



**Kale Logistics**

Technology that Transforms

# CRUX

*A Quarterly Newsletter for International Logistics Industry*

## Top View

"Winners are not people who never fail, but people who never quit".

In the ever changing dynamics of the Logistics Industry, presently the cargo industry is in a very interesting phase. The customer today is highly demanding due to which the Logistics Industry needs to be streamlined and at the same time be cost effective. The community is gearing up to the challenges and embracing the new innovations with far more eagerness than ever before. Kale Logistics envisions to set new benchmarks in the IT Logistics; we are proud of fulfilling this vision with truly next generation innovative solutions. It's highly rewarding to see that we are contributing to streamline the Logistics industry.

With the trust of more than 500 customers worldwide, we are striding in the right direction. At the heart of whatever we do is 'Generating Value', be it for customers, people who work with us or our stakeholders. With this philosophy, we strive to be catalysts of growth and transformation for the Logistics industry.

CRUX is a small effort on our part to keep you abreast with the current trends in the Logistics industry. This issue of CRUX, focuses on how ground breaking technology has resulted in successful handling of Cargo operations at the Aviance Ghana. Read on, the Rising Multimodal Transportation and how it is changing the industry. Don't miss our expert's opinion on the changing scenario in the ocean cargo community. Kale Logistics Solutions' star product, 'GALAXY bags 'the Spotlight' in this issue. Go further and read about our industry event - Clear View Summit for Air Cargo industry. We look forward to your valuable feedback at info@kalelogistics.in

Bonne Lecture!!

**Vineet Malhotra**

Director

## In this Issue



### REFLECTIONS

An Interview with Mr. Christian Kaighin,  
GM, Aviance Ghana



### ARTICLE

The Rise of  
Multimodal Transportation



### SPOTLIGHT

GALAXY Air Cargo  
Handling Software



### ASK THE EXPERT

Mr. Umesh Kurlekar  
Business Analyst



### NEWS AND EVENTS @ KALE





Aviance Ghana established in the year 1994, have brought severe transformation and modernization with their advanced approach to provide a range of ground handling services at the KIA airport, Ghana. Their services include, management of an executive lounge for first and business class travelers, passenger check-in and baggage handling, loading and unloading of cargo from freight and passenger flights and a Cargo warehouse operations for all imports and exports. Aviance Ghana is a member of the Aviance Alliance, the first ever alliance of airport service providers.

### Mr. Christian Kaighin, General Manager Operations; Aviance Ghana

Christian Kaighin has over 25 years of experience in the United Kingdom's Armed Forces and began his association with Aviance Ghana as the head of the Airside Operations, Cargo and Security, 4 years ago. He was appointed as the General Manager - Operations in January 2016. Christian has an extensive experience and operational expertise in the Air Cargo domain.



#### **CRUX Given that Air Cargo industry is experiencing ever-increasing customer expectations, how successful has Aviance Ghana been, in meeting up with these expectations?**

**CHRISTIAN** The industry requires Air Cargo suppliers to be able to consistently deliver a safe, fast and efficient end-to-end process capable of meeting the customers' expectations. Being able to provide a resilient focus on service, combined with process improvement, innovation, cost suppression and a world-class Cargo service are some basic expectations that customers have from their Cargo partners. We at Aviance Ghana constantly invest in providing superior services to the customers allowing capability to provide support to the clients irrespective of the size of their operation. For instance, to accommodate our larger clients our import Cargo Warehouse is able to accommodate up to 2000 pallets. We also place special emphasis on security and have an extensive security system in place. Be it passenger baggage handling or Cargo operations, local solutions or world tracer baggage tracing, our accessible and professional management team ensures Aviance delivers outstanding services. Aviance also has a state of the art facility for cold chain solutions capable of handling up to 21 ULD containers of perishable Cargo at a time.

