

# MANIFEST

**A MONTHLY NEWSLETTER BY CII SCHOOL OF LOGISTICS**



## Director's Note

**DR ANITA KUMAR**

It gives me great pleasure to share this inaugural Newsletter from the *CII School of Logistics*, Amity University Noida with the esteemed industry members. CII-SoL was launched three years back to create Industry ready professionals in the Logistics and Supply Chain domain. A uniqueness of the MBA programs offered by the school is that curriculum is demand-led, designed, developed and delivered by the industry professionals. Through this newsletter, we intend to create a deeper connect between the academia and industry. We hope that the industry professionals will also contribute their articles in this newsletter about the latest trends, requirements and prospects. In the Logistics and SCM domain, industry leads academia and practice leads theory. We sincerely wish that we are able to create a continuous, ongoing engaging dialogue with the industry through this monthly newsletter as it will also encourage our students greatly. Happy Reading and Let's stay in touch!



Rajeev Ranjan, Group Supply Chain & Projects, YHS Singapore, shared his experiences and words of wisdom with the students on 12<sup>th</sup> Feb '20



CII-SoL students at ECOM Express Hub warehouse in Bilaspur Kalan, Haryana.

## An Expedition at ECOM Warehouse

**LT COL V SUNIL KUMAR**

Supply Chain & Logistics is omnipresent, with warehousing being an integral part of Logistics and Supply Chain Management System. In its simplest form, *warehousing* is the storage of goods until they are needed. The goal of warehouse operations is to satisfy customers' needs and requirements while utilizing space, equipment, and labour effectively. The goods must be accessible and protected. Meeting this goal requires constant planning and ongoing change.

True to the ethos of *CII School of Logistics* of being a unique Industry-Academia established for the purpose of creating professionals of international standard by changing the way higher education is delivered.

A field day visit was organised for the students of CII-SoL accompanied by faculty members on 20<sup>th</sup> Feb '20 to *Ecom Express* at their warehouse in Bilaspur Kalan, Haryana. Students were briefed systematically and were taken to different areas of the facility like the office complex, inbound dock, sorting area including automatic sorting equipment, cafeteria, the cross-docking area, returns area and the fulfilment centre, to name a few. Officials of *Ecom Express* clarified various queries of the students at each stage. This practical exposure benefitted management trainees multi-fold as it served as a follow up to the classroom training being imparted at the institution.

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# What are Incoterms?

**HARNEET KOCHAR**

At midnight of 1<sup>st</sup> January 2020, many people were celebrating the start of a new decade. Many of whom may be a boat. Now for boat owners, more specifically cargo ship operators and trade practitioners, the start of 2020 also marks a special occasion. It's the date that Incoterms 2020 came into effect globally.

Put simply, Incoterms (acronym standing for *international commercial terms*) are the selling terms that the buyer and seller of goods both agrees to. It clearly states which tasks, costs and risks are associated with the buyer and the seller.

Incoterms were first officially introduced in 1936 by the International Chamber of Commerce (ICC) with a goal to merge all practices and legal interpretations between traders across the world. After ICC's creation in 1919, one of its first initiatives was to facilitate international trade. In the early 1920's the world business organization set out to understand the commercial trade terms used by merchants. This was done through a study that was limited to six commonly used terms in just 13 countries. The findings were published in 1923, highlighting disparities in interpretation. To examine the discrepancies identified in the initial survey, a second study was carried out. This time, the scope was expanded to the interpretation of trade terms used in more than 30 countries.

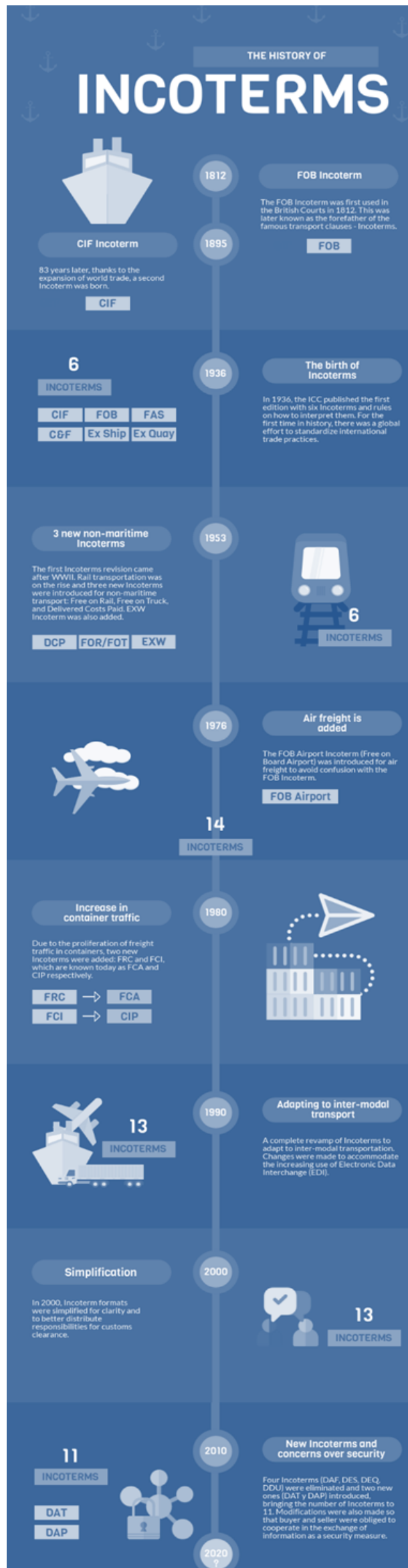
These terms are so essential that the *United Nations Commission on International Trade Law* (UNCITRAL) recognizes them as the global standard for interpretation in disputes or discrepancies.

