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THOUGHT OF THE MONTH

"When there is a start to be made, don't step over! Start where you are . "

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GST to boost the Logistics industry in India

Bhagyashree Kale | April 5, 2017

Goods and Service tax is an indirect tax. This tax is levied on manufacture, sale and consumption in India. This tax will replace the tax collected by the central and state governments.

The following central and state taxes are integrated into GST:
Central Taxes (Excise Duty, Service Tax, CVD, CST, Various Cess, Additional Customs Duty)
State Taxes (State VAT, State Excise, Luxury Tax, Entertainment Tax, Entry Tax,)

The change in tax structure is expected to have a huge impact in supply chain in India.

Let us consider the example of a manufacturing company in Chennai, which moves its goods to New Delhi. The actual sale happens in New Delhi and the finished goods have to be transported from Chennai to New Delhi across different states. As per the current taxation norms, one has to pay Central Sales Tax (CST) when moving a good to another state and selling it in the other state. However, if the good is moved for stocking and not for sale, then CST need not be paid. So many companies in order to avoid paying CST, they show this movement as moving to stock and not moving to sell. To do this, companies have warehouses in every state where the finish goods are stored and then the goods are transported for sale from the warehouse in each state.

By eliminating multiple state taxes, the companies are encouraged to consolidate their warehouses instead of maintaining one in each state to avoid central tax. This in effect brings the overall cost of the product down as the inventory cost and inventory carrying cost reduces.

With the implementation of GST, logistics companies can also restructure their warehouse locations and can have one central warehouse or can go for warehouses at specific locations or can adopt a hub and spoke model. This enables the companies to achieve cost efficiency in their operations and thereby transferring this cost benefit to the end consumer in the supply chain.

There is a bigger opportunity that awaits the 3PL service providers who can manage these bigger routes and deliver accurately and efficiently. The Indian logistics industry constitutes around 14% 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 the ample opportunity to expand the 3PL base in India.

Walmart to invest Rs 900 crore to open 15 outlets in Maharashtra

Nilesh Bhor | July 2, 2017

American retail chain Walmart will open 15 additional modern wholesale cash and carry stores catering to wholesalers in Maharashtra with an investment of Rs 900 crore. It's said these stores will generate 30,000 direct and indirect jobs in the state.
An MOU (memorandum of understanding) was signed in this regard between state's industries department and officials from Walmart.

Since at present Indian laws do not permit full foreign direct investment in single brand retail hence many of the global brands are operating in the cash and carry format which serves only wholesalers. Walmart India currently owns and operates 21 best price modern wholesale membership clubs across nine states, of which two in Maharashtra - at Aurangabad and Amravati.

The company has plans to open 49 more such outlets by 2020.

Government to build 15 Multimodal Logistics Parks, will invest Rs. 33,000 Crore

Swapnil Dhok| July 5, 2017

To reduce transportation cost and minimise pollution, the Ministry of Road Transport and Highways is planning to develop multimodal logistics parks under its Logistics Efficiency Enhancement Programme (LEEP) in 15 locations all over India with high freight movement at an investment of about Rs 33,000 crore.

The proposal is consequent to the announcement made by Road Transport and Highways Minister Nitin Gadkari that reducing logistics cost can boost the country's exports 1.5 times, besides leading to faster economic development.

2,000 acres of storage space will be developed in the proposed 15 logistics parks. This will include open storage required for handling bulk commodities, closed storage required for handling break bulk commodities (primarily FMCG and white goods) and specialised storage required for handling perishables.

The 15 locations shortlisted for this program are:

1. North Punjab (Amritsar, Jalandhar, Gurdaspur)
2. South Punjab (Ludhiana, Sangrur, Patiala)
3. Delhi NCR (Delhi, Gurgaon, Ghaziabad, Faridabad, Noida);
4. Jaipur
5. Kandla
6. North Gujarat (Ahmedabad and Vadodara)
7. South Gujarat (Surat and Bharuch)
8. Mumbai (Mumbai, Mumbai suburbs, JNPT, Mumbai ports, Raigad district)
9. Pune
10. Nagpur
11. Hyderabad
12. Vijayawada
    Bangalore
    Chennai
    Cochin

Future Group plans to overhaul retail chain Nilgiris

Snehal Patil | July 11, 2017

Future Group has embarked on an exercise to transform Nilgiris, an iconic brand and early mover in organized retail in the southern part of the country, three years after the acquisition, to appeal to younger customers. The transformation includes a makeover of the stores and product innovation.

