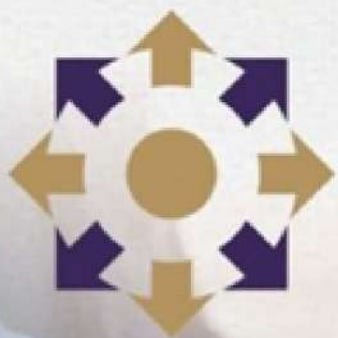




CILT Newsletter

The Chartered Institute of Logistics and Transport-India



The Chartered
Institute of Logistics
and Transport-India

NINE STRATEGIES FOR MANAGING INTERNATIONAL ALLIANCES & JOINT VENTURES IN THE SUPPLY CHAIN & LOGISTICS SECTOR

Subhasis Ghosh



READ MORE

Alliances and Joint ventures have become an increasingly prevalent way for companies to expand their global reach and capabilities and improve efficiencies. As a business leader, expanding your supply chain and logistics operations internationally can bring significant benefits. Businesses form various types of partnerships and alliances every so often, setting up joint ventures for the international supply chain. Lets look at some of these:

READ MORE



AN EMPOWERING CUSTOMS BROKERS LICENSING REGULATION IN DESPERATE NEED OF FACILITATION.

By Samir J Shah

True facilitation would be that, Customs as a Department, recognise the role of Customs Brokers and accord them self-regulating procedures, process and practices. It is time that the Ministry of Finance, Department of Revenue, Central Board of Indirect Taxes and Customs entrusts the responsibility of regulating CBs to their national body in line with what the Government has done with Chartered Accountants by an Act of Parliament in 1949.



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WILAT INDIA SUCCESSFULLY ORGANISED A WEBINAR ON “BREAKING THE GLASS CEILING: WOMEN IN LOGISTICS”,

1

PROFOUND INSIGHTS INTO THE JOURNEYS OF WOMEN LEADERS

WiLAT India successfully organised a WEBINAR on “BREAKING the GLASS CEILING: WOMEN IN LOGISTICS”, on August 18, 2023 at 03:00 PM (IST).

In this virtual event, the incredible contributions of women in the logistics industry were highlighted and deliberated on the ways to empower and uplift them.

This transformative conversation of Major Jyoti Joshi Mitter, Head of Rail Operations - Maersk line India Pvt. Ltd. & Ms. Ashu Sikka, Terminal Manager Container Corporation of India Limited. (ICD) Tughlakabad was aimed to promote diversity and Journey of Women Leaders.



WiLAT India
Webinar Series



BREAKING THE GLASS CEILING Women in Logistics



Ms Ashu Sikka
Terminal Manager
CONCOR, India



Major Jyoti Joshi Mitter
Head of Rail Operations
Maersk line India Pvt. Ltd.

The series is aimed at gaining profound insights into the journeys of women leaders, inspiring others through their experiences, and identifying areas where WiLAT can play a significant role.

International Participants:

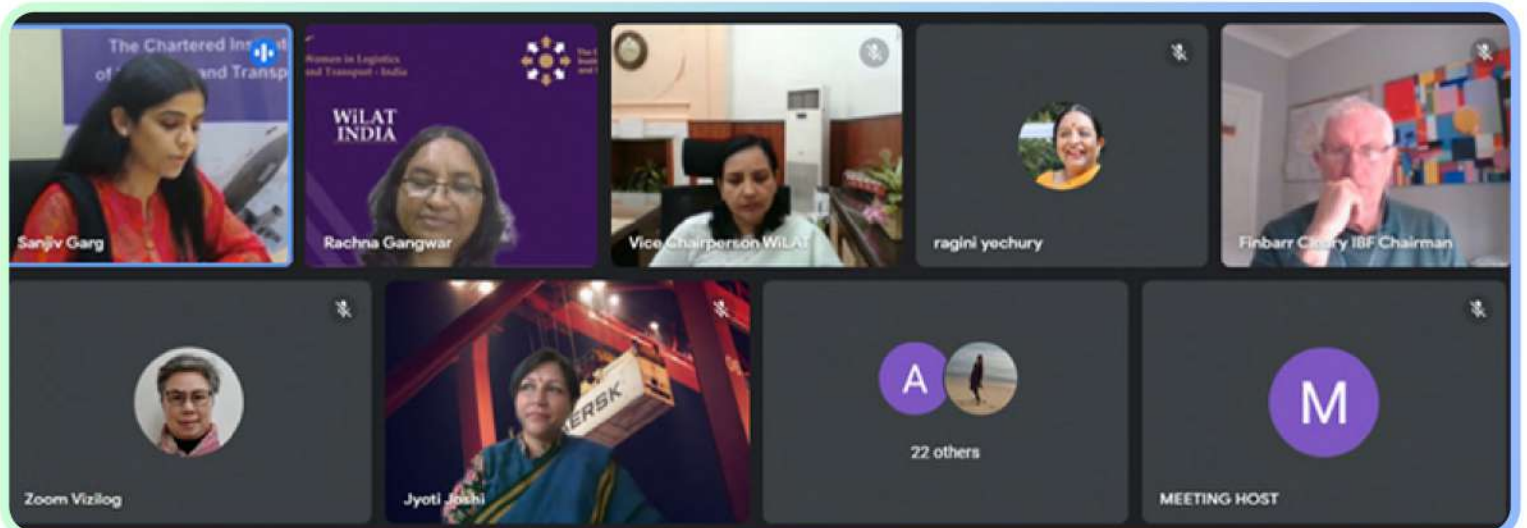
- Ms. Naa Densua Aryeetey, Ghana, Global Advisor for WiLAT
- Ms. Vicky Koo- WiLat Global Chairperson, Asia
- Mr. Finbarr Cleary, FCILT Chairman IBF-Ireland



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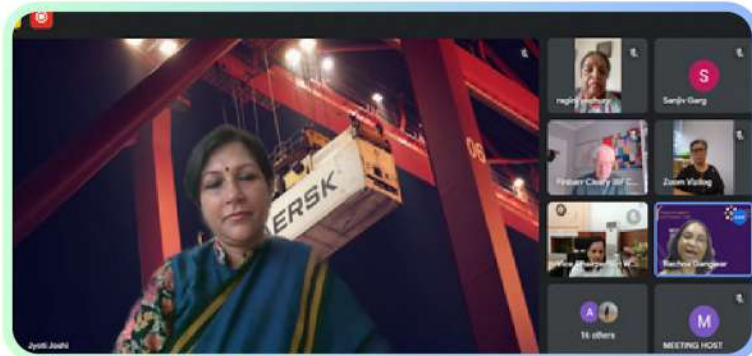




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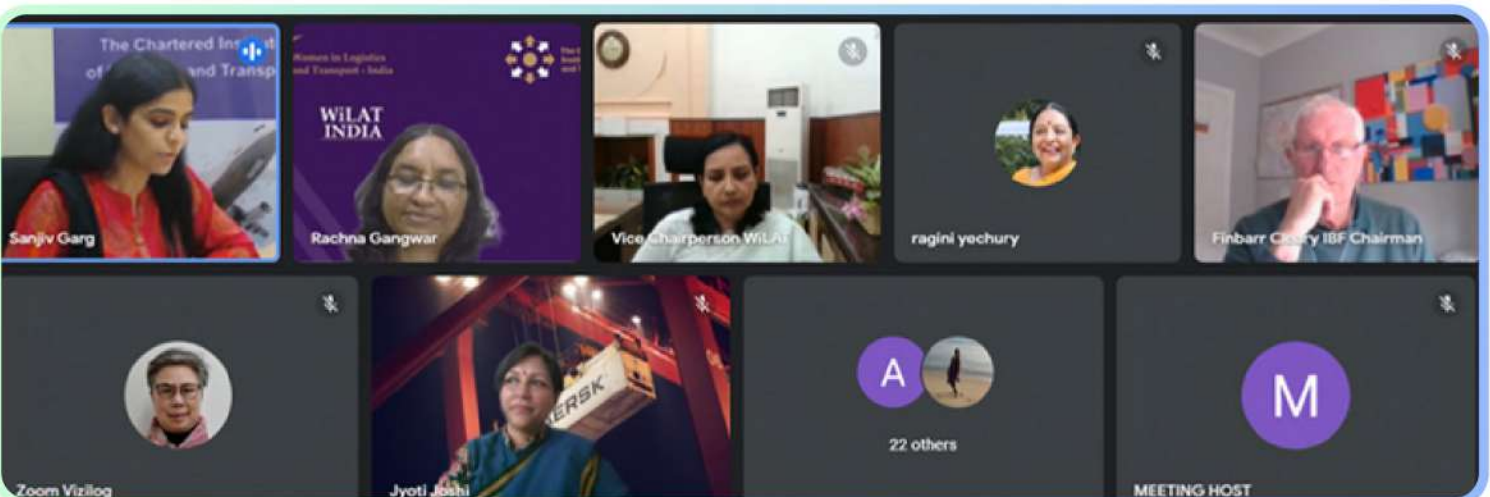
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PROCESS TO GET EXPERT IN OMNICHANNEL SUPPLY CHAIN

