

Top View

“What gets measured gets improved.” ~ Peter Drucker

With measured efforts and improved outcomes, we have had a splendid financial year. We grew, in terms of adding new products to our repertoire, expanding our horizons, and making significant progress in our commitment to drive Trade Facilitation across the logistics domain. The year commenced with establishment of new branch offices at Dubai and Mauritius, which gave us an impetus to strategically approach newer markets. Following this landmark development, we also expanded in Africa and Asia Pacific regions by employing dedicated business heads.

We were honored to be featured in several global trade platforms that brought us worldwide recognition in the logistics domain. We were featured in the list of 30 best Tech workplaces, awarded as the ‘best technology solution provider’ and the best IT solution provider, to name a few. Going forward, we became the first Indian company to join the prestigious International Port Community Systems Association (IPCSA). One of our key focus this year was to contribute towards the global ‘Trade Facilitation’ movement constructed and endorsed by the prestigious World Trade Organization.

In this regards, one of our pioneering undertaking was signing of a Memorandum of Understanding (MoU) with a Netherlands based Cargonaut to establish a first of its kind digital airfreight corridor in the world. We also launched India’s first online e-Booking platform RIGEL to assist cargo rate discovery and booking procedures for the air cargo industry. With so many landmark achievements, the past year set us on a path of growing aspirations.

In this issue, Manoj Singh, Senior Vice President & Head-Cargo, MIAL-GVK, speaks about the growth, opportunities and future roadmap of GVK’s cargo operations. Read on the “Plausible application of technological disruptions in the freight forwarding industry”, that predicts which technological disruptions are likely to find a place in future freight forwarding operations. Don’t miss our expert’s perspective on the standing of technology in the logistics realm. PING, Kale’s star product driving movement and processing of cargo information across the logistics ecosystem is the ‘Spotlight’. Stay tuned to know about our participation in various events.



Vineet Malhotra
Director, Kale Logistics Solutions



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Senior VP & Head-Cargo,
MIAL-GVK, DPW



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Plausible application of
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SPOTLIGHT

PING takes care of cumbersome
administrative paperwork for
logistics businesses worldwide



ASK THE EXPERT

Mr. Narendra Bisht
Senior VP,
Kale Logistics Solutions



NEWS AND EVENTS @ KALE



Manoj Singh has a rich experience of more than two decades in the aviation industry. Prior to joining Mumbai International Airport Limited, he was working with Menzies Aviation Bobba, Bangalore as Chief Executive Officer responsible for P&L of the Company. Within Menzies Aviation he played a vital role of Commercial Manager between India and neighbouring countries. Currently, he is responsible for Overall Cargo Business Operation and Cargo Project development as per Master Plan at Chhatrapati Shivaji International Airport, Mumbai India. He has expertise in Customer Service, Warehouse Management, Ramp handling, Airport Operational Function, Perspective planning, Airline functions, Business Development, Airline contracts, Project Management and Logistic related issues.



Mr. Manoj Singh

Senior Vice President & Head-Cargo, Mumbai International Airport Pvt. Ltd. -GVK

CRUX

Mumbai International Airport is one of the busiest airports in the world and GVK has brought significant developments in infrastructure, improvements in process and efficiency. Despite bringing Mumbai cargo terminal to a leading market position, what are the challenges faced by the terminal?

