



STUDY OF WAREHOUSE OPERATIONS IN MAHINDRA LOGISTICS LIMITED

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Abstract

Mahindra Logistics entered the booming logistics industry in 2000 as a captive entity servicing the needs of our rapidly growing Automotive and Farm sectors. They branched out and moved beyond a decade ago. Today, Mahindra Logistics is a stand-alone company that services over 200 large corporate customers by deploying 25,000 vehicles a month, and five million square feet of warehouse space. They are today India's leading integrated third party logistics service brand, with 13 offices, over 88 operating locations across the country, and revenues in excess of INR 17500 million.

They manage close to 5 million sq. ft. of warehouse space at multiple locations across the country. These include a mix of built-to-suit, dedicated and multi-user warehouses. They are also adept in handing the existing warehouses of customers to generate optimal efficiencies in them. Their warehouse operations use latest and proprietary technologies for improving productivity and increasing efficiency. Mahindra's system runs on a structured process flow for each sub operation and for tracking metrics. Technologies like Clean Sheet for process wise manpower requirement, layout optimizer for optimizing layouts, Knap Sack for optimal storage pattern analysis and Customized

MHEs etc are used on a regular basis across the network.

INTRODUCTION TO LOGISTICS

Warehouses are usually large plain buildings used for commercial purposes for storage of goods and are commonly used by exporters, importers, wholesalers, manufacturers etc. Warehouses are crucial components of most modern supply chains and are likely to be involved in various stages of the sourcing, production and distribution of goods, from the handling of raw materials and work-in-progress through to finished products. This study was done based on the data provided by Mahindra Logistics Reporting team of an achievement they made on a 3rd party contracted warehouse in Hyderabad. Warehouse management is concerned with ensuring that all the activities involved in warehousing are carried out efficiently and effectively by seeking to eliminate waste from activities that add cost to the supply chain, while maximizing those areas that add value. Mahindra Logistics has developed and implemented its own management concepts in their Client's Warehouse in order for it to run smoothly and accomplish the vision, goals and objectives it has set forth by their client. The four functions or types of activities of

warehouse management are: planning, organizing, leading and controlling. This study is designed to explore the overall picture of warehouse management practice at Mahindra Logistics Limited warehouses and help identify the scope of improvement.

INTRODUCTION TO LOGISTICS

Logistics is a broad, far-reaching function which has a major impact on a society's standard of living. In a modern society, we have come to expect excellent logistics services, and tend to notice logistics only when there is a problem.

- The difficulty in shopping for food, clothing, and other items if logistics systems do not conveniently bring all of those goods or items together in one place, such as a single store or a mall.
- The challenge in locating the proper size or style of an item if logistical systems do not provide for a wide mix of products, colors, sizes, and styles through the assortment process.

- The frustration of going to store to purchase an advertised item, only to find out the store's shipment is late arriving.

There are only few of the issues for granted which illustrate how logistics touches many facets of daily lives. Because of the magnitude of the impact of logistics on society and individuals, a macro approach is taken to understand the logistics management.

INDUSTRY OVERVIEW

Logistics is regarded as the backbone of the economy, providing efficient and cost effective flow of goods on which other commercial sectors depend. Logistic industry in India is evolving rapidly, it is the interplay of infrastructure, technology and new types of service providers, which defines whether the logistic industry is able to help its customers reduce their costs in logistic sector and provide effective services.

Despite of the weak economic sentiments, the logistics industry continues to witness growth

due to the growth in retail, e-commerce and manufacturing sectors. The Global Logistics sector was expected to grow 10-15% in the period 2013-14. Logistics industry is expected to reach over USD 2 billion by 2019. Rise of e-commerce logistics and increased domestic consumption will lead the way for the industry in the coming years. With a promise of growth and improvements, the service oriented logistics industry is ready to expand beyond the horizons in the latter half of this decade.

COMPANY PROFILE

The Group:

The Mahindra Group is an Indian multinational conglomerate holding company headquartered at Mahindra Towers in Mumbai, India, with operations in over 100 countries around the globe. The group has a presence in aerospace, agribusiness, aftermarket, automotive, components, construction equipment, defense, energy, farm equipment, finance and insurance,

industrial equipment, information technology, leisure and hospitality, logistics, real estate, retail, and two wheelers. It is considered to be one of the most reputable Indian industrial houses with market leadership in utility vehicle as well as tractors in India.

Mahindra & Mahindra is a part of the US\$ 17.8 billion global Mahindra Group headquartered in Mumbai, India, with a presence in over 100 countries and employing over 2,00,000 people. The Group's operations span 20 key industries across 10 sectors

Mahindra Logistics and to understand the standards and benchmark the organization with respect to the industry.

SECONDARY OBJECTIVE

- To know about Logistics Industries
- To understand the Divisions, Departments process of warehousing departments
- To know whether the internal and external customers are satisfied with the existing range of service provided.

Objective of the Study

PRIMARY OBJECTIVE

- To have a thorough understanding of how logistics Operations and Warehouse management works in Mahindra logistics.
- To learn the effectiveness of warehouse operations in

Limitations of the Study

- The necessary information about the study was given by the company.
- Time constrain was a major limitation of the study
- Some of the study was based on observation from my short stint of Internship in the Warehouse and Chennai Branch Office.

Research

Methodology

Companies could gain cost advantage using their logistics area of the business. Warehouse management is a possible source of cost improvements a logistics that companies could use during this economic crisis. The goal of this study is to expose a few best practices used in Mahindra Logistics limited warehouse performance measurement which lead to performance improvements.

The research represents a case study on a loss making warehouse which was contracted by Mahindra logistics. The study demonstrates the intricacies of warehouse management practices earlier used and how it was improved by Mahindra Warehouse team.

This is to understand possible barriers which influence the overall performance of warehouse operation. Warehouse performance measurement refers to the measurement of: optimal use of storage space, customer relations, activity, quality level, assets usage and costs.

Conclusion:

The main solutions we propose regarding warehouse management are performance indicators and process mapping. These two solutions complete each other. It is easier to establish key performance indicators for a warehouse after a process map was drawn, considering also other indicators used at international level. The process map is the helicopter view needed for establishing relevant performance indicators.

Performance indicators are useful for identifying the problems – red or abnormal values of the indicators are as a control system for a warehouse.

In order to solve the problems, we have used a very simple methodology: identify the causes of the problems and then try to diminish their impact or just eliminate the causes. It is a cause-effect approach, easy to be applied by any manager.

Warehouse performance measurement means, in our opinion, discovering the problems of the warehouse and solve them before is too

late. It is a way to reduce costs by improving operations that take place in a warehouse, and having low costs is an essential feature of differentiating logistics firms. We applied the key performance indicators to a small company, but they can be calculated also for large firms. Even on a small scale, they helped us discover a lot of problems, out of which the poor utilization of space was the essential one.

Learning:

- Learned a lot about logistics and specifically about Warehouse Division
- The labors in the Hyderabad unit were not skilled and trained, so the material handling is not efficient.
- They were working without motivation and with low Morel. Mahindra used their sustainability methods and increase the welfare activities- Which reduced Absenteeism and Attrition.
- The area of the Hyderabad location is around 15,000 Sq feet.

The area was not utilized efficiently for the present demand. Lay out of the Warehouse was redesigned

- Multiple negotiations and Discussions happened with Suppliers and Vendors for on time delivery of goods.
- Clients did not have bar coding facilities and they were still using old traditional way of Tagging and clearing.
- The organization focuses on customer satisfaction and best and speed service.
- The major advantage is that the company as all largest service provider in south India

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