



सत्यमेव जयते

Ministry of Commerce & Industry
Government of India

National Logistics Excellence Award 2021



**INDIA
LOGISTICS**

**Sun Pharmaceutical Industries
Ltd**

**Category: Industry Excellence
Award**

Rank : Winner

Summary of Best Practices across excellence themes

| Supplier Ecosystem development | Intralogistics and Warehousing | Demand and Distribution | Technology Transformation and Innovation | Sustainability | Skill development & Diversity |
|---|--|---|---|---|--|
| <p>Alternate Vendor developed for critical bottleneck set of RM</p> <p>E Auction started for shippers, cartons & menthol</p> <p>Annual contracting with supplier for RMs to strengthen relationship and business continuity</p> | <p>SOPs deployed at all Warehouses & CFAs.</p> <p>Collaborating with a 3PL partner for managing our critical Warehouse.</p> <p>Improved Inventory Replenishment Strategy</p> <p>Daily Replenishment of stock to few selected Stockiests.</p> | <p>Improving Dispatch Planning Process combined with Load Optimization.</p> <p>Reverse Auction for some lanes in India.</p> <p>Track & Trace for critical movements.</p> <p>EPOD Project</p> <p>Collaboration with best in class transporters</p> | <p>Investment in WMS.</p> <p>SAP HANA roll out in process.</p> <p>Load Optimization to improve freight.</p> <p>Driving Analytical Projects (Order Monitoring System).</p> <p>Investment in Pharmarack</p> | <p>We have invested in solar energy for partially running two of our major Plants Dewas & Guwahati</p> <p>We are also exploring the option of investing in solar energy to running our warehouses</p> | <p>Distributor Assistance Programme</p> <p>Business Analytics Certification</p> <p>Collaborate with Mckinsey for multiple Certifications</p> <p>Continuous Training Programs</p> |



Load Optimization Project

Best practice initiative or activity

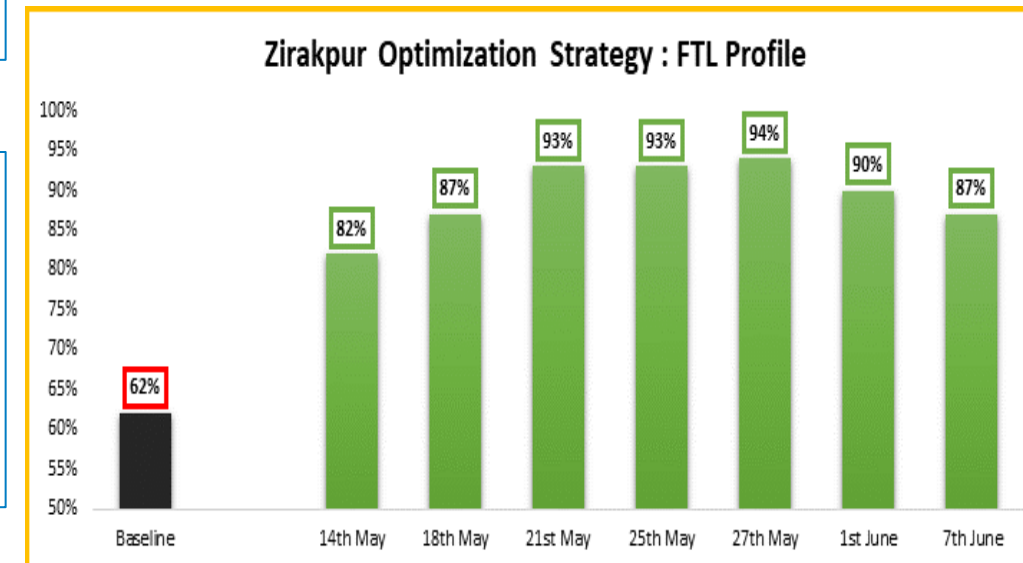
The objective of this project is to improve our dispatch planning process coupled with optimization of loads generated between Warehouse and CFAs. We aimed to improve our existing FTL to Courier usage ratio of 62:38 to unlock potential savings.

Business impact created

- We did a 3 month pilot from our biggest warehouse in India – **Zirakpur Warehouse**
- We have used **Blue Yonder's TMOD** for this project.
- Through this initiative, we were able to achieve an average FTL to Courier usage ratio of **90:10**.
- The reduction in Courier usage has further optimized our freight spend and has unlocked significant savings.
- We have generated savings of **~ 10 lacs per month** through this project.
- Apart from the savings, the project has helped to automate the dispatch planning process to a great extent.