Syamaprasad De

Managing Partner, Versatile Ventures

Supply Chain Professional engaged in Manufacturing, Trading, Marketing of CPG (Consumer Packaged Goods), Consulting and serving as Carrying and Forwarding Agents of renowned organizations.

Omnichannel shopping has become the new normal for almost all consumer products and is likely to remain so for the foreseeable future. Through omnichannel shopping, consumers can shop across multiple sales channels—online using their laptop or phone, in physical brick-and-mortar stores, or at wholesale stores—while benefiting from a seamless, holistic consumer experience. To survive, these companies must accept the challenge of delivering a great consumer experience across sales channels and shape supply chains accordingly.

Most companies' supply chains predate omnichannel, however, and layering the newly required capabilities on top of legacy systems can be difficult. Organizations need to undertake broader and deeper transformations to meet rising consumer expectations in consumer experience, individualization, and delivery speed, while keeping delivery costs under control.

My experience in working with consumer-product and retail companies across categories, including grocery, suggests that organizations looking to omnichannel supply chain excellence should focus on seven key building blocks. These building blocks—which cover strategy, information flow, the physical flow of products, process automation, and last-mile delivery—are the principal subject.

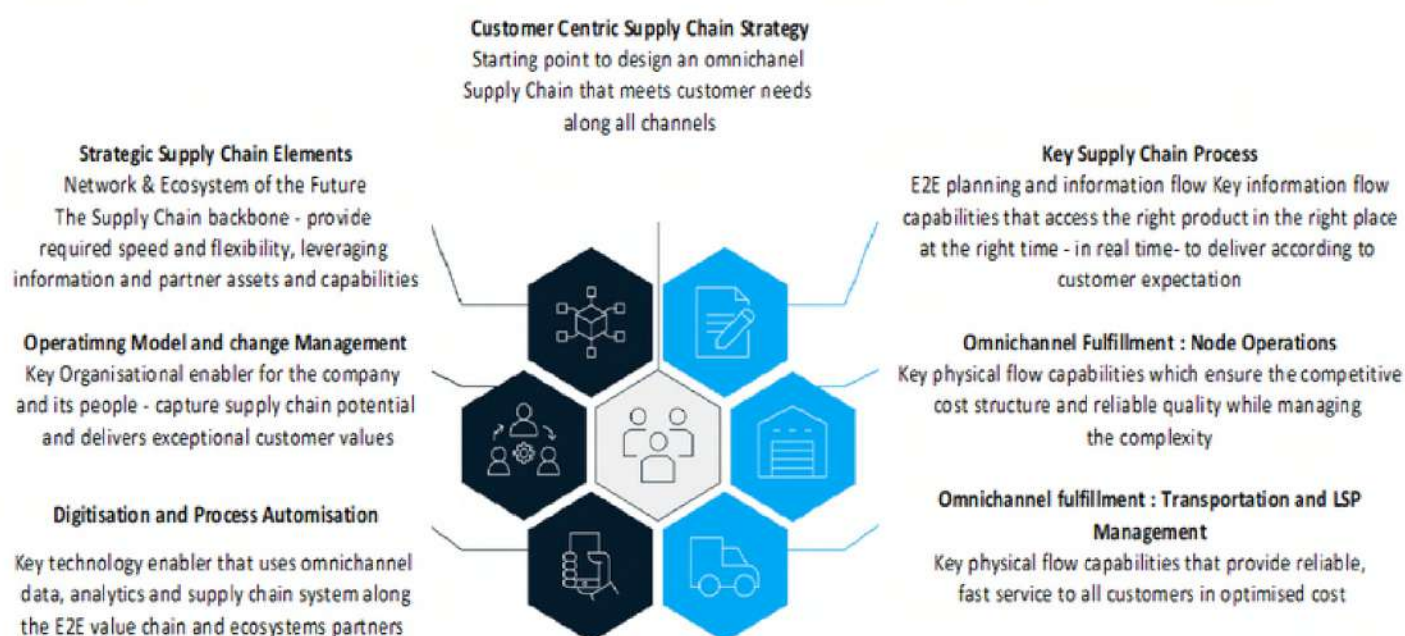
This new normal has important implications for consumer-product companies, including direct-to-consumer businesses such as retail, grocery, and consumer-packaged-goods companies.

The challenge is significant, but consumer-product companies that respond effectively to the changing market environment have an opportunity to gain an advantage over their peers. Players that fail to make this shift will struggle to remain competitive.

The seven building blocks of omnichannel supply chain excellence

Most companies will need to fundamentally transform their supply chains to deliver omnichannel excellence, but the effort will be worthwhile.

The seven key building blocks of future omnichannel supply chains combine best practices with digital innovation



The first and most important building block is a customer-centric supply chain strategy. This building block is followed by three strategic supply chain elements—the network and ecosystem of the future, operating model, and digitization and process automation—and three key supply chain processes—end-to-end planning and information flow, omnichannel fulfillment through node operations, and omnichannel fulfillment through transportation. Consumer-product companies looking to master omnichannel excellence should ask themselves some key questions

Consumer-centric supply chain strategy

First, companies need to be absolute clear about which consumer segments they aim to serve. Most companies understandably want to deliver a great service to all potential consumers, but resources are limited; companies need to decide which consumer segments matter most so that they can focus their resources on the most important targets.

After they have identified their target segments (ideally through cross-functional decision making), omnichannel players need to figure out what to deliver to each of these segments. This decision will, in turn, determine how many supply chain segments they need.

For example, a leading global sportswear player has implemented a state-of-the-art supply chain strategy, clearly differentiating among individual segments, and defining distinct supply chains for each segment.

The company's most prestigious segment is premium consumers in cities such as Delhi, Mumbai, or Bangalore. These consumers are offered a premium service, which includes a two-hour delivery window on special items, and early access to newly launched products. The supply chain for this segment is therefore focused on fast delivery and reliability. Consumers living in rural areas cannot access the same benefits; the supply chain of this segment has a much stronger focus on efficiency, and standard delivery times are two or three days.

Network and supply chain ecosystem of the future

The shift to omnichannel is forcing consumer-product companies to rethink the supply chain ecosystem they are operating in. Players need to choose the right combination of distribution centres (DCs), new node types, and partners to deliver their consumer-service aspirations within each channel.

The supply chain ecosystem should be an end-to-end (E2E) collaboration involving all stakeholders, from suppliers to consumers. Companies are only able to deliver on ever-changing consumer requirements if information is shared along the entire value chain, and if all network assets and capabilities are fully leveraged.

