

## Top View



At the 37<sup>th</sup> ACAAI Annual Convention, the Guest of honor Mr. S. Gurumurthy rightly said that the “Indian economy is not dependent on the world”. Drawing a parallel between India & China, it is known that China’s domestic consumption is only 36% and 64% produce is exported, thus raising its dependency on demand from world markets. Whereas, Indian economy is well balanced with 66% domestic consumption, thereby reducing its dependency on global markets.

For Indian Logistics Industry, this clearly indicates continuing growth in coming years. However, to capitalize on this growth and compete in the global markets, the Logistics supply chain entities in India need to take measures for bringing in greater speed to the flow of information along with that of the goods.

To help the industry meet these challenges, Kale Logistics has been actively working with industry bodies like ACAAI to build community systems that ‘Connect the Cargo Communities’ globally through seamless flow of information, replacing both paper and redundant manual processes.

In this issue, we highlight the features of UPLIFT-the cargo community platform which caters to every single entity of the cargo supply chain. A real life case study featuring one of our leading airport client brings out the benefits of such a system succinctly. You can also catch up on other Kale initiatives in detail, apart from our popular features like Guest Column (featuring Mr. Ashraf Khan, General Manager, Said Salim Bakhresa & Co Ltd) and many more interesting pieces of information.

Enjoy Reading!

**Vineet Malhotra**  
Senior Vice President

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## REFLECTION: A Guest Column

International trade is the backbone of every developing economy and East African sub-continent is no exception. The local authorities are doing everything to make it a stronghold by adding good infrastructure and communication facilities in roads, air, sea and especially the ports, as it is a very important aspect in goods exchange from the manufacturer to the consumer. ICDs form another crucial element in loading and unloading of goods. This is where the operational conditions of goods passage is very critical for businesses to survive.



**Mr. Ashraf Khan**

General Manager  
Said Salim Bakhresa &  
Co Ltd (Azam-ICD Division)

**Mr. Ashraf Khan, in a Tete-a Tete with our CRUX™ correspondent (CRUX™ C) shares how Azam-ICD division came into play and being located at a prominent port like Dar-e-Salaam, which is positioned as a gateway to East, Central & Southern Africa, what measures they have taken to be a preferred ICD.**

**CRUX™ C** – It has been little over a year since the Tanzania Revenue Authority has awarded the Bakhresa Group of Companies a certificate to operate an inland container depot (ICD). How has the journey been so far?

**Mr. Khan-** We got a license to operate the ICD last year in October 2009, but a provisional license was given to us 2 years back in 2008. But then we had to put the facility in place and also buy the equipment from Sweden for which the logistics took time and also some other special requirements during the construction, which actually took over a year, to put everything in place. This involves the operations of both CFS & ICD for both exports and imports. So I can say we have been up and running for over a year now and the journey has been really fast.

**CRUX™ C-** What are your various offerings that help meet the logistical needs of manufacturers, global retailers, consolidators, forwarders, shipping lines and container leasing companies?

**Mr. Khan-** The concept of dry ports was brought in to Tanzania to deal with the Dwell time, which was 26 days at the port and we have come in at the right time to fight-off this problem. Azam ICD gives the importer an option to get his goods picked from the port as soon as it lands and clear it on time. We have managed to succeed because of right systems that have simplified the procedures and helped us immensely. Azam ICD has capacity of 1500 TEUs for imports and 750 TEUs for exports and if we combine the overall capacity of all ICDs in Dar-e-Salam, then it goes up to 6500 TEUS for imports and 4500 TEUs for exports. That means this space is made available outside the ports. These ports were earlier very congested due to lack of space and poor infrastructure, but when we moved these containers out of the port, it got some breathing space. That's how the dwell time today has come to 14 days, which is a big step. And our focus is to reach 5 days. We are proud to say that with the type of equipment, facility, infrastructure and the traffic flow planning we have designed, we can actually deliver a container to a client within an hour of its arrival in to the ICD. If the client has already processed all his documentation and the mandatory taxes that he has to pay, it can take only one hour to get him out of the ICD. As an ICD, we have to deliver a container to the client within 24 hrs after he comes to us having cleared all the customs. So far all our deliveries have been within 24 hrs. That's how we have minimum customer complaints and we are operating using latest software like CAPELLA from Kale Logistics which has helped ease our processes by automating redundant manual processes.

**CRUX™ C-** The Bakhresa Group of Companies comprises of eight companies and Said Salim Bakhresa & Company Limited is the parent company and largest among the group companies. Five years from now, where do you see Azam-ICD division placed within the Bakhresa group of companies?