Transformation potential and scalability

- The initiative can improve the efficiencies to a great extent and optimize freight spend.
- It accelerates the dispatch planning process by identifying the right mode of transport / right size of truck considering various factors like lead time, criticality of the product, multi drops etc.
- The initiative if scaled up to all the warehouses in India can generate savings of **~ 4 Cr per annum** for us.



Distributor Assistance Programme

Best practice initiative or activity

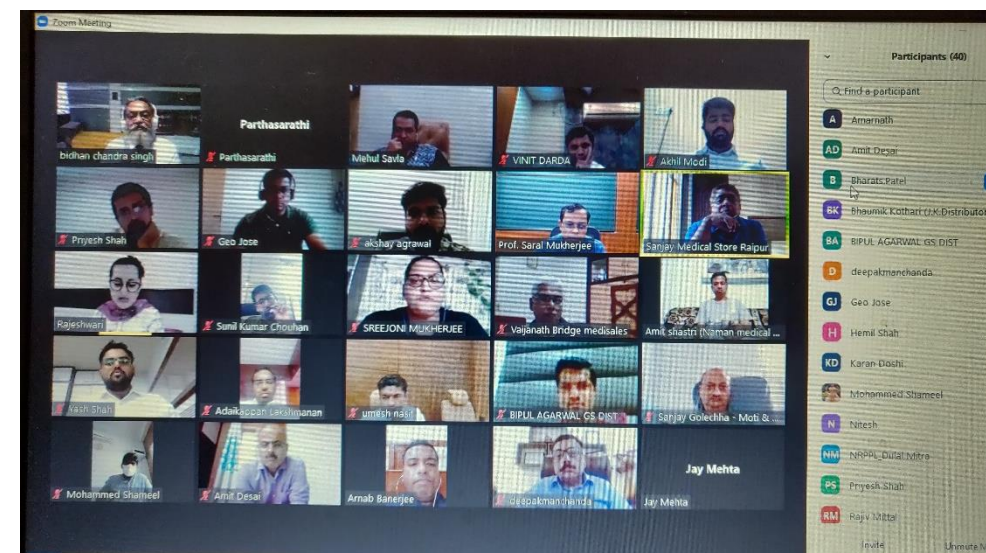
The objective of this initiative is to invest in up skilling of our distributors and create long term business value for them. With changing dynamics in Pharma market, the emphasis should be on adopting effective supply chain strategies to improve service levels and staying competitive.

Business impact created

- This was a first of its kind initiative for Pharma distributors.
- We conducted this programme in collaboration with **IIMA**. This was a 20 hour session conducted virtually for 45 distributors.
- The programme has exposed the distributors to various Supply Chain strategies across different industries through interesting case studies.
- A strong emphasis on digitization and adopting relevant technologies.
- Multiple guest lectures were organized where multiple Supply Chain leaders from different industries were invited to share their experiences.

Transformation potential and scalability

- We intend to scale this up and add as many distributors as possible to this programme.
- This will improve the collaboration between the company, distributors and retailers to make the chain more responsive and stronger.





Collaboration with 3PL

Best practice initiative or activity

The objective of this strategy is to collaborate with a 3PL partner to manage one of our strategic warehouses in India. Through this collaboration, we intend to manage the cold chain products and promotional materials with better efficiency.

Business impact created

- Leveraging logistics expertise of a 3PL partner led to an improved storage of goods and faster dispatches.
- We operated with multiple storage facilities earlier. In the new set up, consolidation of multiple storage under one roof has brought operational efficiencies.
- This strategy has improved the warehouse throughput and has generated good cost savings.
- We are estimating to generate savings ~ **6-8 Cr** for the next 5 years.

Transformation potential and scalability

- The strategy if extended to all other warehouses in India has the potential to generate substantial savings along with strong improvement in efficiencies.
- A one stop solution for logistics can be created where a logistics partner can manage warehousing and freight and the company can focus on its core competency.





Investment in Renewable Energy

Best practice initiative or activity

We have been gradually shifting to cleaner fuel options and making consistent investments in renewable energy.

Business impact created

- We have invested in solar energy for partially running two of our major plants – Guwahati & Dewas.
- We are evaluating and are in plans to make investments to run our warehouses using solar energy.
- At majority of our manufacturing facilities, we have adopted agro based solid fuel and natural gas boilers.

Transformation potential and scalability

- The focus should be on moving to renewable sources of energy & capitalise on the opportunities presented by transition to a low carbon economy.
- The company would further emerge as a climate smart enterprise.

