

A STUDY ON LOGISTICS RISK EVALUATION INVOLVED IN PIGMENT INDUSTRY

TAPABRATA NAG

Student, MBA-LSCM

Faculty of Management Studies,

Parul University

Tapabratagan@gmail.com

TIWARI SHRADDHA SHIVANAND

Student, MBA-LSCM

Faculty of Management Studies,

Parul University

shraddhatiwari846@gmail.com

UNDER THE GUIDANCE OF

Prof. Harshita Gaikwad

Faculty of Management Studies,

Parul University

ABSTRACT

In the current worldwide economy, logistics are essential to guaranteeing the smooth movement of commodities among different businesses. The pigment business, which is necessary for colouring a wide range of goods, including paints and cosmetics, has particular difficulties with logistical management. The objective of this research is to assess the logistical risks that are common in the pigment business and provide ways to reduce them. A mixed-methods approach is used in the research, integrating quantitative and qualitative analysis. In order to identify important risk variables in pigment logistics, qualitative data is gathered through surveys and interviews with stakeholders, logistics managers, and industry experts. These elements include supplier connections, inventory management, transportation, warehousing, and regulatory compliance. Moreover, quantitative analysis evaluates the frequency and seriousness of hazards revealed by statistical techniques. This entails the creation of a methodology for evaluating logistics risk that is specific to the pigment sector and incorporates variables including regulatory changes, supply chain interruptions, demand volatility, and shipping delays. The report suggests a thorough risk-reduction plan for the logistics of the pigment sector based on its results. This plan includes preventative actions including expanding the variety of transportation routes, implementing sophisticated inventory control systems, creating backup plans, and improving supplier cooperation. This study's consequences go beyond the pigment business; it provides insights that may be applied to other areas of logistics management. Through the investigation of the particular logistical issues encountered by pigment producers, this study enhances the resilience, efficiency, and overall sustainability of the supply chain.

Keywords: Supply Chain Management, Risk Mitigation Techniques, Quantitative Analysis, Pigment Industry, Logistics Risk Assessment.

INTRODUCTION

A vital component of many industries, such as paints, coatings, plastics, textiles, cosmetics, and printing inks, is the pigment business. It is important because it adds colour and visual appeal to a variety of goods that are eaten all over the world. The pigment business has several obstacles to efficient logistics management, including intricate supply chain dynamics, worldwide sourcing, and regulatory limitations. The planning, carrying out, and monitoring of the movement of commodities from the site of origin to the point of consumption is known as logistics, and it is essential to the operations of the pigment industry. Efficient logistics management influences overall competitiveness and customer satisfaction by ensuring timely delivery of raw materials to production facilities and the distribution of completed products to customers. Notwithstanding its significance, the pigment sector confronts several dangers associated with logistics that might interfere with supply chain operations and affect the success of businesses. Transportation delays, inventory shortages, problems with quality control, supplier dependency, difficulties with regulatory compliance, and geopolitical unpredictability are a few examples of these hazards. Furthermore, because worldwide supply chains are intertwined, disruptions have a greater impact, therefore risk management is crucial for logistics managers and producers of pigments. Understanding how important it is to handle logistical risks in the pigment business, this research intends to carry out a thorough assessment of the many risk variables involved and provide practical mitigation techniques. Through a methodical examination of the logistics environment in the pigment sector, this study aims to increase knowledge of the main issues and areas for development. This study will investigate using both qualitative and quantitative research approaches. the particular risk variables that impact the logistics of pigments, taking into account elements like demand fluctuations, supply chain interruptions, transportation limitations, inventory control procedures, and legal compliance needs. The study intends to provide a systematic framework for assessing logistics risks that is specific to the peculiarities of the pigment business by closely investigating these variables. The study also aims to investigate feasible approaches and best practices for reducing identified risks, which will improve the flexibility, resilience, and efficiency of the supply chain. This study aims to equip pigment industry stakeholders with the essential information and tools to properly traverse the intricacies of logistics risk management by offering practical insights and suggestions. In general, this study aims to add to the corpus of knowledge on logistics risk assessment in the pigment business by providing useful insights that might guide choices and promote ongoing development of supply chain management procedures.