#### **CRUX What are the priorities that need to be worked on, in the African Air Cargo community?**

**CHRISTIAN** The key expectation is that within the next twenty years Africa will be one of the fastest-growing aviation regions with an annual expansion averaging around 5%. In order to be able to meet this demand it is imperative that Air Cargo operators in Africa prepare themselves for the myriad opportunities and take preventive measures to address possible challenges to ensure a globally sustainable business. However, with current challenges, the industry is still struggling to experience unhindered progress. Lack of liberalization remains one of the key roadblocks for the Air Cargo industry in Africa. Most Cargo operators are unhappy with the lack of open skies throughout Africa. Already many Air Cargo operators in association with their international Cargo partners are petitioning the African Airlines Association asking for a relaxation on policies pertaining to 'open skies.' It is predicted that by end of 2017, 26 African countries will implement the 'Tripartite Free Trade Agreement' covering 632m people and 58% of Africa's GDP. While certain measures have been undertaken for promoting cargo operations, there is still scope for improvement. One of the key challenge for the African cargo community is the slow growth of organized cargo facilities that would be instrumental in the industry's growth. Africa has one of the highest penetration levels of e-AWB amongst the different regions, however more African states need to sign up to the Montreal Convention of 1999, that dictates a legal framework for the use of e-AWB. Also, many forwarders, ground handlers and government entities still do not possess software infrastructure to be able to process an e-AWB making seamless operations impossible. Incredible opportunities can open up for the industry if the Air Cargo community addresses these concerning areas.



Largest air cargo plane in the world is the Antonov Am225 Mriya which can take off with a maximum weight of 640 tons.



# Reflections: Guest Column

## CRUX *How is digitalization enabling the modernization and expansion of the industry?*

CHRISTIAN

Air Cargo is the fastest mode of transport. E-commerce depends heavily on rapid solutions and is growing at a double-digit rate. The world is already a global cyber store and the reach of a local business has expanded beyond traditional geographical borders. Customers in the internet age demand instant gratification and this means immediate fulfillment of their order. With the advent of digitization, customers and retailers are experiencing a paperless revolution of ease of business. Electronic exchange of orders, invoices and grievances has brought distant customers closer to retailers. Moreover, the basic aim

GALAXY was our choice. It helped us to achieve a high percentage EDI compliance, helped to eliminate manual interventions, avoid excessive paper work and importantly gave management, business visibility. The system tracks cargo movement and storage at the warehouse and manages the transactions with electronic data interchange (EDI) messaging, auto billing, tracking and reporting, helping us to achieve our goal of becoming paperless with improved efficiency in our operations.

