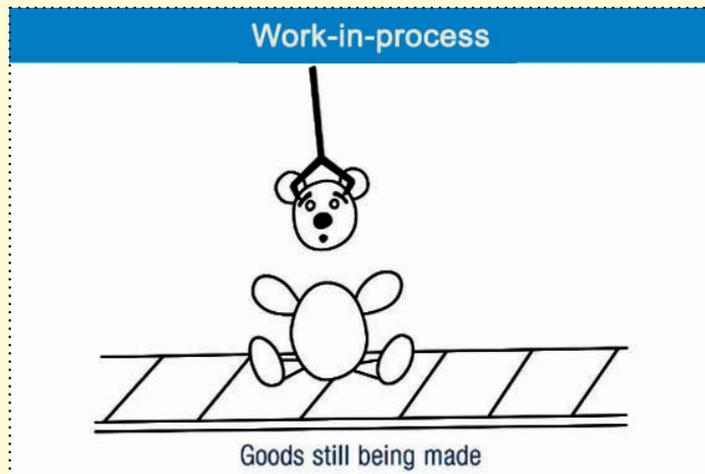




## Students' Corner - 151

### Work-in-process (WIP)



Work-in-process refers to an incomplete work; that is, the product the company is marketing is in the making; production has begun but not completed and therefore the incomplete product is waiting for completion for marketing. The production process has commenced but not been completed; the work of production is in process.

As a driver of the supply chain, the inventory of the work-in-process must be mindful of the cost involved in the work-in-process. The cost of the raw materials in use for the production process, the cost of the labor to the extent the product is in process, the factory overhead, the inevitable expenditure—all these costs must be taken into consideration while reporting for some specific period; it is advisable that a monthly review must be undertaken so that the finance already involved in the work-in-process must be known to monitor further process towards the completion of the production.

Every stage of the work-in-process must be closely monitored so as to avoid wasteful expenditure; incomplete products must not be allowed to pile up; the process must be always on; the incomplete units must be moved to the next phase of

production. This has another great advantage; in case, some fault, some flaw has crept in the manufacturing process at this phase, not piling up leads to instant discovery of the fault making room for immediate correction, thus saving a lot of money.

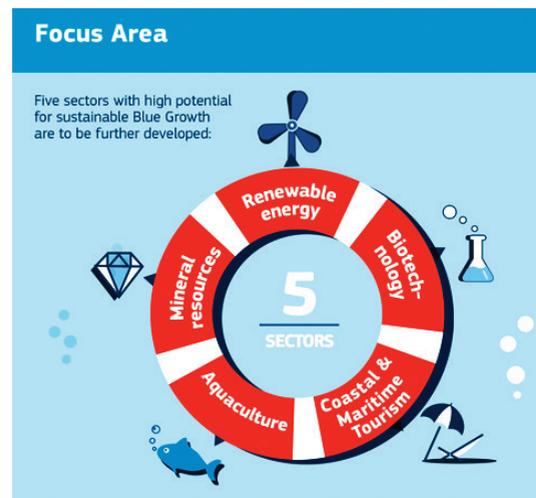
The incomplete unit must quickly move on to its next phase of production process; this is a must because any delay in the process might result in grave consequences like delay in manufacturing the product; this delay will end up short supply of the product which will end up dissatisfied customer. An unsatisfied customer is a potential threat to business and profit. Therefore, constant alertness to all minor and major details of production must be exercised lest neglect burns the fingers.

We will look into the next type of inventory: Finished Goods in our next session.



## Blue economy - Wave 6

(Series on "Blue Economy" By Capt Gajanan Karanjikar)



Capt Gajanan Karanjikar  
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These fresh water resources are possibly more stressed than the oceans due to human exploitation. Thus, in the Indian context, it may not be prudent to restrict the Blue Economy to the oceans. The ambiguity becomes pronounced when one tries to segregate the aquacultures of Hyderabad or Kashmir from coastal ventures, despite the two being steered by the same ministry and department in the government. The inland water transportation on river Ganges, energy generated by dams and river run-offs from similar activities conducted on the India coasts, all form a part of this economy. After all, the energy grids do not distinguish between its sources, be it ocean or inland water systems. Neither is any distinction made by producers and consumers of inland or coastal fishing.

As regard transportation, five of the 111 inland waterways are part of the Sagarmala project that intends to connect the seas with the Indian hinterland. The river cruise on the river Brahmaputra requires similar infrastructural support and indulgence as does the backwater cruises of Kerala. In other countries, inland waterways play a much more significant part than it does in India. As much as 24 per cent of China's freight transportation is by its inland waterways. Similarly, freight transportation on Rhine, the river cruise on the Yangtze, canal water-bridge of Magdeburg in Germany tend to further highlight that industries associated with inland waters cannot be dissociated from their economic contribution to the

nation's Blue Economy. Thus, restricting the scope of the Blue Economy to the oceans becomes artificial.

Research and Information System (RIS) for Developing Countries, in its report, Prospects of Blue Economy in the Indian Ocean, has also acknowledged that the Blue Economy should include all the water bodies including fresh water bodies. A part of the RIS report reads as follows:

*"The blue economy paradigm puts emphasis on the term 'blue' which primarily refers to water. In that perspective, the coverage of blue economy can be expanded to all water-bodies and water related activities over the land and in the seas within the sovereign jurisdiction of a country. Logically, the whole range of activities involving fresh as well as marine water would comprise blue economy for any typical economy—blue economy activities are deeply entrenched*

*into almost all sectors of an economy.*

The aim is to cover both aquatic and marine spaces, including oceans, seas, coasts, lakes and rivers. It should encompass all water-borne activities that contribute to the country's GDP. Thus it should include fisheries, aquaculture, tourism and sport, transport, shipbuilding, energy, bio-prospecting, and underwater mining and related activities. It should also ensure social inclusion and restoration and preservation of the environment. India's Blue capital in the maritime and aquatic domains is large and needs equal attention and similar policies for sustainable development. Interestingly, Inland Water Transport (IWT) is an important component of the Government of India's National Maritime Development Project (NMDP) as part of the overall maritime policy of the country.

**The blue capital of India assimilated from multiple sources can be summarised as under:**

- |   |   |   |
|---|---|---|
| <ul style="list-style-type: none"> <li>• Coastline—7,516.6 km</li> <li>• EEZ—2.37 mnsq km</li> <li>• Islands—1208</li> <li>• Brackish water—1.24 Mha</li> </ul>   | } | Maritime domain<br>(related to sea)       |
| <ul style="list-style-type: none"> <li>• Rivers and canals – 0.19 Mha</li> <li>• Dams—4857 Mha</li> <li>• Reservoirs—2.93 Mha</li> <li>• Tanks and ponds 2.43 Mha</li> <li>• Flood plain lakes—0.08Mha</li> </ul> | } | Aquatic domain<br>(to inland waterbodies) |

(To be continued...)