Technology delivering accelerated growth for India's logistics sector

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There is no doubt that COVID-19 will be remembered for generations to come. As people and businesses emerge from the ramifications of the pandemic, if we choose a different lens to look at the wide array of disruptions, I can see a couple of major positive trends.

First is clearly the increased technology adoption in majority of business processes. Forget pitch presentations but prior to the pandemic, it was even difficult to imagine contract negotiations and subsequent contract signings being conducted online!

And second is the stupendous expansion in growth and opportunities for several businesses, especially in the ecommerce sector. By extension, it is therefore not much of a surprise that the backbone of the ecommerce industry - the logistics sector - is also booming.

However, the logistics sector is not immune to its own challenges. As per a recent report by Arthur D. Little India in collaboration with the CII, India's logistics and supply chain costs amounted to a staggering US$400 billion, up to 14% of the national GDP. This is nearly double that of the global average of 8% and raises a competitiveness gap of approximately US$ 180 billion. This scenario is concerning when we look at the actual performance of the whole sector - despite such overall high logistics costs, service providers often struggle to earn profits. The competitiveness is so high that service providers are often replaced by customers for the slightest cost difference.

The above indicators point towards the need of the hour for the logistics sector - streamline operations, bring in process efficiencies and enhance customer experience: all which can only be achieved by leveraging technology.

While this sector has been traditionally slow in technology adoption for core operations, the pandemic has been a catalyst in reversing the situation. It has now witnessed the strong cost and operational benefits being offered

by cloud native platforms, blockchain technology, advanced data analytics and AI. Technology will enable logistics companies to become more agile, lean, quick in its operational and strategic decision making while curbing the revenue leakage and improving overall efficiencies.

A great instance of this is Safexpress which has designed and developed 'PROPEL-i', an innovative scalable logistics platform, deployed in a secure & resilient cloud environment built with Design Thinking, based on mobile-first concept.

Going forward, technology will not only be a key driver of growth for the logistics sector but will be a significant competitive advantage for logistics companies in a big way.

To learn more about the Safexpress case study, click here.

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