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Learning to face challenges

Challenges are everywhere, from vendor management, to transport condition. Still, TCI Supply Chain Solutions is making arduous efforts to provide hassle-free services. **Jasjit Sethi**, the CEO of the organisation, talks about how this is being made possible.



Retailer: Indian retail is reeling under the problem of shrinkage. What is TCIL's initiative in this context and how has it structured its supply chain network?

Jasjit Sethi (JS): Shrinkage is a global phenomenon and present across the supply chain, from sourcing to the retail store. For a logistics organization like TCI Supply Chain Solutions, it means controlling the shrinkage in warehouse and transit.

The third major area of shrinkage is, of course, at the store level, which is in purview of the retailer. Typically this is

controlled by RF (Radio Frequency) tags, which beep when merchandise is taken out without being paid for.

The most significant area to safeguard is the warehouse. With our present 9.25 million sq ft of warehousing covered area, this is indeed a big responsibility that we carry on our shoulders. Obviously the value of inventory is many times over and above our net worth.

At the warehouse level, the major ills we guard against are interchanges, excess inwarding, short outwarding and the obvious pilferages.

We do cater to the SMEs from all our group divisions. In supply chain we provide them services of milk run pickups in coordination with the manufacturer and also do VMI (Vendor Managed Inventory) for them for a large client.

The inwarding is done in two stages - first receipts and then putaway, this ensures that gaps are highlighted and nipped in the bud. Barcoding is very helpful. Unfortunately, even the best of manufacturers have not implemented this in earnest yet.

Likewise, the despatch is again a two-stage process of order picking and then packing and shipment.

Even after the above two processes, which logically should take care of all ills, we do a third process, which is like stock balancing - a Perpetual Inventory System where SKUs (Stock Keeping Units) are counted over a period based on them being fast, slow and non-moving. This ensures not only inventory hygiene but also that the right SKU is in right place. Besides physical processes, WMS system and Customers ERP lend control and support to the system.

Retailer: What are the challenges faced while providing the services?

JS: The challenges we face are from the end of the customer, our service provider, the infrastructure, the bureaucratic issues with check posts, labour offices, etc.

The customer end challenges have mostly to do with gap in logistics and sales or purchase functions, proper SLAs (Service Level Agreements) and gap in expectations versus the remuneration.

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The gaps with service providers are with regard to quality and commitment, of sustainable improvements and walking the talk.

The government related issues originate from complicated paper work and harassment even for compliant organisations like us. Maybe this stems from a lack of respect for commercial organisations, where we are all guilty till proven innocent. As a logistics company, we are into essential services, do a service to the nation, but the same is not understood in most government departments. The state of infrastructure is well known to all, be it roads or rail or airports or sea ports. Despite all these issues, we are expected to deliver the best service at the lowest cost, which we do manage, but it takes a toll on our people who have to work long hard hours to bring that smile to the customer's face.

Retailer: Do you also cater to medium and small enterprises? If yes, what sort of services are you providing and how are they benefiting SMEs?

JS: Yes, we do cater to the SMEs from all our group divisions. In supply chain we provide them services of milk run pickups in coordination with the manufacturer and also do VMI (Vendor Managed Inventory) for them for a large client. We also provide delivery of finished goods to distributors or trading companies.

XPS, our express division, caters to B2B and B2C for the SMEs and they constitute a major part of the business. Here we provide door to door, cheque or draft collection on delivery and time and day definite delivery among others.

Retailer: How do you promote your services?

JS: As a group, we promote our services through print media, direct mailers, seminars and conferences, customer meets and a lot of customer visits.

We are very active participants of events organised by industry bodies like CII, SIAM, FICCI, RAI, Frost & Sullivan, etc. Apart from this we also have various customer retention programmes through various customer outreach meets organised in all major cities. Our fleet of 4,000 dedicated vehicles also serve as mobile hoardings. With our vehicles traversing the length and breadth of the country, the outreach is immense. We ensure that our vehicles are clean and they are frequently touched up with paint to maintain their fresh look. These vehicles carry the logo, website address, toll free no, etc. TCI also promotes its brand through various other channels like sports marketing, corporate communication, cause marketing, etc.

Retailer: How do you enhance the skill of your employees? What kinds of staff training programmes are undertaken?

JS: Our employees are our biggest asset and training, both internal and external, is an integral part of our ethos. We follow some unique formats in the area of recruitment, training, HR Management System and appraisal. Structured training programmes are designed to develop and build competencies of employees. TCI has also set up four in-house dedicated training centres to cater to the skill development and training needs of the employees. Employees are regularly sent for training to eminent institutes like ISB and IIMs and even overseas, depending

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upon their functional areas and training requirements. For examples, regular trainings are provided to fleet operations personnel at the Central Institute of Road Transport in Pune. The trained personnel then continuously train and retrain truck drivers on road safety and related aspects. The training is comprehensive and includes journey management, maintenance of vehicles, central motor vehicle rules, compliance of the rules and regulations etc.

The training at all TCI fleet centres is done by the Kicon Yochi Training, which is a Danger Prediction Training protocol. The training focuses on safety by sharing experience on Potential Incident, Near Miss or Vehicle or Route or Weather issues.

Pre and post training feedback is taken to assess effectiveness of the programme and keep it fresh for the next batch.

Retailer: What are the state-of-the-art technologies implemented in your services?

JS: At TCI we believe in entwining a process with technology to get a consistent, efficient and best cost solution. Our ERP (Enterprise Resource Planning) has been developed in-house, as we need to align with various customer processes and demands. The ERP consists of Customer Management, Transport Management, Warehouse Management, Financial Management, Supplier Management and HR Management as the main modules. Besides this, we have Telematics - Advanced Vehicle Tracking System through GPS, Dashboards and Decision Support Systems and are currently building our Mobile Application.

Interviewed by Suranjana Basu