End-to-end planning and information flow

The shift to omnichannel involves an increase in operational complexity; omnichannel operations involve multiple sales channels, multiple network nodes, and a decentralized inventory. Meanwhile, customers expect to be able to access the right products in the right places and in real time. Therefore, omnichannel operations require thoughtful end-to-end planning, which requires significant changes to three key elements:

- **Forecasting** should be done by market and product group and then disaggregated to channel level. The overall forecast, for example, would predict the total volume of sports shoes to be sold in India. This total number would then be disaggregated into those sports shoes the company expects to sell in stores, through e-commerce, and through other channels. Finally, the forecast needs to consider omnichannel effects such as cross-channel cannibalization; for example, customers who have a great e-commerce experience may stop purchasing items in stores.
- **Inventory** should not be dedicated to one channel; companies should have cross-channel inventory pools. Algorithms—which should consider factors such as forecast demand, the accuracy of past forecasts, lead times, and lead-time reliability—should define optimum inventory levels at each node in the supply chain, including in DCs and stores and with partners. Inventory levels should then be actively managed to maximize cross-channel availability and optimize cash flow. Consumers should have real-time visibility into inventory, and orders should be fulfilled efficiently through continuously reoptimized allocation across all channels and locations.

- **Information flow** should be seamless among functions, channels, and systems. Players aiming for a truly omnichannel supply chain need to fully digitize cross-channel planning processes and tools, but they can choose whether to start this on one channel or to digitize and move to an omnichannel supply chain simultaneously.

Omnichannel fulfilment: Node operations

The shift in volume from in-store purchases to e-commerce forces consumer-product companies to re-evaluate fulfilment networks, which are integral to their supply chains. Omnichannel players need to build key capabilities regarding the flow of products to make sure they achieve competitive costs and reliable quality while managing the complexity of omnichannel operations.

The physical flow of e-commerce products, for example, is very different from the flow of products within a distribution centre. E-commerce buyers generally expect very short lead times, while cost is more important than speed in the shipping of seasonal stock to the DC of a wholesaler. Stores, DCs, and e-commerce also have different units of measurement; DCs typically think in terms of full truckloads or pallets, while e-commerce is primarily concerned with individual units.

A supply chain that is purpose-built for omnichannel will consider the varying channel requirements. Warehouse automation is a good option and can improve speed, quality, and efficiency.

Cross-channel operations should be organized to maximize the value-capturing potential of each channel, including traditional brick-and-mortar stores. In an ideal omnichannel consumer experience, different points of sale are fully connected and integrated. Today's consumers expect a seamless shopping experience across channels, such as click-and-collect services that allow them to order online and pick up in a store. This expectation means that consumer-product companies also need to reassess in-store processes and layouts to ensure a great consumer experience if both online and offline consumers are served in the same store.

Omnichannel fulfilment: Transportation and LSP management

Transportation and the management of logistics-service providers (LSP) are also significantly more complex for companies with multiple channels to serve, due to the different requirements of each channel. The orders of brick-and-mortar consumer-product companies can generally be booked in advance and delivered by truck. E-commerce services, on the other hand, must process a high number of individual orders at short notice using transportation modes such as couriers or postal services.

Omnichannel players need to ensure that they can provide reliable, fast service to all customers while ensuring competitive transport costs.

Success requires organizations to identify the right logistics partners for each segment of the supply chain. Omnichannel players need partners who can deliver small shipments quickly, reliably, and relatively inexpensively, but they likely also need partners that can deliver specialized services, such as “try at home” or electronics installation. Organizations need to carefully source and manage these numerous partners to keep costs down and ensure a consistently high quality of service.

Last mile is generally the costliest transportation segment. Success in this segment requires efficient IT systems, local fulfilment networks, and carefully chosen third-party logistics partnerships. Players need to find solutions that meet consumer expectations on service and lead time, while also offering full transparency about, and control over, costs. These solutions may include leveraging preexisting brick-and-mortar stores or using nontraditional approaches such as bicycle deliveries or local couriers.

Operating model and change management

Companies must undertake a full transformation of their operating models, including a redesign of processes, structures, mindsets, capabilities, and performance management. This building block is key to ensuring that the company—and its people—can capture the full potential of the supply chain and deliver exceptional customer value.

As a first step, players need a cross-channel omnichannel team; without such a team, it is very difficult to break down siloed thinking and operations. Consider inventory management when demand exceeds supply or capacity, for example. To ensure good consumer service and enable profit-optimizing inventory allocation, players need one person or team to take ownership of all inventory across channels. The full team also needs to be trained—and given incentives—to optimize for the company, rather than for any individual channel.

In addition, companies need to be structured in a way that enables intense collaboration with value-chain partners. Assigning clear end-to-end responsibility—from supplier to consumer to the omnichannel team—is an effective way to do this. A leading apparel and footwear player, for example, has set up “city teams” that are responsible for everything from supply management to cross-channel inventory management.

Many companies assume that a full transformation of their operating model will be highly complex, so they tend to apply incremental improvements rather than launching a full overhaul. Ultimately, this approach will not be sufficient to deliver on the opportunity of omnichannel. Instead, companies can simplify their operating-model transformation by taking an agile approach, which breaks the process down into manageable chunks. This process involves built-in test phases and many opportunities to learn and improve.

Digitization and process automation

Technology and effective data-and-analytics strategies that incorporate the right partners are key enablers of an omnichannel supply chain. Players need to ensure that they have the software and tools to capture the requisite data and, crucially, to leverage it.

Rising consumer expectations are pushing consumer-product companies to digitize and automate. The demand for same- or next-day delivery is increasing, for example, while orders are increasing in both volume and complexity. To meet these expectations, organizations need order-management processes with a high degree of automation and digitization across order capture and sourcing. Digitization and automation are also needed to enable the required instant updates on order status.

Rising consumer expectations are pushing consumer-product companies and retail players to digitize and automate.

Seamless integration of systems and planning tools across channels is also crucial, both to meet consumer expectations and to facilitate management and decision making. For consumers, cross-channel system integration is essential to provide real-time information on product availability and delivery times. For companies, effective cross-channel decision making requires the integration of planning tools with real-time simulation capabilities, especially in situations of scarcity.

The implementation of digitization and automation strategies must be holistic. Separately managed initiatives often add up to less than the sum of their parts and are not sufficient to deliver the required step change in consumer service. But it is equally vital to remember that simply adding smart analytics and automation will not be enough—a fully redesigned operating model is necessary to drive these changes through and deliver omnichannel excellence.

Starting the omnichannel journey

Mastering omnichannel to become a best-in-class player is clearly a significant undertaking, and there is no one-size-fits-all approach to prioritizing. However, a "crawl, walk, run" approach can be an effective way to undertake, and then complete, the omnichannel journey

The aim of aspiring omnichannel players—those at the "crawl" stage of the journey—should be to get the basics right. Above all, it is crucial to define a competitive service proposition regarding the omnichannel journey; companies need to be clear on key issues such as which services to offer and their key differentiating factors. Once players have mastered the basics, they should shift focus to adopting omnichannel best practices and then—finally—to developing distinctive omnichannel offerings.

At the end of this process, the operating model will work seamlessly to align incentives and key performance indicators (KPIs) to avoid competition for limited resources. This approach ensures that the various channels are complementary, which is the driving principle of omnichannel.



Crawl : Getting the Basics Right

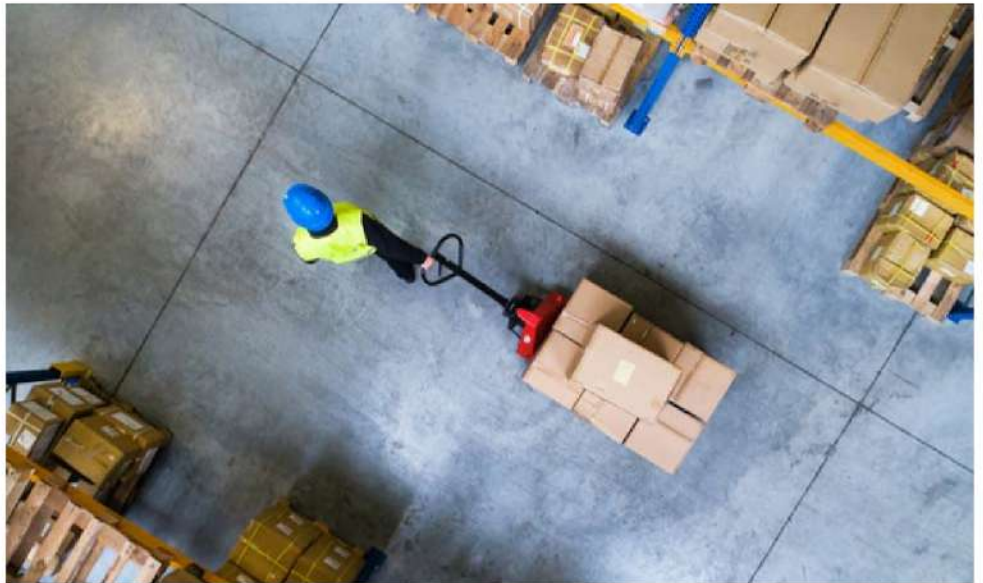


Walk: Adopting Good Practices



Run : Mastering Omnichannel

Consumer-product companies looking to define a starting point for their omnichannel transformation will need a structured maturity assessment on each of the seven building blocks. This assessment will also be instrumental in defining a road map and developing initiatives that address the areas with the potential to add the highest value. The final step before implementing the road map is to develop an effective governance model and powerful change story.



