

Indian logistics sector and COVID-19

From MD's Desk



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Managing Director

// We have been in lockdown for more than a month now. All of us are aware of the challenges this pandemic has brought upon us. Despite the adversities, we have been able to fulfil our clients' essential movements and stand by our responsibility towards them and the nation in this tough time. As a result of our proactive measures in ensuring on-time delivery, clear and exhaustive communication and timely technological interventions, we have also been able to add new customers during this period.

Every adversity brings with it a chance to learn and reflect.

The entire Varuna team, especially the "Frontline Corona Warriors", deserve appreciation for this. While the economy wades through troubled waters now, the rays of a new contactless economy are already appearing on the horizon.

Technology is fast emerging as a key enabler of supply chains of the future. Our continued focus on technology over the years has given us an advantage in supporting operations during the pandemic and brought the required greater placement efficiency, reduced turnaround time, and greater accuracy in inventory dispatches. We are confident that we are on the right track and with even greater digital integration, we shall be able to help our customers deliver enhanced supply chain performance.

Every adversity brings with it a chance to learn and reflect. It contains its own seed, its own lesson on how to overcome our constraints and how to further leverage our strengths to create new opportunities. We will use this crisis to further deepen our relationship with our customers while holding our core values dear.

Stay Safe, Stay Healthy!

Performance, when it matters the most

During lockdown, April 2020

Placement Performance

91%

Of Indents Received



Transit Time Performance

95%

On Time Performance



Transit Time Saving

46%

Saving on Lead Time vs Market



Committed to Collaboration Committed to Excellence

What our clients had to say of our performance during lockdown



I would like to say thanks to Varuna Group and team to be with us in this situation of COVID-19 and give us continuous service of transportation to supply our essential goods in our DCs across India.

– **Logistics Manager of a leading dairy products brand**



We appreciate the services and efforts you have put during this difficult situation of COVID-19. When all the existing transporters were not ready to lift the material, you have come forward and helped us. You are the first one who have helped us and our supply chain has started functioning.

– **AVP of a leading FMCG brand**



You have delivered way above our expectations and it's been a phenomenal performance, be it with vehicle placement or connectivity. Covering more than 1500 KM in less than 72 hrs., that too during these crisis times, speaks a lot about your organization.

– **Logistics Head of a leading beverages brand**



We are very thankful for the quick reaction time and offering a good service during the COVID-19 crisis at the end of March. It was all the more important for us as some of our critical products were stuck at the manufacturing sites and had to reach the patients. Your team stepped up in spite of last-minute request and provided quick response. They have shown extremely high levels of professionalism. Thanks to your team's support, our products reached the needy in time.

– **VP-Global Demand Planning & Logistics of a multinational pharmaceutical brand**



I would like to express my sincere thanks to the entire team and every member of VIL Team for their fantastic performance and super-fast ramp-up in operations during this lockdown & tough COVID situation, taking care of all the required safety precautions. Tracking & tracing every vehicle in transit and arranging vehicle placement has been ramped up & managed really well.

– **National Logistics Head of a multinational FMCG brand**

The Journey from Resilience to Rebound

Indian Logistics During COVID-19 Pandemic



It would not be an exaggeration to say that the effects of COVID-19 would drastically change the way we strategize, execute and grow our businesses. The economical, social and political impact of the pandemic will be felt wide and deep. The imminent changes in consumer behaviour will lead to changes in the way the world around us functions. A lot of companies will actively realign their supply chain network and drive lean operations based on the principles of transparency, predictability and agility across the globe.

In the Indian context, this offers a unique opportunity for players in the logistics sector to up the game and emerge as an enabler of stability and growth, domestically as well as internationally. This is because our sector has the potential to augment all other sectors by reducing logistics costs through lean operations and digital technologies, eventually turning Indian products more price competitive.

During the nation-wide lockdown due to the pandemic, Indian logistics industry has played a critical role in ensuring timely delivery of essential commodities across the country. The industry is vigilantly bearing the responsibility of keeping in check the safety and security of its frontline staff. At the same time, our sector's operational inadequacies are exposed and visible now more than ever. The sector continues to be highly fragmented with unorganized players accounting for ~90% of the total market share. A large part of their operations are riddled with inefficiencies which makes it doubly difficult for them to counter challenging times like these. Our industry continues to struggle due to a wide variety of challenges:

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1. Skilled personnel

There is an acute shortage of skilled personnel and specialists in our sector. In a crisis situation such as the current one, a highly capable workforce with a deep understanding of logistical operations could make all the difference.

2. Standardization

As the industry remains fragmented, it also lacks standardization in processes and performance standards which makes it difficult to ensure effective sharing of network and resources when required.

3. Digital infrastructure

There is a rising but gradual transition to new digital technologies for a range of operations like e-billing, digital booking, LR, POD, among many more. However, most service providers are not equipped to offer seamless and consistent digitized services to their customers.