Mr. SINGH

Since 2006, as part of modernization of the Mumbai Air Cargo Terminal, GVK has brought significant developments in infrastructure, improvements in process and efficiency with an endeavour of benchmarking the facilities and services with global standards. Today Mumbai's air cargo terminal is one of the leading Indian airports with the air cargo handled to the tune of over 0.9 million metric tons per annum. The airport handles 27 per cent of India's air cargo in much less space compared to other Indian airports. In the recent years, the demand of air cargo has had increased due to the influx of e-commerce, Pharmaceuticals, modal shifts with increasing need for rapid and on-time delivery and increasing trade. The cargo volumes are growing at an average CAGR of 10% per annum. CSIA has managed to achieve 16% of cargo growth in FY18 within the available space. Despite being a land constricted airport, MIAL has accomplished several cargo developments like Export Perishable Terminal (2011), Import Cold Zone (2012), Exclusive Dangerous Goods Storage (2012), Export Unitization Terminal (2014), Santacruz Domestic Common User Terminal (2016) and Export Heavy and Bonded Cargo Terminal (2017). Enhancement of truck docks, Multi-level racking systems in Import facilities, simplified cargo processing in the 7500sqm Export Heavy and Bonded Terminal, one-stop airline handling in the 6000 sqm Export Unitization Terminal with close proximity to the aircraft parking bays, dedicated Pharmaceutical storage and handling at the country's largest 1900sqm import cold zone facility, have resulted in tangible improvement of the cargo dwell time at the air cargo terminal. Our approach towards modernization has always complemented our endeavour to maintain a leading market position in the Indian air cargo industry.

CRUX

Air cargo industry is going through a crucial time and technology plays a critical role. Airport community systems are bringing the required visibility and transparency in cargo handling. How are these platforms evolving with changing market dynamics?

Mr. SINGH

In order to support sustainable growth, it is of paramount importance that right physical and digital infrastructure is put in place which can facilitate the 'ease of doing business' in India. Air cargo community platform as single window allows the reusability of data thereby eliminating duplicate data entry, reducing unnecessary paperwork by giving authorized data access to relevant supply chain stakeholders and bringing in supply chain visibility, thereby reducing inventory and other transaction costs related to air cargo movement. These systems enable intelligent and secure information exchange between public and private stakeholders in order to improve the competitive position of airport communities. Digital systems are evolving to become more robust. With trending e-commerce and seamless global trade, technology has emerged to become a key element. Airport Community Systems too are changing rapidly to keep pace with the market dynamics. Though, most Airport Community Systems have their own internal standards, they communicate with other systems or trade communities using international air-specific standards, in particular to IATA standards. Trends like Data Analytics, Business Intelligence, low cost of infrastructure; mobile-based Apps are driving and changing these platforms. They are also getting the required global and national attention from United Nation, World Trade Organisation and Ministry of Civil Aviation in India.



CRUX

With the growing cargo volumes, the efficiency and visibility is required and Cargo Community system has made that a possibility. How has GMAX enabled Mumbai airport to streamline its business operations?

Mr. SINGH

Moving from our legacy system to a web-based solution like GMAX, we realised multiple benefits like compliance with industry regulations; enhanced customer satisfaction with regular consignment status update; data integrity facilitated by single point of data entry and a wide range of MIS reports that support decision-making. Post implementation of the GMAX there has been a complete transformation in the way cargo is processed at Mumbai airport. 100% transactions are being carried out through web portal enabling web & mobile based track and trace with real-time status updates. Customs amended messages are getting updated in the system on time. With GMAX, Mumbai airport has managed to plug possible revenue leakages due to incorrect reporting of cargo weight. It has also helped in accurate data capture and manifesting weight while loading into aircraft. CSIA's cargo operation now has complete visibility through GMAX and Cargo Custodian Mobile Application. Mumbai airport updates its customer community with the latest developments, tariffs, and regulations through this online portal. GMAX has effectively connected all the air cargo stakeholders and has created new opportunities for ease of doing business at CSIA cargo. GMAX has eliminated all hidden costs in the air freight transaction and reduced the supply chain dwell time to a significant extent; making the whole process visible and transparent.

With elimination of paper transactions at export cargo admittance, import cargo breakdown, import delivery order issuance, automated vehicle management and electronic message exchange with customs and airlines, MIAL has become a pioneer in e-freight adoption, setting benchmarks for many airports. Electronic Cargo Security Declaration and Handheld automation for acceptance, delivery and storage of Exim consignments under CSIA e-Freight program and Digitization of complete Pharma supply chain is on cards as our future targets.