Companies that want to deliver a great consumer experience across multiple sales channels will need to comprehensively rethink many of their traditional supply chain approaches, especially in these times of economic uncertainty. The challenge is considerable, but so is the opportunity—companies that get the seven building blocks of omnichannel right will grow their consumer base and build a compelling, long-term competitive advantage.

An empowering Customs Brokers Licensing Regulation in desperate need of facilitation.

True facilitation would be that, Customs as a Department, recognise the role of Customs Brokers and accord them self-regulating procedures, process and practices.

Section 146 of the Customs Act 1962 reads as “License for Customs Brokers”.

Numerous Regulations have been made for Customs House Agents or Customs Brokers in India – 1960; 1965; 1971; 1984; 2004; 2013 and 2018. The approach is to ensure assistance to both Customs and trade, to have a professional assist them – the changes are a progression to realign with the changing work scenario.

The 2018 regulations extended the role of the Customs Broker to include Audit. A wonderful and well thought of extension.

The language and design of the various regulations have always been positive; respectful; encouraging and easy to comply with.

The conditions laid out for potential candidates wanting to attempt the exam are not too complicated with a relatively easy

process of applying and appearing for the examination. The financial limits are not too stringent. The idea was that any one intellectually eligible should be granted a license.

While an individual has to clear the exam, the liberal provision is that the work of Customs brokerage can be undertaken in any desired commercial format – as a proprietor; firm; incorporated body or even an association. The regulations with clarity, permit change of constitution of the entity from / to any format as long as business entity employs a person who has passed the Customs Brokers exam.



The regulations are liberal enough to give existing Customs brokering entities (other than a proprietorship) the facility of continuing Customs clearance for a period of two years without having an authorised person) by letting a G card holder employed in the entity, undertake the processes. In case of proprietorship concerns there is an added facility that a G card holder of five years who is not a graduate can also be eligible to appear for the exam in the prescribed two years. The liberties in the Regulations cannot be ignored.

SAMIR J. SHAH, FCILT

Licensed Customs Broker; Logistician; Forwarder; Educator; Influencer; Industry Leader.

A person attempting the Customs Brokers exam is given 6 attempts to clear the exam; a person wanting to pass the G card exam is given 4 attempts and a H card holder permitted to work for 5 years.

The regulations also (with some conditions) permit the License holder to undertake Customs clearance at any Customs station nationwide. The Regulations provide for intimation only, and not permission. At all locations, he is also permitted to authorise a G card holder working with him to do all functions of filing and clearance that can be undertaken by the authorised person himself. Over the years the department has converted intimation into permission. This “permission” is granted as a discretionary favour.

In a recent amendment, the License has no renewal processes.

The regulations permit the license holder to employ as many personnel as he deems fit. This provides multiple employment and great entrepreneurship facilities to the License holder. The Licensee - a qualified professional - is free to be as entrepreneurial as he can manage.



The last few releases of the regulations have respected free enterprise. Earlier conditions of the Commissioner / Collector of Customs approving a schedule of rates to be charged has been done away with.

The 1960; 1965 and 1971 regulations not being available in full I cannot comment on the obligations laid down in those regulations. The 1984 regulations had 16 obligations; 2004 had 15; 2013 had 15 – albeit different and 2018 has 17 regulations. All the regulations are easy to comply.

Even in the unfortunate situation that there is a suspected misdemeanour the regulations provide for a show cause notice; delivery of reports to the Customs Broker; cross examination; personal hearing and a time bound disposal. A clear appeal mechanism is also laid out.

In such positive regulations what could go wrong?

It is noticed that field officers of the department use these regulations to threaten the Customs Broker with suspension or revocation. There is little regard for an important principle of Customs working i.e., proper officer. Every officer believes he is the proper officer for suspension or revocation. Unfortunately, the compliant Customs Broker who feels obligated towards the department for having Licensed him, accepts such threats and does what is expected out of him by the officer and not by the compliance mechanism established.

Both forget that the License was not given as a favour but as a result of the applicant passing a written and oral examination conducted by the department, the syllabus is humungous and open ended. The oral interview has always been conducted by a panel of very senior; learned; experienced Customs officials. It has always been a difficult exam and often the pass percentage is less than 5%. A lot of effort has been put in by the person who has passed the exam. There is no “favour” here.

Customs have been oscillating between being a regulator and a facilitating regulator – they cannot be facilitators. They are regulators and this role cannot be denied. How to implement the regulations is their choice. The Board understands the urgent; not negotiable need for trust and facilitation in all activities. However, the junior adjudicators are hesitant in taking action since they fear, that their actions may be viewed, such that they were taken with a motive. This results in no fair decision or action being taken. This percolates to the executive also. This results in holding everyone responsible even if no nexus can be established. The approach is let the senior decide without considering the hardships that are faced by others. Indian law of “innocent unless proved guilty” is never applied and the onus is on one to prove their innocence.

There is also an unexplained resistance against all the facilitation undertaken in the recent years. Even the users are surprisingly uncomfortable.

The obligation 10 (n) is very unambiguously worded as **“verify correctness of ----- using reliable, independent, authentic documents, data or information”**; Ambiguity is introduced by officers thru questions like – did you meet the client / did you visit his place of work etc. Unnecessary stretching of a clear obligation. Many Customs brokers have suffered due to this approach and in almost all cases CESTAT has stated that there is no such requirement. In spite of so many decisions the departmental officers continue to take action with such reasoning. This remains the most used, misused, abused provision of the Regulation which time and again has been decided in favour of CBs. Authenticating a certificate issued by a Department of the Government by a private business entity is unnecessary.

The incidence of charging Customs Brokers under many of the sub regulations of regulation 10 remains rampant.

It does not stop here and the enthusiasm to charge the Customs Broker extends to any other law for the time being in force.

Many years ago, the Calcutta High Court delivered a judgement, that a Customs House Agent now Customs Broker ceases to be an agent once the cargo is cleared and delivered. A decision not challenged by the Department and not set aside. The present scenario is that for any and every omission or commission the first target is the Customs Broker.

The regulations provide for Prohibition, in case of doubt and a reasonable 30 days is given to complete the proposed investigation. Prohibition is rarely exercised and 30 days never respected.

Even the process to be followed for revocation of suspension is filled with coercion; delay and harassment. The appreciation that the Customs Broker is Licensed by the department, to support the department, in Customs clearance, is clearly missing and the licensee is viewed as a criminal. A departmental licensee is viewed as a criminal!!!! The verdict is pronounced before the case is heard.

Intervention by Customs officers in the RMS era, both recorded and oral is very high. One can assume that Customs played an active role in the clearance. It is a mystery then, that only the Customs Broker is held as a co-noticee. One arm of Customs goes free and the other is pursued, accused and hounded.

Trade needs a face while dealing with Customs. The Customs Broker is the face of the department. If the department views the broker with so much suspicion, would it be correct to assume that they suspect their own face. The licensees are an extension of the department and the officers must view them as colleagues and not adversaries.