Nilgiris, especially known for its in-house bakery and dairy products, was founded in 1905 and has a strong presence in Tamil Nadu and Karnataka. Nilgiris has also planned to increase its store count from the present 170 to 380 in the next one year.

The first transformed store was launched in Bengaluru's Old Airport Road. The idea behind the transformation is to attract millennials while keeping the traditional core of the brand intact.

With today's millennial customer being digital, super market chains across the globe are trying to transform themselves to align with the needs of the digital customers.

Apart from store transformation, Future is also working on product innovation including value-added products and new packaging.

GST: Operational ease for pharma sector, but significant big price cuts unlikely

Mayur Kadam | May 27, 2017

Still mapping the impact of GST, pharmaceutical and healthcare experts say, GST will smoothen operational hiccups for industry, but it is unlikely that medicine prices will see a dip.

It is observed that most medicines and medical technology products are bucketed in the 5 or 12 percent bracket and hence are unlikely to see any impact.

A similar situation plays out with the raw materials or Active Pharmaceutical ingredients as well. GST will, however, bring in benefits in terms of compliance, reduced corruption and greater operational smoothness, as other cascading taxes across states like Octroi in Maharashtra get absorbed into it.

Clarity is still required on how GST will pan out on products from the tax-free zones and physician samples.

Welcoming the move to a 'one country, one tax' regime, Kanchana TK, Director General with the Organisation of Pharmaceutical Producers of India (OPPI), says, "The research-based pharmaceutical industry was hopeful that there would be a reduction in the tax incidence on pharmaceutical product". Such a reduction would have helped in reducing medicine prices and impacted patients positively.

On the exemption to healthcare, Suneeta Reddy, Managing Director, Apollo Hospitals Group, observes that the move is a step towards universal health coverage.

BMW to invest Rs. 120 Crore this year to rev up India operations

Manal Chitre | June 18, 2017

Vikram Pawah, president BMW Group India, the Indian unit of German luxury carmaker BMW, said, plans are on to invest Rs 120 crore in 2017, launch the new generation 5-series sedan and expand its dealership network to recover ground it had ceded to rivals over the last four years.

Pawah who is the first Indian to head the local business, also said that company is now ready to move forward with 'power to lead' strategy, which is about being the best in whatever it does.

BMW, one of the early entrants in India's small but competitive luxury car market, lost its leadership position first to Audi in 2013 and then to Mercedes in 2015, which currently leads the segment.

BMW's sales in India rose by 14% to 7861 units in 2016, after four straight years of sales decline. Though last year's growth was positive, but the sales volumes were still less than what is was in 2011, observed Punnet Gupta, associate director at IHS Markit, a forecasting and market research firm.

To make a strong comeback in a segment which accounts for less than 2% of India's passenger vehicle market, Pawah is counting on the launch of new models. Since one out of three cars sold by BMW in India is a 5-Series, therefore, Pawah is betting big on the new generation model for sales ramp up.

For BMW, the years between 2007 and 2009 were about building a strong foundation to secure its future in India, from 2010 to 2012, it focussed on growth and achieving leadership in the luxury car segment and from 2013 till 2016, it consolidated its position with a clear vision of sustainable growth and profitability, said Pawah.

BMW plans to increase sales outlets from current 41 to 50 and mobile showrooms from 30 to 80 by the current calendar year.

Pawah expects GST, which is set to be implemented from 1 July, to add further heft to the volume recovery, since, in the automobile sector, premium car models are the biggest beneficiaries of GST. Under the current duty structure, a buyer of a luxury car or any other big car, including SUV, pays a total duty of up to 55%. With the maximum cess on luxury cars at 15%, and with a GST rate of 28%, the maximum duty one is likely to pay is 43%.

IHS's Gupta said the luxury car market will find its mojo from 2022 onwards when the additional cess of 15% on them gets removed and the rates become on par with other mass models.

