Logistics industry on 'Uberization' mode

Naval Sabharwal, Global Head – Logistics & Supply Chain, Ramco Systems, talks about how technology can aid in the efficacy of managing trucks and thereby improve volume through impact on demand.

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Enumerate the concept of 'uberization of the industry'.

For an industry that is constantly on the move, the world of logistics is in a perpetual state of change, facing numerous challenges and vague demands. Staying ahead in this dynamic landscape can be quite a roller coaster. Adding to this dynamic is the arrival of 'uberization' that is knocking on the doors of logistics, raising 'faster than fast' delivery expectations and reaching a fruition point of determining who would be the survivors. For a logistics player, this is a do-or-die moment. The ones to adapt and move forward will be distinct. Someone who does not adapt will soon be extinct. The logistics industry is at the crossroads of possibilities and needs to plan and execute effective, consistent strategies for a smooth ride into the future. Effective utilisation of resources and assets across companies, moving from rigid frameworks to flexible business models is the need of the hour. Hence, logistics players should invest on 'intelligent' and 'cognizant' technology solutions that exploit the infinite sources of data within the system and simplify every step of every process to create value for all. Logistics Service Providers (LSP) need to deploy technology as a core competence and differentiator and not just a support service.

How is technology a support in logistics and supply chain management?

Improving the visibility in supply chain is of paramount importance to all organisations, globally. Not just tracking and tracing but visibility into costs, pipeline, revenue leakages, regulatory compliance, potential disruptions to supply chain, corrective measures available, productivity, efficiency, etc. Such a wide range of visibility can only be achieved through unified and real-time integration and transparency between supply chain partners, and, this calls for technology support. As partners in supply chain are likely to have varying levels of process maturity and discipline, technology can act as the means which unifies them towards a common goal.

Please elaborate on Ramco IPO for resource allocation and process efficiency.

IPO expands as In-memory Planning and Optimisation. It is basically a library of pre-defined scenarios, rules, restraints and algorithms that are structured in multi agent model wherein the planning activities happen in parallel unlike the traditional sequential model. This means that a large volume of data and multiple situations can be processed, considering the rules and constraints that govern them, at a much faster rate which will help in dynamic planning and response. This capability can also be used to ensure optimal planning and allocation of resources for logistics requirements in line with the service levels and KPIs defined.

Why is there a need for reduction in 'wasted miles'?

Wasted miles or empty miles mean waste of time, effort, money and fuel and also an environmental hazard and the benefits of reduction of empty miles are well established. In addition to improving efficiency and productivity for the LSP, the reduction of empty miles will also result in significant cost saving which can be shared with all parties in supply chain and eventually the end customer. Besides,

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service level improvements and increase in logistics capacity are other outcomes of reduction of wasted miles that can lead to greater customer experience.