The licensees know the region where they operate; they are aware of so many cases and issues that happened before the officer was posted to a location. The wealth of information they possess is not captured by any automation. The Indian Customs Broker is as concerned about compliance; correctness of processes; safety; security and sovereignty of our great nation. The quality and quantum of nationwide submissions is a true testimony.

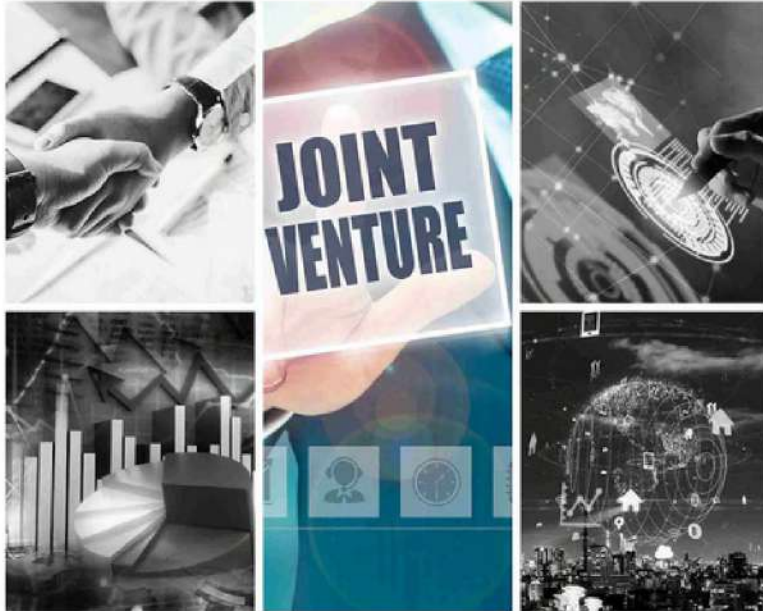
A sensitisation on the incomparable role of the Customs Broker is needed within the department.

The liability cast on lawyers when they represent cases is way too limited, as it should be for the Licensed Customs Broker - a professional - representing someone else.

There is an urgent need for the Department to ensure clarity amongst the field officers on why the regulations are made and the benefits of having over 11,000 qualified agencies employing around 1,00,000 persons supporting the clearances across India's borders.

True facilitation would be that, Customs as a Department, recognise the role of Customs Brokers and accord them self-regulating procedures, process and practices. The Customs Brokers are a mature community fully capable of managing themselves. It is time that the Ministry of Finance, Department of Revenue, Central Board of Indirect Taxes and Customs entrusts the responsibility of regulating CBs to their national body in line with what the Government has done with Chartered Accountants by an Act of Parliament in 1949.

Nine Strategies for Managing International Alliances & Joint Ventures in the Supply Chain & Logistics Sector



Alliances and Joint ventures have become an increasingly prevalent way for companies to expand their global reach and capabilities and improve efficiencies. As a business leader, expanding your supply chain and logistics operations internationally can bring significant benefits.

The Covid Pandemic, Suez Canal blockage highlighted the vulnerability of global supply chains and the need for businesses to have contingency plans. Even companies not operating in

international markets may be impacted by Geo-economic changes to trade policies or regulations through supply chain disruptions. They need access to the same resources and materials as their competitors.

Alliances and joint ventures offer opportunities to tap into new markets, leverage local knowledge and expertise, and share resources, risks and costs. However, creating and managing international joint ventures also comes with unique challenges and complexities.

As a business-oriented leader with over 30 years of experience building and managing a portfolio of businesses, including joint ventures with the public sector, I affirm the importance of creating and managing successful international joint ventures. In this article, I share some strategies for creating and managing successful international partnerships in the supply chain and logistics related sectors. The ideas apply to other industry sectors as well.

Let's start with why businesses form partnerships to enter new markets.

Businesses form various types of partnerships and alliances every so often, setting up joint ventures for the international supply chain. Lets look at some of these:

- **Strategic alliances** allow companies to collaborate with partners to achieve specific goals without losing independence; FedEx and Microsoft announced a strategic alliance to develop new products and services to improve the customer experience in the supply chain industry.

- **Joint ventures** can help companies enter new markets and leverage the expertise of local partners like [UPS and SF Holding's joint venture](#) to provide express delivery services in China, leveraging UPS's global expertise and SF Holding's local knowledge. Partners can also access new capabilities and infrastructure to support their growth, like the [Nestlé and XPO Logistics' joint venture in the UK](#) to build a new distribution centre in Leicestershire, UK, to support Nestlé's operations.
- **E-commerce and Logistics partnerships** can help companies expand their reach and offer additional services to customers. [UPS partnered with CVS to launch a new drone delivery service for prescription medicines](#) for patients in rural and hard-to-reach areas.
- **Technology partnerships** can help companies develop innovative solutions and enhance their capabilities. For example, [DHL and Volvo Trucks publicized a joint venture to develop and test electric and autonomous trucks](#) for use in logistics operations, Geodis and Delta Drone formed a joint venture to develop a drone-based solution for inventory management and warehouse operations and [DP World and SMS Group](#) formed a joint venture to build and deploy new container handling technologies, including automated systems and digital solutions.
- **Digital partnerships** can help companies enhance customer experience and improve efficiency; [Chinese e-commerce giants Alibaba and A.P. Moller-Maersk](#) declared a joint venture to offer digital shipping services to small and medium-sized enterprises (SMEs) worldwide to simplify the shipping process for SMEs and reduce costs. Another example is [FedEx's partnership with Microsoft](#) to launch a new supply chain management platform using artificial intelligence (AI) and machine learning (ML) to improve visibility and optimize operations.
- **An Outsourcing Partner** can help companies reduce costs and improve efficiency in the supply chain, but it can also involve risks related to quality control and labour practices. For example, [Nike outsources manufacturing to factories in countries like Vietnam and China](#). Outsourcing can help companies focus on their core competencies while benefiting from third-party providers' expertise and economies of scale.
- **Franchising** can be an effective way for companies to expand their operations and leverage their brand in new markets. For example, [FedEx allows independent entrepreneurs to operate FedEx Office locations as franchises](#). Outsourcing can help companies focus on their core competencies while benefiting from third-party providers' expertise and economies of scale.

So what should businesses look for while selecting a partner for an alliance or joint venture?

Choosing the right international joint venture partner is a critical decision that can impact the joint venture's success. Here are some aspects to keep in mind when selecting a partner:

Selecting a partner with **complementary strengths and a shared vision** can help achieve mutual benefits and enhance a company's capabilities in new markets. Like [BMW formed a joint venture with Tencent](#) to develop autonomous driving technology for the Chinese market.,

Joint ventures with local partners, like the [Ford and Mahindra](#) joint venture, can provide valuable **knowledge of local markets and regulations**.

Joint ventures with industry leaders, like [Reliance Jio, which partnered with smartphone manufacturer Nokia](#) and telecom equipment and service provider Ericsson to build its 5G radio access network, can enable partners to **share resources and expertise** mutually beneficially.

Selecting a partner with **technical capabilities and financial stability** can help companies achieve their strategic priorities and goals, like the [ENI and ADNOC](#) joint venture in the middle east.



Joint ventures with **social enterprises** like [Puma formed a joint venture with First Mile](#), a social enterprise, to collect and reuse plastic waste for producing Puma products, which can align a company's business goals with sustainable and ethical practices.

A joint venture with partners that **share similar values and business goals** can lead to successful collaborations; like [Alibaba formed a joint venture with SAIC](#), a Chinese car manufacturer, to develop an intelligent in-car operating system.

What are the entry barriers and pitfalls to avoid while entering a new country or region?

Opening a new branch in another country can be an exciting opportunity for supply chain and logistics companies to expand their reach and tap into new markets. However, several challenges come with this. Companies need to be aware of the potential barriers to entry and avoid/overcome them to ensure a smooth transition into a new market.

