

## Top View

As we wrap up the last quarter of the financial year, we look back and see the achievements and milestones that we have crossed. With increasing integration of the economies around the world, we are amidst a period of crucial transmute. India jumped 30 spots to secure a place among the top-100 countries on World Bank's ease of doing business ranking list in 2018. This is essentially attributed to the various trade facilitation initiatives by the government and business community. Trade facilitation platforms are the keystones for India's improvement in the Logistics Performance Index ranking. Kale has created India's first multi-modal cargo community system UPLIFT and world's first most comprehensive Airport Cargo Community System - GMAX both of which are global benchmarks and are being adopted as well as emulated. We take pride in the fact that prior to us there was insignificant EDI between forwarders and carriers and today India is ranked no. 6 in IATA's e-AWB initiative and one of the fastest growing e-freight market.

We have increased our solution portfolio with Integrated e-commerce solution – AGENA, e-Manifest Services, Online Delivery Order, e-VGM and Bureau Services. This make us one of the few organisation in the world capable of offering this kind of length and breadth of solutions backed by a stellar brand promise. We have developed successful partnerships globally thereby giving our solutions access to the global market.

In this edition of CRUX, we bring you to how e-commerce is the next big thing revolutionising Logistics. Mr. Naser Ebrahim Mohamed Bujandal, Head of Cargo, BAS shares his perspectives on the changing world of air cargo. In the spotlight section features CORVI – freight forwarding and Import-Export Management System. Mr. Ranjit Virdi our quality expert, talks about Kale's goals and aspirations in the quality assurance and how our flagship Bureau Services - PING have made our customers' life easy driving total visibility and efficiency.

Looking forward to your feedback, happy reading!!



Amar More  
CEO, Kale Logistics Solutions



## In this Issue



### REFLECTIONS

An Interview with  
Mr. Naser Bujandal,  
Bahrain Airport Services



### ARTICLE

e-Commerce Logistics -  
a new paradigm



### SPOTLIGHT

Freight Forwarding continues  
to be a growth industry



### ASK THE EXPERT

Mr. Ranjit Virdi  
Group Manager,  
Kale Logistics Solutions



### NEWS AND EVENTS @ KALE



Bahrain Airport Services Company (BAS), established in 1977 is an official operator of ground services at Bahrain International Airport. BAS is a trusted name in the world of air cargo services and a company certified by the Air Transport Safety Audit Program of the International Air Transport Association (IATA). It offers a number of commercial activities including: aircraft and passenger handling services, catering services, aircraft engineering services, the BAS Engineering Training Centre (BAETC). Additionally, it also owns and manages airport lounges.

**Mr. Naser Bujandal** has more than 18 years of experience in the aviation industry. He is a seasoned professional with experience covering the entire cargo industry. Appointed as Head of Cargo back in 2016, Mr. Bujandal has managed to deliver very positive results in terms of enhancing the existing services and introducing new and customized services to clients with a clear strategy and well defined objectives. He and his team are driving the cargo industry in Bahrain to become more connected and deliver enhanced value.



## Mr. Naser Ebrahim Mohamed Bujandal

Head of Cargo, Bahrain Airport Services

CRUX

**Bahrain Airport has emerged as a prominent air cargo hub. How is BAS managing this growth in terms of air cargo handling capabilities?**

Mr. BUJANDAL

Being a gateway between the East and West, Bahrain has emerged as a natural transit destination for strategic trade routes and has turned out to be a prominent industrial hub for the Northern Gulf. This has enabled to shape the development of the country's infrastructure and economy. Realising the potential that awaits in the air cargo sector, we have been dedicatedly working towards making the airport a major cargo hub. Trade across the east-west corridor has got a major impetus with encouraging trade regulations.

The growth in e-commerce has further stressed on the need of cargo deliveries happening in a timely and efficient manner. In this context, as a major cargo airport, Bahrain has manifested great progress in the last few years. This year, we witnessed a 10% growth in cargo traffic for the cumulative period from January to December 2017 reaching a total of 289,434 tonnes . This growth includes 15,422 tonnes in imports, 6,333 tonnes in exports, and 4,705 tonnes in transshipments . Due to our established capabilities, we have also become the most sorts after destination for major cargo companies like FEDEX, TNT Express, ARAMEX etc. At present, we have a very optimistic scenario with 24 hour operational Cargo Terminal having a full range of services like export cargo sales, trans-shipment; inter airport trucking, Customs clearance, Break-bulk, bonded warehousing, freezers, chillers, cold store storage, dangerous goods, livestock, radioactive material, valuable and diplomatic cargo and mail facilities.