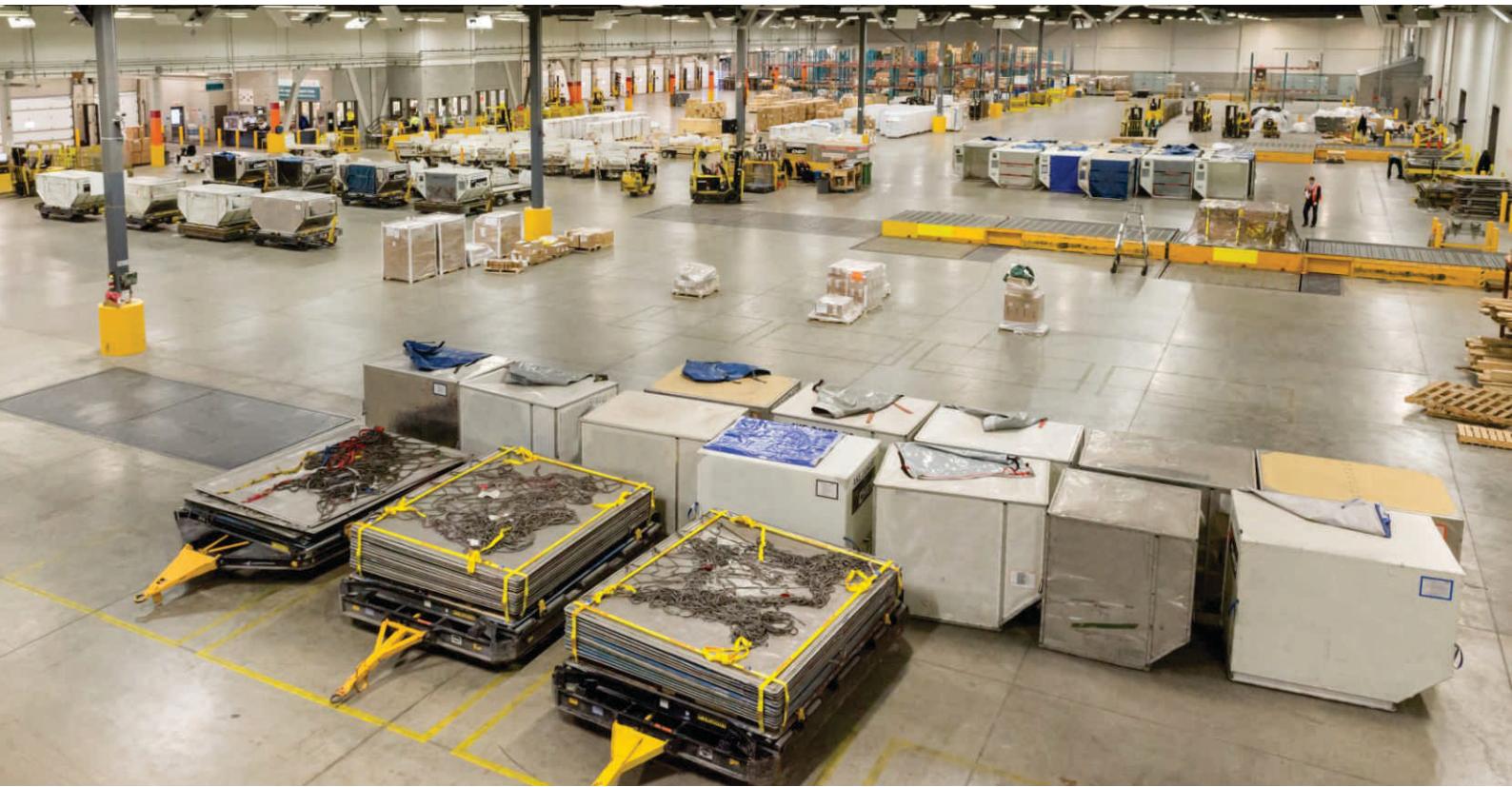
of 'customer satisfaction' can be easily attained by virtue of digital feedback form and email conversations. All these benefits offered by digitization has led to its exponential increase. From the cargo industry perspective, digital transactions, pertaining to the Cargo movement, invoicing, Customs clearance and a common platform of interaction, for all stakeholders, is an impeccable business value addition. Cargo businesses can now accommodate increased quantities of transactions in a cost and time effective way, thanks to digitization. The paperless transportation documents simplify Air Cargo business, enhancing the quality of the ground handling services with independent verification and audit programs.

## CRUX *Aviance is using Kale's Logistics IT solutions "GALAXY" for managing freight operations. How has GALAXY helped Aviance Ghana in its operations?*

CHRISTIAN

Aviance Ghana provides a range of ground handling services at the KIA airport in Ghana, handling a number of cargo operations including several legacy carriers. It was imperative for Aviance to implement a robust system that would enable electronic data interchange (EDI), is scalable and can integrate with our internal applications. GALAXY was our choice. It helped us to achieve a high percentage of EDI compliance, helped to eliminate manual interventions, avoid excessive paper work and importantly gave management, business visibility. The system tracks cargo movement and storage at the warehouse and manages the transactions with electronic data interchange (EDI) messaging, auto billing, tracking and reporting, helping us to achieve our goal of becoming paperless with improved efficiency in our operations. GALAXY is able to capture data from the manifest to match up with the airway bill.

