

**Brief Summary of National Convention, NATCOM 2015 held at VADODARA on 27<sup>th</sup> & 28<sup>th</sup> NOVEMBER 2015**

The National convention of Materials Management was hosted by Vadodara Branch of Indian Institute of Materials Management.

NATCOM was started with prayer sung melodiously with dance by young girls seeking the blessings of Guru & Lord Ganapathi. The dignitaries on Dias lighted the traditional lamp signifying the leading from darkness to brightness.

Mr. Malay Majumdar, Convention Co-Chairman extended formal welcome to the dignitaries on Dias.

The National President spoke on approval of Skill Development programmes by Govt. & Professional Diploma in Public Procurement of World Bank, Contract Management program of Coal India Ltd. & the Global Standard Award for GDMM & DSCM courses by IFPSM and activating the regional centres of CRIMM.



Mr. T. Suvarna Raju, CMD, HAL introduced HAL & reminded that the first Aerospace Industry was started by Mr. Lal Chand Hira Chand. Today HAL is geared up to meet global competitive challenges. He said that he is proud to tell that every alternative AIRBUS has front Door manufactured by HAL. He proudly told that HAL is having more than 50 GDMM Graduates of IIMM working in HAL. He also said that HAL may seek the help of IIMM to improve their Supply Chain.

Mr. Deepak Mehta of Deepak Nitrite Ltd. said that this century is of mass customisation & SCM is a major contributor for success. He gave the example of delivery of Pizza within 15 minutes of order and 15 storey building built within 7 days by adopting smart and agile Supply Chain. He also said that E-commerce companies are purely adopting supply chain for their success.

Mr. Tribhuvan Kabra, Chairman of RamRatna Group spoke in Hindi. He said that every person has to compete with oneself & good family culture will protect each individual.

Dr. S. K. Nanda, IAS, CMD of Gujarat State Fertilisers & Chemical Ltd. explained that Materials Management is most important role in any company & the Materials person should have sensitivity of Cost, Time, Quality & Demand Forecasting strategy. LIFO, FIFO and other such concepts may become obsolete as per his opinion. He gave various examples of Lord Sri Krishna ordering to Arjuna & Karna and how right attitude can achieve success. He also gave example of constructing Brookline Bridge for Integrated Holistic way managing projects. He also said that supply chain basically started during World War II where managing logistics, fighting and planning etc. are all part of Supply Chain.

Mr. O. P. Longia during his talk defined Supply Chain Management to brush up the memory of audience. He said that SCM is the major contributor of any Industry. He offered help to Industries for a year to resolve their supply chain problems.



Various Awards were given during inauguration ceremony like CEO (Central Public Sector) of the year award to Mr. Suvarna Raju, CMD-HAL and CEO (Private Sector) of the year award to Mr. Navin Patel, MD-FCG Group. The Best MSME Award to Mr. Kishore H. Makvana, CMD-Rotofilt Engrs.Ltd., Corporate Excellence Award to Mr. Inder Jaisinghani-Chairman, POLYCAB & CSR Award to Mr. Deepak Mehta-Vice Chairman & MD-Deepak Nitrite Ltd. IIMM Ahmedabad presented & felicitated Mr. Lalbhai Patel, National President. The NATCOM souvenir & the book on 'Logistics Management' were released.

The Session Chairman, Mr. Suresh Kumar in his open remarks said that SAP has been helping his company BEL to reduce the Inventory. Mr. Tom Thomas spoke extensively on customer satisfaction and said that organisation can be transformed through SCM. He said that SCM is central nervous system of any organisation. SCM integrates from suppliers' suppliers to customers' customer. He explained all processes of planning. He predicted that GST will impact on network and more warehouses will come up & it is a trade off in SCM with freight versus investment in warehousing. Statistical inventory modelling helps assign the right inventory levels for each product at each warehouse for better service. He concluded that the core purpose of SCM is to ensure customer satisfaction.



Mr. Tony Martens spoke on SCM strategies and said that we are seeing increase in economic volatility, global economic recession, instability of customer demand, high increase in commodity prices. SCM managers are in constant pressure to innovate & reduce cost. To achieve efficient SCM, he suggested to improve On-Time Delivery, Reducing Order Cycle Time, Expand Distribution Network, Reduce Inventory Cost, Cost Optimisation & Seamless Operation.

He gave examples of Polycab company & concluded that procurement initiatives are critical to the effectiveness of manufacturing & supply chain and need to include sustainability as core component of SCM strategy.

Post Lunch session on Day 1 was prime attraction by Sadhu Gnanvatsal Dasji whose topic was 'Ethics in Profession'. Swaminarayan Trust is biggest NGO in the world with Hospitals, Colleges & such service oriented in excess of 162 social activities. He said that Swaminarayan organization is having all functions compared to any Industry. He propounded that Material, Money & Man management are the core

activities of any profession. Ethical values are same in all Management, Moral, Ethics & Personal Life.