CRUX

GVK Mumbai has acquired the infrastructure development project, for the upcoming airport at Navi Mumbai. What crucial role will this airport play in the air cargo operations?

Mr. SINGH

One key differentiator of India's air cargo scenario is the fact that there are no hubs in India. Almost every ton of India's air cargo is generally handled within the country and hardly any trans-shipment cargo exists. The Navi Mumbai International airport (NMIA) being geographically positioned, with close proximity to the seaport is the natural hub for the western India and has enough potential to be transformed into a transshipment/cargo hub. We are planning to come up with the new state of the art infrastructure and seamless multimodal connectivity at NMIA. Consolidating all four modes of transportation (road, rail, sea and air) at NMIA and applying robust IT connectivity, we are concentrating on multiple airfreight stations integrating with the potential industry segments within 500 to 600 km radius to make the cargo movement very competitive and transparent. It will also boost the economy in the region, with industrial development planned along the Mumbai-Pune-Ahmednagar and the Mumbai-Nashik corridors.



The role of Freight Forwarder is no longer limited to merely providing traditional transportation and warehousing services. Today customers select their freight-forwarding partners based on value-added services and their capability to provide various functions under one offering. In this regard, the technological advancement, emergence of mobile apps, e-commerce surge and conducive trade policies across the world have supported the freight forwarding and logistics industry adequately. Though the utilisation of technology driven apps and platforms in freight forwarding business has begun, it is still at a very nascent stage. Many small and mid-size enterprises still rely on verbal and paper based contracts as a primary mode of business. However, it is important to consider that with the introduction of 'Apps', the technology has not just limited itself to appearing on the desktops and laptops, but has also ensured presence on Mobile screens.

The Uberization of Freight Forwarding

Owing to the digital disruption that Uber has generated, 'Uberization' has become an antimere sort of. It can be applied to any industry including freight forwarding, with varying predictions of how it is likely to change business models or create competition amongst industry players.

The idea of having Uber-like app extended to the Freight Forwarding business is not farfetched. Potentially, Uberization in freight forwarding can have multiple forms. For e.g., it may encompass a platform, like CORVI Freight Forwarding software, that unites all the forwarding stakeholders viz., transporter, shipper, trucker, drivers, and the customer, on a single digital platform. With an enterprise-wide functionality, this system contains several customized modules for Customer relationship management, sales, invoicing and a powerful BI module that supports MIS and operational reports.

CORVI is connected to more than 110 airlines through UPLIFT cargo community system. CORVI in App form makes it more accessible and flexible. Platforms in apps form are enabling value addition for Freight Forwarders worldwide.

Contemporary challenges of Freight Forwarding business

In a market filled with competitors, declining margins, rising fuel costs, rising e-commerce opportunities and supportive trade policies, Freight Forwarders are expected to combat competition alongside. All these pose a multitude of trade challenges, as enumerated below.

Competition: Competition comprises of new entrants and many logistics companies that traditionally defined themselves as something else and are now extending their offerings portfolio to providing forwarding services.

Commoditization: Crude commoditization of freight forwarding business has made it extremely difficult for Freight Forwarders to win customer loyalty based on value addition.

Lack of standardization and infrastructure: Global freight forwarding industry is difficult to streamline and standardize in terms of processes and platforms for overall optimization of the freight-forwarding domain.

Ocean Volatility: Complicated rates and contracts make it challenging for forwarders to adhere to a specific service tariffs and profit margins.

Rate of Change: One of the newest market challenge for forwarders is the trend for ocean carriers to form alliances (e.g., 2M alliance between Maersk and MSC). These alliances affect the rates and contracts that forwarders have with the carriers, and service providers.



Technology can be a key differentiator for Freight Forwarding industry

Technology in the form of IT platforms and apps have emerged as a key enabler for freight forwarding operations. For example, online freight marketplaces, load boards and brokerage apps. Realizing the importance of IT, global Freight Forwarders are now shifting their focus to achieve an edge with technology. This is apparent from a recent study conducted within the freight forwarding industry, where 65% of respondents agreed that technology is currently, a differentiator. In the same survey, 30% said yes, but in five years and 5% responded that it is not a differentiator. This study indicates that the emerging trend of the freight forwarding domain is likely to be technology infused systems.