GMR gets Rs. 1,330 cr loan from Axis Bank for developing Mopa airport

Amey Naik | June 27, 2017

GMR Goa International Airports Ltd, a subsidiary of GMR Airports Ltd, won the bid to develop and operate the Greenfield airport at Mopa in North Goa last year and the agreement was signed on November 8, 2016. The foundation stone for the project was subsequently laid by the Prime Minister, Narendra Modi, on November 13, 2016.

As per the concession agreement, GMR will design, build, finance and operate the international airport for 40 years with extension option for another 20 years.

The entire debt of Rs. 1,330 crore has been underwritten by Axis Bank on a long tenor door to door basis of 18 years on competitive terms.

Having tied up funding for the project, GMR is working towards starting on ground construction activity post monsoon. It is said that the development of the new airport will significantly boost tourism in Goa and also lead to generation of employment opportunities for Goans.

Goa has been witnessing an aviation boom with traffic at the existing Dabolim Airport growing at near 30 per cent annually for the past three financial years.

The Greenfield airport will be developed in stages and will be scaled up as per traffic growth demands. The airport will be a full service airport catering to domestic and international passengers besides freight services.

SAIC's MG Motor signs pact to take over GM India's Halol Plant

Aditya Parulekar | June 21, 2017

SAIC Motor Corporation Ltd which is General Motor's Chinese joint venture has confirmed to take over GM India's Halol unit, where operations were shut down in April this year.

GM India's Halol plant, about 40 kilometres off Vadodara, is spread over an area of 172 acres and was allotted in 1996. The Gujarat Industrial Development Corporation (GIDC) is the owner of the land and GM India was the lessee(remaining lease period is more than 65 years).

MG Motor India which is SAIC's Indian subsidiary has signed a memorandum of understanding (MoU) with the Gujarat government and GM India for the transfer of leased out land.

SAIC will invest at least Rs 2,000 crore for new plant and machinery at Halol & around five global vendors of the company are likely to set up base at the same site, which entails an investment of over Rs 1,000 crore. Moreover employment for more than 1,000 people will be generated.

The $100-billion SAIC will be the first Chinese auto major to have a dedicated manufacturing base in India which is slated to become the world's third largest automobile market by 2020. Operations at the facility are likely to commence in 2019 and functional-level appointments have already begun.

Indian Railways supply chain to go digital

Nitish Shinde | March 16, 2017

The Indian Railways will be launching digital contract, a system of digitisation of its entire supply chain across all zones. The step is aimed at improving the ease of doing business and transparency. With 100% E-tenders and E-auctions already assimilated into the system, railways are further planning to build on these initiatives to achieve seamless flow of material, finances and information. The system includes digitisation of processes like bill submission, inspection, dispatches, receipt, bill passing and bill payments, warrantee monitoring and enabling use of analytics for increasing supply chain efficiencies in real time. It involves completely digitising the internal business processes of material supply chain and seamlessly integrating processes controlled by different stakeholders digitally to achieve a completely integrated, paperless and digitised supply chain. The railways' journey towards digital supply chain is now moving towards complete supply chain digitization.

Mindtree finds humane fix to Automation

Mayur Kadam | June 17, 2017

Mid-tier IT firm Mindtree says that the company has taken a more "humane approach" in its roadmap for automation by upskilling and reskilling its workforce, but the larger concern will be to find skilled professionals to fill new jobs.

KM Madhusudhan, CTO, Mindtree, said, "Say there are five jobs that are lost (due to automation), but there are 10 more roles that are created. Preparing our students for the new roles is the challenge & bigger concern to me is lesser job creation and not job loss".

Indian IT is currently going through a whirlwind because of rapid technological change with the advent of artificial intelligence (AI) and machine learning (ML). Insecurity due to job losses of experienced employees has plagued the market fuelling concerns over new age technologies siphoning off traditional jobs.

According to estimates, the top four Indian IT services companies may let go 12,000 -15,000 employees in the coming months. Nasscom president R Chandrashekhar has pointed out that in the outsourcing industry 50-60% requirement will be new-age skills. Companies are in fact, witnessing the early stages of new roles being created.

