

THOUGHT OF THE MONTH

“The time is always right to do what is right.”

INSIDE STORY

- **New procurement mechanism likely before kharif crop.**
- **Adani Group to invest in UP logistics parks.**
- **NextGen Supply Chain: Blockchain Moves Forward in the Supply Chain.**

OGTC invests in 3 new Robotics Project

Bharat K | March 09, 2018

The UK's Oil & Gas Technology Centre (OGTC) announced that it has invested in three robotics projects in an effort to transform pressure vessel inspection, which it said costs the industry 'hundreds of millions each year'. The projects, which were selected as part of the OGTC's first Asset Integrity 'Call for Ideas', comprise a non-intrusive inspection robot from Sonomatic, a robot crawler equipped with 3D laser scanning and non-destructive testing technology from the University of Strathclyde, and drone swarms for offshore visual inspection.

87,000 jobs lost in manufacturing, but net addition of 64,000 in 8 core sectors

Kunal K | March 15, 2018

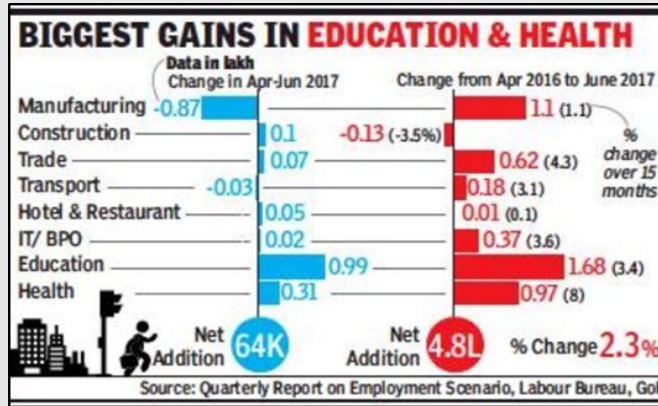
Creating non-farm jobs remains a huge problem, with the government's latest quarterly survey on employment in eight key sectors revealing that there's been a net addition of just 64,000 jobs across these sectors between April and

June last year. Even more worryingly, the manufacturing sector lost 87,000 jobs over this period, indicating that Make in India remains a distant dream. The labour bureau's quarterly survey shows that the education and health sectors between them added 1.3

lakh jobs in April-June 2017, while the other six sectors - manufacturing, construction,

which in its current format has been running since April 2016, covers both regular and casual employment as well as the self-employed in these sectors.

Since April 2016, there has been a net addition of 4.8 lakh jobs in these eight sectors with over half from education (1.7 lakh) and health (1 lakh). That translates to a 2.3% growth in employment over 15 months, an annualised growth rate of barely 1.8%. This rate is not enough to even take care of new entrants to the job market each year, leave alone reducing unemployment.



trade, transport, accommodation & restaurants, and the IT/BPO industry - put together saw a net loss of 66,000 jobs. Education was by far the biggest job creator, adding 99,000 jobs over this quarter. Health saw an addition of 31,000 jobs. The survey,

Noida, Yamuna expressway declared electronics manufacturing zone

Kunal K | March 11, 2018



The Yogi Adityanath government has released its 'Uttar Pradesh Electronics Manufacturing Policy' under which Noida, Greater Noida and the Yamuna Expressway region has been declared as an

electronics manufacturing zone. "To develop the state as the hub of electronics manufacturing, a new policy has been released under which the units set up in this zone will be eligible for claiming necessary benefits," deputy chief minister Dinesh Sharma, who holds the IT and Electronics portfolios said.

Hoping that this policy will be helpful in setting up electronics systems design and

manufacturing (ESDM) units, he said it will encourage economy and create jobs. The target of the policy is to attract investments worth Rs 20,000 crore in the ESDM sector and 3 lakh jobs by 2022, he said. An electronics mission directorate will also be set up for the successful implementation of this policy which will have a mission director, deputy director and other staff, the minister added.

New procurement mechanism likely before kharif

Darshan D | March 10, 2018

The Central and state governments will finalise a new crop procurement mechanism before the summer-sown, or kharif, crop is harvested to make sure that farmers get the enhanced minimum support price (MSP) for crops as promised in this year's budget, agriculture minister Radha Mohan Singh said.

Singh told ET that some states had failed to procure the entire produce from farmers in the past, which led to rural distress despite

the government fixing the support price at 1.5 times the input cost for rabi, or winter-sown, crops.

The minister said the agricultural ministry, Niti Aayog and states would work out the new mechanism to make sure that the benefits of the support price reach every farmer.

The government announces MSP for every crop season, but the system has



worked effectively in only a few states, mainly Punjab and Haryana, forcing farmers to sell their produce at a lower price in regions where official procurement agencies do not operate.

He said the government wants to make sure that states act in the interest of farmers. In the rabi season, 8 crops out of the 24 crops are covered under MSP while in kharif season, the government announces MSP for 18 crops.