**Mr. Khan:** Azam ICD is one of the divisions of Said Salim Bakhresa and currently the parent company is gifted with the ability to control logistics on a large scale. We actually are transporting goods and material around the world to the tune of over 3 million tonnes per annum. So with

the experience we have of transporting all sorts of products through different modes of transport all over the world, diversifying into the logistics industry was an obvious choice. So the Azam ICD is the first step towards providing logistics solutions to our neighboring regions like Congo, Zambia, Uganda, Burundi in terms of a package. We intend to have an ICD in all these places and Said Salim Bakhresa has already invested in these regions. As a part of the Said Salim Bakhresa group, we are looking forward to be a focal hub center for all these branches that are coming outside Tanzania. In coming days we shall also provide the public in these countries with transit logistics.

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This means that whatever goods are coming from Congo for exports, through the port of Dar-e-Salam, we intend to capture and also the goods that are going to Congo. So likewise whatever countries are linked to the port of Dar-e-Salam we are looking forward to capturing their business. As our ICD business is growing, we are visiting Kale Logistics in India to see if we can develop software that can look after the freight management, specifically for the regional requirement and we are confident that we have a working partner in Kale Logistics.

**CRUX™ C** –What technologies have you adopted to ensure speed in your regular operations like- loading and unloading of containers, their stacking movement and cargo handling among other things? How does it help the importers conducting business with you?

**Mr. Khan:** As I said earlier, we are using CAPELLA software to manage our business operations and also we are using imported equipment from Sweden, as we believe in using latest technologies and brand new machinery to ensure better power, efficiency and performance. That is one reason, we have no complaints so far and we are quite compliant in terms of service levels to our customers. We are also looking forward to more improvements by way of Employee Training and awareness creation to our clientele. Also we are keen on learning and adopting industry best practices.

**CRUX™ C** – How are your imports presently routed to the ICD from the main harbors and how are they distributed to any destination? How far are you from making Azam-ICD a preferred choice for manufacturers?

**Mr. Khan:** As I said, we have three modes of operation at the ICD. First mode is Whole vessel where by the shipping line appoints the ICD to move the container that comes on a whole vessel, from the port to the ICD and from there the importers come and take delivery of their containers. The second mode of Port extension is controlled by the port and the ICD. But the main benefit for the importers would be to use the mode of bill of lading. If the importer nominates Azam ICD as a place of delivery in Dar-E-Salam, we make sure that importers life is made easy, as we provide the whole package. When the container arrives at the Port of Dar-e-Salam, we take it into Azam ICD where the clearance procedure is carried out. From here we provide trucking to the door step. So the customer just has to wait for his goods at the door-step. This reduces the congestion at the port as well as avoids all the hassles involved. It's the same as end-to-end solution that Kale provide in Information Technology. This is for the local Tanzania importers, but Said Salem Bakhresa with its 300+ fleet of trucks

plans to provide such end-to-end solutions to all its clients across locations like Zambia, Burundi, Uganda and wherever they are.

**CRUX™ C** –Is your focus essentially on African sub-continent or you plan to go global?

**Mr. Khan:** Said Salem Bakhresa is actually spread across Tanzanian borders & its neighboring countries. But our business in principle connects us to Europe, South America, Australia and other regions in terms of procurement and exports that we send out to Far East, Japan, China & India. So we are a global company and we have plans to spread our wings by all means.



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# Case Study - Setting up of an Airport Cargo Community System

## Customer Profile

Client is a leading and busiest airports in India. In 2009, Client catered to 25.6 million passengers and handled around 566,368 tonnes of cargo.

Being the financial hub of the country, Client plans to improve the cargo facilities at its airport base and make it a key cargo hub in the country. A new integrated cargo complex is being planned, which will be equipped to cater to all kind of goods, including perishables and agri-produce.

## Practical Challenges

As the volume of cargo handled grew, the need to facilitate a seamless environment in which the cargo agents and other stakeholder's i.e. terminal operator, ground handler, customs authority among others, interacted with each other became a critical point in the successful completion of the cargo operations. Client also wanted to bring in greater control and visibility of all operations at the terminal for both, the management and the consumers through automation. It also wanted to encourage greater collaboration between the stakeholders of the air cargo community at the airport for smoother operations and enhanced customer service.

The systems being used by the client were disparate in nature. This did not allow it to cope with the growing demands of the business and did not offer a consolidated view of the business. It also wanted to serve its customers better by decongesting the terminal and providing real time information on their shipments. Client required a tool that would help it plan and forecast better at both - tactical and strategic levels.