For instance, technologies like Augmented Reality (AR) and Virtual Reality (VR) are increasingly being adopted by many enterprises for multiple business processes. "We have been working on VR/AR solutions. Though the mainstream adoption of AR/VR might not happen in the next three years, there are new roles like avatar designer —a skilled professional who can create new avatars in virtual reality —being created," Madhusudhan said. The Bengaluru-based IT company prides itself on being "born digital" with close to 40% of their revenues coming from new generation technologies like cloud, automation, etc. or in business speak SMAC (Social, Mobile, Analytics and Cloud).

The software company counts the likes of Microsoft and US-based American International Group (AIG) amongst its top clients and employs close to 16,623 employees with a net addition of 320 people in the quarter ended march 2017. In the last three months alone 4,774 have completed certified courses in Mindtree's reskilling platform Yorbit. The skilling platform introduced in July 2016 has trained 10,463 at a project ready level covering 481skills from basic vocational training to high-end skills like Hadoop, data Science, ML, AI etc.

Mindtree has partnered with Coursera, Udemy, Simplilearn amongst others to support the skilling programme.

Mindtree
Welcome to possible

Two airlines may start operations under low-cost scheme by Sept end

Nilesh Bhor | June 15, 2017

Air Odisha and Air Deccan are likely to start operations under the low-cost flying scheme by September end.

The two airlines were among five operators which were awarded a total of 128 routes in March under the regional connectivity scheme, also known as UDAN (Ude Desh Ka Aam Nagrik).

The two airlines had won the largest chunk of routes with 50 of these going to Air Odisha and 34 to Air Deccan.

The ministry has granted a 'no objection certificate' to both the operators. And at present, the Directorate General of Civil Aviation is looking into their documents to grant them a scheduled commuter operator permit.

The two airlines have between them six Beachcraft B-1900D aircraft to begin operations, each with a capacity of 19 seats.

All carriers were given six month's time to start operations, failing which they would not be granted a licence.

Three other airlines, which were awarded the RCS routes and have already started operating the flights, are Alliance Air, SpiceJet and TurboMegha.

The RCS scheme aims at making flying affordable for the masses with fares capped at Rs 2,500 per hour and enhancing air connectivity to tier-2 and tier-3 cities.

The airlines are required to set aside 50 per cent of their seating capacity to be offered at discounted rates for which they receive a subsidy from the government.

Three Problems in Manufacturing that Impact Productivity and Profitability

Pranay Tembhurne | June 18, 2017

Despite the advanced technology now available, there are still three key issues that adversely affect manufacturers of all types and sizes. They are data management, inventory, and gross margin.

Data management is *not* for the cowardly. For middle- to large-sized firms, mounds of data are typically generated, which is great for those who know how to make sense of it. Unfortunately, very few know how to process this much data. Instead, many companies fall victim to what the industry calls "analysis paralysis" or ending up with so much data that it's hard to imagine knowing what to do with it. A good starting point is to look at some of the questions associated with data management and what they represent: How do you make the right decisions required to grow your business? Utilizing current sources of data, what areas of rapid improvement will quickly affect changes in your business?

The usual suspects that always trigger inventory problems are "too much inventory" and "not enough inventory." Both typically result from mismanagement, and both have a far-reaching impact when it comes to greater profitability. Too much inventory means devoting space to store it, employees' time to organize it, and added insurance costs. Some manufacturers have to worry about deterioration, especially with food products, while others face obsolescence, such as with electronic devices.

The other side—not enough inventory—isn't any easier. This can be devastating to manufacturers because it means unfulfilled orders—translation: unhappy customers. Also, when a manufacturer runs out of one part, the whole production line is disrupted. Neither scenario is optimal, but many manufacturers have learned to live with the downside of both. Never underestimate the influence inventory has over profitability.

Examining and scrutinizing data management, inventory, and gross margin results in a more reasoned picture about how the use of controls can generate greater productivity and profitability. Rather than allow data to overwhelm the management team, learn to use it as a tool to deal with operational issues more effectively.

Toy majors to reduce sourcing from China, eye new destinations

Amey Naik | July 3, 2017

Reducing dependence on china and sourcing their ware from new destinations is on the agenda of the Toy majors in India, a country whose 95 per cent of the unorganized toy market is dominated by Chinese toys.

