THE IMPORTANCE OF STRATEGIC POSITIONING

The Sri Lankan integrated logistic sector is making continuous progress. Senath Jayatilake, CEO, John Keells Logistics (JKLL) speaks about the latest endeavor of the company and emphasizes on the importance of taking the right actions at the right time to strengthen Sri Lanka’s strategic positioning as an integrated logistics hub of the region.

By Gayathri Kothalawala. | Photography Menaka Aravinda.



Jeneth Jayatilake, CEO, John Keells Logistics.

Could you tell us about the company?

JKLL is a full owned subsidiary of John Keells Holdings, and is in the business of providing third-party integrated logistics solutions to a wide spectrum of industries and clients. Our portfolio of large scale logistics fulfillment cent- ers and transport fleets enable us to provide innovative and customized logistics solutions to a diverse range of supply chains.

We endeavor to offer innovative logistics solutions to both local and global supply chains and be a cogwheel that drives the logistics evolution of Sri Lanka.

You offer a wide range of integrated logistics solutions. What are these and are there any value-additions to the services?

As an integrated logistics company, we offer solutions spanning the entirety of a supply chain. Our portfolio of solutions covers all supply chain requirements from logistics center and order fulfillment services, to inventory management, value-added and assembly services, transporta- tion and reverse logistics services.

Our operations servicing both local supply chains and international supply chains have seen considerable year-on-year growth. The business envisions to be an innovative global logistics player with an extensive portfolio of solutions, capable of meeting the constantly evolving demands of global supply chains that connects Sri Lanka to international trade networks. With possible extension of zoning perimeters under the commercial hub regulation of 2013 in the future, we expect to further enrich our interna- tional logistics solutions portfolio to include Multicountry consolidation and entrepôt solu- tions, that can drive significant value for the business, the economy and the external trade performance of the country.

How did you overcome the challenges that were encountered in your journey?

There are challenges in any business. Some of these challenges arise due to factors outside the control of the business, which can impact volumes we handle and service.

However, I am happy to state that JKLL has experienced sustainable year-on-year growth despite challenges faced in the macro environ- ment. This performance can be attributed to the diversified portfolio of solutions offered and industries serviced by the company. We have a healthy portfolio of customers representing different market segments and industries. Therefore, when one sector is experiencing turbulence, another sector may record a growth. This mix helps the business to maintain a sus- tainable growth trajectory.

> **Sri Lanka’s Strategic Geographical Positioning And Superior Port And Related Infrastructure Will Play A Pivotal Role In Integrating These Economies With Global Supply Chains.**

JKLL recently commenced constructions for an integrated logistics center

in Muthurajawela. Can you elaborate on the project?

LogiPark International is JKLL's latest ven- ture geared to expand service capability as well as the solution portfolio of the business to cater for both local and global chains. We expect this new venture to shift the business to a different dimension by creating an ultra modern infra- structure platform that enables the delivery of class leading and innovating logistics solutions to the supply chains we service. This facility will be fully operational in April 2020, and once com- missioned will have a total inventory holding capacity in excess of 40,000 CBM and a cargo handling capacity in excess of 300,000 CBM/ month

The South Asian region is fast becoming the epicenter of global trade. Countries such as India and Bangladesh are outgrowing some of the more established and mature markets in the world trade arena. Sri Lanka's strategic geo- graphical positioning and superior port and related infrastructure will play a pivotal role in integrating these economies with global supply chains. We as a business want to play our role in elevating Sri Lanka as the uncontested logis- tics gateway to the region.

Are there any other projects that are in the pipeline?

Yes, we have several concurrent large-scale projects in the pipeline, which you will hear about very soon. In addition to our Logistics Center operations, we are also rapidly expand- ing our transportation and distribution verticals. These verticals have been performing well for the business through effective product development and positioning within niche and specialized market segments.

Value chain digitization is also a critical area of focus in our business model and growth plans. We have driven significant value in both the business and the clients we serve by adopting the right digital strategies and the timely roll out of initiatives. We will continue to drive innovation in this area and offer our clients an unparalleled service experience and value.



For a company to succeed both in the country and internationally, it needs to maintain a good set of standards. How do you ensure that your standards are consistent?

JKLL was the first integrated logistics com- pany to be awarded the ISO 9001: 2015 quality management standard. All operations of the business are compliant with the OHSAS 18001 safety standards. The best practices we have adapted within the business are in compliance with these global standards and have enabled us to consistently improve our service level to our customers and create world class work environments for our employees.

What are your thoughts on the Sri Lankan logistics sector and its potential?

As a country, we have been discussing our geographical position and how it gives us a strategic edge to become a regional logistics hub for a very long time. Now our objective should be to convert this strategic geographic positioning into a future proof working model that can cater to the needs of both regional and global trade flows. We need to continuously build and expand core and support infrastructure in logistics, implement efficient border control processes and systems that enable seamless flow of cargo, and most importantly promote Sri Lanka as a strong logistics hub in the international arena. We do this very effectively for our tourism industry and the same sort of strategy and focus should be emulated in positioning Sri Lanka as a Logistics Hub. The window of opportunity we have to transform Sri Lanka into a dominant logistics hub in world trade is not perpetual. Hence, it is important that all stakeholders of the sector collaborate and action master plans developed without delay.

What are the opportunities available to the players in the logistics sector?

Traditionally, logistics in Sri Lanka was predominantly focused around shipping line agency and freight forwarding operations. However, we have seen a considerable increase in demand in the integrated logistics space in Sri Lanka over the past ten years or so. As a result a variety of specialized logistics players ranging from 3PL operators to last mile delivery specialists have entered the market and expanded service capability quite rapidly. This is definitely a positive sign for the economy. Even in the global arena we see the importance of end-to-end logistics services gaining prominence with some of the large shipping lines now focusing their business models to offer door to door logistics solutions. With the definition of logistics constantly expanding into various new and exciting avenues, especially aided by the e-commerce boom, the opportunities available for players in the sector to expand and scale up their existing business models are quite large.

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What are the future plans for the company?

As a company committed to expanding its footprint in the logistics space in Sri Lanka and the region, we will continue to invest in our logistics business and be

vigilant for opportuni- ties both within and outside the country that could provide the required value to both the business and the clients we serve. As I said, this whole region is integrating quite fast and we are quite optimistic about the future of logistics in the region and especially Sri Lanka.