

CASE: Streamlining the logistics operations with an Infrastructure based Organisation

About the Client:

The main business of the client is real estate development, both new projects and the lucrative redevelopment of existing settlements in premium localities. As part of the diversification plan, the client ventured into infrastructure projects working with state governments and Principal contractors by subcontracting the process of excavation and disposal of debris. The business has huge potential, and the client sees an opportunity to move up the value chain that can catapult the organization to a serious large player in the infrastructure space in five years' time.

Key Challenge:

Key challenges faced by the management were –

- What are the efficiency bottlenecks in the operation?
- Are we operating at full fleet capacity?
- What should be the standards for measuring the efficiency of the fleet and work done in the Metro sites?

Engagement with AIRA Consulting:

AIRA Consulting conducted a detailed study of the current processes at various sites. This involved meeting the site supervisors, transportation and logistics team, maintenance team, and planning and coordination teams. AIRA Consulting also mapped Principal Contractor requirements and cost analysis. Our consultants also studied the trip details, fuel consumption, manpower structure, and costs.

Based on the study, AIRA Consulting developed a set of standards for the efficiency of logistics operation, vehicle optimization, manpower cost, and indirect costs. AIRA Consulting developed a detailed organization structure, clear roles, job descriptions, and SOPs for smooth operation. Our consultants also instituted data formats for capturing daily logistic data to ensure consistent monitoring of performance. AIRA Consulting worked with the management and the operational team to implement the processes, organization structure and role definition.

AIRA Consulting undertook weekly audits of the implementation of the system and provided audit reports to the management for prompt action. AIRA Consulting also analysed the logistics and cost data based on the formats that were initiated to provide insights on the adherence to standards and the extent of deviation that has a direct impact on the profitability of the project.

AIRA Consulting handheld the operational and supervisory teams to follow the process changes, meet efficiency standards for their fleet, and to generate MIS for the performance of their logistics and maintenance and also the associated cost.

The client team is better prepared to meet the challenges of the infrastructure business with a sharp focus on operational and cost efficiency while meeting internal standards.