Moreover, GALAXY can also integrate with the website allowing customers to track their shipments online at any point in the chain. Thus we got an end-to-end solution to all our operational and business needs in the form of GALAXY. We have been using GALAXY for some months now and it has automated our operations very effectively.





# The Rise of Multimodal Transportation



**The future belongs to multimodal logistics. The most important element of logistics operations is continuous flow of operations in an optimal way. Be it air, ocean, rail or road, each mode offers its distinct benefit and has some constraints. A multimodal setup helps package the best of the modes resulting in a suitable end.**

Increasing pressures of facilitating trade growth, ensuring customer delight and sustaining in the global market have put Logistics industry in a challenging position. Factors such as growing road congestion, escalating fuel prices and changing environmental conditions have led the industry to rethink their business models. Logistics players are seeking different business models to combat everyday challenges with minimal expenditure, optimal Logistics itinerary and time saving delivery of shipments.

The use of integrated multimodal transport is relatively an old phenomenon, tracing back its origin to the beginning of the late 18th century. The Birmingham & Derby Railway introduced an early form of multimodal transport with the transfer of containers between rail wagons and horse carriage in 1839. The concept of Containerization was introduced in the early 1900s, thus revolutionizing the primitive Logistics operations. Traders started using metal boxes of standard dimensions for movement of goods between road and rail. One of the most far reaching impact of this standardisation was the evolution of 'multimodal' transport.

## Multimodal transportation – key to growth and competitiveness:

In the last few decades it has been observed that largest growth has been in road freight transport, which incidentally is the mode with the highest external costs. In the meantime, competing freight transport alternatives, e.g. rail, air, short sea shipping and inland navigation, have been largely underutilized. Shifting the balance between modes and supporting multimodality in freight transport is one of the main goals for countries across the world.

Although, remarkable growth rates have been experienced in the

recent past, the idea of multimodal transport is yet to achieve the decisive break-through in the transport market. For shippers and Logistics service providers, door-to-door transport flows are of overall importance. However, the supply side of multimodal transport services provide mostly isolated solutions: targeted technological developments fitted to single transport modes, isolated network systems that are not interoperable or transport mode specific business models. Trucks are generally used to cover short distances between the loading area and the transhipment point respectively between the place of arrival and the end receiver. Long-distance haulage is conducted by other means of transport such as train, ship or even plane.

The need for comprehensive logistics systems in the transport, communication and information sectors is felt more intensely owing to the continuous growth of the industry. For complex shipments, or a more thorough exploration of the quality/price ratio of each part of the transportation, multimodal transport is a good, often the only, option to consider, especially to/from countries that do not border on the sea.

**One of the main characteristics of multimodal transportation is transhipment terminal, which allows efficient cargo handling between short-distance and long-distance traffic as well as application of standardized and reusable containers.**



# The Rise of Multimodal Transportation

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## Rewards and Challenges of Multimodal Transport :

Multimodal transportation enabled by combination of different types of transport leads to unrestricted geographical reach even to the remotest areas of delivery within stipulated time and reduced environmental footprints for transportation. (here the statistics can come). There are definitely multiple hazards involved in the implementation of multimodal transportation, foremost being the monopoly of the transport industry due to restraining of the competition. The finances and facilities to ensure different modes of transportation at the low cost with remitting profits leads to many layoffs. The combined methods of transportation can lead to increased complications and challenges of different systems altogether under one system.