But the ₹1,000-crore organised toy industry is focussing on new territories like Europe, Vietnam, Indonesia and even India, since labour costs have gone up in China making it an expensive sourcing-destination.

John Baby, CEO, Funskool, says, "Sourcing from India will go up since labour cost is getting high in China. In fact places like India are going to be cheaper for toy manufacturing and we have already increased capacity at our Goa plant since we have started manufacturing for toy companies like Tomy of Japan, Flair of UK and even Hasbro".

GST is also expected to create a level playing field and give a fillip to organised toy majors who may not have to compete with the unorganized players and their mostly cheap Chinese imported toys. In the past two years, Simba toys has been sourcing toys from its own facilities in Thailand for the Indian market. There has been a shift from China where they have reduced sourcing from 80 per cent to 50 per cent and this would go down further as they resort to manufacturing in bases across Europe in countries like France, Germany and Spain as it gets expensive to import from China.

Foodpanda to Offer Third Party Logistics Services across Major Cities

Swapnil Dhok | July 2, 2017

Online food ordering and delivery firm, Foodpanda has announced expansion of their delivery service to restaurants across major cities. The brand said that it will provide third party logistics services to its restaurant base across major cities, including Delhi, Mumbai and Gurgaon. The delivery service has been named as Dash.
The partner restaurants can avail offerings wherein all orders would be fulfilled by the brand's delivery riders and would also include another option where restaurants can take up customised service on a need to need basis.
As part of the development, restaurants can use Foodpanda delivery services even for the orders which have not come through the Foodpanda channel.
In the initial phase of the program, the brand has on boarded more than 500 partner restaurants and the number is expected to reach around 1500 in the next three months. The restaurants would be charged on a per order basis.

AAICLAS have started operations

Pratik Kale | July 1, 2017

AAI Cargo Logistics and Allied Services Company Ltd (AAICLAS), the cargo-handling subsidiary of the Airports Authority of India have started operations. Keku Bomi Gazder, an aviation consultant and former Regional Director, Cargo (Indian Sub-continent), for Saudia Airlines, was recently appointed CEO of AAI Cargo, which was formed in August 2016 following a de-merger of AAI's cargo division to create an administratively independent organisation. According to notification issued by AAI, the subsidiary will carry out the billing of various cargo-handling activities. For AAI, Chennai airport generates the maximum cargo traffic, followed by Kolkata.
The Chennai airport handled 3.59 lakh tonnes of cargo in 2016-17, against 3.16 lakh tonnes in the previous year with 14 per cent growth. AAI Chennai will provide support to the subsidiary till it becomes a self-sustaining business unit, while strategy and revenue generation will be their own initiative. The entire cargo-handling team at AAI Chennai is under deputation with the subsidiary. After some time, they will have their own team. AAICLAS will work as a multi-modal interface linking air, surface and water transport to become the largest networked and fastest logistic solution provider company in India.

By 2022-23, the company's vision is to handle 1.25 million tonnes of air cargo with a ₹750-crore revenue, and establish a free trade warehousing zone, according information available on its website.

Siemens opens its first digital factory in India

Aditya Parulekar | July 7, 2017

MUMBAI: Siemens on Wednesday, 5th July 2017 opened its first digital factory in India, also the third globally after one each in Germany and China, as the industrial conglomerate pitches smart facilities to small and medium scale enterprises in the country.
The German company hopes to use Mumbai's digital factory as a showcase to sell a range of plant automation equipment and software to Indian manufacturing units.

The factory, situated on the outskirts of Mumbai, is capable of producing more than 180 variants of low-voltage switchgear at the rate of one product every nine seconds. The plant can manufacture over five million devices annually. The machines rely on the Internet of Things technology, where sensors are fitted on machines and the resulting data is used to improve and track their performance.

Digital factory is one of the nine divisions at Siemens and aims to provide a comprehensive portfolio of hard ware and software products which enable comprehensive integration of data from development, production and suppliers.

In 2015, Siemens promised to invest 1 billion in India to add 4,000 jobs to its existing workforce of 16,000, becoming the first major European conglomerate to commit to Prime Minister Narendra Modi's 'Make in India' initiative.

