

“I always look for challenges”

Sushil Rathi, Senior VP - SCM, Mahindra Logistics has more than 25 years of experience in sales & distribution, marketing, channel management, supply chain management, and business & IT consulting. He initiated his career in Premier Automobiles Limited and over a period of 15 years worked in various capacities within the sales and marketing division. Post the joint venture with FIAT, he became the marketing head for FIAT in India. He also managed consulting assignments with Satyam & Anantara. During this period he was responsible for business development in India and consulting delivery for SCM, logistics and manufacturing. He is a Mechanical Engineer and also holds a Post Graduate Diploma in Industrial Engineering and Management from NITIE, Mumbai.

What motivated you to join this industry? We request you to describe your professional journey in brief.

The first 15 years of my career were in automotive industry. I was head of marketing for FIAT in India. In the year 2000 I shifted to Business & IT Consulting with Satyam Computers. During that period, I was a part of team which conceptualised the birth of Mahindra Logistics. After 10 years, I decided to be the part of Mahindra Logistics to take care of SCM vertical. In my career I have been always looking for challenges. The shift from auto to IT and now to logistics is part of that process.

How has the industry changed from the time you stepped in?

The biggest change is importance of supply chain seen and experienced by logistics service users as a source of competitive advantage. The upsurge in organised players in the market has also given more confidence to users, since they are able to provide integrated supply chain services. We also see a shift in prime focus from mere cost cutting to value addition. Use of Information Technology in logistics has increased. At the same time collaboration with stakeholders for consolidation, asset utilisation, network



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optimisation has also gained importance. We now see importance of innovation as a service differentiator. There is also increasing awareness on carbon footprint and sustain-

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ability. Many logistics players have also started driver welfare initiatives which are very important for sustainability of industry.

What was one of the biggest professional challenges that you have faced till date?

To convince logistics users to outsource logistics and view it not as a cost reduction exercise but a value adding activity has been one of the biggest professional challenges.

From the industry point of view inadequate infrastructure development, lack of unified tax structure and lack of skilled and semi-skilled manpower including drivers are some of the challenges.

What are your expectations from this industry in 2014-15? What are the major changes you are expecting in next few years?

While overall industrial outlook is not very encouraging for 2014-15 but logistics industry will still see a moderate growth rate. I expect increasing awareness among logistics users about the benefits of logistics outsourcing. Growth in some areas like Agri logistics, cold chain & storage, e-commerce logistics is likely to be on a higher curve. Automotive logistics expected to continue to dominate the 3PL market.

Some of the major changes we expect in coming few years would be implementation of GST, growth in PE investment in logistics, growth of retail logistics due to FDI in retail and logistics infrastructure development by the government etc.

According to expert opinion, the Indian logistics industry offers gallant opportunities for foreign players as well as for Indian companies. But what is still restricting the Indian logistics industry from growing?

As mentioned earlier, what is restricting India from growing its logistics industry is the inadequate development in infrastructure coupled by the modal skew towards road transport. Lack of unified tax structure is making the transactions more complex and costly. The Indian logistics industry is highly fragmented with a dearth of organized large-scale players. Logistics users are more reluctant to invest in technology or share their company data with the logistics service providers. Another important challenge the industry is facing is lack of skilled manpower.