

Logistics may be Sunny Sector for Jobs

Buoyed by infrastructure status and GST, companies are spending big bucks in hiring the best talent in logistics & supply mgmt

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Mumbai: Logistics and supply chain management may be the next big job market in the coming years, as companies buoyed by two big government moves to boost the sector, are spending big bucks in hiring the best talent in the function.

Professionals with experience levels of about 5-8 years in this domain are being offered middle management positions in companies across sectors. The other interesting trend is that a lot of fresh graduates are freelancing for companies and helping them adapt to artificial intelligence and big data. These are for annual paychecks of about ₹80 lakh or more, said industry watchers.

The professionals sought for middle and senior management positions, with select skill sets, are being offered packages that are 25% more than the average pay package in a similar position in this field, last year, said Pranshu Upadhyay, director at global recruitment firm Michael Page.

The graduates being hired on contractual basis sometimes act purely as interfaces between these companies and their new technology and automation partners to more efficiently handle logistics and supply chain, he added.

Upadhyay cited industry estimates



of about 100,000 logistics and supply chain professionals in India right now that earn an annual income ranging between ₹5 lakh and ₹1 crore. This number has grown several multiples in the last few years and is estimated to grow at a CAGR of at least 8% every year for the next half-decade, he said.

The biggest recruiters are automobile companies, construction and engineering companies, followed by oil and gas, FMCG, heavy machinery, courier companies and retail firms.

"The new trend of hiring in this space can essentially be divided into three buckets: entry level, middle management and the technology consultants," said Vikas Anand, managing director of DHL Supply Chain India, part of Deutsche Post DHL,

the biggest logistics company in the world by revenue.

"Earlier, the people at logistics and 3PL companies used to aspire to join the logistics and supply chain departments of top FMCG and retail companies. Now I see a beautiful reversal of trends. These guys are now chased by these very companies because they want someone who can bring experience in terms of network management, superior inventory planning, data analytics etc. The experience of working with DHL is a huge tick in the box," he added.

Rise in consumer demand, a boom in retail, including e-commerce retail and overall growth in industrial activity has given rise to a need for efficient logistics and supply chain solutions. Two government moves have

also given the second a fillip.

From July 1, the government implemented a tax overhaul that replaces at least seven indirect tax heads including countervailing duty, the special additional duty of customs, excise duty, service tax, central sales tax, value added tax, octroi and state cesses with one tax on goods and services.

On November 21, it conferred infrastructure status to logistics sector which in effect means any more investment in infrastructure—like warehouses and cold chain storage—in this sector would get the advantage of cheaper financing from banks.

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"What we have done is hired externally for some key positions, for example in the logistics and commodity management. We earlier used to hire internally and then train people. We now appoint professionals who have considerable experience either with a service provider like DHL or from a logistics function in another firm like L&T," said a senior executive at a German industrial manufacturing company that has major India operations.

The growing refinement in this segment as well as in warehousing space has also encouraged companies to hi-

re more women than ever before.

"We usually see women in HR, finance, accounting and similar roles. But we take them in supply solutions, design, planning and even warehousing. We give them a safe and secure environment... Several of our functions are headed by women; functions such as sales, solution, site implementation, including warehouse operations, operations excellence to name a few. Some of our senior country-level resources and functional heads are women" said V Balaji, CEO contract logistics at Avvashya CCI Logistics, a venture of Allcargo Logistics.

But there is still a dearth of knowledgeable, freshly trained professionals in India in this space and a gaping inadequacy of suitable university programmes. "The management courses in this sector are way behind. I don't understand which world they are talking about in the course material. Supply chain as a subject has to be given more importance and it should be updated," Kishore Biyani, CEO of retail behemoth Future Group and the pioneer of modern retail, logistics and supply chain in India told ET in a recent interview.

"There is a dearth of ready-made talent in the market and poaching is the only answer. So our solution design department is where we see the maximum attrition, nearly double that of the other functions," said Anand of DHL.