Siemens is training its employees to work in digitised factories, for that, it has set up training centres in Gujarat, Jharkhand and Karnataka to skill people in association with state governments. Till date, it has trained more than 25,000 in the country.

Malaysian retail chain Kioda to enter India, plans to invest $10 million

Snehal Patil | June 9, 2017

Malaysian fashion and lifestyle retail chain Kioda is said to enter India, through a joint venture with franchise Solutions Company, Franchise India HoldingsLtd. Both the companies are investing about 10 million dollars in next three to four years and will begin operations in Delhi.

Kioda was established five years ago in association with a Korean designer and has been expanding in Asia ever since. The stores are also based on Korean concept and experience.

Over the next five years, the company is planning to open 200-300 concept stores in India. These will come up in New Delhi, Mumbai and Chennai. Globally, Kioda has over 40 outlets across 13 countries and retails products in nine categories such as, health and beauty, seasonal products, handbags, textiles and knitwear, gifts and stationary, fashion accessories, digital appliances, and creative home.

Gaurav Marya, chairman at Franchise India, which helps global brands find partners in India through franchising, said, 'They always look at companies which are sustainable over a period of time and which are category creators and Kioda is clearly a category creator with its concept lifestyle stores'.

Going forward, Kioda plans to source 10-30% of its products locally and will import the rest from Malaysia. Kioda retails products at a price range of $2-$50 across the world and plans to take its revenue up to $100 million in the next two years, up from the current $10 million.

As per Experts the challenge for the brand will be pricing and affordability of the products as Kioda will be competing with young fashion brands like Forever 21 and H&M.

Rajat Wahi, partner, management consulting, Deloitte India, said, 'The brand looks very elegant and desirable which is the key. It seems that the brand will have acceptability with the designs but pricing, value and the digital game will be critical factors in deciding its fate'.

Government ropes in Deloitte to rank states on logistics

Bhagyashree Kale | July 12, 2017

Deloitte has been roped in by the commerce ministry to rank states for their performance on logistics. Indicators will be formulated which will reflect issues such as truck stoppages, anti-competitive practices and the role of intermediaries affecting exports.
Some of the key indicators will be efficiency in processes, ease of arranging logistics, quality of infrastructure, adherence to timelines, competence and quality of logistic operators. Deloitte has also been asked to check for issues pertaining to local regulation, anti-competitive practices, including from local truckers union, and the role of intermediary traders and commodity specific market organizations in shaping supply chains. State check posts which were used to scrutinize consignments, which often lead to delays and now abolished since the implementation of GST, will be checked by Deloitte whether these are removed or not.
Deloitte will submit the report by January -2018.

Railway to double/triple 16,500 km rail tracks, help aid logistics: Suresh Prabhu

Nilesh Bhor | June 30, 2017

Union Minister Suresh Prabhu said, 'To fast-track creation of a robust infrastructure, the government has sanctioned plans for doubling and tripling of 16,500 km of railway tracks in few years as against only 22,000 km in last 70 years'.

And also said 'Railways is investing in infrastructure to create seamless movement of traffic so that GST becomes a game changer wherein goods are moved without hassle'.

So far only 42 per cent of electrification has been made and railway is planning to double in next five years.

Government is already creating about 100 private freight terminals with private participation so that more and more traffic can come to the railways

So, all of this will result in creating a good logistic backbone for India which will help it do much better business as logistics is key to success of industrialization.

Porsche and Audi SUV recall may spread to more Car Manufacturers

Manal Chitre | June 7, 2017

450,000 SUV's by Volkswagen AG and its Porsche and Audi brands have been recalled for faulty fuel pump parts in the U.S. The manufacturer of the fuel pump parts, Continentel AG, told U.S. regulators that it has supplied the same parts to 13 other automakers.

According to a document posted on NHTSA's (National Highway Traffic Safety Administration) website, it is probing whether vehicles of other companies also contain defective fuel pump flanges form continental, which van crack and cause a fuel leak, increasing the risk of a fire. Continental said, in a NHTSA filing made public on July 7, it also sold the potentially defective parts to automakers including General Motors Co., Ford Motor Co., Fiat Chrysler Automobiles NV, Daimler AG's Mercedes-Benz and Tata Motors Ltd.'s Jaguar Land Rover.

