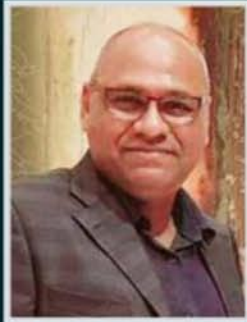


climate control

MIDDLE EAST
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KEY PERSPECTIVES ON THE REGION'S HVACR INDUSTRY



Raja Subramanyam



Piyush Chohan



Matteo Dipentina



Mark Lack

Retail speak



Bijoy Anand Raghavan



Prabhu Ramachandran

The conference brought together top executives from supermarkets in the region face to face with technology solutions providers for a panel discussion, moderated by Raja Subramanyam, independent cold chain consultant. Participants included Piyush Chohan, Chief Information Officer, Lulu Group International; Matteo Dipentina, General Manager, Epta Middle East; Mark Lack, CEO, Geant (Urban Foods); Bijoy Anand Raghavan, CEO, Ramla Group; and Prabhu Ramachandran, CEO, Facilio. Excerpts from the discussion...

Piyush Chohan: We are trying to adopt change. We have a lot of digital engagement. Obviously, a lot of investment has gone into customer data platforms.

Bijoy Anand Raghavan: For Ramla, retail is one of the major activities. We have moved to digitally controlled, centralised monitoring systems. They help reduce energy consumption, where 50-60% of energy expenditure is refrigeration-related. Going forward, we will be using Artificial Intelligence.

Raja Subramanyam: Retailers are doing a lot on the front-end, in terms of monitoring. Would you say that digitalisation reaching to predictive maintenance is still a journey you are taking?

Matteo Dipentina: As a supplier, it is not just preventive maintenance. We want to know where you can invest your money. Whether you are wasting money on consumption. We need to go through data and come up with the next step.

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Prabhu Ramachandran: We are a software vendor. If we look at the retail sector, there is a lot of development that is already happening, but how do we move customers from site-level operations to hundreds of stores? We need customer comfort operations across all the stores in real time data and insight access, so they can optimise resources. Food retail industry is getting more business, and there is opportunity to optimise the business, to opt for real time optimisation of retail businesses. Real time optimisation across the hundreds of stores is about asking, 'What can they do manually?' 'What can they do digitally?'

Subramanyam: Why has digitalisation not started in the retail back-end? You are doing a lot on the front-end. Why are investors not there to digitalise the cold chain? It cannot be the investment size. Is it complicated? Is it about skill level?

Chohwan: It is transition. The transition is slow in this phase. The reason is that the equipment already installed have long life, and the idea is to get maximum value [out of them]. The customer is changing the fundamentals at a fast pace. The equipment is significantly energy efficient, but the scope is still huge to make it even more energy efficient. As and when things move out, we are absolutely looking at new equipment and digitalisation.

Lack: The question is, 'How many times do I need to sell to recover the investment?' It is upfront cost for me.

Dipentina: We are not talking about years. The issue is not money. We are not changing the refrigeration equipment; we are only incorporating digital.

Raghavan: I feel there is slowness in back-end assets. One reason, as Piyush mentioned, is long life of the equipment. Also, if you get trapped in the digital world, you will end up paying AMCs with the manufacturer. And if [you have] 50 brands [of equipment], how are you going to control all of them with digital? Would there be a central point,

“ A lot of equipment needs to be built, and digital needs have to be seamlessly integrated, and we build a store in a few weeks. This place is booming

a standard format? All manufacturers should give a standard platform.

Ramachandran: How can I manage 50 different vendors? There are ways to do this – there are decent number of protocols, where the external software can talk to existing units – without tampering with the warranty. We have connected 400+ buildings across the globe, and 70-80% have been connected in 2020, which demonstrates that this can be done across hundreds of locations. More and more vendors are moving to this approach.

Chohwan: You need to innovate the commercial models around this. Epta and other equipment manufacturers, they install, and management is taken away by service providers. Monitoring algorithm layers, if you put, it is still expensive.

Dipentina: We are working on a leasing-based model, where there is a contract with the end-user. We provide that to you, and you can move it around to your stores. We are doing this in Europe. You need to go out of your existing refrigeration model.

Ramachandran: From a software perspective, it is easy, but from an equipment manufacturer's point of view, it is challenging. In our case, O&M is the way forward.

Subramanyam: Mr Piyush, what would you expect from system integration and manufacturers?

Chohwan: One thing we need understanding of is maybe futuristic – checkout-free stores. In the next 4-5 years, we will see 20-30% of all stores will be like this. In that context, equipment manufacturers need to work along this – a lot of equipment needs to be built, and digital needs have to be seamlessly integrated, and we build a store in a few weeks. This place is booming, and I hope everyone gets online.

Subramanyam: Mark, what do you want from Matteo?

Raghavan: There is not enough pressure from end-users to innovate. As far as refrigeration part is concerned, they continue to install the same product. Only every price is going up. And they are focusing on that.

Subramanyam: Assuming a store is about 20-25 years old, and they innovated the store only five years ago, which means you have data only available for five years. Is that enough?

Ramachandran: If I know every use patterns, store-wise, even before we look at past data, there is so much we can do. And then, we can look at historical data. What are the values? We are talking only of real time data, though, not data from the past. The reality is such – customers are constantly in fire-fighting mode.

Subramanyam: Matteo, how can you help in spearheading digitalisation in a faster manner?

Dipentina: We can make the most beautiful monitoring system, but the customer will say, 'We don't need it.' We don't want to take the job and maintenance of stores. The need is to save money now, not after 2-3 years.

Lack: Show me the money, show me real-time examples.

Chohwan: Disrupt the model. Everybody should work towards disrupting themselves. [ccmc](#)