He gave various examples of double income in house but shallow relationship. Man has gone to moon but difficult to cross the road & meet the neighbour. Mind is full of knowledge & heart is empty. More education, more information but less knowledge. Conversion of knowledge into wisdom has failed. Head, hand & heart has to work together. Hand & head work without heart. Ethics is subject of heart & not of mind.

Ethics is most important part in any business. Honesty is a rare virtue. Everyone is quality conscious. He gave an example of collapse of Enron power project in Maharashtra. Warren buffet switches off his mobile after 6 pm.

Swamiji's talk was highly interesting with his superb oratory. Entire audience was appreciative of his speech. Swamiji impressed each & everyone that ethics is important in work, life & society.

Mr. Kalesh Kumar of World Bank spoke on sustainability focus in World Bank and new procurement frame work. World Bank group such as IBRD, IDA, IFC, MIGA & ICSID, (INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, INTERNATIONAL DEVELOPMENT AGENCY, INTERNATIONAL FINANCE CORPORATION, MULTILATERAL INVESTMENT GUARANTEE AGENCY, INTERNATIONAL CENTRE FOR THE SETTLEMENT OF INVESTMENT DISPUTE). All are mission to end extreme poverty within a generation & to boost shared prosperity.

All World Bank projects have procurement guidelines. Public procurement in India estimated 500 B USD. More than 7,00,000 bids are issued electronically which is largest in the world. Indian is expected to become among top three manufacturing destination by 2020.



Mr. Kalesh Kumar elaborated on PDPP course, Professional Diploma in Public Procurement which is country specific to understand India's public procurement system. Diploma is issued by World Bank & IIMM. Course fee is less than US\$ 300. World Bank has approved new policy & implementation planned from 1st January 2016. New frame work comprising procurement regulations for borrowers will replace procurement & consultants selection guidelines. [www.procurementlearning.org](http://www.procurementlearning.org) will give more details.

Emerging trends & Transparency in public procurement was spoken by Mr. Ramesh Chandra from Central Vigilance Commission. He explained the cardinal principles of Public Procurement. The Guidelines to be followed in Public Procurement, Errors / Mistakes / Misconducts, Nature of vigilance activities, Common areas of concern and Do's & Dont's. He gave numerous case studies depicting deviations in process, quality aspects, etc. resulting into huge loss to exchequer.

**Mr. Pravin K. Purang, session chairman gave present global scenario, declining market economy, volatility, uncertainty, complexity & ambiguity. He also spoke on business challenges in 21st Century & defined Value as equal to function divided by cost.**

**Mr. D. K. Julka of ThyssenKrupp gave snapshot of Engineering & Construction. Key differentiating factors of E&C, challenges during engineering phase, procurement phase & construction phase. He concluded that project investors should consider SCM as high priority for successful schedule completion and create overall E&C collaboration platform to connect all SCM partners.**

**Mr. Surender Deodhar talked on whether Jugaad is good for Make in India. Very innovative, simple & cost effective Jugaad were shown with pictures. He explained six principles of Jugaad innovation. Seek opportunity in adversity, Do more for less, Think & Act flexibly, Keep it Simple, Include the Margin & Follow your Heart. He also spoke on demographic dividend. India is youngest country in the world with average age of 26 years. Youth population is more than aged population. If the youth population is properly skilled, India can reap the benefit of youth population which he referred to as Demographic Dividend.**

**In the Evening there was Annual General Meeting of IIMM & also National Council Meeting. This was followed by very interesting Cultural Program & also Award Ceremony with various awards given to professionals like National Award, Distinguished Member Award & best performing IIMM Branches in professional & development of IIMM activities. NATCOM Dinner was part of the evening programme.**

**Day 2 started with Power Panel Discussion moderated by Mr. Ashok Sharma, Former IFPSM & IIMM president. The subject was "India - Emerging Global Supply Hub, Challenges for SCM". He gave concept of end of competitive advantage. Competition is not permanent. Transient competitive advantage & SCM have to be upgraded. Meet the Challenges & Most opportunities in SCM. Today's biggest challenge is to get manual labourers like Truck Drivers. The Challenge is to manage human resources.**

**Mr. Shailendra Jaiswal from Railway Staff College said that India's population is an opportunity. Cover that into demand. Revolution will happen by Optimising. Amul is successful with the same concept. He said SCM is going to be tremendously important. He also said that SCM will be focus point in Manufacture, Service and E- Commerce. There may not be better SCM example than AMUL. Finding Faculty who would contribute & share experiences in colleges & schools is difficult. We can meet the challenges with change of mindset & professional attitude.**

**Mr. R. Venkatskrishnan from RIL said that bright point is Prime Minister talking to opposition leaders on GST, Development, Make in India, Infrastructure, Ease of doing Business, Land Acquisition, Tax Rules, etc. Skilling of people is an urgent necessity. He told that 51% of people are engaged in Agriculture, 25% in Manufacture and rest in IT & Logistics.**

Talent, Attitude & Teamwork ensure high speed growth of technology. We should take the advantage of technology and there should be no room for complacency. Learning is centered to organisation and learning has no destination. He gave the example of palletisation as solution to move by container.