Dave Sullivan, an analyst with consultancy AutoPacific Inc said, It's too early to estimate how many additional vehicles may need to be recalled, but the situation highlights how one faulty part can ripple risk throughout the auto industry.

The recalls so far affect certain Porsche Macan, Audi Q5, Audi Q7 and VW Touareg SUVs sold over the last decade. Continental's Arraf said the company is communicating with all of its potentially impacted customers and has not heard of any flanges leaking on vehicles other than those produced by VW, Porsche and Audi.

Wai Wai noodle-maker keen to enter other packaged food segments

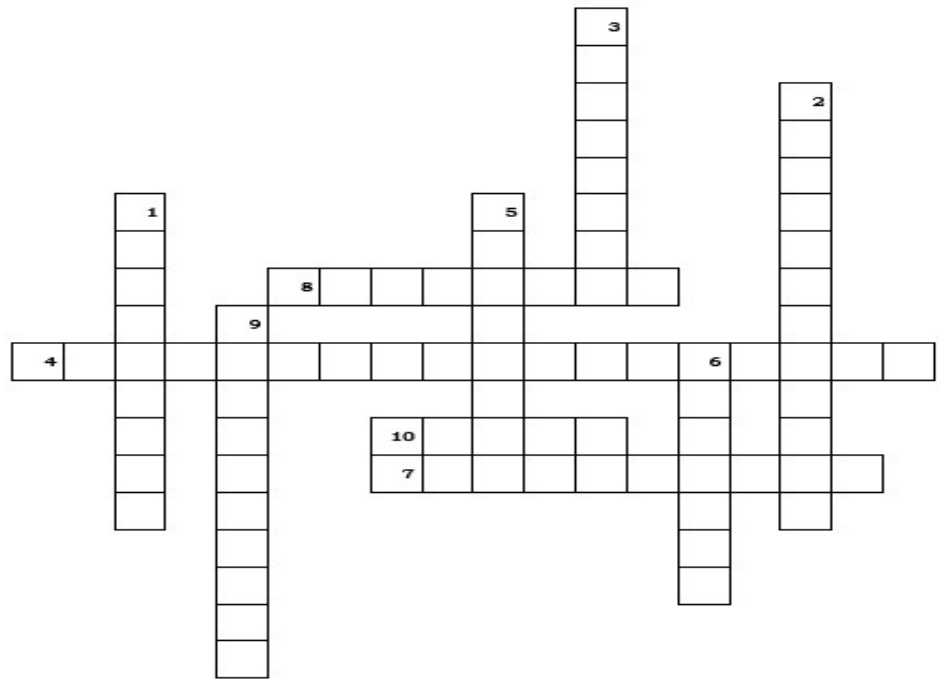
Nitish Shinde | July 12, 2017

CG Corp Global in collaboration with other partners is in the process of setting up a mega food park in Rajasthan. CG Corp Global known for its instant-noodle brand Wai Wai in India, has planned to foray into other segments of the packaged food business with an eye to expand its presence in the FMCG segment.

CG Corp Global which has invested about ₹150 crore will inaugurate the Greentech Mega Food Park by August. The company will initially look to enter the snacks segment, such as *bhujias* and potato chips. The company has linkages with farmers, procurement centres and processing facilities which will help the company enter segments such as staples and the artisanal cheese segments.

The size of company's FMCG portfolio, which consists of instant-noodle brand Wai Wai, is currently pegged at about ₹750 crore. Last year, the company extended the brand to the QSR segment with Wai Wai City, which is modelled on the noodle bar format. The company plans to open about 1,500 outlets of Wai Wai City in the next five years, which includes expansion in other countries.

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

Down

1. Point of Origin/Point of Consumption
2. Processes, manufactures, and assembles the finished product
3. Also known as the vendor
5. The manufacturer's customer
6. Customer/final customer of finished product
9. Type of logistics which focus on flow of materials to work stations

Procurement Needs to Be More Proactive About Supply Chain Risk Management

Pratik Kale | July 11, 2017

That procurement is shedding its origins as a back-office function is old news. As organizations become more advanced, their role in the overall company is evolving into a more strategic one compared with its tactical past. And a crucial component of this strategic transformation is taking responsibility for mitigating supplier and supply chain risk.