Let's look at some of these barriers and the companies that have faced them:

- Legal and regulatory hurdles:** One of the most significant barriers to entering a new country is navigating some countries' often complex legal and regulatory landscape. Businesses need to be aware of these before entering a new market and comply with local laws, regulations, and standards, which can be time-consuming and costly. For example, [Google was fined €220 million by French regulators](#) for violating the country's antitrust laws. Earlier, [Amazon struggled with local regulations and logistics](#) when expanding into the Brazilian market. Companies should do their due diligence to understand local regulations and laws before entering a new market.
- Cultural differences:** You may have heard the Management Guru Peter Drucker's often-quoted expression, "**Culture eats strategy for breakfast**". Companies need to understand the cultural norms and expectations and adapt their strategies to suit the local market to avoid misunderstandings and miscommunications. For instance, in 2020, [KFC faced backlash for its "Finger-Lickin' Good" slogan](#), deemed inappropriate during the COVID-19 pandemic. [Ikea faced cultural challenges](#) when expanding into the Indian market, where its flat-pack furniture was not popular. It is also important to avoid assuming that what works in one branch or country will work in another. Each location will have its unique challenges and opportunities. For example, [Walmart faced challenges with supply chain logistics](#) when expanding into India, which has a complex supply chain. Like culture, language barriers can also hinder companies' ability to enter a new market. Companies must communicate effectively with local customers, suppliers, and partners to succeed. For example, [Netflix faced criticism for its poor translation and dubbing quality](#).
- Market competition:** Entering a new market also means facing competition from established local players. Companies need to differentiate themselves from their competitors to succeed. For example, in 2020, [Amazon faced stiff competition in India from local e-commerce companies like Flipkart and Snapdeal](#), and Walmart acquired Flipkart in 2018.
- Training and Development:** Another thing to avoid is neglecting to invest in the training and development of local staff. Hiring a local team can be a great way to gain local insights and establish connections. Investing in their training and development is essential to benefit from the skills and knowledge needed to succeed. Businesses should provide ongoing training and support to help local staff grow and develop. [Mcdonald's struggled with local taste preferences](#) when expanding into Asian markets, where it had to adjust its menu to suit local tastes and train its staff to serve in India.
- Due Diligence:** Entering a new market requires careful planning and research. Businesses should take the time to understand the local market and assess the potential risks and opportunities before making significant investments. For example, [Uber faced regulatory challenges when expanding into the German market](#), where it was banned in some cities due to concerns about driver safety and legal compliance.

Economic instability: Finally, economic instability in a target country can pose a significant barrier to entry. Businesses must assess economic, political, and social risks before entering a new market. For instance, [Coca-Cola suspended production in Venezuela due to the country's economic crisis.](#)

How do we keep partners motivated while managing a joint venture?

One of the biggest challenges in a joint venture is ensuring that all parties remain motivated to stay invested in the venture for the long term. Here are some strategies that can help:

#1 Align Goals and Objectives:

The first step in creating a successful international joint venture is to ensure that both parties have a clear understanding of the goals and objectives of the partnership. Establishing a clear understanding of the risks and rewards involved in the joint venture can help motivate all parties to remain invested. Sharing profits and losses evenly can create a sense of ownership and encourage all parties to work towards the same goal. Conducting a thorough due diligence process, where parties share information about their businesses, strengths and weaknesses, and long-term strategies, helps alignment.

#2 Establish Clear Governance and Decision-making Processes:

Establishing transparent governance and decision-making processes is crucial to the success of any joint venture. It is essential to have a well-defined organizational structure, with clear roles and responsibilities for each partner. The organization design must include the establishment of a joint management committee, with representatives from both parties, to oversee the joint venture's operations.

#3 Communicate Effectively:

Effective communication is essential to building trust and fostering a collaborative working relationship between the partners. Regular meetings, open dialogue, and transparency help create a shared understanding of goals and objectives. Additionally, a cultural sense of each partner's communication style is critical in avoiding misunderstandings.

#4 Develop Incentive Programs and Focus on the Long-term:

Developing incentive programs can motivate partners to remain invested in the venture. Incentive programs can include financial incentives and other perks and benefits. Successful international joint ventures require a long-term view and a commitment to building a sustainable partnership. Businesses must focus on building solid relationships with the partner, investing in the joint venture's capabilities, and aligning strategies for growth.

#5 Leverage Local Knowledge, Expertise and Respect Cultural Differences:

One of the critical advantages of an international joint venture is the ability to tap into local knowledge and expertise. Local knowledge and expertise can help the joint venture navigate local regulations, cultural nuances, and market conditions. As mentioned above, culture provides a context to the relationship and is critical to a successful partnership. Some strategies in one country or region may not work in another. Cultural differences can be a significant obstacle in managing joint ventures, and it is essential to understand and respect these differences.

#6 Mitigate Risks and Manage Conflicts:

Joint ventures inherently carry risks and conflicts, especially in the supply chain and logistics. Identifying and mitigating these risks through thorough risk assessments and risk management strategies is crucial. Conflict is inevitable in any joint venture, but addressing it quickly and effectively is essential. By addressing conflict early on, partners can work together to resolve issues and ensure the venture remains on track. A transparent process for managing conflicts should be established, including mediation or arbitration.

#7 Ensure Flexibility and Adaptability:

Flexibility is crucial to the success of any joint venture. Being open to new ideas, adapting to changing circumstances, and being willing to compromise when necessary can help ensure that all parties remain motivated and committed.

#8 Continuously Monitor Performance:

Finally, it is essential to continuously monitor the joint venture's performance and make adjustments as needed. Setting clear performance metrics and goals ensures that all parties remain focused on achieving success and helps identify areas where the joint venture can improve. Performance management includes regular financial and operational metrics reviews and periodic assessments of the joint venture's strategic direction and alignment with both partners' long-term goals.

#9 Have a well-defined exit strategy:

Although we set up joint ventures as long-term partnerships, having a well-defined exit strategy is essential in case the association does not work out. An agreed exit strategy can help prevent disputes and ensure the parties can exit the partnership on mutually agreeable terms.

In conclusion, creating and managing successful international joint ventures in the supply chain and logistics space requires careful planning, clear communication, and a long-term view. By following these strategies, businesses can tap into new markets, leverage local knowledge and expertise, and share risks and costs, to achieve more success in the global market. By staying informed, adopting the right partnership strategies and investing in the partnership, businesses can successfully navigate the complexities of the international supply chain and position themselves for growth and success on a global scale.

TRAINING ON RAILWAY WORKING FOR TATA CHEMICALS OFFICERS AT MITHAPUR, GUJARAT

26 & 27 SEPTEMBER 2023

5

CILT -India specially organised the Training Schedule on Railway Working at Tata Chemicals Plant, Mithapur, Gujarat on 26th & 27th September 2023.

The participants were officers and Manager levels from Tata Chemicals Ltd. The objective of the program is to provide an excellent understanding of entire activities related to Railways like Commercials, Operation, Safety, Railway Rules and process

This course is taught by CILT's best Railway transportation experts.



Shri Dalbir Singh, Vice President (F&M),
Pipavav Railway Corporation Limited



Shri V.K Sharma IRTS,
Former GM/Commercial Project – CRIS

Three Months Online Professional Certificate Program on “TERMINAL MANAGEMENT 3.0”

16th September -10th December 2023

With the announcement of “National Logistics Policy” and the “PM Gati Shakti Mission - A National Master Plan for Multimodal Connectivity”, more than hundreds of terminals are going to be established in a few years. It also requires a trained workforce for its efficient operations.

CILT India has accordingly launched a “Three Months Weekend (On-Line) Professional Certificate Program in Terminal Management.” This training program is meticulously designed for aspiring and in-service professionals, willing to equip themselves with the necessary skills to leverage the current and emerging patterns of Terminal Management.

Two batches of this training program comprising participants from both Govt. & Private Sector (South Central Railway, Central Warehousing Corporation, Pipavav Rail Corporation, Adani Logistics, Gateway Distriparks, D P World, Pristine Group, PSA Ameya, APM Terminals, PwC etc.) has successfully been concluded.

Three Months Weekend Online Certificate Course in Terminal Management

Designed for aspiring and in-service professionals to equip them with the necessary skills to leverage the current and emerging patterns of Terminals & Logistics Parks.