Incoterms are revised once every decade to guarantee that the set of transport rules keep up with the pace of progress and adapts to the evolving needs of international trade.

The rules feature abbreviations for terms, like FOB ("Free on Board"), DAP ("Delivered at Place") EXW ("Ex Works"), CIP ("Carriage and Insurance Paid To"), which all have very precise meanings for the sale of goods around the world. The 2020 edition has 11 such rules in place.

It's also important to understand that not all rules apply in all cases. Some encompass any mode or modes of transport. Transport by all modes of transport (road, rail, air and sea) covers FCA, CPT, CIP, DAP, DPU (replaces DAT) and DDP. Sea/Inland waterway transport (Sea) covers FAS, FOB, CFR and CIF.

The new Incoterms modernize terminology, raise the bar on security and insurance, and balance flexibility with accountability for all parties.



**IMAGE SOURCE:** iContainers blog – The history of Incoterms. [Link: https://bit.ly/2SHf3kX](https://bit.ly/2SHf3kX)

**KEY FOCUS**

## 2010 vs 2020: What's Changed?

- DAT is now DPU.** The term Deliver at Terminal (DAT) is now Delivered at Place Unloaded (DPU) to reflect the modern need for flexibility and efficiency in an unloading place.
- FCA closes a gap.** Now, Free Carrier (FCA) makes it easier for sellers to obtain payment from a buyer's bank. Sellers are often required to present to banks a bill of lading with an on-board notation, indicating delivery of goods. But carriers frequently refuse to issue the notated bills of lading to the seller if they receive the goods from an intermediary transport — like a truck — instead of directly from the seller. The new term provides that buyers can instruct carriers to issue bills of lading with on-board notations.
- CIP increases insurance.** The Carriage and Insurance Paid To (CIP) term now requires insurance coverage provided by Clauses (A) of the Institute Cargo Clauses (LMA/IUA). There is no change to Cost Insurance and Freight (CIF), the only other term to require the seller to provide insurance.
- Sellers can DIY transportation.** Terms now state that a seller can arrange carriage as necessary. The update allows for a broader range of solutions than the traditional hiring of a third-party carrier, recognizing that many sellers now use their own methods, including trucks or planes, to deliver goods.
- Security increases for all.** Import and export security requirements have increased exponentially since Incoterms 2010. The 2020 edition expresses specific, new security responsibilities related to goods, cash, and documents under individual trade terms.

**SOURCE:** Flexport blog - *Incoterms 2020: 11 Terms, 5 Big Changes*.  
 Link: <https://bit.ly/2uQS7GP>

## BUDGET 2020

## Government to propose national logistics policy

ASHUTOSH ANAND

The Indian government has decided to release the National Logistics Policy (NLP), which aims to promote seamless movement of goods across the country. FM *Nirmala Sitharaman* in her Budget speech said that the policy will help in clarifying the roles of Centre, states and key regulators. NLP would act as a single window e-logistics marketplace and more emphasis will be laid on generation of employment, skills and making MSMEs competitive. This e-marketplace will act as a one-stop platform for exporters and importers. The policy, which is also aimed at reducing high transaction cost of traders, may propose setting up a central portal, which will provide end-to-end logistics solutions to companies.

The announcement seems significant as high logistics cost impact competitiveness of domestic goods in the international market. Policy will provide an impetus to trade, enhance export competitiveness, India's ranking in the *Logistics Performance Index*. Meanwhile, the Commerce Ministry in a statement said that India's logistics sector is highly defragmented and the aim is to reduce the logistics cost from the present 14% of GDP to less than 10% by 2022.

