

# International Best Practices in Cold Chain

By Jasjit Sethi

Cold chains are defined as climate-controlled supply chains, consisting of storage and distribution activities, which maintain the object at the required ambient temperature. Of critical importance to agri-products, pharmaceuticals and dairy products among others, revamping the existing cold chain infrastructure will significantly impact our GDP growth. While the demand for development of necessary infrastructure derives from growth of the dependent sectors, lack of necessary support continues to be a major challenge.

Small land holdings remain a logistical issue, hampering development of necessary climate-controlled storage spaces. Uneven distribution of capacity and demand makes standardisation difficult, and therefore, results in need to develop specific and customised solutions, which could prove to be costly. Moreover, the requirements vary across sectors, with some, like pharmaceuticals, requiring specialised solutions for cold chain logistics.

In supply chain management, perishability, seasonality, variability, bulkiness, small-scale production, and traceability are some of the issues that distinguish the cold chains from other sectors. Quality is critical in the cold chains than any other sector.

Internationally, the cold chain network is well defined and akin to our ambient network of warehouses and vehicles that are readily available. One just needs to plug into it. Multimodal, hub and spoke, LTL and FTL are products that thrive on this network in countries

such as US, Japan, Singapore and Western Europe.

## Issues and Challenges

The biggest challenge in cold chain management industry is maintaining the sanctity of the cold chain across the various chain -links and different players. The baton falls too frequently in this chain and the entire relay is compromised.

Another and maybe a bigger challenge is commercial. The costs overwhelm the revenue model and maintaining a decent balance sheet is a tough ask. We hope with more stringent measures and regulations, customers will place quality first and people like us will benefit as we do not cut corners even if we take a financial hit

The third challenge is of moving fast and unhindered across the present infrastructure with very little time for countermeasure in case of a unit failure as the service network is quite weak.

## TCI Cold Chain

TCI's cold chain business has been steady in the last few years, awaiting the right timing to scale up. That time is now come and as we speak we are rolling out one of the most state-of-the art Cold Distribution Centre in Gurgaon to cater to the urban populace across all product lines. This facility of 5000 pallet positions with processing area shall be ready by March 2015. Following this are facilities in Nagpur, Pune and Chennai.

Parallel to this we are expanding our fleet from the modest 50 we own to 100+ in the next calendar year.

Our present focus is on healthcare while the expansion is predominately in food services / QSR.

TCI also offers time sensitive temperature controlled Express Logistics for faster movement of high value and perishable cargoes such as vaccines, vials, ampoules, gelatin capsules in addition to regular medicines through TCI XPS Air and Surface.

## Future Trends:

A survey, titled 'Assessing the Future of the Cold Chain Industry', conducted in early 2014 which highlighted future trends in areas that significantly impact the cold chain industry - including environmental, trends, logistics and products and services. Two key trends identified by the survey results were:

- Due to environmental concerns and the need to improve supply chain efficiencies, customers are increasingly re-using passive packaging systems.
- The industry is anticipating a stronger global regulation environment, while at the same time many companies are looking to outsource non-core activities.



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versity of Singapore, amongst others. He is the President of the Delhi Roundtable of CSCMP (Council of Supply Chain Management Professionals); Member of FICCI National Committee on Infrastructure etc.

TCI-SCS is an Integrated Supply Chain enabler offering Supply Chain Design and Implementation as a Lead Logistics Provider for high value industry segments like Auto; Retail & CP; Telecom & Hitech; Cold Chain; Chemical; Life Sciences and Healthcare. The company is a part of Transport Corporation of India Group, renowned for its leadership position in Indian logistics covering Freight, Express, Shipping and Contract Logistics.