

Welcome to the 37th Annual Convention of ACCAI

Being the critical pillars of the cargo supply chain in India, we all have gathered here with a common objective- that of building efficient cargo supply chain that meets international standards.

Today the stakeholders of the cargo community in India have to grapple with many challenges to perform their core job- that of moving the cargo from one place to another safely and within time & budget. The movement of cargo in the Indian supply chain gets affected on account of multiple factors that contribute to higher lead time in the movement of cargo, increased paper work, delays and resulting loss due to wastage.

While India's GDP is expected to grow by over 9% in next few years, to support this growth the industry players need to address the constraints created by inadequate physical & virtual infrastructure. What is required is a collaborative effort to streamline the flow of goods & information across the supply chain.

To support this need, ACCAI - the apex trade association of IATA recognized Indian air cargo agents and Kale Logistics Solutions have developed an electronic collaboration platform- 'UPLIFT' for the Indian Logistics industry.

The 37th ACCAI Convention is special as it witnesses the launch of 'Universal Platform for Logistics and Integrated Freight Transport- UPLIFT'. This is a special edition of 'CRUX', our quarterly newsletter for the Logistics Industry, which focuses on issues and challenges facing the Indian Cargo Community.

This issue brings you the highlights of 'UPLIFT' through interesting articles, puzzles and snapshots of "The Uplift Road show". We also take this opportunity to introduce you to the Team behind UPLIFT development from Kale Logistics.

Your active feedback will go a long way in making UPLIFT a truly universal platform for the Indian Logistics Industry.

Do write in to us at info@kalelogistics.in.

Team CRUX
Kale Logistics Solutions Pvt. Ltd.



Article | Streamlining Cargo Business in India with Community Systems

Indian logistics industry would get a big boost if cargo community systems are adopted widely

Recent industry reports from the Centre for Asia Pacific Aviation and the International Air Transport Association on air cargo traffic highlight the double digit growth in freight tonne kilometres across several regions globally, confirming a definitive upward movement in cargo capacity. While this indicates a positive trend globally, one needs to introspect whether the Indian industry is ready to sustain this growth.

Logistics costs in India are 13% of India's GDP, nearly double that of global standards. This is creating serious non-tariff barriers and reducing overall trade competitiveness. This situation primarily arises due to information asymmetry existing in the Indian logistics industry.

There is a gap between demand for logistics services and actual logistics support made available. In the global air cargo market this gap has been identified and attempts to connect the air cargo community on global systems have been made. This scenario in the Indian context becomes complicated with many small and large, local and international players forming a web of information flow amongst them. However, stakeholders in the Indian supply chain have acknowledged the need to collaborate in order to encounter the growth spurt on a global scale. Therefore, industry-focused IT solution providers are working closely with industry participants and trade associations to make community systems a reality in India.

There have been some named initiatives in building cargo community systems globally. But few who have been successful are catering only to regional markets and unable to connect the global community. Neither the technology is wrong nor the air cargo community short on talent to produce such systems. The issue could be the nature of the business instead of the technology or available talent, as has been indicated by many industry studies.

Advantages of community systems

A community system based on electronic data interchange platform presents significant benefits over other modes of data interchange and communication. The entire cargo chain such as shipper/consignee, carrier, customs, freight forwarder / custom house agents and custodians, among others, can benefit from such a system. For instance, the benefits for shippers entail a single point data entry, leading to savings in time and effort; facility to float multiple request for quotations to multiple service providers; single window view to manage and track their status and facility for e-payments, among others. For carriers, community systems can automate entire status inquiry and booking processes, which reduces the need for any human intervention drastically. Similarly, benefits for freight forwarders, CHAs, custodians and ground handlers include reduction in paperwork and creation of a common platform for communication, thereby eliminating redundant processes.

Essential elements for successful execution of community systems

Studies on community systems in global logistics markets highlight elements which lead to the failure of these systems. The first task would be to address rampant information asymmetries between various supply chain entities. This has contributed in developing electronic markets that usually favour customers and reduce service providers' profits and market power. This could be one reason for service providers to stay away from systems that emphasise price information.

Moreover, there are conflicting business strategies amongst the community members at global level in terms of increasing vertical and horizontal competition between various modes of transport such as rail, sea, air and road. This has necessitated integration between different participants in the distribution chain to simplify the logistics information flow and process automation. There also exists a huge gap between physical cargo and information flows. Globally, there have been

exceptions though, like the 'Tradenet' community platform, which is successfully used by supply chain entities in Singapore. In this case the community system was backed and controlled by the local government.

Road map for future

To succeed, community systems require all players to record their supply and booking information into the system for use by other participants in the value chain. A recent survey conducted by Kale Consultants on 'Technology Adoption Index in Logistics Industry-TAIL' reveals that on an average the Indian logistics industry spends about 0.3% of revenue on technology whereas global standards for the logistics industry are around 3-4%. The result is a complex web of information flow between a multitude of supply chain participants that directly affects bottom lines.