The sector is very complex with more than 20 government agencies, 40 partnering government, 37 export promotion councils etc. It also involves 12 million employment base, 200 shipping agencies, 36 logistics services, 129 ICDs, 168 CFSs, 50 IT ecosystems and banks and insurance agencies.

The sector provides livelihood to over 22 million people and improving the sector will facilitate 10% decrease in indirect logistics cost leading to the growth of 5 to 8% in exports, as per many experts.

Further, it is estimated that the worth of Indian logistics market will be around \$215 billion in next two years compared to about \$160 billion at present.



Walmart pave ways to dominate market through leveraging technology and its retail store.

## Transforming e-com fulfillment

Peak season 2019 wasn't a disaster for *Walmart*, but it wasn't a triumph either. Top-line growth was better but put pressure on fulfillment and ship speed, led to missing ETAs. Executives are keeping their fulfillment options open — not committing to a single strategy — but store being critical as Walmart going forward.

With such an extensive store network, analysts are confident that stores would play a role in e-commerce orders. With fulfillment speed a top priority since Amazon threw down the one-day gauntlet last year, a dense store network is an undeniable advantage. Delivery speed a top priority, enabled by in-store picking. Still, the company doesn't think of stores as fulfillment centers and is keeping an eye on the effect of order picking on the in-store experience. More to come in coming months.

## GLOBAL NEWS

## Coronavirus Impact on global trade

The impact of COVID-19 has disrupted global trade on all facets. Supply shortages of materials or finished goods coming from or routed through logistical hubs in impacted areas. The availability of labor may be limited due to quarantine guidelines or illness. Travel restrictions to certain areas, limiting the ability to discover, qualify and certify new business or programs and to transact business. Established hubs and supply networks may experience limitations in capacity and availability so that even if materials are available, they won't be easily transported. Finding alternative routes and means of transportation will be a challenge. Consumers may be more cautious in their purchasing habits due to fears about being in public and potential exposure to the virus.

Disruptions happen. Leading organizations utilize enhanced and dynamic risk management processes. These include controllable and foreseeable uncertainties such as compliance, labour, material, capacity. Dynamic risk management also focuses on unforeseen disruptions and integrates a multisource strategy with flexible capacities to turn on when needed to enhance resilience.

The current impact is on staff availability, decreased productivity and a change in public behaviour. While the full impact may be realized in a few months from now, leaders must monitor and prepare for the impact on their value chain.

### India and the virus

India has been able to build a serendipitous defense against the economic fallout of the coronavirus mainly due to their aversion to joining Asia's sophisticated supply chain for production, where China is the epicenter. But the outbreak of the virus in China has hit India's manufacturing, export and import sectors. Among those hit particularly hard are medicines, electronics, textiles, and chemicals. China is India's biggest source of intermediate goods, a sector that sees bilateral trade worth \$30 billion a year.



## CAREER SPOTLIGHT

## Transport and Logistics Sector – Need for Upskilling

DR SMRITI GOEL ASTHANA

The shift from bullock carts, motor vehicle, trucks, cargo ships, transportation and value added services to backward and forward integration, Just-in-Time (JIT), Blockchain Integration, Artificial Intelligence and Big data...Welcome to Industry 4.0, the new benchmark which represents a paradigm shift from an era of rigid, labor intensive and physical production based to a more dynamic, agile, and automated manufacturing setup. The logistics domain envisages a shift of focus from mass production to mass customization, enabled by flexible production and shorter lead times. Simultaneously, there will be a transition from product specific, large-scale factories to smart factories with high-technological equipment that can produce multiple products at competitive cost. Flexibility will also manifest in the ability to work remotely using technologies such as augmented reality. The success metrics for businesses will encompass a wide spectrum of technological advances across the value chain with value addition at each step in the process.



IMAGE SOURCE: Industry Week Blog: <https://bit.ly/3bVLI7e>

With the Industry 4.0, companies have started to seek continuous self-evaluation, using and testing new technologies to reach higher levels of productivity and consumption across the globe. In order to harness the transformative potential of 4.0, the business leaders across sectors and regions need to formulate comprehensive and continuously evolving workforce strategies to meet the challenges of the ever-changing dynamics of technological innovation. The potential disruptive impact of advances in robotics, blockchain, cloud computing, artificial intelligence and 3-D printing on jobs and human skill-sets, is a focus for fierce debate across the logistics and supply chain industry. The skills which are important today will cease to be so in the immediate future and the work force will be expected to possess new skills in the domain of information technology, data analytics, etc. again evolving at a high pace. A higher percentage of the jobs will give importance to cognitive abilities and system skills over physical abilities while defining core work-related skill sets.

