

“Our in-house capabilities are the reason why customers stay with us”

Logistics sector in India is a growing market and those who had realised its potential earlier are the forerunners today. Transport Corporation of India (TCI) is one such company that has been instrumental in transforming the logistics and supply chain solutions sector. **Vineet Agarwal, Managing Director, TCI** speaks to **MEGHNA CHUKKATH** in an exclusive interview sharing insight about the logistic challenges and supply chain solutions.



Vineet Agarwal,
Managing Director, TCI

TCI has focussed on various sectors of logistics can you brief us about them? What are the opportunities that you see in this segment?

We started with basic freight business and over a period of time we have been able to enhance as well as add various portfolios and services. Predominantly, we are into express services, supply chain, cold chain movement and also function internationally. We operate ships and have also built logistic parks. Customer needs even in logistic sector are different. It is not just simple transportation from one point to another; it is the whole process where every aspect need to be considered. In order to reach out to every aspect of supply chain we need focus team and services. There also arises a need for an umbrella services where one can cross sell and up sell the services. We provide end to end solution internally to national and international clients.

How would TCI differentiate itself from other logistics and supply chain solutions existing in the market?

There are many differentiation points and we are amongst the few listed companies in India. We have focussed vision for each service. Each of these divisions is run as a profit centre by their respective CEOs. Only strategic decisions are taken with the promoter or with the group. Apart from all the other understood variables in terms of infrastructure, network, reach, number of people it is clearly customer focus where we concentrate more. It is because we have been able to create this niche; we have been able to serve our clients.

What is the value proposition that TCI offers to its clients that makes the company unique in the market?

We provide services that the clients need in terms of logistics. We can offer every aspect of service that a customer needs and that is the key differentiator because we do that internally. We have in-house capabilities and I believe that is the reason why customers stay with us.

How do you see the competitive market as many players are entering into the logistic and supply chain segment?

Competition exists in all divisions independently but we don't see a competitor at the consolidate level. We do not see someone who provides all these services under a single roof in India. We currently cover 99.5 per cent where GDP is generated. So, where the GDP is present we are present literally as well. There are no competitors with this kind of penetration as a whole. Individually, we do compete with companies which are more localised or the international companies but not as a whole.

What opportunities do you see in this segment and how prepared are you to tap this growing market?

Major drivers of growth in this industry are many. Firstly, it is the infrastructure of the country. If it improves, the need and demand for logistics will also increase because

infrastructure will add to better connectivity. Generally, infrastructure would improve the overall economy and logistic sector. Next macro trend is GST. If GST is implemented warehouses will be consolidated, there will be more hub and spoke movement and the demand for large scale operation in logistics will also increase. The rise of consumption could be considered the third factor. There would be growth in retail, telecom communication, etc. Consumption related growth would be also high in the next few years. In the long run, may be in next five to ten years horizon, developments like dedicated freight corridors which is specific to logistic industry or new ports or new ICDs, etc would also help the sector. Lastly, it is the general trend of outsourcing. The trend of outsourcing to 3PLs like us is increasing. Other trend is MNCs, when they come to India we provide them complete just in time services similar to what they receive in their country. For some we do the inbound and for others whose product is ready we do the outbound, when it comes to automotive we do the spare parts management as well. There is a breadth of services we provide and that too at an international level.

TCI claims to be the leader in multimodal integrated supply chain solutions provider. What strategies or supply chain design have you adopted and followed?

We do not claim to be the company with highest volume but we definitely claim to provide largest connectivity irrespective of mode. Hence, this is something we have been building on with joint ventures which started few years ago. On the other area, air cargo is also a growing percentage of our express business. Though sea freight is a small business it does contribute five to six per cent which is a growing segment for us and this works on supply chain design to a great extent because the client sometimes can be agnostic to the mode of transportation. At that time, it is up to us to select the right transportation for them. In a multimodal setup one needs to ensure that the cargo can transit between the roads fast or at a multi level faster than single mode. It can also be observed that over a period of time one can see that companies will want seamless solutions in their design. **CC**