There are certain major barriers to IT adoption among the Indian logistics participants such as cost factors, which make the return on IT investments difficult to quantify; a widespread use of legacy information systems as against more accessible Internet-based systems; lack of IT readiness due to uncertainty about potential benefits and also resistance to change where potential users feel more comfortable using the phone vis-à-vis the Internet.

The task to promote IT adoption rests with leading IT solution providers, trade bodies, global logistics service providers and also the government. Kale, a leading solutions provider to the logistics industry, has undertaken a pioneering initiative to develop a first-of-its-kind community platform in India for the cargo community stakeholders. Collectively, educating stakeholders and bringing them on a common platform is the need of the hour too. However, government support can go a long way in ensuring conformance to best-practices and overcoming regulatory and governance obstacles.

Solution Profile

Kale's IT solutions for Logistics Industry

CFS / ICD Management System- CAPELLA™	Freight Management System- FMS™	Airport Cargo Management Solution - GALAXY™
<p>CAPELLA™ caters to specific needs of CFS and ICD operators. It is an enterprise-wide, robust, web-enabled based system that automates the disorganized CFS/ICD processes to give the operator instant access to information and provide the management with complete visibility of their business at all times. The solution address all the major issues faced by the CFS operator and covers unique features like-</p> <ul style="list-style-type: none"> • Integrated System to cover EXIM movement of Container/Shipment and more • Compliance with the new requirements of Indian Customs EDI System (ICES) 1.5 • Yard Management and Warehouse visibility within your CFS • Decision Support through integration with standard Business Intelligence tool 	<p>FMS™ provides accurate and real-time information, which can be shared between freight forwarders and other parties involved in the movement of freight. This helps the forwarders to focus and solve their business challenges at operational and strategic levels. FMS™ provides following features-</p> <ul style="list-style-type: none"> • Sales and quotation management • Export, import operations • MTO (Multimodal Transport Operations) • International trade documentation & shipment consolidation • Rate management , Invoicing and settlement • CRM Module & Contract management • Activity based billing and profitability analysis • MIS and operational reports • Customs & EDI interface 	<p>GALAXY™ is an enterprise wide cargo ground handling cum custodian management application. It has a role-based architecture supported by a robust and stable Microsoft .Net framework. The solution takes a modular approach to address the varying needs of Cargo Terminal Operators/ Custodians and Cargo Ground Handling Companies (GHAs) and reflects following features-</p> <ul style="list-style-type: none"> • Provides a portal for agents and airlines to transact and track cargo status • Interfaces with Indian Customs through ICES v1.5 messages • Interfaces with airline systems, banks and financial packages like SAP • Integration with hand held terminals for barcode scanning and cargo operations • Facility to upload documents and images related to cargo • Delivers customised reports through a reporting database that interfaces with enterprise standard BI tool.



Please cut along the dotted line

Enter 'Spot the UPLIFT Features Challenge' and get a surprise gift!

Here is a simple word puzzle to refresh your mind. This puzzle has all words relevant to Cargo Community and UPLIFT Features. We have solved one clue; you need to **solve minimum 5 clues to claim your surprise gift!**



WORDS

D	E	A	E	D	O	C	K	E	T	Q	V	Y	I	E
A	W	C	D	O	C	U	M	E	N	T	Q	B	T	Y
A	Q	Z	I	C	E	G	A	T	E	G	Q	R	C	B
B	A	K	R	F	O	R	W	A	R	D	E	R	E	D
S	I	N	G	L	E	D	A	T	A	E	N	T	R	Y
Q	R	Z	D	C	P	U	M	E	N	K	C	R	T	Y
D	L	D	E	D	A	D	V	E	R	T	I	S	E	E
A	I	S	R	C	Y	G	W	A	N	Q	V	Y	T	Y
U	N	Z	D	L	M	R	B	A	N	K	S	R	V	E
C	E	K	R	C	E	U	K	E	N	T	V	B	I	B
T	S	C	D	U	N	E	D	I	F	A	C	T	S	A
P	N	A	E	S	T	G	W	A	R	T	A	R	I	R
B	Q	Z	I	T	S	H	I	P	P	E	R	A	B	P
C	U	S	T	O	M	S	W	A	N	K	G	C	I	C
E	P	A	E	D	N	G	M	E	N	K	O	K	L	O
G	L	K	R	I	E	R	M	A	A	G	2	I	L	I
Y	I	S	R	A	L	E	R	T	S	K	O	N	T	N
B	F	Z	I	N	O	C	A	T	E	G	O	G	Y	G
R	T	D	E	S	M	S	W	A	R	K	O	M	T	R