CRUX

**Going forward what is your vision for your operations and what steps are you taking to ensure that the vision is fulfilled?**

Mr. BUJANDAL

In my opinion, it is of utmost importance that we re-align our strategies and operations keeping in mind the future. With the increasing trade volumes, it has become imperative for us to ensure that our operations are handled in the most efficient manner. Until now many of our processes were paper-based or semi-automated. Being one of the most trusted brands in the cargo fraternity, we have many of our stakeholders, customers and partners trust our capabilities. However, in future operational efficiency is something we will need to emphasize on if we wish to retain customer loyalty and stakeholder interest.

Keeping this in mind, we have adopted Kale's integrated IT systems and upgraded this year to ensure the re-engineering and automation of procedures and operations, for higher efficiency and productivity. This ERP has replaced a set of previous systems, including HR, financial, procurement and the warehouse management systems, focusing on issuing more accurate qualitative reports to support the company's decision-making. Kale's system is also enabling faster report generation which allows us to make quick proactive decisions and chart future strategies.



World largest cargo ship arrived in Britain for the first time ever in January 2015 in Felixstowe Suffolk



Apart from the adoption of IT systems, we have also upgraded one of our Aviation Communication System (SITATEX) to the latest version (V.8), which will allow a better communication with airports worldwide. The new system saw upgrades to the local network infrastructure, servers and employees computers at the airport. It has also linked Bahrain International Airport to various airports around the world, allowing better international coordination and efficiency when dealing with emergencies. The upgrade of this system is part of BAS's strategy to improve the technological infrastructure as per ISO27001 requirements.

CRUX

**Can you highlight a few challenges that surround the airport cargo handling? Do you envision that adopting IT infused processes can combat these challenges?**

Mr. BUJANDAL

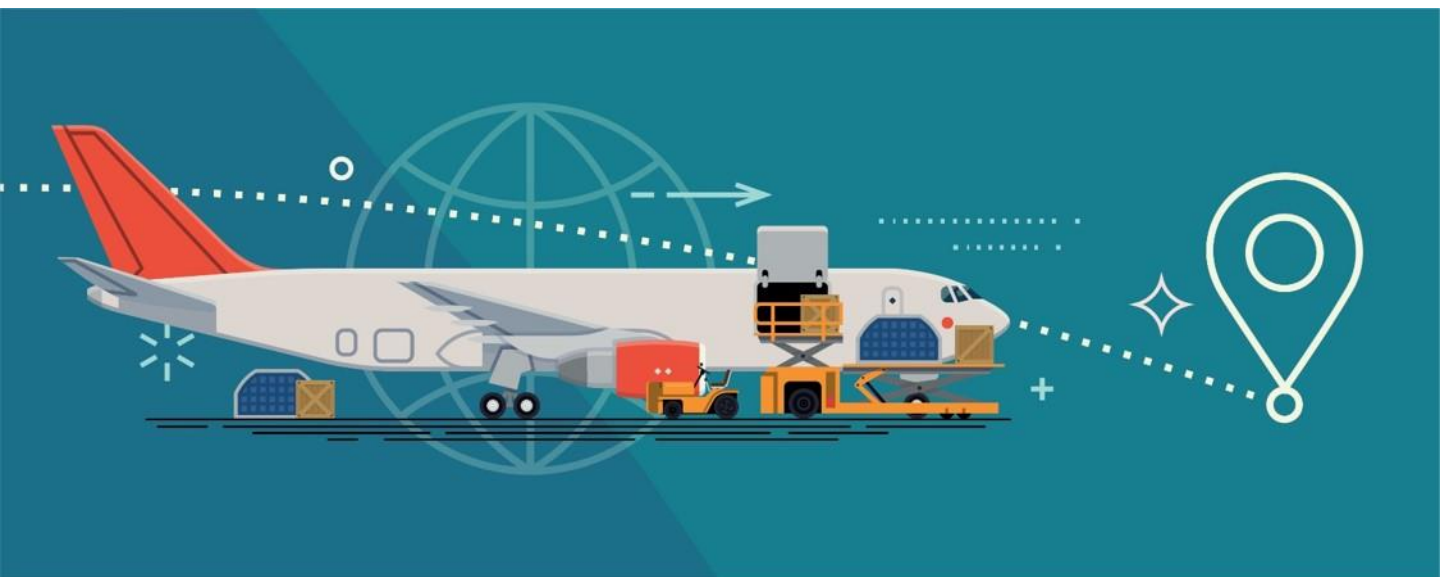
The air traffic is predicted to grow at an average rate of anywhere between 8%- 20% per year. Due to the exponential amount of air cargo flown around, there are growing challenges surrounding the organisation and delivery of cargo in a time efficient manner. Rising fuel prices, escalating customer expectations and striking a balance between profitability and fulfilling customer demands, amidst rising competition are some of the challenges that surround airport cargo handling operations. This industry is still wrought by challenges of last generation messaging processes, technology and legacy system. For a period of time there was reluctance in the industry to invest in improved technology – but that trend seems to be changing – the cost of systems are coming down and the significant efficiency benefits are visible. In my opinion, the air cargo industry has reached a crucial point where a fast-track approach to digitalization is required to keep pace with competitive modes of transport. Technology adoption and leveraging the latest advances will streamline operations, reduce costs and optimise efficiency.