3.LITERATURE REVIEW

- Zhuang (2019), examined the transportation hazards related to hazardous chemicals in China, emphasizing the difficulties brought on by insufficient infrastructure, regulatory limitations, and safety concerns. In order to lessen the impact of transportation-related hazards on supply chain operations, the research emphasized the necessity for enhanced transportation planning, risk assessment, and emergency response protocols.
- Li, Lee, and Zhu (2016) also looked at the hazards associated with transportation that chemical industries in the US confront, highlighting the significance of proactive risk management techniques to deal with problems including port congestion, carrier delays, and transportation accidents. In order to improve supply chain resilience and successfully reduce transportation risks, the research emphasized the need of cooperation among supply chain stakeholders, investments in technologically advanced tracking and monitoring systems, and adoption of contingency planning procedures. In the chemical sector, regulatory compliance is a crucial aspect of logistical risk management.

- Rehman, Zailani, and Soehod (2016) examined how supply chain interruptions affected the operational performance of Malaysian chemical manufacturers, emphasizing the weaknesses and resilience tactics used by businesses to lessen the effects of disruptions. In order to improve supply chain resilience and guarantee business continuity, the research emphasized the significance of supply chain visibility, inventory management, and cooperation with important suppliers and customers. in the face of alterations.
- Chae, Shin, and Song (2020), investigated the function of digital technologies like the Internet artificial intelligence (AI), blockchain technology, and the Internet of Things (IoT) to improve the chemical industry's supply chain visibility, traceability, and risk management capabilities. The report emphasized how these technologies may enhance real-time monitoring, predictive analytics, and risk detection, allowing businesses to proactively manage supply chain risks and interruptions.

RESEARCH METHODOLOGY

Research Design:

The process and method for gathering the data required to address the problem are specified in the research design. For this research study, a descriptive research design was used.

Source of data:

- Source of our data is Questionnaire.
- We collected data from the Employees who do works in logistics and supply chain department in pigment industry and having experience from 1 to 10+ years.
- We collected secondary data from Website and Research paper.

Research objective:

- The aim of the research on logistics risk assessment in the pigment sector is to conduct a thorough examination of the wide range of risks associated with the logistics processes of pigment production and distribution.
- The study intends to provide light on these hazards' possible effects on the pigment industry's supply chain performance, operational effectiveness, and business continuity by thoroughly examining them
- the research aims to provide practical suggestions and approaches for efficiently reducing and handling logistical hazards, thereby improving the adaptability and durability of pigment distribution networks

Sample Size

Total 73 responses are taken into consideration for the research study.

Sampling methods

Purposive sampling is used to choose respondent.

Data Collection Instrument

The Data collection tool which is been used for this research study is google form.

HYPOTHESIS

Hypothesis 1: The Influence of Geopolitical uncertainties on the Risk of Logistics:

- Null Hypothesis (H0): The risk of logistics in the pigment business is not much increased by geopolitical uncertainties
- Alternative Hypothesis (H1): The pigment industry's vulnerability to logistics risk is greatly influenced by geopolitical uncertainties

Crosstab

			Years of Experience in Pigment Industry				
			1-5 years	6-10 years	Less than 1 year	More than 10 years	Total
Have geopolitical uncertainties ever impacted your organization's pigment industry supply chain operations?	No, not at all	Count	0	1	1	0	2
		Expected Count	.6	.1	1.3	.1	2.0
	Yes, significantly	Count	9	1	17	0	27
		Expected Count	8.1	.7	17.4	.7	27.0
	Yes, to some extent	Count	13	0	29	2	44
		Expected Count	13.3	1.2	28.3	1.2	44.0
Total	Count	22	2	47	2	73	
	Expected Count	22.0	2.0	47.0	2.0	73.0	

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	19.708 ^a	6	.003
Likelihood Ratio	9.829	6	.132
N of Valid Cases	73		

p-value= 0.03

a. 8 cells (66.7%) have expected count less than 5. The minimum expected count is .05.

Since the p-value is less than level of significance (i.e., 0.05), so we will reject the null hypothesis.

This suggest that there is vulnerability to logistics risk is influenced by geopolitical uncertainties in pigment industry.

Hypothesis 2: The enhancement of transportation resilience contributed to mitigating logistics risks in pigment industry supply chain.