FM Arun Jaitley announced the government's decision to announce MSPs to ensure that farmers get 1.5 times their input costs. Singh said the BJP had promised this in its election manifesto.

Logistics co Genie acquires Dinein.in

Vivek A | March 11, 2018

Bike bound logistics platform, Genie Solutions has acquired Chennai's first food delivery service, Dinein.in as a part of an all-stock deal. The acquisition will help Genie strengthen its business by bolstering volume and adding customer touch points. Founded in 2015 by Rakesh Mani, Genie is a bike-based, tech enabled logistics platform which serves both consumers and businesses in Chennai. The start up has raised a round of funding in the past from HNIs based out of Chennai and Dubai. As a part of the deal, Genie will acquire the Dinein.in brand, the 25-member team, the delivery fleet, restaurant partner contracts, technology and their call centre business.

Future Group may buy Snapdeal's logistics arm

Kunal K | March 14, 2018

Kishore Biyani-led Future Group is in initial stage of discussions to buy Snapdeal's logistics arm - Vulcan Express -- for about Rs 50 crore as the former looks to strengthen its supply chain business, according to multiple sources.

The deal is expected to close in the next few weeks and may include the transfer of Vulcan's workforce to the Future Group as part of the deal, one of the sources said.

It is said Future Group is keen on the deal as this will add more muscle to the retail giant's own third-party logistics operations. When contacted, both Snapdeal and Future Group declined to comment.

Vulcan Express offers end-to-end logistics and supply chain solutions to retail companies, especially e-commerce players in the country.

The Biyani-led group has its own third-party logistics service provider FCSL.

Adani Group to invest in UP logistics parks

Bharat K | March 14, 2018

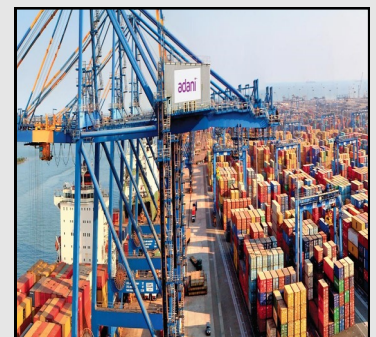
The Adani Group has expressed interest in investing in logistic parks in Uttar Pradesh.

In a meeting with deputy CM Dinesh Sharma in Ahmedabad on Thursday morning, on the side-lines of an Investors' Summit roadshow, Adani group chairman Gautam Adani said that his company would also like to invest in renewable energy and silos.

"Adani met Sharma and a delegation from UP government for breakfast before the start of the roadshow. There was another meeting with the Adani Group on

Wednesday as well," said infrastructure and industrial development commissioner Anup Chandra Pandey.

The government received proposals for investments worth more than Rs 10,000 crore during the roadshow, Summit scheduled in Lucknow on February 21 and 22.



NextGen Supply Chain: Blockchain Moves Forward in the Supply Chain

Prathmesh B | March 12, 2018

Carrefour, the hypermarket French retailer, announced it will be investing the majority of its \$2 Billion-dollar annual investments into blockchain solutions and an online delivery platform. The initiative is being headed by CEO Alexandre Bompard and is intended to adapt to consumer preferences through transparency, accurate supply chain management and bolstering e-commerce.

Carrefour plans to use a blockchain ledger starting sometime in early 2018 to improve the traceability of products, espe-

cially in food. Bompard stressed food quality as a major driver of success in the hypermarket space. This change is driven by a shift in consumer preferences towards added value on the transparency and sustainability of the food products being sold.

Bompard's initiative also addresses the damage food borne illnesses could cause his brand. Poor recall execution and speed in the event of an outbreak would be costly due to their liability to the customer.

The advantages of the blockchain are valuable to say the least. Walmart has also made strides in incorporating blockchain technology in its business. Walmart partnered with IBM to create a unique ledger among its network of suppliers as well. The retail giant plans to address the food quality and

the cases of fictitious pickups to strengthen its logistics. Both giants carry enough resources and influence to aid the key steps in the supply chain during the transition without having to focus on every stop.



VISIBILITY BEYOND TIER ONE SUPPLIERS HAMPERING CPOs, STUDY REVEALS

Darshan D | March 13, 2018

While visibility of the supply chain is crucial for businesses to ensure factors such as meeting regulatory requirement and risk planning, currently just 6% of procurement leaders say they have full transparency of their entire supply chain.

Brian Umbenhauer, principal and global head of sourcing and procurement at Deloitte, said: "It's both a worrying and opportunistic finding that two in three procurement leaders have limited visibility beyond their tier one suppliers.

This has major implications for organisations across all industries, particularly for meeting regulatory and corporate social responsibility requirements and for the identification and mitigation of supply chain risks. Improved transparency of pricing, supplier locations and



critical dependencies can help procurement leaders deliver greater value.

Managing risks is a priority for 54% of procurement leaders and CPOs are most likely to cite the uncertainty and outcomes of trade negotiations. Overall, cost reduction (78%), new product/market development (58%) and managing risk (54%) remain the top business strategies for procurement leaders in 2018.