### Case-in-point:

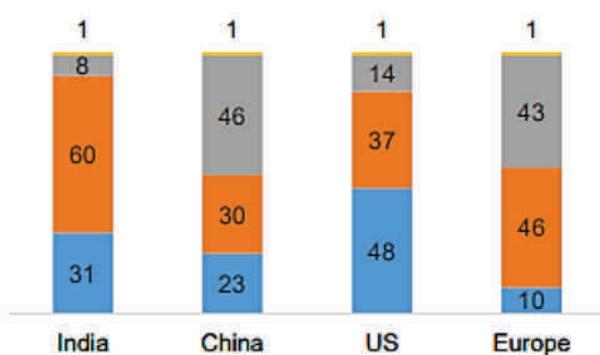
Recently India has firmed up the contours of its ambitious multimodal programme to reduce Logistics costs and make the economy competitive. The strategy involves a reset of India's Logistics sector from a "point-to-point" model to a "hub-and-spoke" model and involves railways, highways, inland waterways and airports to put in place an effective transportation grid.

This includes setting up 35 multi-modal Logistics parks with an investment of INR 50,000 crore, development of 50 economic corridors and an investment template which involves roping in the states and the private sector for setting up special vehicles for implementation. To implement this, the government hosted a multimodal summit—India Integrated Transport and Logistics Summit—in May 2017, to pitch project opportunities to the investors.

## Multimodal Transportation - World Perceptive

Modal Mix - Transportation (in %)

■ Rail ■ Road ■ Water ■ Air



IATA forecasts that the value of international trade shipped by air in 2017 will be USD 5.5 trillion, representing less than 1% of world trade by volume, but over 35% by value. That is equivalent to USD 18.6 billion worth of goods every day. Air Cargo is essential to many facets of modern life. Moving perishable goods would not be possible without air transport. The pharmaceutical industry relies on air transport for its speed and efficiency in transporting high-value, time and temperature sensitive Cargo, like vaccines. Carriage of live animals by air is considered the most humane and expedient method of transportation over long distances.

The global rail Logistics market is expected to grow at a CAGR of nearly 4% from 2017-2021. One of the key reasons for this growth is the increased efficiency of rail freight over truck freight considering hindrances like traffic congestion and fuel efficiency. Moreover, the growing reach of rail intermodals has contributed significantly to this growth. The global rail Logistics market is forecast to be valued at USD 210.13 billion by 2021.

Road Logistics comprise of about approximately 74 percent of the total freight transported worldwide. This sector will witness a significant increase in value creation, growing by 75% between 2016 and 2025.

There is no future for multimodal Transportation without technology. Chain connecting these modes is the effective door to door movement of goods under the responsibility of a single transport operator. There is no denying that multimodal transportation is here to stay.

## Experience a simplified multimodal transportation system

**HELIOS** is a comprehensive IT application that offers real time cost control, optimises Cargo movement and offers visibility to owners and value chain participants. It addresses specific challenges of multimodal transport systems like efficiency in delivery, adequate control on costs, and enables synergy of various modes of transport. HELIOS supports all types of business models like FTL, LTL, project cargo movement, trailer movements etc.

DID YOU  
KNOW ?

Longest Emirates Airbus A-380 touched down in New Zealand completing what is believed to be the world's longest nonstop scheduled commercial flight.



## Spotlight - GALAXY Air Cargo Handling Software

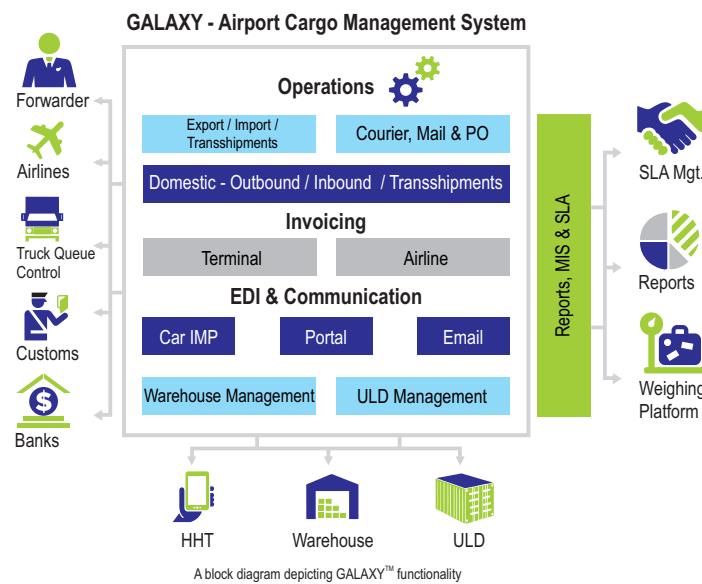
The Air Cargo industry faces significant challenges in fulfilling business and technology needs for improving operational efficiency and customer support. It needs a common platform for the value chain participants to interact with each other and conduct business efficiently.

