



# An insider's insight into India

With carmakers demanding the same level of 3PL service in India as they do elsewhere around the globe, **Ramesh Kumar** discovers the strengths that enable the country's homegrown providers—such as TCI Supply Chain Solutions—to compete with global players

**W**hen Jasjit Sethi, the chief executive officer of TCI Supply Chain Solutions (TCI SCS), gives his opinion on the state of the Indian third party logistics (3PL) market, he isn't trying to be provocative. Rather, the venerable supply chain manager states with a simple and characteristic cogency: "We are the best and on par with the global 3PL players in the inbound automotive logistics segment."

It's a message that Sethi has not been afraid to express before, whether in India or abroad. At previous Automotive Logistics conferences from the US to Europe, he has pointed out that carmakers in India can expect the same level of 3PL service they would in developed markets. Given India's infrastructural and bureaucratic constraints, the performance of providers such as TCI might even be more notable.

"Toyota or General Motors or any global player enjoys the same 3PL service standards in India that they experience in any other part of world. And in many places, things tend to run more orderly and smoothly. That's nothing like India, where we have to deal with multiple interstate borders and congestion on highways. With all these constraints, we are doing a far better job than [global] providers," he says.

Sethi suggests that it is TCI's grasp of the peculiarities of the Indian market that will continue to set it apart from global competitors. "That is our trump card," he says.

But while Sethi is confident about the development of Indian 3PLs and 4PLs for inbound, he is less so for outbound logistics, where quality is poor, lead time unreliable and

margins are razor thin. There is a long way to go towards developing the 4PL in the outbound arena, he admits.

TCI SCS—part of the publicly-listed Rs.17.6 billion (\$335m) TCI, which boasts of ferrying around 2.5% of India's gross domestic production (GDP)—accounted for around 22.35% of total revenue for its parent company in the financial year ending March 31, 2011. The division, with over 1,500 employees, posted 59% growth over the previous year, the highest at TCI. Automotive is one of the six verticals that the Sethi-led TCI SCS is handling. Others include: high tech, retail, cold chain, telecom, life sciences and healthcare.

Under the automotive segment, TCI SCS is focused on the sub-verticals of SUVs and MUVs [multi-utility vehicles], two-wheelers, commercial vehicles, earth-moving and construction equipment, tractors and farm equipment and tier suppliers. Fourteen automotive plants in India are using TCI SCS as their lead logistics provider (LLP), including Toyota, Bajaj Auto, Hero motocorp, General Motors, Tata Motors and Maruti Suzuki. "We take a schedule from the OEMs and examine what is required and at what time and from whom and where. This is customised to suit Indian-based OEMs with a greater visibility and efficiency," elaborates Sethi, who cut his logistics teeth at one of the leading tyre manufacturers in India before moving into his current role in the early 2000s.

In today's competitive business environment, automotive manufacturers worldwide are shifting their attention towards understanding and implementing extended supply chain management that integrates the product, process and