## Key areas of improvement which Client explored in new systems were-

- Lack of control over process, both outside and inside the terminal
- Lack of an integrated platform for all stakeholders in the air cargo business
- Crowding at terminal gates due to lack of queue management system
- Inefficient and redundant processes due to lack of integrated system
- Low productivity of manpower
- Inability to track shipments within warehouse and inventory
- Lack of consolidated MIS

## Situation Analysis: Client's Cargo handling processes

The processes followed by Client were semi-automated due to the existence of disparate systems. This led to multiple data entry points, redundant processes, increased cargo processing time and long queues at the airports. Shipment visibility within the cargo terminal as well as for stakeholders was a major pain area.

There was immediate requirement for a collaborative platform to address these needs of all stakeholders of the business straddling existing systems. To address these, Kale Logistics proposed setting up of an electronic collaboration platform – a cargo community system - which will help all stakeholders to electronically communicate within themselves and with other stakeholders like Airlines, Customs House Agents, Customs, Banks and GHAs.

## GALAXY™ helps Client transform its Cargo Movement

The cargo community system- GALAXY™ is a pioneering initiative which has helped client derive many benefits.

## Process Transformation

Post implementation of the cargo community system (GALAXY™), there has been a complete transformation in the way cargo movement happens at this leading airport. Today the manual operations, paperwork, redundant data entry has been replaced with complete shipment visibility across the value chain. There are no manual processes and the community system itself enables various trade partners to electronically connect and collaborate with each other through a single platform. GALAXY™ has also automated the end-to-end operational processes and provided comprehensive information on consignment status, cargo tracking and terminal operations to customers as well as management.

## Story at a Glance

Client realizes higher ROI with GALAXY™ - with complete transformation in cargo movement and processing, Client has experienced increased volumes. As a result, the recent Airports Council International's 2009 Statistics featured Client amongst the Top 30 World's Busiest Airports by cargo traffic, the only airport from the developing world to feature in the distinguished list

# Case Study - Setting up of an Airport Cargo Community System

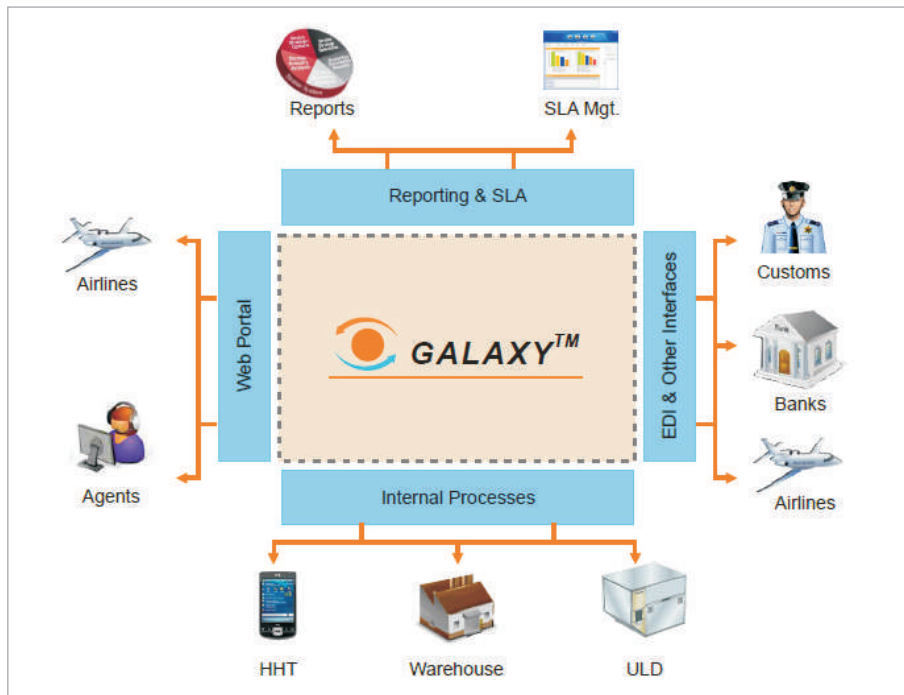


Diagram Depicting Process Transformation

It is interesting to note that about 35% of the cargo in India is managed and processed through Kale's GALAXY™ system. GALAXY™ has been successfully implemented at this leading Airport Client. The system has revolutionised the way cargo movement takes place and has seen increased acceptance from the community with more than 1500 freight forwarders and 200 airlines using the portal to carry out various cargo related processes.

Currently 1500+ registered members are actively using the community system, making it one of the largest Airport Cargo Community Platform.