- Null Hypothesis (H0): There is no significant relationship between the enhancement of transportation resilience and the mitigation of logistics risks in the pigment industry supply chain.
- Alternative Hypothesis (H1): The enhancement of transportation resilience has a significant positive impact on mitigating logistics risks in the pigment industry supply chain.

Chi-Square Tests

		Value	df	Asymptotic Significance (2-sided)	Pigment Industry		Total	
					Less than 1 year	More than 10 years		
To what extent has the enhancement of transportation resilience contributed to mitigating logistics risks in your organization's pigment industry supply chain?	Moderately	Pearson Chi-Square	19.068 ^a	6	.004	27	0	36
		Likelihood Ratio	12.121	6	.059	23.2	1.0	36.0
		N of Valid Cases	73			1	1	4
	Negligibly	a. 8 cells (66.7%) have expected count less than 5. The minimum expected count is .11.				2.6	.1	4.0
		Significantly	Count	12	1	19	1	33
		Expected Count	9.9	.9	21.2	.9	33.0	
Total	Count	22	2	47	2	73		
	Expected Count	22.0	2.0	47.0	2.0	73.0		

p-value = 0.04

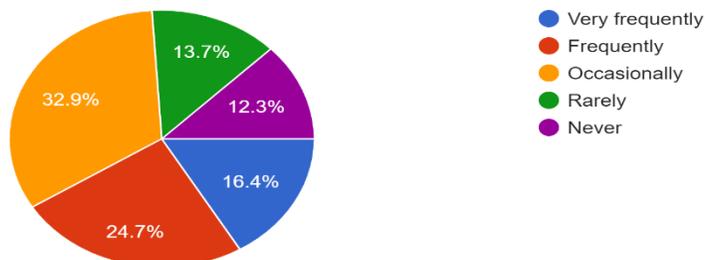
Since the p-value is less than level of significance (i.e., 0.05), so we will reject the null hypothesis.

This suggest that there is need of enhancement of transportation resilience to mitigating logistics risks in pigment industry.

Data Analysis and Interpretation

1. How often does your organization encounter transportation disruptions in its pigment industry supply chain?

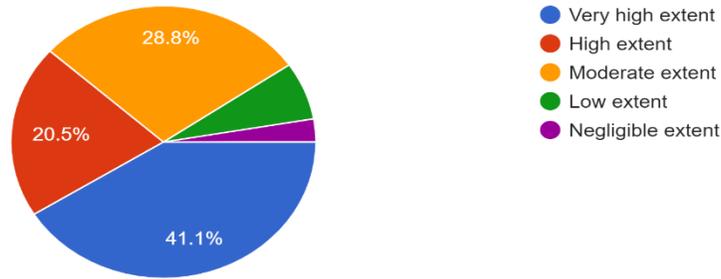
73 responses



- The majority of respondents reported encountering transportation disruptions occasionally or frequently, indicating that supply chain disruptions are a common occurrence in the pigment industry.

2. To what extent do regulatory compliance issues pose a risk to your organization's logistics operations in the pigment industry?

73 responses

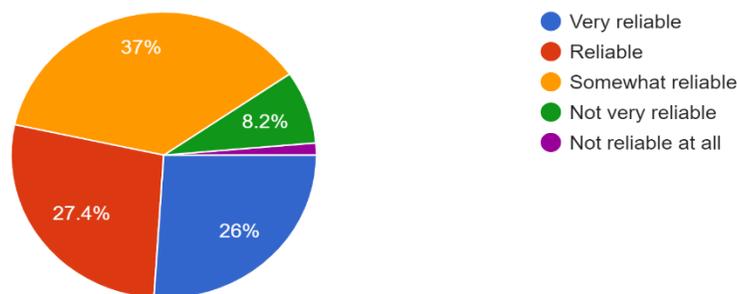


- A

significant portion of respondents perceive regulatory compliance issues as posing a high or very high extent of risk to their organization's logistics operations. This suggests that regulatory challenges could be a prominent concern affecting logistics in the pigment industry.