CRUX

**Even amidst tough times, the Middle East air cargo market continues to surprise the world with the highest airfreight growth numbers compared with other regions. Your opinion on this...**

Mr. BUJANDAL

As per IATA, Middle Eastern carriers' freight volumes increased 6.3% year-on-year in December and capacity increased 4.7%. This contributed to an annual increase in demand of 8.1% in 2017 – the third fastest growth rate of all the regions. Over the years, the Middle East region has undergone an unprecedented transformation to become an important centre for regional economic growth, which has also led to an increase in trade. Air cargo stakeholders continued to capitalise on the strategic location of airports in the Middle East. Significant capacity expansions positioned the region's airports as primary hubs for intercontinental trade. Although the Middle East region continues to witness growth in air freight volumes when compared to other global regions, overall economic and growth conditions around the world are having an effect on trade flows through the region.





There is no e-commerce without delivery, which means that Logistics is one of the most crucial aspects of this business. e-Commerce boom has opened an entirely new perspective for movers in the Logistics businesses as Logistics Service Providers (LSPs) are realizing that manufacturers are seeking Logistics companies that are capable of offering end-to-end support and value addition to their distribution channel, in a cost effective way. This has placed the traditional Logistics industry in a competitive environment as they need to identify and implement effective Logistics strategies to be globally competitive. As per a recent report, the global Logistics market, in terms of revenue, is set to expand from US\$8.1 trillion in 2015 to US\$15.5 trillion by 2023, registering a CAGR of 7.5% from 2015 to 2024. The market share of e-commerce has doubled to 1.3% in global GDP and is likely to hit 3.2% by 2019.

Amazon can be cited as an example to have singlehandedly harbingered transformation in the Logistics industry. The e-tailing giant has created a phenomenal transformation by placing a completely innovative and advanced perspective on major logistics decisions like, the locations of distribution centers and warehouses, direct fulfilment of customers' orders by the seller or drop off facilities for the customer to pick up or even a combination of all three.

Customer expectations have shaped the strategies of e-tailers and distributors driving them to increase the speed of deliveries, and to innovate new methods to deliver perishables. With customers being aware of different delivery options available to them, delivering merchandise in urban spaces overnight, or in some cases, even in as little as under 3 hours is increasingly becoming the norm. Last mile delivery is challenging the supply chain industry, necessitating delivery nodes not only in densely populated urban areas, but also in smaller towns and villages

While the adoption of e-commerce has not been a standard across markets, countries like UK, China and India are expected to lead due to their higher global market share. Little wonder then, that in addition to 3PL firms, many IT conglomerates too have jumped on the bandwagon to expand the traditional Warehouse Management Systems (WMS), Transportation Management Systems (TMS) and other IT solutions with an aim of meeting the need for adjustability to the ever changing inventory management needs of retailers.