Due to cloud-based technology, forwarders of all sizes are achieving valuable gains. As data obtained from the technology can be used for strategic purposes like creating new future solutions, expanding trade lanes and more

CORVI is a web-based application that can be hosted centrally and accessed with a simple internet connection. It employs high level of security features to ensure authentic information and proper accountability. Along with CORVI, Kale also offers a decision support system that helps the end user and management to create their own reports.

forwarders may be able to differentiate themselves based on data interpretation. Advancement in telematics are critical in providing the real-time tracking of cargo movement through a supply chain cycle.

RFID tags and Barcodes can enable freight forwarders to gain real-time visibility of their consignments and pass it to customers. With the ever escalating cargo volumes, technology is likely to create alternatives like drones as vehicles, 3D printers or “fabbing” (digital fabrication) to produce goods more locally, thus negating the need for transportation. Currently, many online brokerage firms allow truckers and shippers to make spot market deals. Apps such as Transfix, enable dispatchers and drivers to instantly see load boards, based on driver’s location. A driver can book load, or submit a counterbid through it. After it is assigned, the app tracks the driver and in case of delay, flags it. Freight forwarders can utilise data through apps to provide rate forecasting and help customers to make better rate decisions.

Technology not just assists freight forwarders to achieve a competitive edge in the market, but also combats wastage of resources like, trucks driving empty to their next pick-up, time lost in looking for another load, and shipment processing time. According to industry estimates, traditional brokerage takes two to three hours to process an individual shipment using phone, email and fax. With technology platforms and apps this time drops to about 27 minutes.



Combination of machine learning and human supervision,



Reduced overall costs for end customer



Delivering better value



Regulatory compliance

Every logistics operation incurs some amount of data that needs to be entered, processed, fetched or documented. Thus, logistics not just accounts for transfer of physical commodities from a shipper to consignee but also involves related data transfer. The transfer and sharing of data from one party to other accounts for significant administrative work. This work multiplies manifold, especially in case of manual or semi-automated operations wherein logistics participants exchange paper based documents or travel physically to Customs offices, Chamber of Commerce and other regulatory authorities to submit data/information and get approvals. These activities account for merely administrative and regulatory compliances and ironically do not directly influence growth of business or offer value addition. What logistics companies need is a solution that takes away these mundane administrative efforts and enables them to dedicate time and effort in growth and value addition to their business. PING does that for global logistics businesses.

The 'PING' suite of services provides an efficient and time saving solution for all the administrative work pertaining to logistics. Be it extracting simple data like commercial invoices, packing list, Air Waybill, Bill of Lading; preparation of documents like Airway Bills (AWB) or simply getting data on cargo movement, PING covers a gamut of administrative tasks thus supporting global logistics players to focus on core business rather than mundane administrative tasks.

PING encompasses services especially designed for the logistics industry

Document to EDI Converter Service

Increased focus on Electronic Data Interchange (EDI) has led companies to either absorb or send shipment data digitally to other stakeholders in supply chain. PING extracts data from documents like commercial invoices, packing list, Air Waybill, Bill of Lading and converts the same into EDI messages, which are auto-transmitted to airlines, shipping lines and other entities in the supply chain, thus increasing e-AWB adoption globally for our customers.

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Trade Documentation Service

Trade Documentation Service enables users to experience lower operational costs, drive higher productivity and ensure data integrity. We handle the following services:

- HBL preparation
- Airway Bill/ House Airway Bill

Cargo Track and Trace Service

This service enables real-time visibility of cargo status for multi-modal transport, covering both inbound and outbound transfer. It encompasses:

- Collaboration with stakeholders to for shipment location
- Auto-updates via email and SMS
- Advise on delays and pre-arrivals
- Increase in Cargo IQ compliance for air cargo

Rate Management Service

For quick and comprehensive access to multi-modal carrier rates, along with round-the-clock support PING covers:

- Comprehensive multi-modal rate contract system
- Rate validation and expiry
- All-in one quote with GRI, market fee, surcharges etc.