3. How reliable are your pigment industry suppliers in meeting delivery deadlines and quality standards?

73 responses

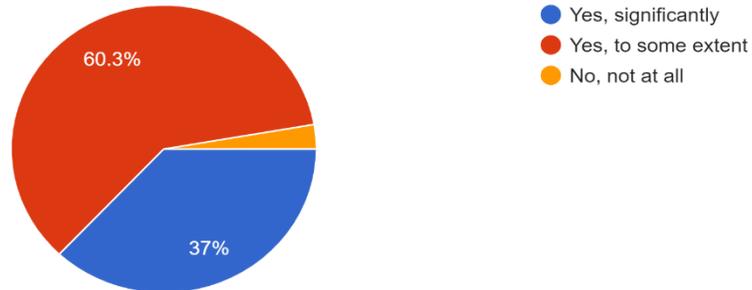


- While a significant portion of respondents consider their pigment industry suppliers to be reliable or very reliable in meeting delivery deadlines and quality standards, there is also a notable percentage who find them only somewhat reliable or not very reliable. This indicates variability in supplier performance, which could contribute to logistics risks.

4. Have geopolitical uncertainties ever impacted your organization's pigment industry supply chain operations?

73 responses

➤ A

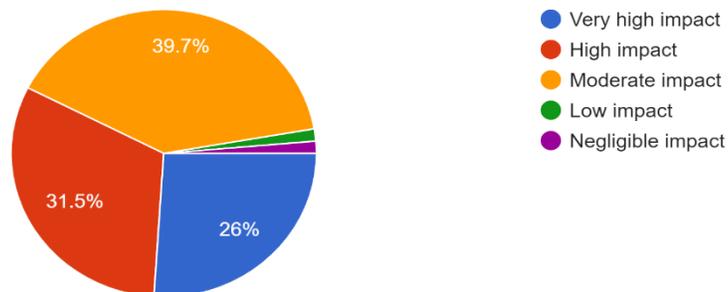


considerable majority of respondents reported that geopolitical uncertainties have impacted their organization's pigment industry supply chain operations, either significantly or to some extent, highlighting the influence of external factors on logistics risk.

5. How would you rate the operational impact of logistics risks on your organization's performance in the pigment industry?

73 responses

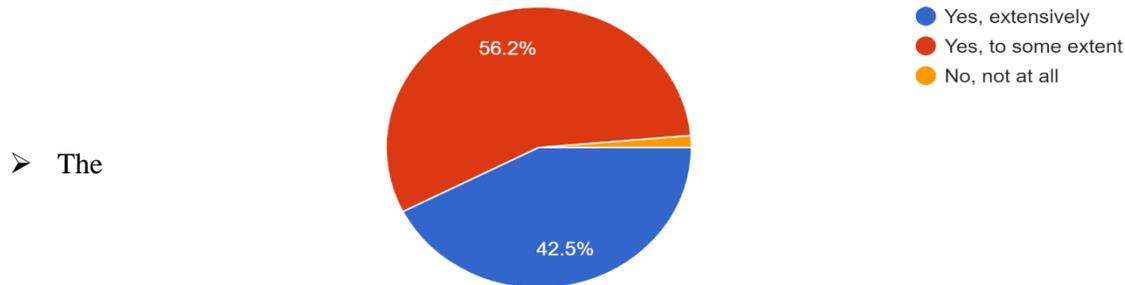
➤ A



substantial portion of respondents indicated that logistics risks have a moderate to high impact on their organization's performance in the pigment industry, emphasizing the importance of effective risk management strategies.

6. Does your organization actively engage in diversifying supplier networks to mitigate logistics risks in the pigment industry?

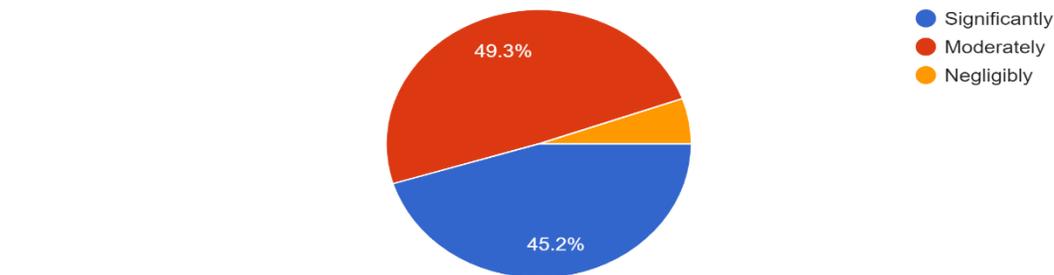
73 responses



majority of respondents reported actively engaging in diversifying supplier networks to mitigate logistics risks, indicating recognition of the importance of supplier diversification as a risk mitigation strategy in the pigment industry.