However, the capability of the transport partner remains to be the most critical and defining parameter in processing a successful and profitable e-commerce transaction. This is because the transport partner is responsible fully or in parts for the following competition differentiators:

**Fastest Delivery:** Transport partner is crucial to this aspect

**Cash Management:** Especially in collection of COD orders

**Reverse Logistics:** Ability to process returns, exchanges and replacements

## Technology reshaping trends in the e-commerce space

Just as role of Logistics in processing e-commerce transactions is undisputed, so is the role of technology in ensuring that e-commerce Logistics is carried out in a seamless and efficient manner. For this, adopting a futuristic IT system like AGENA from Kale Logistics Solutions, which is especially designed to handle the complexities and intricacies involved in e-commerce trade, is a way to go forward.

**Last Mile:** The existing networks are not fully developed when looked at from the perspective of last mile delivery. But, industry growth has made it a requirement for robust last mile delivery channels.



e-Commerce Logistics Management System

AGENA, is a powerful, web-based tool capable of handling end-to-end Logistics operations for e-commerce trade, right from order integration to handling reverse Logistics. With AGENA's real-time trace and trace feature, customers can be kept informed about the consignment status at all times. It facilitates web-based integration with shipper's portal and supports order validation and Pin-code based allocation for transport operator



**Customer Service:** With customers willing to pay more for instant access to their merchandise, expedited shipping has become a competition driver. However, this also ties in to the last mile delivery. Digital platforms have been proven to escalate customer service levels by providing real time consignment information to the customers

**Third Party Logistics Providers:** Partnering with 3PL providers would be the way to go for mid-sized and smaller e-tailers who cannot afford the costs of operation on their own.

**Scale of Operations:** The question of scale of operations with respect to the retailer determines the Logistics providers' costs of operation from inventory warehousing to transportation and the expenditures incurred on everything in between. With e-commerce being considered the next boom, businesses that are able to predict turns in the industry and are able to act swiftly to have the best opportunities to capitalize on the opportunity. Building e-fulfillment capacities is the way to go.

## A way forward

The irreversible change is already here and has been observed in the way people interact, shop and search for products. Shopping patterns are undergoing transformation across the globe. Marketing analysts are researching and studying these changing trends to build strategies that would enable businesses to change with this context. Businesses are precisely targeting and designing their entire product lines, marketing strategies and operational strategies keeping a customer centric approach.

**Drone Delivery:** With Drones, the timeline of receiving ordered shipment is likely to become a matter of few hours or even minutes. Drones delivery is likely to minimize shipping costs, lessen lead time, and incentivize return shipments.

**Artificial Intelligence:** With the progress in artificial intelligence, unmanned/self-driven delivery vehicles have captured the interest of LSPs. Automated cars and mass adoption of contactless payment is likely to become a norm of tomorrow.

**Geo mapping:** Geo Mapping enables mapping of different geo-cultural contexts or specific geographic locations. Specific location mapping enables speedy and accurate delivery.

**Data Analytics:** Application for enabling infusion of Smart Data has already been found in domains like inventory management, forecasting, and transportation Logistics. Companies today can envisage the most profitable Logistics routes to choose for their last-mile operations from Smart Data.

The application of technology and IT in the e-commerce space will drive transformational changes in the e-commerce and Logistics marketplace. This application is likely to impact consumer purchase decisions. From automated cars to mass adoption of contactless payment, the technology of today may become a norm of tomorrow. Some of these future technologies are already seeing the light of the day in some geographies. However, the scale of impact that they shall have on e-commerce and shopping trends in general remains to be seen.



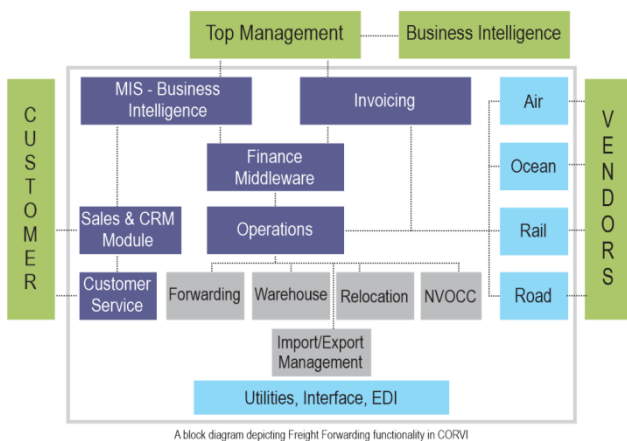
# Freight Forwarding continues to be a growth industry



Freight & Shipping Logistics comprises of highly fragmented Logistics processes. Multiple levels of stakeholder intervention are inevitable. Operations are often constrained by abundance of paperwork and redundant operating procedures. Inability to exchange information seamlessly between forwarders, shippers, Customs Brokers, carriers, airport/port terminals, overseas agents and consignees aggravates the situation. This builds up operational inefficiencies and acts as a roadblock to proactive and informed decision making.

