



## 3PLs should balance between technology and human capital to make tech integration feasible.

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**From pure play logistics services providers to 3PL end-to-end solutions providers, the sector has witnessed a significant change in the last few years. What are the opportunities and driving force for the 3PL service providers?**

There are two ways to look at the emerging growth opportunities for the 3PL service providers. On one hand, because of the COVID-19-related uncertainties, companies are more inclined towards hiring 3PL services with proven ability to adapt to the changing circumstances. 3PL service providers capable of offering resilient and integrated services are better placed to capitalize on the growing demand.

On the other hand, e-commerce players are aggressively growing their customer base beyond metros, as more and more people prefer the safety of online shopping during the pandemic. To align the business with the evolved buying behaviour, erstwhile offline retail segments such as grocery, medicine, apparel, etc. are going online. This transformation and market expansion opportunities are driving demand for 3PL services.

**How has the Covid pandemic disrupted the sector and what are the challenges?**

There was an impact of Covid initially on the logistics sector both from the operational and demand side when the first nationwide lockdown was announced last year. Due to various restrictions to contain the pandemic spread, normal movements were affected. Manufacturing and demand-supply movements were also impacted because businesses were closed. However, things have improved since then. Both domestic and global trade are gradually regaining pace and adapting to the new normal.

To comply with the restrictions, health advisories and safety guidelines, we, at Avvashya CCI Logistics have further strengthened our digital capabilities to build sustainability and business continuity.

**How important is adoption of technology in this segment?**

Warehousing companies across the world are switching to automation to accelerate speed and enhance precision in operations.

I think, when it comes to warehouse management, better cubic space utilisation should be the goal. The warehouse structure should be set up with 12-metre height and the option for 6-7 air changes to boost productivity and facilitate ease of operations. The load-carrying capacity of the floor must be of minimum 6 tonne per square metre to facilitate tracking, shelving and implementation of automated storage and retrieval system (ASRS).

**For logistics firms, which sectors will drive the growth? What are your future plans?**

Food, pharmaceutical, automotive, textile and chemicals and e-commerce have been fuelling growth for us in the last one year and the scenario is more or less similar across the logistics industry.

As far as expansion of our operations is concerned, we have almost doubled our warehousing space across the country in the last three years. In addition, over 2 million sqft of warehousing space is in the pipeline. We have plans to expand our warehousing space in Mumbai, Chennai and in the major parts of northern and eastern India. We are expanding our facilities in Bhubaneswar, Guwahati and Kolkata.

On the operational side, we have rolled out CFS Plus, an unmatched integrated service offering which provides a combination of both CFS and warehousing services. Moreover, we have unveiled a new service vertical, Flexi Warehousing. Thanks to this 'plug-and-play' service offering, companies can segregate a part of the warehousing space and custom-build it for specific purposes. The service is presently available at our Gurugram facility in Haryana and we have plans to spread this facility across the country.

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