7. To what extent has the enhancement of transportation resilience contributed to mitigating logistics risks in your organization's pigment industry supply chain?

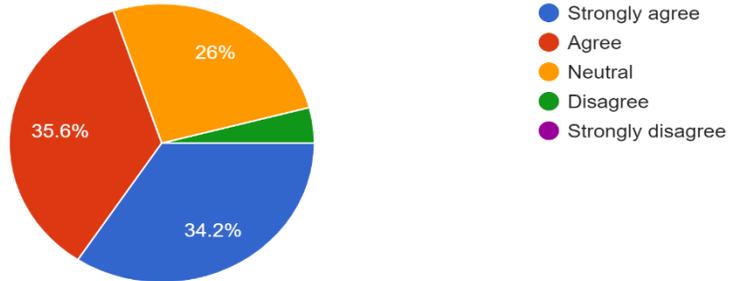
73 responses



8. Do you believe there is a need for regulatory reforms to address logistics risks in the pigment industry?

73 responses

➤ A

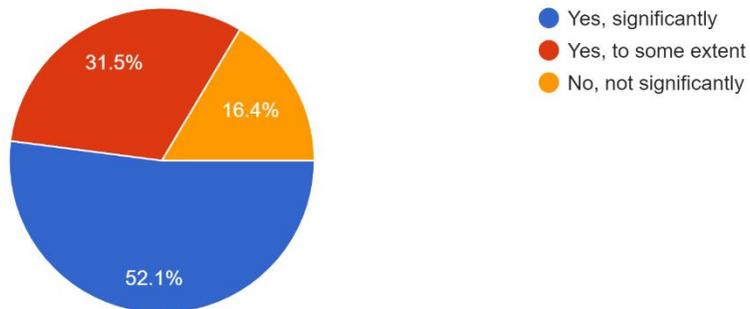


significant portion of respondents expressed agreement or strong agreement regarding the need for regulatory reforms to address logistics risks in the pigment industry, suggesting that regulatory improvements could enhance risk management practices.

9. Would public-private collaborations enhance supply chain resilience in the pigment industry?

73 responses

➤ A



majority of respondents believe that public-private collaborations would significantly or to some extent enhance supply chain resilience in the pigment industry, indicating the potential benefits of collaborative efforts in addressing logistics risks.

CONCLUSION

Based on the data collected from the survey responses, it is evident that transportation disruptions are a common occurrence in the pigment industry supply chain, with a significant percentage of respondents reporting frequent or occasional disruptions. Moreover, regulatory compliance issues pose a substantial risk to logistics operations, as indicated by the majority of respondents rating the extent of this risk as very high or high. This suggests a need for heightened attention to regulatory compliance management within the pigment industry.

Furthermore, the reliability of pigment industry suppliers in meeting delivery deadlines and quality standards varies, with a notable proportion of respondents expressing concerns about the reliability of their suppliers. Geopolitical uncertainties have also had a notable impact on supply chain operations, with a majority of respondents indicating some level of impact, either significant or to some extent. This underscores the importance of considering geopolitical factors in supply chain risk management strategies. In conclusion, this research paper highlights the pervasive nature of logistics risks within the pigment industry supply chain and emphasizes the importance of proactive risk management strategies.

SUGGESTIONS

- Mitigation strategies for transportation-related risks:
 1. Strict safety procedures and instruction must be put in place before transporting dangerous items.
 2. Maximizing the routes and types of transportation to reduce hazards and delays
 3. Making use of real-time tracking and surveillance tools preserving backup plans for several modes of transportation
- Strategies to reduce risks to the environment and safety:
 1. Strict compliance with industry best practices and environmental standards
 2. Putting strong safety procedures in place for the handling and storage of dangerous substances
 3. Creating emergency action plans in case of spills or mishaps
- Additional techniques for reducing risk:
 1. Improving security protocols to avoid theft and unapproved entry
 2. Putting data protection and cybersecurity procedures into practice
 3. Further research could include exploring specific risk mitigation tactics, conducting comparative analyses with other industries

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