Mr. Rabi Narayan Padhi, the research student from Vishakhapattanam gave a concept of MATERIALS & LOGISTICS which means human resources to be connected to material resources for seamless SCM.

Inland water network connection will ease road & rail traffic in movement of material. He summarised with Rusy Modi words "Manufacture Positive Attitude" & "Modernise People's Mind before Modernising Machines". India too has success stories.

Mr. Pani from AMUL spoke on value chain concept in SCM. He said the birth day of Dr. Kurian is celebrated as National Milk Day. India is a land of milk & honey. Milk is a major product with 6 B US\$. He explained the evolution of AMUL & how non milk states & regions were supplied by Amul milk. Amul was born in 1946. Farmers determination is to manage own resources. Amul do not say no whether 2 litres or 200 litres. Innovative SCM product portfolio was shown. 7.2 million transactions take place per day. Amul work from origin to customer using technology & with people participation. Products to be within minus 18 to room temperature. They have warehouse to distributor to consumers. The milk tankers are tracked through GPS.

Mr.A.K.Chari from Milacron spoke on 'Way forward for Logistics Sector- Opportunities & Challenges'. The Challenge is to focus on customer expectation. Materials Management is highly resourceful. Culture of On Time Delivery in India is a challenge compared to most of other countries. Meeting the customer requirement when they want is also a challenge. There are too many people in the logistics chain & find less innovative. There are no APPs.

Mr. Mehta explained the role of SCM in rapidly growing organisation. The key parameters are Quality, Cost, Timeliness, Flexibility, Responsiveness & Innovation. We have to find where to compete & which part of Value Chain. Examples of good SCM are Apple, Microsoft & Samsung and they are mutually stake holders. Product Life Cycle is short. To win we have to create differentiators who are superiors to competitors. Examples are DEL, APPLE, WALMART. The potential Issues to manage are multiple Taxation, exposure to potential IPR, conflicting expectation of multiple stake holders, extremely volatile prices, rising protectionism & increasing customisation.

'Digitisation & Importance of Planning' was spoken by Mr. Shishir Agarwal from Schneider Electric. He gave detailed overview of the companies who are in India for last 50 years & being expanded rapidly for last 8 years. He said the products to be connected from suppliers network to customer. The enablers are intelligent sensors, RFID, Smart services, product process simplicity, simplification, Digitising processes & Digitising for customers efficiency & simplicity. Digitisation is required for automating the manufacture, better communication, enhanced skill & productivity, efficient material handling. Procurement & Vendor Management is also digitised.

**Customer first & flawless execution and improved customer experience take most of your energy.**

**Managing Supply Chain using Enterprise Architecture was discussed by Mr. Suneet Kumar Garg from Accenture Services. The Drivers for change are identified as 5 values and they are Velocity, Visibility, Variability, Variety & Volume. These are required to be kept in mind to handle Supply Chain. Disruption is more like customer behaviour, etc. The World is changing with Globalisation & digital business has evolved and is driving the business. The Challenges are growing complexity & talent scarcity. Leaner supply chain is no more & it is networked. Enterprise Architecture is connecting business strategy & IT strategy. The detailed process was explained with ZACHMAN frame work.**

**Mr. Premnarayan from IRCTC talked on Emerging trend in Public Procurement. He defined policy frame work. 30% of GDP is Accounts, Material & Supply Chain. Public procurement Bill was explained with salient features. Preferences are given to SME. 95.33% is indigenous purchase & 4.67% is import purchase. Indian Railways' purchase is Rs.36,027 crores & a massive transaction. E-tenders are also adopted. He explained stocking strategy also.**

The valedictory function was at the closure of the day on 28th Nov'15 & the speakers were Mr. A.K.Joshi, Chief Guest from Welspun India Ltd. & Prof. Saral Mukherjee, Indian Institute of Management, Ahmedabad. Prof. Mukherjee gave various examples of designing SCM for successful business management & Mr.Joshi spoke on practical aspects of SCM.



The last session was a summing up session by Mr.C.Subbakrishna, Immediate past President of IIMM. He gave brief take aways of all technical sessions with few stories & examples of global competition and need for Delegates to acquire Knowledge, Ability & Experiences by attending such National Conventions, NATCOM of Materials Management.

There was a video presentation by Hyderabad Branch of IIMM welcoming for next year NATCOM in Hyderabad. The event ended by Vote of Thanks by Mr. Devanand Trivedi.

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