Freight Audit Support

This service offers end-to-end Freight Audit by invoking contractual rates and comparing them with the invoices from freight providing vendors. The service provides for:

- Complete Freight Audit support though rate application, validation of conformance to contract validity and service agreements
- Ability to define and change charges based on location, products and slab
- Data upload facility via upload option in a configurable excel format



CRUX

Most IT companies are on the path of making their organizations innovative. How is Kale Logistics balancing the need for innovation with having to deal with an industry that is a laggard in IT adoption?

Narendra

IT companies across the world are focusing on bringing innovation in their operations. Gone are the days when companies just had to make systems and be done with their job. Increasing competition, escalating customer expectations and fast-paced technological advancements have made IT technology providers to shift their focus on innovation as a key distinguishing strategy. Today's market standing is defined on the basis of what a technology provider can provide, beyond the basic outlines and functionalities requested by the client. Thus, most IT companies are focusing on innovation.

Though traditionally the logistics industry was known to be reclusive towards adoption of technology, the attitude has seemed to undergone a major transformation. Growing volumes of cargo, exceeding customer demands and realization pertaining to the potential of IT systems in bringing competency to operations, has encouraged logistics industry to embrace technology. As a technology company operating in the logistics domain for more than two decades, we believe that our experience and understanding of the business places us at the forefront of driving technological innovation in this domain. We have been working in tandem with numerous authorities, government organizations, logistics and supply chain enterprises worldwide and industry leaders; this has given us a winning edge in terms of being at the forefront of innovative trends. We do so through our carefully designed technology solutions and community platforms that have already benefitted several logistics players around the world. At Kale, identifying and infusing contemporary industry trends is a collaborative effort. We keep ourselves aware by getting our teams to participate in industry specific conferences, seminars and meeting industry thought leaders. Our thought leadership event 'CLEAR VIEW' for Air Cargo is one of the initiative wherein we bring the industry together on a common platform to not only discuss issues but to come out with actionable solutions.

Learning about industry trends and new approaches to Logistics businesses helps us to keep our product at par with the changing technology. By seeking continuous feedback from our valuable customers, we derive inspiration to proactively make industry relevant, and innovative changes. We stay in touch with our industry peers and take serious efforts in comprehending the basic pain points and challenges that surround the logistics business. This forms the basis of our innovation. We incorporate this feedback in form of solutions and that is what places us ahead in the innovation curve.

CRUX

Kale Logistics Solutions is growing at a good speed with its solutions been globally implemented. It has also increased its portfolio net to be one of the few players offering complete IT logistics solutions. What is your plan to scale operations and resources?

Narendra

It is amply clear that technology is going to be the key disruptor as far as the global Logistics and supply chain industry is concerned. My key expectations are of course surrounding this fact. I expect the Logistics Service Providers (LSP) to come together in a unified manner to charter a plan that would focus on how to optimize the sector. Transition from legacy systems to complete digitization could be a way to attain that. The future of Logistics will be shaped by the level of digitization and automation it undertakes.

Keeping this in mind, we have invested and will continue to invest in business development, product development and innovative technology. This year we intend to set-up core product teams who would work on enhancing the solutions by R&D, innovation, study market trends and competition.



Mr. Narendra Bisht is a Senior VP responsible for spearheading the conceptualisation and delivery of Kale's flagship technology solutions. Narendra is thorough team player and believes in integrating and motivating his team to perform their best. His key strengths include promoting and infusing the culture of teamwork commitment and sincerity amongst his team members. Narendra believes in maintaining great work-life balance and has pursued his passion for playing football, in spite of his hectic schedule.



