

START-UPS A REFRESHMENT CHAPTER **IN THE SUPPLY CHAIN**

*On demand logistics space is burgeoning with several start-ups, which are coming up with innovative approaches to revolutionise logistics solutions. India is changing to get better and smarter with every passing day. At present, there are various start-ups which are working tirelessly to address various pain points in the supply chain in India. **Joydeep Banik** discusses the changing business dynamics and opportunities coming up in the logistics space with the emergence of start-ups and scrutinises the out-of-the-box ideas*



Sanchit Jain, CEO, DreamOrbit

The global connected logistics market is expected to grow at 30 per cent CAGR to \$20.46 billion by 2020. The logistics industry is focusing on adopting digital technologies to create value in new ways and developing diverse and dynamic partnerships.

of innovation happening in every direction. So, if someone wants to be a one-stop solution provider, they need to be very fast and should be cash rich at the same time to experiment in different verticals. At the same time, this is also true that if someone does that, they will be a long lasting enterprise with good and stable profit margins.”

According to Raju, “All the start-ups in logistics space are in a very nascent stage and are evolving right now. Again, as this is a huge market, it would be difficult to see one-stop solution provider for all the problems. It may happen over a period of time through consolidation or mergers in some lines of business.”

However, in Kothi’s opinion, the emergence of one-stop providers seems impossible in near future. He says, “Today’s challenges in the stratus of logistics industry include last-mile pick up, as customers are bound to expect immediate pick up, but as delivery people don’t have a fixed route, it’s a bit of a hassle. These are issues that one has to consider when aiming to build a seamless delivery path. In the current situation, there isn’t a chance of building a ‘one-stop’ solution in the logistics start-up space, as each one has their own creative take on how the process works, and how best to be efficient. Going by the current scenario, e-commerce will continue to grow, ensuring there will be a lot of activity in the logistics end too. So to sum it up, there will definitely be the scope for several start-ups to co-exist, as there is a lot more to look forward to.”

Jain views the larger picture as he says, “The canvas is quite big. There will be many more start-ups that solve just one problem and do it really well. Let’s say provide route optimisation for last mile. We’ll see more start-ups providing API based services for say freight rates, dispatch and tracking. A



Key pointers from #Start-up India Plan:

- ₹10,000 Crore funds for innovation-driven enterprises
- Credit guarantee mechanism
- Exemption from Capital Gains Tax
- Tax exemption for start-ups for first three years
- Easing in compliance and self-certification
- Simplification of process for filing/registration
- Fast tracking of patents
- Relaxed norms in public procurement
- Setting up of Research Parks

consulting company that specialises in end-to-end logistics solutions would use the solutions of various such start-ups to provide the best possible solution to their customers. As long as you know what you’re good at, and build upon your strengths, it’ll help build your business.”

Malhotra begs to disagree with the above mentioned standpoints and confidently says, “We are going to be that one-stop-shop—the place that will enable a person to send anything anywhere in the world! The more the options for anything, the more is the need to find them all at one place. This implies for everything and logistics in no exception!” Singh concludes the debate tactfully by saying, “If you add value to the supply chain you will always exist. If the value you bring spans across all nodes of the chain, you become an integral to the ecosystem.”

Final Words

Because the logistics related issues in India are so complicated, start-ups have plenty to focus on. The increased competition within the logistics industry means that logistics companies will have to build unique competitive advantages. This is where start-ups can become a game changer for the industry by connecting the country’s fragmented logistics ecosystem and adding a new dimension to the e-commerce delivery models. Efficiency improvement on information gathering and orchestration will be the basic agenda of multinationals in near future. With the proliferation of smartphones and call for ‘Digital India’, the logistics and supply chain sector does not want to remain constrained. With the success stories of several logistics start-ups to be seen over the horizon, it would be safe to say that the supply chain sector has re-invented itself, but still has immense scope ahead. 



E-commerce has seen an unprecedented rise in business in the past few years and logistics domain is believed to be the next big thing for the growth of this segment. It would not be an exaggeration to say that 2015 was the year of logistics for e-commerce in India, with many start-ups coming up in the space, and investments flowing on in a never-ending manner. In the e-commerce segment in India, or to be frank in any part of the world, speedy delivery is as important as the product quality; therefore, logistics has obviously become the defining factor for success of e-com companies in retaining their customers.