



Achieving Gati Shakti: Breakthrough Paradigms Needed

guest : 4-5 minutes

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By Sanjeev Gupta

25,000 kms of additional national highways, 400 new trains, new waterways, ports and airports, mass transport measures and a logistics infrastructure. With such a bold and timely commitment for expanding the internal reach of India's supply chains, reducing their costs, and making them more responsive, Gati Shakti is no longer just a pipe dream. However, it's not going to be a cakewalk either.

Achieving the goals of Gati Shakti requires the industry and the bureaucracy to step up their execution. A master plan, a structure for coordinated decision making, and a digital portal for critical common information will streamline policy making. But none of it will matter without game changing improvements in three areas.

The first area for improvement, of course, is delivery of projects. The infrastructure supply chain is already stretched thin and unable to deliver projects on time. It cannot increase its delivery capacity overnight to absorb the additional investment. In fact, adding more projects into the pipeline might even create more bottlenecks and worsen delivery performance in the short term. Improving project delivery in this context means executing projects in half the time, so that projects finish on time and capacity is freed up to take on additional projects.

The second, not so obvious, is traffic management. Given the time and money it takes to build roads, it's almost criminal when traffic crawls at 5 km per hour instead of flowing at the intended 50 or 60 km per hour. Slower traffic is not just about the longer time it takes for each vehicle, it's also about wasting precious transportation capacity. When traffic is allowed to flow at 1/10th the speed, the effective capacity of that road reduces by a factor of ten. Getting traffic to flow at its intended speed is as important as building new roads!

The final area is supply chain management. Improving transportation and building more warehouses is not enough to make India's supply chains more responsive. Transportation times will never be zero (unless someone invents a tele transporter) and there's an upper limit to how much inventory you can afford in a fast-changing world. Manufacturers, distributors, and retailers must learn how to have the right inventory in the right places at the right time even when demand is unpredictable.

It's time for breakthroughs in ground level management of operations. The industry and the government must execute projects in half the time so that twice the infrastructure can be delivered with only targeted increases in capacity. Local and state governments must improve their management of traffic so that it can flow at the intended speeds even during peak hours. The industry must figure out how to reduce safety stocks and still respond to fast changing demand.

Is it possible? In my experience it's quite easy to improve flow through any complex system, whether it's the flow of projects, flow of traffic or flow of goods. But it requires adopting a different set of execution paradigms, not more dashboards. Having more information about chaos does not help you manage chaos better. You need execution methods that improve flow by preventing that chaos in the first place.

(The author is the CEO of Realization Technologies Inc. Views expressed are personal and not necessarily that of Financial Express Online.)