But how many procurement organizations actually have a comprehensive risk management strategy in place? RapidRatings and ProcureCon Indirect East teamed up to conduct a risk-focused benchmark survey of 88 procurement executives, the results of which are published in a report titled "The State of Risk."

The survey found that more than a third of the respondents experienced a "significant" supply chain risk event in the past 24 months, negatively affecting revenue, reputation and production time. Yet adoption rates for key elements of a solid risk management strategy, such as centers of excellence and supplier portals, remain at well below 50%, with 21% of the respondents reporting that they have none of the seven features the survey asked about.The report suggests that a good place to start is taking stock of your suppliers' financial health. Fewer than half of the survey respondents actively track supplier finances, but this should be taken as a best practice.

When survey respondents who did encounter supply chain disruptions over the last 24 months were asked to specify their causes, financial problems at a supplier were involved in 42% of the cases.

There been a more extreme example of this recently than the mess caused by Takata's bankruptcy filing at the end of June. The supplier's faulty airbags have been linked to about a dozen deaths, led to the recall of tens of millions of vehicles — and of course had highly damaging repercussions for Toyota, General Motors and other automakers that sourced from the company.

The automakers are likely to have to pay up to $5 billion to replace Takata airbags currently in vehicles.

Nissan appoints Thomas Kuehl as president of Indian operations

Manal Chitre | July 12, 2017

Japanese auto major Nissan has appointed former Skoda Auto India brand head, Thomas Kuehl as president of its Indian operations. He will replace Guillaume Sicard, who stepped down recently to take up a new post with Alliance partner Renault as Vice President, Sales and Marketing, Asia Pacific and MD, South Asia. Kuehl will take charge of his new assignment from 1st October, 2017 and will be responsible for both Nissan and Datsun brands. In his new role, Kuehl will head all operations in India, including marketing and sales, manufacturing, and research and development. Kuehl, who joins Nissan from Volkswagen, has more than 22 years of automotive experience in different countries and different areas of value chain. Chairman of Nissan's said, "Thanks to his diverse and deep global auto industry experience, Thomas will help drive our business forward with a focus on delivering the best products and satisfaction for our customers, dealers and employees in India,"

On his new assignment, Kuehl said:" he is excited to be returning to India with Nissan. He has first-hand experience of the dynamism and great potential of India, which is on track to become one of the top three auto markets worldwide."

Myntra acqui-hires logistics company InLogg

Aavesh Gupta | June 29, 2017

Fashion e-tailer Myntra which is owned by Flipkart, has announced the acqui-hiring of a logistics based start-up InLogg. As the part of acqui-hire, the InLogg staff will now work for Myntra to address its delivery inefficiencies in terms of cost and reach.

This is Flipkart's fourth technology-led acquisition. The other three acquisitions are Cubeit, a Bengaluru-based tech start-up, in 2016; Native5, a Bengaluru-based mobile app development company, in 2015; and Fitiquette, a San Francisco-based virtual fitting-room solution, in 2013.

InLogg was founded in 2015 by a team with first-hand expertise in fulfilment, technology and business, with an aim to standardise the process of logistics in remote areas and bring in efficiency. InLogg is revolutionizing logistics by providing reach with the highest degree of visibility and reliability. The two-year-old start-up was clocking about 3,000 deliveries a day through its partnerships with about 20 local and regional logistics partners.

Myntra's vision is to use technology to democratize fashion. The InLogg acqui-hire with the platform and capabilities will help scale Myntra while delivering great customer experience in Tier 2, 3 and 4 cities. It will allow Myntra to leverage local and regional players to enhance reach, reduce delivery time and develop a plug and play model which can be scaled in the future.

Ananya Tripathi, Myntra's head of strategy, said, 'getting InLogg on board will reduce delivery costs for the Flipkart-owned online retailer in smaller cities by about 25% while the time frame to deliver to pin codes in north-east and other remote parts will also see a reduction'.

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