Looking into the popularity, CILT India has launched its third session of this training program on ‘TERMINAL MANAGEMENT’ on 16th September, 2023, at 3:00 PM. The course was inaugurated by

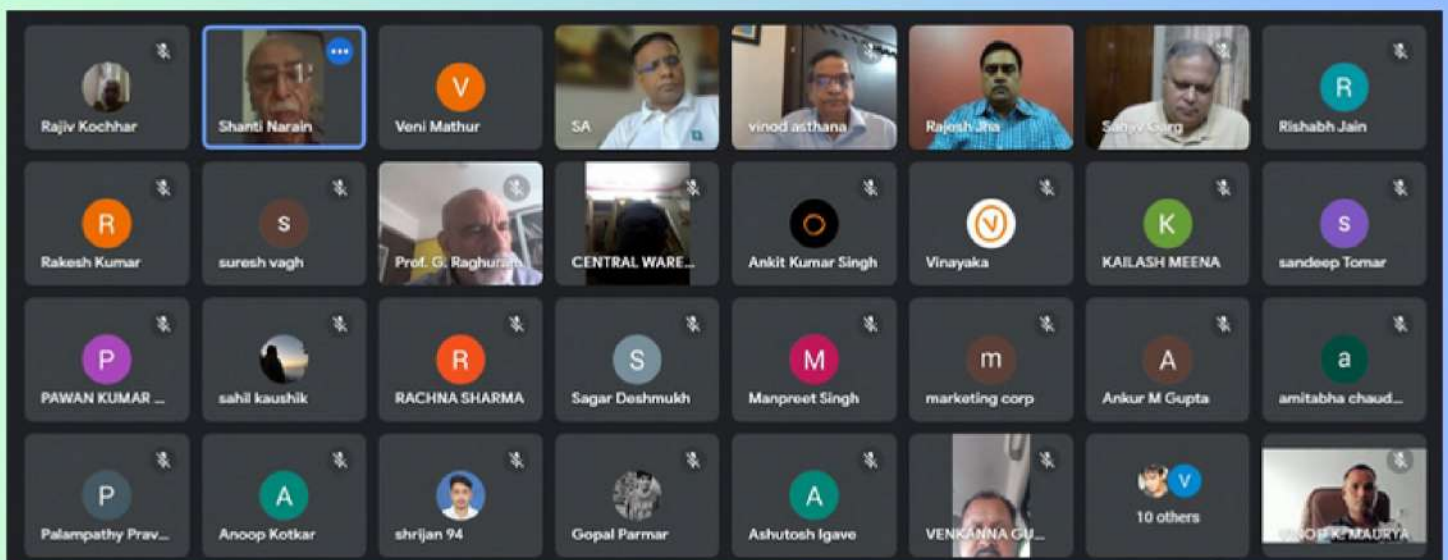
1. Shri Shanti Narain IRTS Rtd. FCILT, Chairman Emeritus of CILT India, and Former Member Traffic, Railway Board.
2. Shri G. Raghuram FCILT, Former Director, IIM Bangalore
3. Shri Vikash Agarwal Managing Director – South Asia, A. P. Moller – Maersk
4. Shri Sanjiv Garg IRTS Rtd. CMILT, Secretary General of CILT India and Managing Director, Pipavav Railway Corporation Limited. Former Addl. Member, Railway Board.
5. Shri Amitabha Chaudhuri CMILT, Managing Director – Arshiya Rail Infrastructure Ltd.
6. Shri Vinod Asthana IRTS Rtd. CMILT, Vice Chairman of CILT India, Former Managing Director, CRWC Ltd., and Course Director
7. Dr. Veni Mathur CMILT, Vice Chairperson of CILT India and Associate Course Director

The popularities have increased since its beginning last year. This programme was participated from various organisations in the field of Logistics Business and Infrastructure sectors. Total 31 candidates from following organisations are participating in this in demand training.

- Adani Logistics Limited
- Gujarat Pipavav Port Limited
- Container Corporation of India Limited
- Distribution Logistics Infrastructure Pvt. Ltd
- Kataria Carriers Pvt. Ltd
- DP World
- Afcons Infrastructure limited
- Central Warehousing Corporation.
- Trac1 Logistics (Joshi Konoike Transport and Infrastructure Pvt Ltd)
- Indian Institute of Tourism and Travel Management -Noida (Student)
- Gateway Distriparks Limited

This course is being delivered on-line on Saturdays & Sundays and hence, it is more convenient to the working executives as their ongoing regular engagements is not disturbed.

Online Training Programme Room snaps



GATISHAKTI - Unlocking Global Opportunities and Connecting Vadodara to the World" Event Showcases Vadodara's Logistics Potential.

On August 25, 2023, a landmark event titled "Gati Shakti - Unlocking Global Opportunities and Connecting Vadodara to the World" was held at the Hyatt Place in Vadodara, Gujarat. The event, organized by the Exim Club, brought together eminent personalities and experts from the logistics and transportation industry to discuss and explore opportunities for Vadodara to emerge as a significant logistics hub.

The event was marked by the presence of distinguished speakers, thought leaders, and industry stalwarts, who shared their insights and knowledge on various aspects of logistics and supply chain management. Among the key speakers were:

1. **Shri Sanjiv Garg** IRTS CMILT, Managing Director, Pipavav Railway Corporation Ltd & Secretary General, The Chartered Institute of Logistics and Transport - India, who served as the Knowledge Partner and Guest Speaker.
2. **Smt. Richa Sharma**, Professor of Logistics & Supply Chain Management at IRITM, Luknow, who also contributed as a Guest Speaker.
3. **Shri Gaurav Bansal** IRTS, Professor of Commercial Management at the National Academy of Indian Railways, Vadodara, added his expertise as a Guest Speaker.
4. **Shri Amol Biniwale**, Managing Director of Perennials and Sutherland LLC, who served as a Guest Speaker.
5. **Professor Manoj Choudhary** CMILT, Vice Chancellor of Gati Shakti Vishwavidyalaya, Vadodara, delivered the keynote address.
6. **Shri N Sivasailam** IAS FCILT, Former Special Secretary Logistics, Ministry of Commerce and Industry, Government of India, and National Chairman of The Chartered Institute of Logistics and Transport - India, graced the event as the Guest of Honor.
7. **Shri Chhatrasal Singh** IRTS CMILT, Additional Member Traffic, Railway Board, Ministry of Railways, Government of India, was the Chief Guest, albeit with a brief flight delay.



The event began with a traditional Ganesh Vandana and a welcome address by Mr. Rajan Nair, President of the Exim Club. Special invitees and sponsors were duly recognized before the commencement of the presentations.

Highlights of the event included addresses on various topics such as "Developing Vadodara Region as a Logistics Hub - Leveraging Dedicated Freight Corridor and Gati-Shakti,"

"Leveraging the Integrated Logistics and National Logistics Policy to Enhance Vadodara's Logistics Capabilities," and "Potential of Multi-Modal Logistic Parks in Facilitating Effective Supply Chain and Seamless Trade."



Throughout the event, speakers emphasized the importance of logistics and connectivity in facilitating trade, boosting economic growth, and attracting global investors to Vadodara.

The event also featured presentations by organizations such as Pipavav Rail Corporation, R R Kabel, and insightful discussions on subjects like the railway perspective on Gati Shakti Multi-Modal Cargo Terminal and the logistics of the cement industry.

The "Gati Shakti" event served as a platform for industry leaders, policymakers, and academicians to collaborate and work towards realizing Vadodara's potential as a thriving logistics hub in India, leveraging the advancements in transportation infrastructure and logistics policies.



The program concluded with the presentation of mementos to all the distinguished guests and sponsors, followed by a vote of thanks by Shri Sanjay Mankad. The national anthem marked the end of this enlightening and productive event.



The Connectivity Boost for India...

8

By Girish Mirchandani, Editor, Transtopic

A total of 202 national highway (NH) projects worth Rs 79,789 crore are at the implementation stage in the country, and these projects are 6,270 km in length, Union Minister Nitin Gadkari said in a written reply to the Lok Sabha. Besides, another 42 NH projects of length 474 km of Rs 10,992 crore are at the bidding stage, and 11 NH projects of length 245 km of Rs 3,816 crore are at the stage of finalisation.

