

SLCM – The Warehousing Service Provider

SLCM is a leading one-stop logistics solution provider in India in post-harvest solutions. SLCM provides high quality modern warehousing services with Real Time MIS to its clients. It is also known for its most stringent norms on Safety, Quality and Testing. The Company is headed by Mr. Sandeep Sabharwal, MD & CEO and ably supported by a team comprising of experienced professionals across the industry. In an interview with Agriculture Today, Mr. Sabharwal discusses the mode of operation of SLCM and the general warehousing scenario prevailing in India.



Warehousing industry plays a major role in post-harvest management. How does SLCM contribute differentially? Please elaborate.

SLCM is a 'Warehousing service provider'. We believe in managing all types of crops through software. There is a need to build a system behind management and to raise infrastructure at all levels along with process management. We have systems devised irrespective of infrastructure. There was a survey conducted by FICCI, wherein 10 per cent losses i.e., about Rs. 60,000 cr (public & private warehouses) were recorded but with SLCM coming in, the loss percentage has dropped down to as low as 0.5 per cent.

There are 3 verticals based on which SLCM works

1. Post harvest Management –generic services involved in post-harvest management like stocking of crops, etc.
2. Sourcing product – provision of structure and logistic facilities for further processing and procurement of crops with the condition, only if you warehouse with

us.

3. Financing- we are also providing financial assistance to the farmers on the basis of their crop production which is unlike the conventional credit system followed by banks based upon balance sheets. We have mastered the art of 'Value at Risk'. There are about 1.5 lakh tonnes (approx.) of infrastructure across India. We offer you services in any city you name with similar infrastructure and real time monitoring everywhere. Government agencies are also outsourcing from us after facing failure in commodity management.

How is the manpower selected and trained to fit in this innovative business model?

We provide all the necessary training and upgradation of skills needed to perform competently. We organize fairs (200 approx. per year) in various parts of the country and train the workforce. We target farmer families because they know their neighbourhood well and can work in collaboration with the locals. This will uplift their standard of living and help them

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earn respect in the society. We give 21 days of free training after which the decision is on them to either join us or move on as we have imparted our knowledge.

What are the different technologies adopted by your company to be at par with the global standards?

We are the only company with patented technology. We have documented all the gaps. Our company is SAP recognised in the world. For ensuring best quality, 32 different quality audits are carried out in a month. We are also planning to expand to various geographies— Burma, Africa etc. We have implemented various technologies which are running successfully and are being continually upgraded. A few are Barcode protected documents to avoid forging which offers Real time Management system integrated with audits. And warehouses are physically monitored in 45 days with rotational inspection teams to mitigate human errors. Geo-tagging of all warehouses and updating on real time system is done to keep a track of inventories and other activities. In my opinion, technology should be more adaptive to development.

How is risk management operation carried out?

SLCM's Risk management includes checks and balances etc. Risk Management is done through two major systems:

- a. Barcode (markets/checks/Audits) -System of check and balances.
- b. Biometric System (central server)

We have collaborated this system with about 4-5 states of India. We are WDRA Accredited. Also, we have a Chief Risk Officer solely dedicated to risk. We do Risk management for quality, quantity, fumigation, price perspective. We take risks very seriously and 'value at risk is continually monitored and updated'. But what I feel the biggest risk is manpower.

How are the needs and problem of customers addressed?

We have 24x7 mobile helpline. All the conversations are recorded. Regular check calls are made

after every four hours to keep a check on the problems which have been recorded and also a backlog is maintained.

What is your procurement procedure? How is the quality testing done?

Procurement Procedure is based on quality and quantity, quality and location. We procure only if we are warehousing. We "Process from quality". Quality lab testing is then done pertinent to crop moisture. About 32 different quality checks are carried out in one month to ensure quality.

What is the prerogative for proper Agri-business management?

As of now, no substantial prerogative has taken place. There is a need to preserve what is there at present. Recognised corporate money should come. Everything should be managed systematically as the idea is to empower the industry.

How is the company financially managed?

First and foremost we are a zero debt company, no subsidy. "We are a Commercially Viable Company" and all large MNC's like Cargill etc. and Banks like ICICI, State Bank are associated with us.

What are the new plans in the pipeline?

We plan to reach new geographies. We are trying to expand to countries like Myanmar, Malawi etc. There is a need for Integrated post-harvest 'SuperMart'. Some other services that we plan to bring in are service procurement management, managing quality chain, in financing allowing funds against warehouse receipts by our company.

What are some of the burning issues, which need to be taken care of?

There should be strict entry barriers for the entrants. There should be filter checks on why they are warehousing corporates, major part is process which needs to be looked into. Also, mindset has to change, perception of people should change, policies should become more independent and on scientific facts, not on mere hearsay.