We will also be expanding our customer base and portfolio in Maritime space and aspire to become the World's undisputed Best Logistics Technology company in the next 3-5 years' time. We will be investing more in R&D on solving the trade facilitation problems with our community platforms like UPLIFT and CODEX across the Logistics domain. We see ourselves working closely with global industry associations in smooth implementation of WTO trade facilitation deal across the globe. The next few years will be extremely crucial as far as the growth in the Logistics sector is concerned.

LSPs today are realizing the visibility, control and profitability that technology is capable of driving to their business. Keeping these advantages in consideration, I am affirmative that more and more LSPs will digitize their businesses. As per Frost & Sullivan's recent analysis, Global logistics spending is expected to reach \$10.6 trillion in 2020, with transportation accounting for the majority at 70%. Considering the global potential of the Logistics industry, I am expecting policy makers to incentivize and offer special status.

CRUX

People - not technology are the most important business upgrades. Do you believe in this philosophy? If yes, what and how do you do it?

Narendra

Innovation gets stymied when a company defines itself by what it does rather than by what it knows or owns—when its “concept of self” is built around products and services rather than around core competencies and strategic assets.

Yes, I completely believe in the idea that Workforce is central to the success of any enterprise. For any enterprise, it is not just important to be technologically advanced, but is equally important that the advancement and understanding is percolated across the various tiers of workforce in the form of tacit and stated knowledge. My vision of a successful team is the one where there is a group of hands working for a single goal. A team may have versatile skill sets, talents and capabilities, but for a company to succeed, it is of monumental importance that every team member is working towards a common goal in his exclusive area of skill and expertise. Individual growth, interests and preferences are of course imperative but must be placed secondary to the larger organizational goals. The key elements in our work culture are strong bonding within the teams, open atmosphere and entrepreneurial spirits, and passion for excellence. At Kale Logistics, one entails all-round skill enhancement and continuous learning. The focus is on long-term career aspirations of employees, providing them with both, a platform and a launch for development and career success. It ensures a culture that exhibits innovative spirit, shared values and an inspiration to positively influence the organization.

Business upgrades of short term are easy; one just needs to hire a resource having advanced knowledge. However, to make a long lasting impact, it is necessary to involve and train resources to improve and shape their individual and team capabilities.



**DID YOU
KNOW** 

Shippers who partner with outsourced logistics service providers report an average cost reduction of 13%



Kale Logistics Solutions launched India's first e-Booking Platform 'RIGEL' at WINGS INDIA 2018.



Kale Logistics Solutions, Senior Manager, Mr. Ankosh Chauhan at the prestigious 'Multimodal Transportation Conclave -2018' held in Delhi, India.



Kale Logistics Solutions wins the "Best Warehouse IT Solution Provider" award at the Warehousing Excellence Awards 2018.

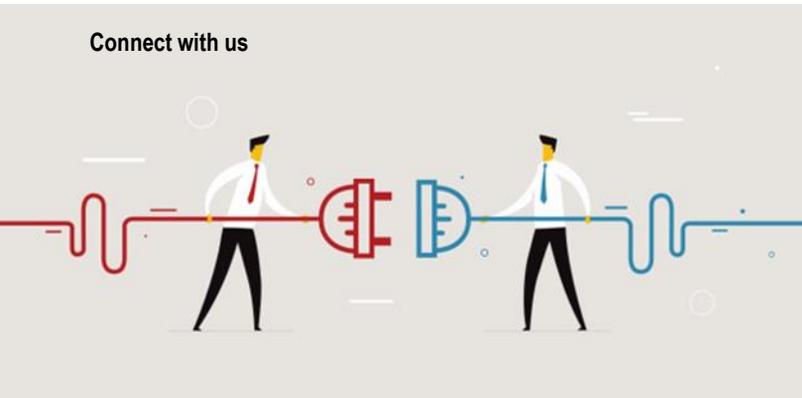


Kale Logistics Solutions will be participating in ACI EUROPE/World General Assembly, Congress and Exhibition event at Brussels, Belgium



Kale Logistics Solutions will be participating in the forthcoming ACH annual conference in Brussels.

Connect with us



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