24% of CPOs believe that RPA will have a significant impact on business in the next two years, up from just 13% who said the same in 2017.

Shaping Supply Chain Management's tomorrow

Dhanashree M | March 17, 2018

Blockchain has undoubtedly changed how businesses operate across the globe. Being a distributed ledger technology that underlies cryptocurrencies like Bitcoin and platforms like Ethereum, it enables recording and transferring data that is transparent, safe, auditable, and resistant to outages. Blockchain increases the accuracy of trading while reducing the settlement process which has profoundly transformed the supply chain industry. It also moulds a supply chain ecosystem which is faster and cheaper. With faster business processes and fewer interruptions, the global trade sector is expected to grow further, and blockchain has a huge role to play in enabling a hassle-free, sustainable supply chain environment.

Maruti to shift manufacturing of Swift from Haryana to Gujarat

Dhanashree M | March 14, 2018

Maruti's parent Suzuki will be exclusively manufacturing the next-generation Swift at its plant in Gujarat for sale in India and abroad, the shift happening after nearly 13 years of manufacturing in Haryana.

The Gujarat plant, which started production in 2016, currently manufactures Bale-no that is retailed through Maruti's premium retail channel Nexa. The addition of Swift to the production at Gujarat will help achieve economies of scale and drive in efficiencies in terms of production planning, R S Kalsi, executive director in charge of sales and marketing, told TOI.

'Sewbots': the hi-tech revolution with designs on fashion logistics

Prathmesh B | March 18, 2018

The retail supply chain could be "crushed" by new technology that would allow consumers to buy personalised apparel.

While there has been much scepticism over 3D-printing and robotics in the logistics market, now that applications for the technologies are being found, the future

is becoming easier to predict.

And it involves shorter, cheaper supply chains for fashion logistics.

Nike, famously, has already been using 3D printing for customised sport shoes. But perhaps most critically for the fast fashion industry, 'Sewbots' – something of a mixture of AI, robotics and 3D printing – could be a true

game changer.

Most importantly for the supply chain, sewbots can cut reverse logistics and shorten supply chains considerably. The technology will root out the vast majority of returns, the rate of which is between 25% and 50%, and account for one of the more challenging and expensive parts of the e-commerce business.

Operations

Capacity - Highest sustainable output rate that can be achieved with current resources, maintenance strategies, product specifications, etc.

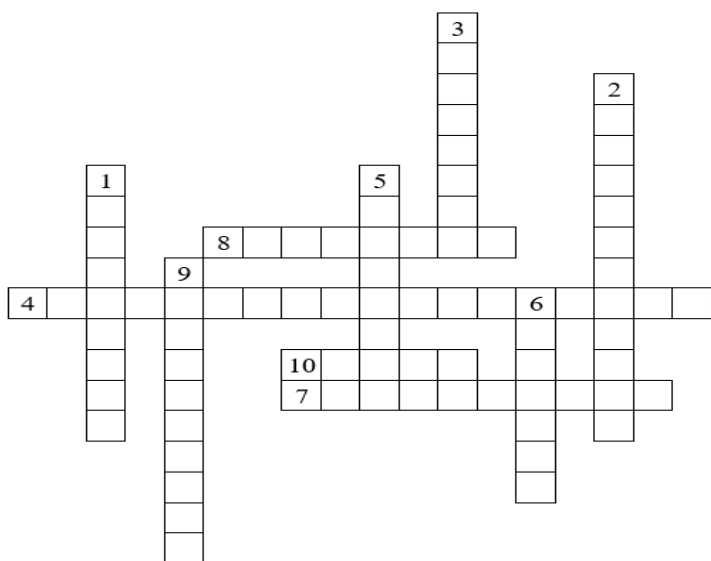
Lead Time - The time taken from release of an order to production and shipment.

Inventory - Inventory is the total of raw materials, work-in-process products and finished goods

Operational Expense - An expense a business incurs through its normal business operations.

Bottleneck - A bottleneck refers to the slowest aspect of operations, which causes all other aspects to slow down in the event of a work overload.

Constraint - Element, factor, or subsystem that works as a bottleneck. It restricts an entity, project, or system from achieving its potential with reference to its goal.

RIDDLE**ACROSS**

4. Where finished goods are sorted/shipped to various retailers or customers

7. Where goods are stored throughout supply chain

8. Type of logistics that focus on movement of military resources

10. Type of logistics that focus on setting up & taking down materials

Upcoming Events**India material handling & logistics show 2018**

IMHLS is an international exhibition on material handling and storage equipment & technology, running in its 8th annual edition.

DATE: 21-23 June 2018

VENUE: Pragati Maidan, New-Delhi.

India warehousing a logistic show 2018

The show offers a mix of seven major product categories.

DATE: 23-25 Nov 2018

VENUE: Auto Cluster exhibition Centre, Pune.

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