

India's Logistics Sector Is Becoming an Information Economy

By Maj Gen Shamsheer Singh Ahlawat, Advisor, NLDSL

The future of logistics will no longer be defined solely by trucks, ports and warehouses. Increasingly, the industry's greatest asset is becoming information accurate, connected and actionable data that enables faster, smarter and more efficient supply chains.

Introduction

Logistics has been predominantly considered as the actual transportation of goods over the last few decades. Investments were made mainly in transport infrastructure, storage capacity and the company's distribution network. Although those elements are still essential for economic growth, a big change is happening in the industry. In modern days, the importance of information in logistics is growing. As supply chains become more complicated and interrelated, the ability to access, process and share reliable information becomes crucial in efficiency improvement.

Information Is the New Competitive Advantage

In the present scenario logistics result in the generation of massive data such as status of the shipment, level of inventory, customs clearance, multimodal transfers as well as the delivery date/time. But since it is not the quantity but the usability of the data that matters the most, data helps businesses when it aligns across the stakeholders allowing them to see better what they are doing, plan accordingly, eliminate risks and react to disturbances in a better manner. In fact, this marks a new era for the logistics industry, since information has become that strategic asset of the business instead of simply being a by-product of operations.

From Data to Decision Intelligence

The digital platforms available in India are playing an important role in the transformation of logistics from a data-centric approach to one that is intelligence-driven. For instance, the **Unified Logistics Interface Platform (ULIP)**, works through different government systems and private entities in the form of a data exchange platform through which all reliable and useful logistic-related information would be accessible. The **Logistics Data Bank (LDB)** further gives information on the entire journey of containers, both through air, road and waterways, hence helping companies in decision making regarding logistics based on real-time information gathered from this platform. Likewise, the Koyla Shakti Dashboard shows the effectiveness of methods for enhancing logistics in specific sectors, such as coal-based logistics by offering an overview of shipment travels that can be used for efficient planning and resource utilization. Hence the examples of the above platforms indicate how an integration of information system leads to the evolution of a function of logistics from merely a transaction-based process to an intelligence-based activity, whereby information adds value to logistics activities such as transportation of goods.

Characteristics of an Information-Driven Logistics Ecosystem

- **Flows of secure data:** Information across stakeholders of logistics and supply chains becomes available with a significant decrease in the time needed to coordinate.
- **Visibility:** Real time access to data helps make decisions as quickly as possible.
- **Interconnected digital applications:** With standardized data exchange, the duplication of efforts and resources is eliminated, and logistics operations are streamlined.

- **Advanced operational data:** Advanced data analytics and operational intelligence/data are easily converted to actionable insights and competitive advantages within the logistics operations.
- **Logistics ecosystems:** Information is combined to optimize public and private logistics operations and services.
- **Data science in formulating logistics policies:** Better logistics data and analytics help in making better informed decisions and associated reforms within the logistics sector, including logistics infrastructure improvement.

Industry Perspective

Leading global economies rely on logistics systems built on digital platforms connecting supply chain information. India has focused on digital public infrastructure to facilitate a modern context of logistics systems. Users of logistics services are able to derive as much value from logistics data as they do from physical logistics infrastructure. The ability to convert disjoint supply chain information to interconnected supply chain intelligence alters how supply chains can be tracked, optimized and managed.

Looking Ahead

The potential of logistics technologies to cultivate intelligent systems, improve forecasting and enhance efficiency will be as good as the data powering them. India will strengthen its global trade and manufacturing status, making advanced logistics systems with focus on data a prerequisite competitiveness and margin improvement. The organizations that succeed in the next decade will not be the largest with the biggest logistics infrastructure, but the fastest to contextualize, decide and act upon information to the greatest positive effect.

Conclusion

India's info logistics is combining infrastructure and information. Digital networks and real-time visibility are the building blocks of smart and safe supply chains and will give India the edge it needs to compete globally. In the information economy, the trade of goods will depend on the trade of data.