## Opportunity to Improve

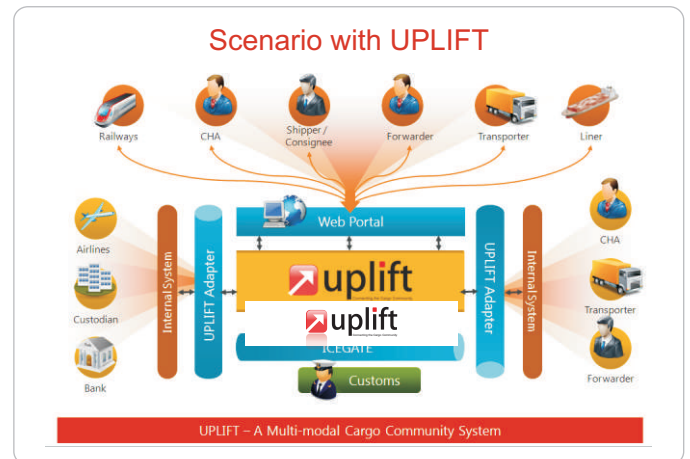
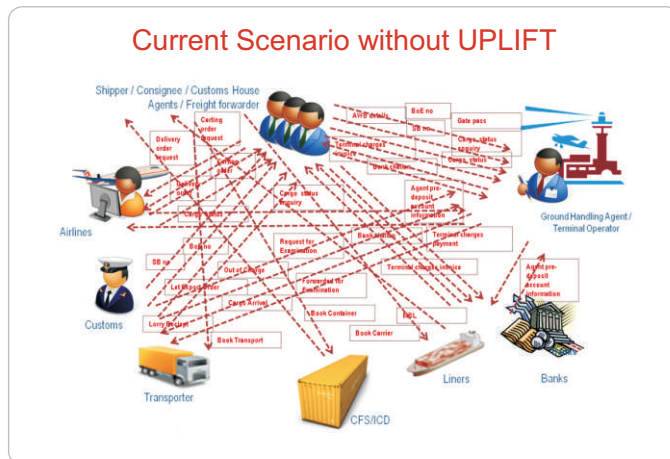
Client operated in a semi-automated environment prior to GALAXY™ implementation. Multiple applications and manual processes were order of the day. This led to multiple data entry points, redundant processes, and increased cargo processing time. Ensuring shipment visibility within the cargo terminal as well as for the stakeholders was a major challenge.

## GALAXY Highlights

- GALAXY™ - A Collaborative Platform for 1500+ users to interact & transact
- GALAXY™ improves user productivity by 70% by reducing data entry effort and time
- Approximately 35% of India's air cargo is being handled by GALAXY™

**UPLIFT** is a pioneering initiative in creating a cargo community platform which will enable 15000+ strong Indian Freight Forwarding (FF) and Custom House Agent (CHA) organizations to electronically communicate within themselves and with other stakeholders like Shippers, Consignee Airports, Seaports, Airlines, Transporters, Customs etc.

**UPLIFT** eliminates the manual operations, paperwork, redundant data entry and bring in the much needed shipment visibility across the value chain. Here we present you the highlights of UPLIFT and how it can be a positive enabler for the cargo community stakeholders.



## UPLIFT Benefits for the Cargo Community

**Shipper**

- A 'Single point for data entry' saves shippers time, efforts & costs
- Helps float multiple RFQs at a single click to multiple service providers
- Helps schedule automatic emails/SMS/status updates

**Forwarder/CHA**

- Helps connect with multiple Airlines & multiple custodians
- UPLIFT interfaces with Forwarder's internal systems

**Airlines**

- Helps connect with multiple Airlines & multiple custodians
- UPLIFT interfaces with Forwarder's internal systems

**Custodian**

- Get proactive alerts for preventing service failures
- Better Customer Satisfaction by bringing better visibility to trade
- Online intimation of e-payments made for TSP and Demurrage



Mr. J. Krishnan, President, ACAAI  
inaugurating the UPLIFT booth



Mr. J. Krishnan getting an hands-on experience of UPLIFT

## 37th ACAAI Convention

November 25th– 28th, 2010 | The Leela Kempinski, Bengaluru

The 37th Annual Convention of ACAAI was held at The Leela Kempinski, Bengaluru from 25th to 28th November, 2010. The theme of the Convention was 'Air Logistics - Industry Resurgence'. This Convention primarily focussed on the rapid changes occurring in India on various fronts that are likely to directly affect the business in the coming years. ACAAI Convention has always been a premier event in the air cargo scenario of India, which offers a unique blend of the best business opportunities & network.

The highlight of the convention was the launch of UPLIFT (Universal Platform for Logistics and Integrated Freight Transport), the community system for cargo community stakeholders developed by Kale Logistics, in association with ACAAI. During the convention, delegates were able to get a hands-on experience of the UPLIFT platform and its functioning. Delegates were also able to subscribe for this industry initiative during the convention.