It is anticipated that future developments in jobs and skills in the Indian logistics sector will be linked to the penetration of Information communication Technology (ICT) in work processes both upstream and downstream (what we now know as *forward integration* and *backward integration*). There is going to be a rise in both low and high skilled jobs within the industry, data and technology enabled new service models allowing for increased customization of value-added service to customers.

### Implications for jobs

With the shift from ‘brick and mortar’ to ‘click and order’ in the last decade and enormous success stories of Flipkart’s and Amazon’s of the world there has been an increase in the demand for logistics and distribution specialists and workers. Across the sector, there has been a growing shift from existing skills requirement of complex problem solving, people management, quality control, judgment and decision making, towards the growing demand for application-centric and data analytic skills demand for warehousing and transport logistics. We have app-based applications and online platforms which are now facilitating everything from goods delivery (Flipkart, Amazon), food delivery (Zomato, Swiggy) to services delivery (Urbanclap). Each new application demands for a different skill set in terms of last mile delivery and customer satisfaction, to add, even the existing brick and motor companies are developing in-house mobile based apps to provide real time information to track and trace quality delivery of both content and services to the customers and looking at generating repeat revenue/business from customer delight based on the responses and feedback. *Green consumption* is also anticipated to be on a rise leading to an increase in demand for employees to accredit products and services as eco-friendly.

### Implications for Skills

Data analysis and IT- skills like programming, digital and visual presentation are going to be in increasing demand with the advent of fourth industrial revolution. There would be a general need for medium to high technology literacy throughout the sector, as all the jobs from management trainee to up the ladder would involve use of technology and innovation at each stage. The ability to analyse and interpret the large volumes of data is becoming an increasingly an important skill, primarily at the managerial level.

The need for the lower skilled workers to up-skill themselves in ICT is much needed to avoid redundancy due to automation. The gaps in the existing skills and the required skills can be bridged through various measures which can be an effort on individual basis or a training programme conducted by the companies to up-skill or re-skill their employees which would prepare them for construction post continuous disruption in the market and at a fast pace.

The basis behind such a statement is the fact that Industry 4.0 will result in an increase in labour productivity, multi-skill enhancement and in the quality of the products manufactured. As a result, the demand for quality products manufactured will increase, rendering companies with no option but to increase capacity to meet the demand. There is no doubt that certain low-skilled jobs will be eliminated. However, it is expected that an increase in capacity will have a positive effect on the creation of jobs, requiring higher levels of skills. Employees who were rendered jobless due to elimination or reduction of low-skilled jobs need to be re-skilled or up-skilled to make them ready for the new requirements. All in all, the creation of new high multi skilled jobs will compensate for the loss of few entry level jobs, these skill sets will be required across the industry in different categories, all of which are interlinked and would serve the basic issues/needs/requirements of logistics planning and execution.



(Left to Right) Lt Col V Sunil Kumar, Abhijay Tripathi and Aseem Taneja posing with CII-SoL banner)

## AGM Marathon Showdown!

Amity Gurugram Marathon (AGM) is one of the mega sports events being organized by Amity Education Group in Gurugram, Haryana every year. Three of our students completed the marathon in the 2020 edition of the event: *Abhijay Tripathi* (10Km) - 53 minutes 34 seconds, *Lt Col V Sunil Kumar* (10Km) - 1 hour 20 minutes and *Aseem Taneja* (10Km) - 1 hour 11 minutes.

## A Sustainable Idea

Students of CII-SoL showcased their unique idea at the IILM *Sustainability Carnival 2020*. The idea involves creating pallets through coconut husk, as 170 million trees each year are cut for making pallets which is detrimental to the environment, whereas coconuts are a renewable natural resource which is available in abundance in our environment.

The group that has participated were 2019-21 batch students: *Mokshesh Rathore, Enoch David Sen, Gaurav Ghosh, Chandan Verma and Namneet Singh*.

We wish them all the best as they're currently working on building a functional prototype of the pallet.



(Left to Right) Mokshesh Rathore, Enoch David Sen, Gaurav Ghosh and Chandan Verma at IILM

## We got placed!

These students of batch 2018-20 got placed at various firms:



### Designation: Management Trainee

- Aparna Rathi (MBA SCM)
- Radhika Chandra (MBA SCM)
- Megha Rani (MBA Logistics)



### Designation: Management Trainee - Sales

- Tushar Kataria (MBA SCM)
- Archit Mithal (MBA SCM)
- Harshita Jania (MBA SCM)

This issue was designed and edited by the students of 2019-21 batch, namely:

- Trisha Manrai
- Ashutosh Anand
- Harneet Kochar

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