The above are the projects that would see the light of day soon. We recently saw one of the stretches of the Delhi - Mumbai expressway open up and there are numerous more such projects that would start showing up. It is very clear that the government wants to develop an infrastructure that facilitates faster movement of people and cargo.

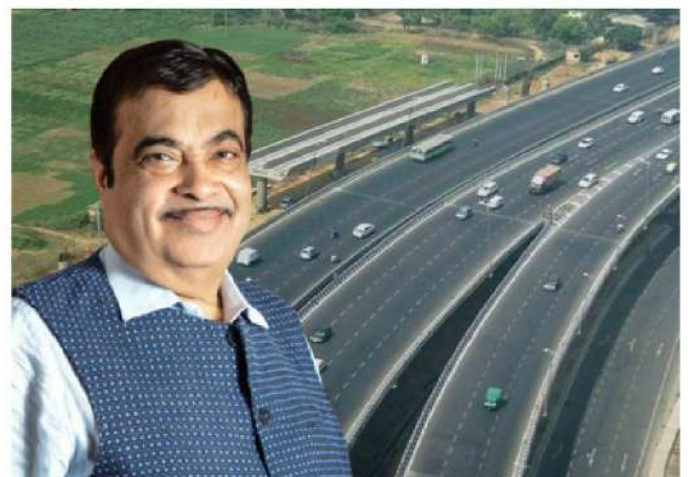


For some time we had been thinking that the government was tilting its favour towards railways by investing in the Dedicated Freight Corridor and other similar projects. But from the above it is very clear that across India, the government is looking to develop a road network that would connect major industrial cities in the shortest possible distance and the fastest possible time.

Obviously, this means huge opportunities for the road transport industry. There was a fear that a lot of cargo would divert to railways once the DFC is ready. However, with the road network undergoing a massive transformation, there is a every possibility that many customers may decide to stick to road transport because of its inherent advantages.

One cannot deny the fact that multiple handling of certain type of cargo has the risk of getting damaged. But the very simple door to door or warehouse to warehouse capability of road transport is a huge plus point.

There is obviously a reason why Nitin Gadkari is called the **Highway Man of India** and one cannot deny the fact that road infrastructure has seen massive improvement under his regime. May be this also explains why he is still heading the Ministry of Road Transport & Highways, even though there have been many other changes in the government. Shri Gadkari has been very upbeat about better connectivity across India and figures he throws at you are mind boggling.



The one thing that we can very clearly see is that road transport is going to get a massive boost, triggered by infrastructure development across India. It is also very evident that trucks will move faster with lesser stoppages. But is the road transport industry ready for these changes, including paying the cost for these roads?

It is unfortunate that still a large part of the industry continues to remain in the 'traditional' mode of business and are hesitant to adopt to rapid changes happening around them. For a simple example, with an expressway connecting 2 warehouses of a particular client, how many transporters would invest in a truck that can run faster - round the clock - and log over 22,000 kms every month. This is actually happening on ground and just to clarify - this is not any start-up Co. with external funding, but a home grown regular transport company.



The Prime Minister, while announcing the national logistics policy made it amply clear that the focus would be to reduce logistics cost and improve efficiency. While the government is doing its bit - or a part of its bit by providing world class connectivity, it is up to the road transport industry to up their game and capitalise on these developments.



There will always be complaints of stoppages or check posts, etc. But if we have to make the best of the opportunity available, we have to overcome these obstacles. Let us be clear that these are nothing new and have been there forever. But then if we have to make the most of the resources available, we have to over look these obstacles.



While the government has been providing a world class infrastructure, there are many more people who have been providing the tools to encash on this. Take a look at the trucks in the last few years. So much has gone into truck technology that trucks now can run 24 x 7 - and at the same time providing better driver comfort so that the driver feels less fatigue and can drive for longer hours. The trucks are being powered by

better performing engines that ensure that despite the heavy loads the trucks can run faster, thus delivering faster. Besides just the truck, tyre companies and oil companies too have come up with products that complement the infrastructure available.

While the road transport industry has undergone a lot of transformation in the last few years, it is not a collective effort where everyone is scaling up. Unfortunately, this is happening in pockets, which does not augur well for the industry on the whole. You have a bunch of transporters who have excelled and then you have a whole lot of truckers who are looking at extinction. And in the middle of the spectrum, you have transporters and truckers who are uncertain about their future.

There is no doubt that cost of transportation has increased significantly in the last few years primarily due to rising fuel prices, truck costs, interest charges, toll tax, etc. If take a look closely at the cost components, almost every thing has become expensive. While ideally this should translate into equivalent increase in freight rates, that has not happened due to many reasons. While many other reasons can be explained, one cannot understand the senseless competition between transporters.

India is looking to become an economic super power and without doubt India has all the necessary ingredient to qualify for the same. We keep hearing about India becoming a USD 5 trillion economy, which India will achieve soon. However, that cannot happen without road transport playing an active role in making sure that goods move across India at a fast pace and at a reasonable cost. What this essentially means is that we will have to weed away the inefficiencies in the system – and yes, this also includes the check posts. Eventually they will be gone – but that should be the least concern of the industry.

The road transport industry needs to start planning for the future. **How is it going to cope with the large volumes and one of the road blocks that we foresee is shortage of truck drivers.** There is a continuous drop in number of people taking up this profession and what would be the point of having a world class infrastructure and world class trucks if there is a short supply of drivers.



The road transport industry must take this time to strengthen their own infrastructure – be it IT or operations or staff (including drivers). The future is very bright for the road transport industry – it's just that companies and also associations must change their ideology and approach towards the issues. **We need to start working on issues that are within our grasp, rather than wasting too much time and effort on issues whose decisions are dependent on someone else.**

India has got the connectivity boost and the road transport industry needs to capitalise on this boost. The government may be spending crores on roads, but we need to think that this investment is for the road transport industry and translate the same into better business for the industry.

New Individual Life Members (April-June 2023)

S.No.	Name & Designation	Membership
1	Shri Pramod Sant , FCILT Professor Universal Business School - Kushivili	LF-137
2	Shri Binesh Kumar Tyagi, FCILT Chairman & Managing Director The Shipping Corporation of India Ltd.	LF-138
3	Shri Ravi Pamnani, CMILT Associate Manager Adani Logistics Ltd	LM-1314
4	Shri Rohan Shah, CMILT Managing Director Super Handlers Pvt Ltd.	LM-1315
5	Ms. Upasna Paul, CMILT Dy CVO/T/NR Northern Railway Headquarter Baroda House	LM-1316
6	Shri Vidyadhar Avinash Malegaonkar, CMILT Chief Vigilance Officer J.N.P.A	LM-1317
7	Mr. Haider Abbas, CMILT Assistant Professor University of Technology & Applied Sciences-Oman	LM-1318
8	Shri Raja Roy Chowdhury, CMILT DGM Commercial & Projects Indian Oil Corporation Ltd	LM-1319
9	Shri Ashwini Srivastava, CMILT ADRM Northern Railway Lucknow	LM-1320
10	Dr. Nachiket Gosavi, CMILT Assistant Professor, Sardar Patel Instt. of Economic and Social Research, Ahmedabad	LM-1321
11	Shri. Anand Mohan, CMILT Sr. DCM/Freight Northern Railway	LM-1322
12	Shri Hitendra Joshi, CMILT Managing Director Joshi Konoike Transport Infrastructure Pvt Ltd	LM-1323



**The Chartered
Institute of Logistics
and Transport**



Who We Are

The Chartered Institute of Logistics and Transport India is part of the leading, global professional body for those engaged in supply chain, logistics and transport – covering all sectors of the industry, namely air, land and sea, for both passenger and freight transportation.

Our primary objectives are to support our members in continuous professional development to future-proof their careers, as well as to work in close collaboration with the public and private sectors, Government agencies and the academia to develop opportunities and synergy for industry transformation and growth, underpinned by strategic thrusts in digitalisation and sustainability.

Contact Us

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