## 4th Express, Logistics & Supply Chain (ELSC) Conclave 2010 September 30th-October1st, 2010 | Taj Lands End, Mumbai

ELSC Conclave 2010 was a unique get-together of logistics industry players to discuss and uncover the right logistics and supply chain solutions with an Asian perspective. It brought together 400+ senior logistics & supply chain professionals to discuss and share best practices & solutions and to find the right SCM model to face current and future challenges.

Kale was awarded "Best IT Solutions Provider in the Logistics Industry-2010" 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.



Sumeet Nadkar, CEO & MD, Kale Logistics receiving  
"Best IT Solutions Provider in the Logistics Industry-2010"



**Sripad Bharati**  
Group Manager

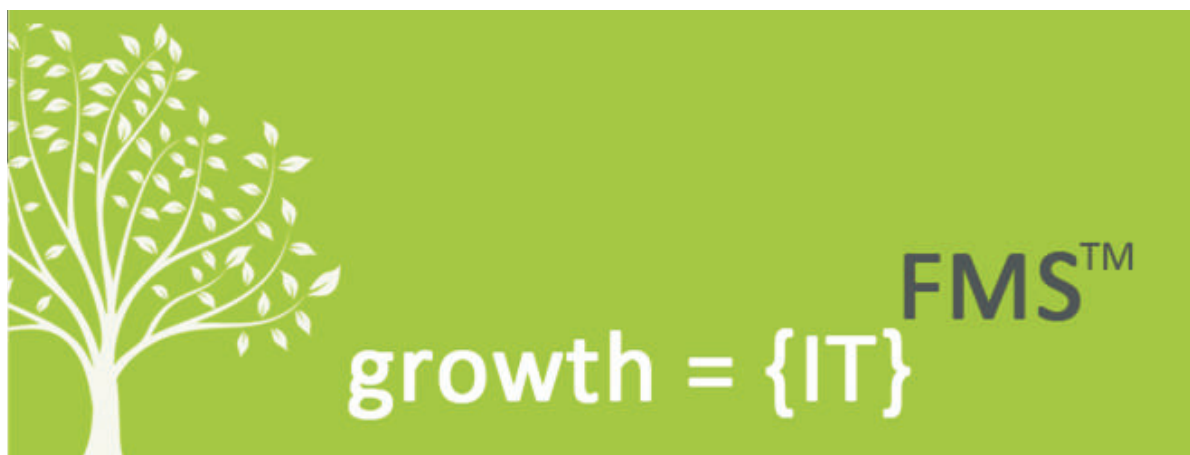
sripad.bharati@kalelogistics.in

**Sripad** in his present role at Kale is responsible for planning, development and implementation of Logistics solutions in 3PL space. In his 10 years of industry experience, Sripad has worked in a multitude of verticals including Securities, Airlines, Insurance, and Logistics.

Few years back when Kale made its foray in logistics industry, Sripad lead the setting of logistics product foundation by creating a comprehensive architecture and framework. This framework today helps the internal team to develop solutions with great efficiency and consistency.

Prior to joining Kale, Sripad has also worked with GENPACT (formerly known as GE Capital International Services) and Mercator. His expertise lies in managing the complete client requirement cycle from Pre-sales to Delivery, setting up new initiatives and conducting business analysis. Recently, Sripad has also been awarded 'Next 100 India's Future CIO' by IT NEXT Magazine. After an intense five-month long program of screening nearly 72,000 candidates across India, the jury selected 100 outstanding IT Managers, who have the skills and qualities to make it to the top technology job in an enterprise and Sripad is one of them.

## Spotlight



With the economic downturn now a thing of the past, it is time to press on the accelerator and embrace growth. This is pivotal for a Freight Forwarder, who wants to be differentiated from his competitors and stay ahead of the pack.

A few of the Freight Forwarders have already embraced growth. Their foresight to invest in Information Technology (IT) solution like Kale's FMS™ is paying off. FMS™ has enabled growth for these Freight Forwarders by unlocking the true value of their services. FMS™ provides greater visibility, optimises operational cost, enables faster service turnaround, creates opportunities for deploying new services to drive up latent demand and ensures higher customer satisfaction.

It's time to embrace growth with Kale's FMS™. Kale Logistics specialises in delivering best-of-breed software solutions and community platforms to the global Airports and Logistics Industry.

**Investing in Growth was never a bad idea. So is the case with FMS™**

To know how Kale's FMS™ can add value to your business, contact our consultants at [info@kalelogistics.in](mailto:info@kalelogistics.in)

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