



Thursday, November 01, 2012

[Home](#) | [About us](#) | [Appointments](#) | [Search](#)

Go

[News](#)[Features](#)[Calendar of Events](#)[Special Reports](#)[Regulations](#)[Columns](#)[Links](#)[Blogs](#)
[Click here for a free listing in the Autocar Professional Directory 2013](#)

 You are here » [Home](#) » [Features](#) » [Interview](#)

## October 15, 2012: Milind Shahane, CEO, Drive India Enterprise Solutions Ltd's (DIESL)

[Bookmark](#) | [Print](#) | [E-mail](#)
**Drive India Enterprise Solutions Ltd's (DIESL) CEO on what it offers in the logistics space and the challenge of getting and retaining talent, reports Brian de Souza**

### How has DIESL's business progressed in the past year and which new clients have come onto the roster?

Markets globally have been a little slow since last year and this definitely impacts the logistics sector also. In the times of severe cost competition, the challenge was to meet growing customer expectations, calling for an agile and responsive supply chain. We have been continuously evolving our services to meet these demands. Last year, we worked on implementing IT systems that have been benchmarked globally. This is a continuous improvement process and this is again our focus this year. All our warehouses are SAP-enabled, and we have installed WIMac and Connect – our WMS and DMS – to present our clients with the much-needed visibility and transparency in their supply chains. Some companies that we started servicing last year are Daikin, Tata BP Solar, Wipro, Welspun, Sony, HCL Infosystems, Bayer, Haldia Petrochemicals, Eureka Forbes, Apple-Aircel, ABP, Asian Paints and Tata Global Beverages.

### What are the company's priorities this year?

Functional Focus: DIESL's vision is to capture the leadership position in the Domestic 3PL market in providing integrated logistics solutions focusing on customer satisfaction. Our functional focus (to actualise this vision) is to bring about significant improvements in our operational efficiencies, leverage on DIESL's IT tools, greater attention to building a quality focused culture and better vendor management – thus making our clients' supply chain more efficient. This will act as a catalyst in pushing the company's turnover and enable us to enhance our market share in the domestic 3PL arena. Value addition: Our service offerings will also increase this year with the focus on Project Logistics and over-dimensional cargo or ODC movements. We are also working on developing premium containerised solutions for critical surface shipments in the north to west corridor. This will be at par with international standards. DIESL's core competency is its capability to provide customised and integrated supply chain solutions to its clients. As an integrated service provider, we not only provide standard 3PL services like warehousing, and distribution, international logistics solutions but also value-added services like kitting and packaging, tax and compliance management, cash management and repair services – all under one roof. We may be the only 3PL in India who is also providing trading and consignment sales models of partnership to our MNC clients. This is a huge value add when combined with our pan India presence as large brands look for logistics partners with greater market penetration and reach when setting shop in India. Moreover, as one of the very few organised players in this country we are in a unique position to offer strategic supply chain consultation and robust services to our clients, thus positively impacting their bottom line.

### How has the current slowdown affected the logistics sector and how is the company coping?

The impact of the present slowdown can be seen in terms of dynamics of warehousing capacity in the market. The increase in demand for warehousing space requirement has not been seen much last year, leading to more than normal vacant space. The second key challenge the industry faces is with respect to cost dynamics. The cost pressures faced by end-users also negatively impacts the annual increase in logistics service cost, which is the norm during the normal spells. The logistics industry in general is facing high manpower cost – minimum wages are going up, employees ask for annual increments. Our industry, as you know, is a labour-intensive industry and one can't avoid these issues. To cope with these slowdown challenges, we are innovating our service bouquet, by offering temporary, short duration warehousing solutions, and ensuring operational efficiencies at a competitive cost. DIESL is constantly working towards improving our operational parameters in terms of turnaround time, transportation transit time, loading/ unloading efficiencies and warehousing efficiencies. Being a Tata company, there are expectations from DIESL, not only towards revenue and portfolio growth but also in terms of quality and consistent service.

### Given that DIESL provides logistics support to the Tata Group, can we have a perspective on Tata business?

DIESL does provide logistics support to many Tata companies including Tata Teleservices, Voltas, Tata Sky, Croma, and Tata Advanced Materials. We are also one of the service providers for Tata Motors. The Tata Group sees a lot of potential in the logistics sector.

### How is DIESL coping with the HR issue in logistics?

Attractiveness and attrition are the two challenges related to availability of skilled manpower in this industry. We believe that the need of the hour is to design and deploy appropriate sourcing and retention strategies. In my view, the best way to manage this challenge, especially for emerging companies, is to focus on having robust campus recruitment programmes at both at graduate and PG levels. Strategic tie-ups with Institutes providing specialised courses in SCM is the key. DIESL recruits young postgraduates with a specialisation in SCM from various management institutes and will continue to focus in that area. It is also important to have tie-ups with institutes such as NITIE for skill enhancement to achieve operational excellence through continuous functional trainings for existing team. As the organised SCM business is still in the evolving stage in India, currently it is 'People Intense' backed by technology. The basic requirement for any successful and continuous operations is availability of right people with the right skills. Like many 3PL companies, DIESL also partly operates through outsourced staff. Also, we look beyond SCM industry especially for functions such as sales, finance, HR, and IT.

### What are the top five logistics challenges India faces today?

The biggest challenge that the Indian logistics industry is facing is skills deficit – skilled manpower and domain expertise is a must for highly specialised supply chains. Infrastructural bottlenecks like roads and power also affect service levels and pose serious difficulties in delivering value to clients. A process challenge that I think every logistics company faces is fraud and security threats. Also, with a major chunk of the Indian logistics market being largely unorganised – close to 90 percent – an organised 3PL player like DIESL is constantly fighting price competition. The industry is not adequately represented in the government and other associations lending it do not have a unified voice that can drive its objectives. While some bodies like the Confederation of Indian Industry do have a separate logistics arm, not much is seen happening in terms of lobbying and arbitration for logistics in India.



### NEW ISSUE

Oct 15, 2012



With auto sales down in the first half of the fiscal, what strategies must OEs and vendors adopt? Autocar Professional's current issue talks to industry to find out

[SUBSCRIBE](#)


### NEWSLETTER

[SUBSCRIBE](#)