>
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Mr Srinivas V. Rao, Branch Vice Chairman proposed vote of thanks. Feed back from this program has been received and program was very much appreciated by the members present.

13.04.2017 Essay Competition:

As a part of MM Day celebrations, an Essay competition was held on 13.04.2017. Essay articles were reviewed by Mr. Srinivas V. Rao Branch Vice Chairman. the theme for Essay Competition was “SCM role in GST Implementation & India digitization”.

Prize winners for Essay Competition:

<table>
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<tr>
<th>Sl.No</th>
<th>Name of the Participant</th>
<th>Organisation</th>
<th>Prize</th>
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<tbody>
<tr>
<td>1</td>
<td>John A. Gonsalvez</td>
<td>KIOCL Ltd.</td>
<td>I Prize</td>
</tr>
<tr>
<td>2</td>
<td>Mr. Suresh B.N.</td>
<td>ADA</td>
<td>II Prize</td>
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15.04.2017 MM Day Celebration 2017 – Best Materials / Supply Chain Manager Contest:

As a part of MM Day Best Materials / Supply Chain Manager contest was organized by IIMM Bangalore Branch, on the topic “SCM role in GST Implementation & India digitization” on 15.04.2017 at IIMM Office Premises. Mr. Shankar Narayanan, Branch Chairman, Mr. Srinivas V. Rao, Branch Vice Chairman, Mr. G.S. Raju, Faculty and E.C. Member and Mr. P. Viswanathan, EC Members were the Judges.

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<th>Sl.No</th>
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<th>Organisation</th>
<th>Prize</th>
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<tr>
<td>1</td>
<td>Mr. Suresh B.N.</td>
<td>ADA</td>
<td>I Prize</td>
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<td></td>
<td>Mr. Kumar Velan MB.</td>
<td>ADA</td>
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<td>2</td>
<td>Mr. Vikas Kumar</td>
<td>Siemens India Ltd.</td>
<td>II Prize</td>
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<td></td>
<td>Mr. Rajesh C.S.</td>
<td>Siemens India Ltd.</td>
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</tr>
<tr>
<td>3</td>
<td>Mr. Akash Kumar Gupta</td>
<td>ISRO</td>
<td>III Prize</td>
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<td></td>
<td>Mrs. Kalpana N</td>
<td>C-DOT</td>
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15.04.2017 MM Day Celebration 2017 – Matquiz Competition:

As part of MM Day celebration, a Quiz Competition was also organized on 15.04.2017 for Students and Members of our Branch. Mr. Srinivas V. Rao, Vice Chairman, compiled Q & A and was the Quiz Master. Mr. M.S. Shankar Narayanan, Branch Chairman and Mr. G.S. Raju – Faculty and EC were the Judges / Jury for Contest. E. C. Members M/s. Achyutha Rao, Mahesh Kulkarni, Mr. Akash Kumar Gupta, Mr. P. Viswanathan and Mr. S. Subhash, coordinated the programs.

Prize Winners : Quiz Competition:

<table>
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<th>Organisation</th>
<th>Prize</th>
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<tbody>
<tr>
<td>1</td>
<td>Mr. Pinaki Sarkar</td>
<td>Hemogenomics Pvt.Ltd.</td>
<td>I Prize</td>
</tr>
<tr>
<td></td>
<td>Mrs. Uma Maheshwari S.</td>
<td>GSD Rail Wheel Factory</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Ms. Surashmita P.</td>
<td>Mercedes Benz R &amp; D</td>
<td>II Prize</td>
</tr>
<tr>
<td></td>
<td>Mr. Chinmaya Hota</td>
<td>Philips</td>
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18.04.2017 : One day Workshop on “Managing Inventory”

As a part of MM Day activity, a one day workshop on “Managing Inventory” was also conducted on 18th Apr 2017 at Hotel Akshay Aura, Bangalore. Sr. faculty Dr. C. Subbarkrishana, handled the session covering various topics on place of Inventory in SCM, Ware House and Inventory Operations, Inventory Planning, Managing Supply Chain for Effective Inventory Management. Mr. K.S Mohan Kumar, Sr. Faculty handled sessions on Demand Forecasting, Techniques, Inventory Models – CPFR, VMI and Role of IT in Inventory Management etc. Case studies were also discussed in the workshop. Participants who have participated from various organization appreciated the program and gave good feed back.
A Group photo - of Participants for Two Days workshop on Emerging Technologies on 17.02.2017

A view of members presented on 17.02.2017 Lecture Program

Mr. D. Lakshmaiah, Hon. Treasurer welcoming gathering on 17.02.2017 Lecture Program

Mr. K. V. Sudhindra, Hon. Secretary proposing vote of thanks on 17.02.2017 - Lecture Program

Mr. M. S. Shankar Narayanan, Awarding certificates to the Candidate Mr. Srinivas Murthy

Mr. M. S. Shankar Narayanan, Branch Chairman welcoming Speaker Mr. V. Krishnan with Boquet

Mr. P. L. Mohan, Sr. Faculty handling session on 16.02.2017 workshop on Emerging Technologies

On the dias Mr. M. S. Shankar Narayanan, Branch Chairman with YMM participated Team on 27.01.2017

Mr. Srinivas V. Rao, Vice Chairman, introducing speaker - lecture on 17.02.2017

Mr. P. M. Biddappa, N. C. Member handing over memento to Mr. V. Krishnan, Speaker for Lecture Program on 17.02.2017

Mr. S. Subhash, MC welcoming gathering presentation GST on 27.01.2017

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- Ratan Tata