4. Real-time visibility

There is a general lack of visibility and transparency in terms of providing real-time updates, status of deliveries, etc. which is essential to ensure that bottlenecks are resolved on priority with the help of dynamic planning.

Our Response So Far

COVID-19 has thrown additional challenges for our industry. In addition to being resilient in the face of crisis, there is an urgency to rethink and reimagine our operating models in order to emerge stronger in the period following it. At Varuna, we have prioritised developing people, technological and process capabilities. This has enabled us to mitigate the risks and challenges posed by the Pandemic. Below, we list some of the critical measures we have taken to not only combat Covid-19 but to also emerge as a reliable partner to our clients:

1. Safety of our people and goods

We have adopted a strong stance on implementation and compliance of health and safety measures across the organization. We have enabled flexible working arrangements to encourage social distancing. Additionally, ensuring proper hygiene standards and sanitation of goods is being prioritised while factoring in the necessary measures of sanitizing sites and warehouses.

2. Workforce training

We are providing adequate training on relevant health & hygiene measures to our workforce and making it a part of mandatory compliance. To ensure timely deliveries and serve our customers better, we have trained our workforce in learning the principles of agility and laid down a plan to ensure quick adoption of technological measures to enable the same.

3. Digital capabilities

Varuna has been using technology to bring real time visibility and transparency to our clients. However, the ongoing situation emphasizes the need to further enhance our digital capabilities. We are leveraging technology to reduce human touch-points in daily transactions. We run lean operations, keep a real-time check on the movement of vehicles and ensure preventive steps like zero-touch interactions. By continually activating integrations such as digitizing booking, e-LR, e-POD, and e-billing, we are reducing the risks of COVID-19 transmission posed by human interaction and paperwork, while also bringing greater transparency and lowering our customers carbon footprint.

4. Organizational restructuring

We have restructured our organizational processes and systems to respond faster to the rapidly changing environment around us. We have prioritized development of our technological capabilities, brought in agility in internal reporting structures and taken measures to reduce costs where possible. We believe some of these changes will further strengthen our position to serve our clients as the market rebounds to normal levels in the months to come.



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Looking Forward

In order to stay ahead, we need to further look at leveraging the power of next gen technologies like Artificial Intelligence (AI), machine learning, blockchain and IoT to solve the challenges of forecasting and routing. We need to transition to a crisis-proof model by planning in advance, business continuity measures for future pandemics and other such large scale disruptions. We would like to call upon all leaders in the logistics industry to collaborate on the challenges faced by our industry. It is now time for Indian logistics to take the next big leap and play an integral role in helping our economy make a swift and strong recovery.

Stories of Our Frontline Heroes

Our employees rise above the challenges of COVID-19 to ensure uninterrupted supply of essentials.

Salute to our Bengaluru Multi-User-Facility Team for ensuring uninterrupted supply of staples.



On the evening of 24th March, just as the lockdown was being announced – our team received urgent orders for delivery of staples such as rice, flour and oil from a retail customer in our Bengaluru hub. The goods were needed in a span of 24 hrs across 9 stores in Bengaluru.

The challenge was twofold - getting requisite permissions from authorities and finding drivers who would take the risk of delivering. Understanding the importance of the task at

hand, our hub transport manager, who was in his hometown, took a brave call and immediately started the 200 km journey back to lead his team.

As a result of the swift decision making by the team, all vehicles got relevant approvals and were ready for dispatch by next afternoon. We were able to successfully supply essentials that would make a critical difference to people's lives by preventing a stock out in the ensuing days.

Our team never shies away from going the extra mile to ensure successful deliveries.

During the ongoing lockdown, our frontline heroes have set some new examples of unwavering commitment and determination to fulfill their duties.

On 1st April, our team in Ahmedabad received a request from a client for material handover to a dealer. The task was assigned to

Om Prakash owing to the proximity of his location to the warehouse.

However, there were two major challenges: he was unable to reach the warehouse due to the lockdown, and unavailability of labour for material loading.

Om Prakash, with his presence of mind, was able to arrange a vehicle for his pick and drop to the warehouse. In the absence of any labour, he managed the loading himself and thus, was able to deliver the material to the dealer right on time



Amidst unprecedented circumstances, our Bhiwandi branch team demonstrated unparalleled commitment.



In the wake of the COVID-19 pandemic and the consequent lockdown, the impediments to the availability of people on the ground have posed a severe challenge. Amidst such unprecedented circumstances, our team at the Bhiwandi branch has demonstrated an unparalleled commitment to the customer in terms of uninterrupted movement of essential goods from FMCG and Pharmaceutical verticals in spite of severe manpower scarcity.

With 18 of our loading clerks (LCs) not being able to report to work due to complete prohibition of any movement, only four loading clerks along with two other staff members, managed the movement of a pharmaceutical and FMCG major for about a month. This small team of 6 members managed a large number of vehicles in shifts, thereby redefining efficiency and commitment in the organisation.