

GETTING A MOVE ON IT!

Mumbai-based BLR Logistiks is trying to bring much-needed innovativeness and skill to a segment of industry that in India is constantly beset by unprofessionalism, tardy schedules and a grossly underdeveloped ecosystem. Ashok Goyal, the company's MD, takes us down their journey of smart new routes to efficiency.

BY SHREYASI SINGH | PHOTOGRAPH BY JITEN GANDHI

AN IMPORTER of cotton bales based in Madhya Pradesh came to BLR Logistiks, a Mumbai-based transportation and logistics company, to help figure out a crucial problem plaguing their supply chain. Their usual chain of movement was flawed. Cargo came into the Container Freight Station (CFS) and got unloaded by forklifts from the container. The cotton bales were damaged and soiled when de-stuffed on the ground, and further damaged when pushed into conventional trucks for onward transportation. BLR suggested a different route. Instead of the load container going from the port to the CFS, BLR brought the container from Mandideep to their Bangalore warehouse. Then, BLR trans shipped the material to an empty export container without putting cargo on the floor; thus eliminating transit losses. Plus, there was a significant reduction in cost, made possible by using export containers, which normally run empty from port to factory. The volume carried per container is also much higher than by conventional trucks therefore reducing vehicle runs and saving precious fuel.

"In India, the logistics industry is at nascent stage. The annual logistics cost in India is estimated to be 14 per cent of the GDP as compared to 9 per cent in countries like the US. If India can bring down its logistics cost from 14 to 9 per cent, savings of USD 50 billion will be realised at the current GDP level, making Indian goods more competitive in the global market," says Ashok Goyal, MD, BLR Logistiks.

For this to happen, logistics companies will have to innovate and provide efficient solutions, Goyal adds. It's what he says his company—which has grown to a ₹291-crore logistics enterprise with a pan India network of more than 80 offices and a fleet upwards of 400 self-owned vehicles—has been trying to do for its 2,000 plus clients. In the absence of great infrastructure and the many challenges that weigh down logistics in India, thinking innovatively is par for the course.

For example, shortage of skilled drivers is a crippling obstacle in logistics. "Drivers are important stakeholders for our business. But, they are considered low in the value chain. We changed that," says Goyal. BLR launched a scheme where the ownership of trucks and trailers was transferred to drivers. They paid for this from the savings they made at BLR. After four or five years, the drivers have an asset of ₹5-6 lakhs with them." Some of the pain of expanding their fleet because of a lack of drivers has been offset by such schemes.

Response from businesses to these innovations has been encouraging. "Everybody is looking for solutions that are value for money. For most, the main focus on supply chain is cost of logistics. People have been adaptable to the changes we have made."

Of course, the fact that maximum business is still with the foreign players, and that logistics hasn't been granted industry status, slows down growth, Goyal says. Plus, the Indian customer is extremely price sensitive, mainly because of a large unorganised sector in logistics which survives because it cuts prices. "They want innovation but at a good price." So, some initiatives haven't got off to a great start, such as their online tracking system. Each BLR Logistiks transport vehicle was fitted with GPS so customers could track their shipment online without any human interference. But getting people to pay for this service hasn't been smooth sailing. Yet, Goyal is confident that his business solutions-centric approach and a growing network of both fleet and warehouses will continue to motor their journey. **❶**

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