The globally prospering economy is establishing the Logistics industry firmly into a very important phase of its growth. The volume of Air Cargo being moved globally is continuously increasing and airports are finding it difficult to keep pace with the expansion in terms of infrastructure, man power and level of automation. The Air Cargo industry has reached a crucial point where a fast-track approach to digitalization is required to keep up with competitive modes of transportation. The Logistics industry is undergoing a tremendous transformation – moving from legacy systems to agile technologies in order to streamline its operations, reduce costs and optimize efficiencies. Cargo terminal operations are interdependent on several stakeholders who are using different IT solutions/platforms and which do not communicate with each other, leading to multiple data entry points, complex paper work, manual errors, increased processing time, non-compliance and loss of revenue & goodwill.

An end-to-end, web-based Air Cargo Management solution can assist Cargo terminal operators to address all of these issues. GALAXY is one such solution that brings in collaboration, planning and process integration in the Cargo terminal operations. It is a first of its kind solution for airports of all sizes, not only automating all Cargo handling operations but also providing a collaborative platform for stakeholders such as airlines, GSA, bonded truckers, Customs Brokers, Forwarding Agents, Customs and banks, amongst others. Galaxy enables automation of the custodian functions at the airport, along with internal Warehouse and Cargo handling processes. The system keeps pace with the changing regulatory requirements and brings in greater efficiency and visibility in the Air Cargo handling.



GALAXY has been designed on an open architecture principle and ensures easy interface with third party applications like Weigh Bridge, ETV, Hand Held Devices, PLC, ASRS and RFID. It has a standard API for interface with an ERP or a Financial Management application. GALAXY is a highly scalable, flexible and low on maintenance system, unlike other systems in the market which are still based on the legacy client-server technology. The n-tier architecture of the system ensures that it is extremely easy and fast to configure as per the changing business requirements. GALAXY has an impressive record to exhibit its prevalence and acceptance among its loyal customer base.



DID YOU  
KNOW ?

Right now there are at least 20 million containers crossing the world.



## Spotlight - GALAXY Air Cargo Handling Software

Stemmed from working alongside world-wide airports and having an in-depth understanding of the challenges and opportunities that define the Air Cargo industry GALAXY is a trusted IT solution for driving holistic business integration by facilitating operational efficiency, visibility, improved stakeholder interaction and optimum support for business strategy. Some of its key features are:

- ↗ Collaboration for agents and airlines to transact and track Cargo movement on a single platform.
  - ↗ EDI driven interfacing with Customs and 100% e-freight compliance.
  - ↗ Multiple messaging protocols support using FTP/SMTP and SITA.
  - ↗ Warehouse blue print creation for effective Cargo movement.
  - ↗ In-advance request facility to avail specific equipment and services, prior to Cargo arrival in the terminal.
  - ↗ Real-time business analytics for efficient strategy formation.
  - ↗ Integration with hand held terminals for barcode scanning and Cargo operations.
  - ↗ Easy interfacing with disparate financial packages.
- 
- ↗ GALAXY is ergonomically designed to handle complex terminal operations. It reduces dependency on multiple airline systems thereby improving operational efficiency, reducing mishandling, faster and accurate information exchange, enhancing customer's service along with improving the bottom line by focusing on topline growth. It digitizes all documents like FFM, FWB, FHL and different FSUs, thereby enabling 100% e-freight compliance. GALAXY gives complete visibility of ULD movement like location, life cycle, type-wise
  - ↗ stock-in-hand and condition by facilitating ULD management through exchange of ULD related messages. This results in seamless, paper free Cargo. EDI messages related to ULD like SCM-in, SCM-out, LUC, etc., can be sent using GALAXY. Real-time business analytics can enable quick and efficient decision-making. GALAXY gives drill down information and enables customised dashboards, graphs and other visual reports, which gives complete visibility of business. The system enables easy online payments through payment gateway, pre-deposit accounts and credit system. This helps agents to transact from their location and reduces delay in transactions.

