



Value Creation through process innovations!

**Delivering merchandise to traditional markets like
Chandni Chowk of Delhi, Bada Bazar of Kolkata and
George Town of Chennai made easy!
- A case study!**

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Background and Situation:

Chandni Chowk in Delhi, Bada bazaar in Kolkata and George Town in Chennai has something in

common. These have been old markets existing for ages and are part of every city in India. Despite evolution in trade, business models and creation of Malls and Mega Malls, these markets still account for a sizeable share of overall trade. Textile, Garments, Electricals, Electronics, Home Furnishing, White Goods, Brown Goods, Sanitary items, Computer and Peripherals etc. one would get everything in these markets and at a much lower rate than the modern markets & malls. But did you ever know how the material reaches there at the traders? Yes, there has been a traditional



Logistics System which existed and worked through "Transporters", "Godowns" & "Thelawala" and relied on 'one to one' reactive communication. Visibility had not been that important as one to one communication served the purpose. As a result one would not know after the material is handed over to the transporter if the material is still with the transporter or handed over to the trader. No one bothered about 'dwell time' of material with transporters. There had been instances of materials reaching in damaged conditions especially due to use of 'Hooks' for lifting. As a result the packing was spruced up but not the delivery model. The old way of logistics in these markets will never align with the EHS policies of the corporate. As a result these corporate either are compromising on their set policies to be present in these markets or are not present in these markets at all, thereby, losing out on a big opportunity.

Genex Logistics has evolved a solution to address this huge GAP by creating a New Age Business Model for Traditional Markets ~ a model which provides visibility, delivers just in time and has real-time information about what is being delivered.

List of Issues related to these markets:

- **Forecasting is difficult:**

Forecasting in fabric is very difficult as fashion cycle depends on the customer's moods and it may change very fast. So the time between production and replenishment to stores / retailers should be least possible. And for that, in addition to the visibility of the stock, the backward supply chain needs to be very agile & responsive. However, supply chain has been one of the biggest bottlenecks in these markets due to which forecasting accuracy is way below the other markets.

- **Retailer's space is too expensive to store goods:**

The retailers in these markets have limited spaces and cannot accommodate larger quantities / SKUs at the retail points. Further these spaces are expensive and cannot afford to store everything. Hence delivery model becomes ultra important in reducing this gap by providing required material just in time.

- **Too much reliance on Intermediaries:**

Because of the opaqueness of the old delivery channels, the manufacturer is too much dependent on the intermediaries like Agents and Transporters. The brand owner generally does not have much control over the delivery systems as they have not seen any other model of delivery to these markets.



- **The lag between Modern Communication and old delivery Model:**

While the communication channels have improved with technology, the delivery models have not. So while one know there is a requirement of a particular product at the retailers but not being able to cater to that is more painful. Delivery model will have to catch with the advances in communication channels.

- **Communication issues:**

Further, as one end of the spectrum (Manufacturer and brand owners) is highly tech savvy using modern communication channels, the other end of the spectrum (Agents/ Transporters / Thelawalas Retailers/ Dealers in these old markets) have seen little or no change. Hence a lot of time is spent in communicating between the two ends of the spectrum to ensure correct requirements are delivered to the desired locations.



- **Non-delivery of goods by Transporters:**

With time, transport godowns have become default storage points for goods. For the manufacturer as well to the retailers it looks as if the storage is free but it is not. Further, these godowns are generally very small places somewhere in the basements of buildings and much more material than the capacity of these godowns is 'dumped' there for transit storage. As a result whenever a particular merchandise is required by the retailers, transporters are not being able to deliver it just- in-time because the merchandise is 'buried' down there in the small godown and not feasible to get it out.

- **Damage & Breakage:**

There has been high %age of damage due to the use of hooks and the way goods are handled there while unloading/loading. Further, traditional way of transporting goods has little safety towards rains etc. As a result, either the goods are damaged or wet (in rains), the cost of which is either born by the manufacturer or the retailer.

- **No visibility of Goods Sold:**

The manufacturer does not have any visibility of the goods sold by the retailers. While the modern businesses have been thinking about linking even the consumption points to its networks so as to get the real-time information of demand, they do not get such information from these traditional markets. Sales teams of manufacturer are ill-equipped to handle these markets. They do not have any information about the inventory in transit for the retailers let alone what is sold by the retailers.

As a result the sales happen through push models through sales agents which not only create spikes at the end of the months but also create a big gap between the actual trends of the real demand.

Why is Genex Logistics appropriate partner?

- Genex Logistics is a new age solution provider and its team has sufficient experience in 3PL & distribution activities and has developed tremendous IT capabilities.
- The capability of Genex Logistics to understand the problem and devise solutions accordingly separates it from the run-of-the-mill service providers.
- Genex Logistics has spent substantial amount of time in understanding the logistics challenges in these markets and as a result have created and implemented a solution ~ New Age Delivery Model



for Traditional markets, which is working and addressing the above mentioned challenges for retailers as well as manufacturers.

Benefits Emerging from Using Genex Logistics:

By using New Age Delivery Model for Traditional markets from Genex Logistics, many of our clients have been able to get rid of these issues plaguing them for ages. Genex Logistics have created visibility at all the level 'till delivered' and have shortened the time between 'demanded' and 'replenished'. Clients are getting the real-time information about their merchandise and inventory in transit.

Beneficiary profile:

It all started with one of the leading Fabric manufacturers in India. The Manufacturer produces leading brand of fabric and sells it across the country. The fabric, being one of the oldest commodities, generally sells through these markets. But while surveying the existing delivery models for Fabric, we came across many of these challenges being faced by almost all the products and brands sold in these markets. And that's where this New Age Delivery Model for Traditional markets evolved at Genex Logistics!

Now the beneficiaries are everyone ranging from Fabric Manufacturers, Electric good manufacturers, Hardware manufacturers, Sanitary ware manufacturers, Electronics goods suppliers, Luggage manufacturers, Book publishers and the manufacturer and retailer of other house hold as well as industrial goods ~ Anyone who sells in these markets directly or through distributors !!

About Genex Logistics

Genex Logistics (Genex Logisolutions Pvt. Ltd.) is India based supply chain and logistics firm with focus on value creation through process innovations. The diverse and widely experienced team at Genex Logistics holds proficiency in handling Supply Chain Strategy, Logistics Operations, 3PL, 4PL, Warehousing, Core Transportation, Express Distribution, International Freight Management, Freight Forwarding, Contract Logistics, Project Logistics and Customer Relationship Management. Genex Logistics footprint spans across India and has been at the forefront setting benchmarks for Logistics, Transportation, Freight Forwarding and Project Logistics industry in the country.

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