

18th Edition

# **BUILDING WAREHOUSING COMPETITIVENESS**

“Unlocking Growth through intelligent warehousing”.

21<sup>st</sup> June 2024, Friday | 1000 – 1715 Hrs | The Taj Mahal Palace, Mumbai

The Indian economy is experiencing rapid growth and is on track to become the world's third-largest economy by FY31, with a projected GDP of \$6.7 trillion. This expansion is underpinned by robust consumption patterns driven by rising income levels. As India progresses towards this economic milestone, it finds itself at a pivotal juncture, transitioning into a global manufacturing hub. Central to this transition is the development of a sophisticated infrastructure ecosystem, where the warehousing sector assumes a critical role.

The warehousing industry in India is witnessing a notable upsurge in demand, propelled by factors such as escalating consumption, governmental initiatives like Make in India and Production Linked Incentive (PLI) schemes, and a sweeping digital transformation. Warehouses have evolved from traditional standalone godowns to integral components of large-scale logistics parks, often spanning vast acreages. This shift underscores the emphasis on efficiency, scalability, and technological integration.

Furthermore, the demand for Grade A warehousing facilities has surpassed that of overall warehousing. Over the next five years, Grade A warehousing space is projected to reach 320 million square feet. This rising demand is driven by evolving consumer expectations, necessitating shorter delivery times, enhanced tracking capabilities, and a sharper focus on inventory management. Consequently, businesses are leveraging third-party logistics providers and embracing innovations in automation and transportation to maintain competitiveness in the Indian marketplace.

In this conference, we hope to explore themes related to the evolution of warehousing, government policy support, modern warehousing, technological intervention, and the development of large-scale logistics parks in India. We have discussed these themes in greater detail in our knowledge report.

## **SESSION 1: ENHANCING CUSTOMER EXPERIENCE THROUGH MODERN WAREHOUSING**

Warehousing in India has undergone a significant evolution from the traditional ‘godowns’ to more organized, technologically enabled logistics parks with multiple warehouses and value-added services based on consumer requirements. These warehouses ensure efficient use of space and resources, provide the necessary infrastructure to facilitate smooth vehicular movements and are increasingly compliant with ESG norms.

This transformation can mainly be attributed to:

- Evolving customer needs based on changing consumption patterns.
- The need to establish a logistics ecosystem.
- A shift towards more efficient supply-chain models like the ‘hub-and-spoke’ which require large-scale warehouses in hubs, and smaller warehouses in micro-markets.
- The warehousing sector gaining scale with increased capital investment.
- The government’s PLI schemes boosting production and creating a need for larger warehouses.

- Government initiatives such as the National Logistics Policy, PM GatiShakti, Sagarmala, Bharatmala and the development of MMLPs to create an efficient logistics system in India.
- Demand for sustainable warehousing as India continues on its decarbonization journey.

As a result, there is a growing need for large logistics parks in India. Through these parks, companies can reap the benefits they offer such as:

- Cost leadership through economies of scale
- Better infrastructure to increase overall productivity.
- Inclusion of value-added services
- Lower risks and operational challenges, along with low disruptions in services
- The facility to scale up at the same location without disrupting operations.
- Go-to-market strategy.
- Innovation and business models
- Free trade warehousing zone
- ESG compliant warehouses

## **SESSION 2: TRANSFORMING OPERATIONS THROUGH SMART WAREHOUSING**

As warehouses grow in size and complexity, efficiency in operations can be achieved through three key drivers. Countries like the Netherlands and Singapore have been successful in constructing large multi-modal, fully automated logistics parks through innovation in design and operations. Interestingly, the RoI on automation is higher for larger warehouses.

- **Planning and Control:** It is important to improve processes and achieve enhanced productivity through strategic planning and reprioritizing of warehouse activities. This can be done through platforms and software solutions whose integration with enterprise resource planning provide end-to-end visibility into warehouse operations, e.g., warehouse and order management systems.
- **Mechanisation and machine automation:** 1) Tools and mechanisms that augment human capabilities by executing labour-intensive tasks within a warehouse, e.g., cranes, forklifts, and conveyor systems. 2) Hi-tech innovations within warehousing with advanced solutions that fully automate warehouse activities like sortation systems, automated packaging systems, and automated guided vehicles.
- **Digital Enablement:** Tools which capture and analyse data within a warehouse such as handheld terminals, radio-frequency identification tech, IoT sensors.

### **Factors to consider when implementing solutions in a warehouse:**

- Industry-specific warehousing needs of the client
- Key warehousing automation solutions available today
- Cruciality of accurate and complete data and how to achieve it
- Technology, Automation, Robotics, Intelligence, segmented automation
- Skill gap and Human resource
- Use of technology in scheduling multi-modal transportation

### **SESSION 3 : BUILDING A ROBUST WAREHOUSING ECOSYSTEM TO DRIVE GROWTH**

As India's economy continues to expand, there is increasingly a decentralization of warehousing activities, with regional centres also playing an important role in the distribution of goods. In this case, developing a robust warehousing ecosystem has become crucial.

Such an ecosystem can be efficiently implemented as investor interest in the sector rises on the back of government initiatives to increase the ease of doing business. The emergence of large-scale and multimodal logistics parks with sophisticated warehouses at their centre underscores the need for such an ecosystem, showing us what warehousing in India will look like in the next 5-10 years.

Creating this ecosystem involves managing a set of varied and complex factors like land acquisition, timely approvals, lack of multi-modal connectivity, construction delays, strategic location selection, having the right vendors and suppliers, availability of skilled and semi-skilled labour, integrating multiple use-cases into a single large park and ensuring returns.

This panel will encompass discussions on:

- The need for a warehousing ecosystem
- Multimodal logistics parks for seamless movement of goods
- Impact on regional warehousing and transportation industries
- The future of warehousing

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