### Key Esteemed Patrons



DID YOU  
KNOW ?

Killer Whales, giraffes, elephants, seals and even lions has been transported by air like a modern day version of Noah Ark.



CRUX

**As Container Freight Station (CFS) is a pier to pier service, it shoulders lot of responsibility. Can you elaborate on the biggest challenge that most CFS are facing in their daily operations?**

UMESH

The biggest challenge that most of the CFS are facing in their daily operations is the lack of integrated strategic planning. This includes ambiguities in documentation, operational handling of EXIM & domestic containers, resource deployment etc. CFS using analogue systems create most of the documentation manually leading to increased possibility of human error. Similarly, in operational processes like container movement transportation, EDI with shipping lines for daily inventory updates, resource deployment for warehouse operations etc., CFS need an integrated system to manage all these functions efficiently. A comprehensive digital solution for all the CFS operations will optimise productivity and enable efficient usage of resources with proper strategic planning.

CRUX

**With the advent of IT solutions what changes have occurred in the traditional CFS operations?**

UMESH

Information Technology has opened many avenues for the Logistics industry making it more efficient, cost effective and customer friendly, elevating the traditional CFS operations. The use of digital platforms to integrate and carry out CFS operations has enabled CFS operators to experience optimum utilization of Cargo storage space, establish cost control, increase volume productivity, efficiently plan operations and escalate static view of throughput, among other things.

CRUX

**How is CAPELLA different from other solutions available in the market?**

UMESH

CAPELLA is one of its kind, web based application which handles Container Freight Station –CFS and Inland Container Depot – ICD operations simultaneously on one platform. This includes EXIM and domestic container, RoRo automobiles, general/hazardous Cargo and Coil shipment etc. CAPELLA addresses a wide range of concerns faced by the CFS/ICD operators in terminal operations, container inventory, yard management, bonded & non bonded warehousing, Cargo auction and maintenance or repairs of containers. It also encompasses a wide-range reporting tool and a comprehensive warehouse view to support optimum warehouse planning by supporting effective space allocation. CAPELLA has various features which control automation, quality of data exchanged, accounting interface, customer portal, container / shipment tracking, statistic view of volume throughput, BI tools for management reports and inbuilt dashboards for all screens.

CRUX

**Elaborate on some tangible benefits that use of CAPELLA has brought to your clients?**

UMESH

CAPELLA has been instrumental in eliminating the challenge of revenue leakages. It has provided end –to-end Cargo and container visibility which is the most crucial need of every CFS/ICD operator. The smart integration of Exports Shipping Bill and Imports Bill of Lading has made CAPELLA an extremely viable solution for our CFS/ICD clients. Auto e-mail facility and daily inventory report in EDI format (CODECO) are the star highlights of CAPELLA.



**Mr. Umesh Kurlekar**

Business Analyst, Kale Logistics Solutions

*Mr. Umesh Kurlekar spearheads lead generation and business development activities for Kale's flagship Logistics IT solutions. Being a team player himself, he actively seeks to promote and infuse the culture of teamwork commitment and sincerity towards work, amongst his team members. He is actively involved in the supervision of Kale's IT solutions and acts as a point of contact for client coordination from the company's end. By virtue of his extensive experience of more than a decade in the Logistics & Supply chain domain, Umesh has gathered enormous knowledge on the operations side of the trade.*



