

# Winning the Cold War... Just Chill!!



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Customers can now chill a bit, and focus on their core competencies to serve their customers better; thanks to the generation next players of Temperature Controlled logistic solution providers. Outsourcing to a 3PL is the primary alternative instead of bringing the temperature controlled competencies in-house.

**A**part from customs clearance, a critical requirement for the customers is warehousing. There are products which neither require a huge space nor need to be stocked for a long time. But if you consider their value, they demand good security combined with sophistication. There is a great demand for such advanced temperature controlled warehouses because there are many products that need ambient temperature (18-23 degree Centigrade).

If one is inspecting a warehouse that offers controlled environment storage, an important factor to consider is, how good the climate monitoring system is? Are the rooms equipped with alarms to warn if the temperature or humidity crosses the optimum level? If there is a power outage, does the warehouse have backup generators? Warehouses need to have temperature and humidity chart recorders or other devices such as PC interfaces to monitor the temperature conditions inside the units. The other aspect often neglected is the cleanliness of the warehouse both from inside and outside and also the people who are working in the warehouse.

Also, you need to have an understanding of what items need controlled storage conditions and the ones which do not? Here is a list of items you should consider storing in conditioned storage.

- Paper products such as files or important documents may rot due to high humidity
- Electronics such as computers
- Home furnishings especially antiques may get wood rot if stored in high humidity
- Furs – You may want to store in a cold environment during the summer months when not in use
- Mattresses – dampness can destroy mattresses with mold growth and rust in the metal springs
- Musical instruments such as pianos that may be sensitive to changes in environmental conditions especially humidity may rust and the wood can rot

You may be content with the fact that you have taken extra precautions by choosing to pay extra for temperature controlled storage. Still your goods can be at the risk of being damaged or destroyed by pests. It is critical to check whether the warehouse has used an effective pest control program to be free of rats, rodents, termites, etc..

Customer demand for faster inventory turns has forced these Temperature controlled facilities to become true distribution operator, matching inbound supply to outbound demand. The result is that manufacturers are beginning to see the efficacy of looking beyond their four walls, for both outsourcing and integrating warehousing with transportation – to drive efficiency in the cool supply chain.

Though generic market indications like the boom in the retail indicate the need, currently there aren't too many players catering to these needs. The benefits that these Companies provide to the Companies which need storage and distribution of low-temperature products are manifold.

**Financial:** Manufacturers, wholesalers, and retailers alike can cut down – or entirely cut out – capital investment.

**Professional:** These warehouses offer trained professionals who specialize in providing maximum protection to customer products. They have a thorough understanding of the operational requirements and also have a sound knowledge of taxation and other statutory requirements in the Indian context.

**Technology:** Labour is cheap, so why look at technology, you may ask! But the key advantage that these warehouses provide is that the facilities are wired with computer and telecom devices which enables networking with the customer's computers and provides critical transactional and data analysis. Business operational information like inventory, shipment histories, stock replenishment is available real time.

These technologies decrease errors, increase efficiency and productivity. Additionally warehouse management system software and RF Handhelds help to track and pick consignments more efficiently. Picking is one of the most expensive activities in Europe and US, not so much in India because of availability of cheap labour. But the customers looking for high efficiency will prefer such technology.

**Distribution:** Temperature controlled warehouses and distribution facilities are strategically located to connect with all transport modes, but shippers can also take advantage of reduced transportation costs that are available through consolidated shipments.

**Core competency:** Organizations can focus on their core competencies and let the temperature controlled Supply Chain Solution provider design facilities, control warehouse and logistics costs, provide sanitation, monitor product temperatures, and provide related services such as product labeling, repacking, and import/export certification.

Thus having the right temperature for your goods for its movement in the logistic value chain will really help you as a customer to... Just chill. :))

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