CLUES

Solved - This gets delivered through SMS/ Email

- A messaging service used for raising alerts
- An acronym for information sharing using computers
- Online payment feature in UPLIFT
- This facilitates in uploading customized Documents on the UPLIFT portal
- This helps you buy/sell/promote your services on Uplift
- Indian Customs EDI Gateway
- Industry Messaging Format supported by UPLIFT
- UPLIFT helps users be compliant with this industry initiative
- Use this UPLIFT feature to know your shipment location
- A key member of the Cargo Community
- A cargo community member who takes care of your cargo at the airport
- A crucial element in shipment data transfer automated by UPLIFT
- UPLIFT provides an interface with this external entity for payment purpose
- A key stakeholder who transports the cargo across nations
- All cargo stakeholders require this about their shipment
- A key regulatory body that examines & controls cargo clearances
- A platform connecting the cargo community

Highlights @ Kale Logistics



UPLIFT Road show held at The Gordon House Suites- Mumbai



Sumeet Nadkar - CEO & MD, Kale Logistics Solutions Pvt. Ltd. receiving the award "Best IT Solutions Provider in the Logistics Industry"

at the Express, Logistics & Supply Chain (ELSC) Conclave 2010. The award was given for Kale's best-in-class logistics solution offerings and contribution to the industry over the last three years.



Please cut along the dotted line

Name :

Designation :

Company Name :

Mobile :

Email :

No. of HAWB handled per month: Export Import

No. of Custom Documents per month: SB BoE

Please submit your entries at the UPLIFT booth

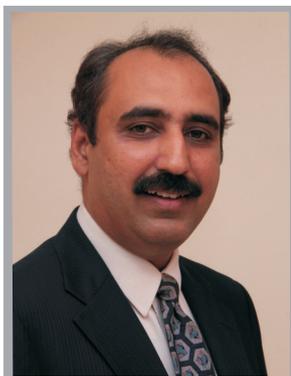
Meet the Kale Team



Sumeet Nadkar
CEO & MD
sumeet.nadkar@kalelogistics.in

Sumeet is the CEO & MD at Kale Logistics Solutions. He has taken proactive steps towards management of key strategic areas, and providing guidance and ideas to the specific business areas in Logistics. He has successfully led its foray into new areas of the Logistics business; such as the Freight Forwarding industry, Container Freight Stations and Airports. Sumeet tracks the industry changes closely and has represented Kale Logistics in several industry events and exhibitions. He has over 20 years of rich and varied experience in Mergers & Acquisitions, strategic planning, setting up new initiatives, business analysis across multiple industries.

He has a strong systems orientation. Being a Chartered Accountant by profession, he also has experience spanning a wide range of activities related to the Capital Markets from IPOs, Investor Relations, etc. Having worked in a multitude of verticals including Polyester, NBFCs and Pharmaceuticals, he has experience of successfully handling the most challenging assignments with the industry leaders like- Reliance Industries Ltd., Gold Crest Finance Ltd. and Nicholas Piramal India Ltd.



Vineet Malhotra
Senior Vice President
vineet.malhotra@kalelogistics.in

Vineet spearheads Sales, Marketing and branding activities across Kale's target markets. He is an accomplished marketer, with extensive experience in the core marketing functions of strategic planning, brand management, channel management and marketing communication. In a professional career spanning 18 years, Vineet has specialized in B2B marketing. He has initiated, implemented and led several marketing initiatives in diverse B2B verticals like Manufacturing, Energy and Textiles.

Creation of focused Sales & Marketing teams and executing competitive strategies comes naturally to Vineet. When it comes to market penetration, he is a fierce communication strategist. Prior to Kale Logistics, Vineet was Head - Marketing at Premier Evolvics and National Marketing Manager at Amara Raja Batteries. Vineet is an Electronics and Communications engineer and holds an MBA degree specializing in Marketing and Strategy from FMS, Delhi University.



Amar More
Vice President
amar.more@kalelogistics.in

Amar is the first proud Indian recipient of CILT Young Achiever Award-2009 and is the only individual globally to receive this honor on account of his exemplary contribution in delivering Technology solutions to the logistics industry. He is an accomplished professional with 15 years of experience in setting up new initiatives, practices, processes, business analysis and enterprise wide application development.

He has been driving strategies behind key business areas of Kale Logistics Solutions. He also proactively tracks the industry changes to assist the internal team at Kale Logistics in delivering up-to-date industry solutions. Amar works very closely with associations like CSCMP, CILT which are committed to delivering excellence in Logistics and his passion is to bridge the technology gap between International and Indian Logistics Industry. Prior to joining Kale Logistics, Amar has worked in various capacities at Keane Consulting (a multi-billion dollar organization) and Tata Consulting Engineers. The foundation of his excellent domain expertise is his rich educational background with a Bachelor's Degree in Electrical Engineering and an MBA in Supply Chain Management.

Contact Us:

Kale Logistics Solutions Private Limited

MBC Center 143/A, Opposite Cine Wonder Mall, Kapurwadi, Thane (W) - 400602, India. Tel : +91 22 6780 8888, Fax: +91 22 6780 8899
email: info@kalelogistics.in | www.kalelogistics.in