# ClearView

A Kale Thought Leadership Summit for Air Cargo

Athenaeum InterContinental, Athens, Greece | 6<sup>th</sup> - 7<sup>th</sup> July 2017



### Clear View 2017 (2nd Edition) – Kale Logistics' Air Cargo Thought Leadership Summit 6-7 July 2017, Athens, Greece

Clear View- A Thought Leadership Summit for the Air Cargo industry, was conceptualized under the flagship of Kale Logistics Solutions, to ensure that the collective voice of the industry gets collated and the industry itself can assemble a charter for enabling possible realistic strategies and viable solutions to the issues discussed during the summit. The inaugural edition of the summit was organized at Dubai in the year 2016. We recreated the success this year at the second edition in Athens. Being a 'first of its kind' summit that provided an interactive platform for the Air Cargo fraternity, it received an overwhelming response and participation by eminent industry leaders like IATA, leading Airlines, Cargo Handlers, Industry Associations, Regulators and Prominent Industry Consultants from North America, Europe, Africa and Asia.

The summit began with a focused discussion on innovation in the Air Cargo domain. The need and strategies for driving optimal innovation in the Air Cargo industry were discussed among industry experts. There was a general agreement amongst panellists that innovation was every Air Cargo participant's task and industry forums such as Clear View were a base to propagate such innovative ideas among industry peers. Delegates further deliberated that although innovation was on several industry players' agendas, the right kind of innovation, its placement and its benefits were yet to be mapped. Key Performance Indicators (KPIs) for achieving breakthroughs in Air Cargo sector were identified as performance measuring agents for various business aspects. Panellists agreed that identifying and mapping KPIs was a way forward to enhance control over Cargo operations.

The Modal Shift session led to a lively discussion on the comparison of Air Cargo versus other means of Cargo transportation were deliberated. Discussions pertaining to the advantages and shortcomings of different modes of Cargo transport were conducted. The discussion further divulged on how Air Cargo is yet to completely transform itself as a preferred choice over other modes of transport and what are the possible ways and means to do so. Potential opportunities associated with E-commerce were discussed in the E-commerce session. Panel discussion concluded, that to sustain and operate under the pressures of increasing Cargo volume, adopting improvisations in trade practices was imperative. Digital Disruption session led to discussions surrounding disruptive technologies and buzz words like Internet of Things (IoT) , Smart/ Big data and how disruptive technologies may be applied to boost Air Cargo sector. The session concluded with Kale Logistics Solutions initiating a seed investment of USD 25,000, for setting up a 'Centre of Innovation in IT' for the Air Cargo industry with an aim to encourage and support innovation in the Air Cargo community.

**Glyn Hughes, Global Head of Cargo, International Air Transport Association (IATA), said, "Clear View is the forum where leaders from the industry meet and talk about some of the challenges, and most importantly, the possible solutions. It is a wonderful forum for brain storming and coming up with actionable ideas that we can all work on because innovation is everybody's job and that's really what clear view is all about. The biggest challenge that the industry is facing now is the challenge of avoiding getting too relaxed, too lethargic about the current increase in volumes. Last 9-12 months have been fantastic in terms of increased volume. But now is the time when the industry really needs to embrace that if we want to keep this kind of growth growing, we need to innovate because one of the biggest risks we got is stagnation. Events such as Clear View and any other forum where the supply chain partners come together, challenge each other which is critical, debate the issues and formulate an action plan for the future, is absolutely vital for the industry."**



## Kale in Media

### GST

Kale's Customs Clearance Management software-CANOPUS completes successful GST migration.



Celebi Delhi Cargo Terminal goes live on Kale's GALAXY-Air Cargo Management.



Kale Logistics Solutions announces setting up of "Centre for Innovation for IT in Air Cargo Industry" at Clear View 2017.

## Events



Mr. Amar More, CEO, Kale Logistics Solutions, 1st from right spoke on 'Impact of new government regulatory policies & initiatives', at PHD Air Cargo summit 2017.