**Freight forwarders** today need a scalable and reliable solution that offers enterprise-wide business functionality and security combined with an affordable cost of ownership. CORVI Freight Forwarding system is an integrated and well thought of IT system for Freight Forwarding Management. It can improve the company's business process and create competency among industry peers. CORVI enables Freight Forwarders worldwide to stay compliant to various policy changes from regulatory bodies, such as Customs. The resulting efficiency can have a significant impact on the bottom line.

## CORVI Freight Forwarding & Import/Export Management System



A block diagram depicting Freight Forwarding functionality in CORVI

**Stevedoring Operations Management** module allows Stevedore Agents to manage the Stevedoring process right from Loading to Offloading, Equipment allocation to Resource planning and Quotation to Invoice generation. CORVI Stevedoring module offers seamless data transfer between stakeholders, provides for vessel planning and executes job orders for an identified activity. It also enables complex ship loading operations to be efficiently handled, to optimize vessel dispatch. This module allows the Stevedore Agency to manage all types of operations like Containerized, RoRo, Break Bulk, Bulk and Tanker Vessel.

**Shipping Line Agency Operations Management** module enables the agency with a 360 degree view of business & provides complete support & control for a multi-line agency business. The system is easy to use & has configurable features, thereby ensuring minimal customization to meet a new Line's requirements. Additional services such as Vessel Husbanding, Ship Spares and Supplies Management etc., can also be maintained & tracked. Hence, the system ensures complete control for a Shipping Line Agency.

**Survey Operations** Module is designed to ease and accelerate the task of capturing survey findings and preparing Surveyor's report. The system allows the Surveyor to generate the Job Order for survey activity to be carried out based on services agreed with Vessel Agent / Principal. It enables monitoring of shift wise activity based on parameters identified for Cargo / Container operations Survey, Draft Survey, Survey on Cargo Quality, Container Inspection Survey, Vessel Inspection, Lashing & Condition Survey and Damage Survey.

**Equipment Control Management** module allows the agency to manage the usability & allotment of equipment & resources. It enables monitoring of equipment like Trucks / Trailers, Reach Stacker and Forklift for number of tasks allotted and their productivity. The system tracks the usage of owned and hired equipment. It also supports management of key resources like labour / staff allotted for activities such as loading, offloading, packaging, stuffing & de-stuffing.



**CRUX** What are the best practices for quality assurance in the IT industry?

**RANJIT** What do all successful products like Automobiles, Aircrafts, Cell-phone or Software have in common? Providing, great quality to its end users seems to be common amidst these companies. Here I would like to quote a philosophy, Toyota came up with the term “Toyota Way” which implements two key principles: Continuous improvement and Respect for people. Likewise, a good software needs to strive in these two areas. With each new version of solutions there is an unspoken rise in customer expectations for better, faster and stable solutions. As the solution is made keeping customer needs in mind, the best practice for quality would be, to ensure that it improves with each release & meet the customer expectations consistently. Most organizations fail to sustain effective process-based management because they fail to firmly embed business process governance. The core process governance cycle is to measure the process performance gap, assess what, if anything, needs to be done now to adjust that gap, and then to take the required action. To eliminate inefficiencies, the work processes needs to be redesigned. In fact, both implicitly equate process improvement with process management with the use of similar tools, such as process mapping and data modelling; increasing focus of organizations on meeting customer demands and enhancing the efficacy and reduction in costs. The small and medium businesses are still striving to inculcate the new solutions and technology in the market.

**CRUX** Quality is getting lot of attention in today’s times, how is Kale Logistics imbibing it as a philosophy?

**RANJIT** Quality is held in high esteem by software users. The global quality management software market is estimated to reach USD12.63 billion by 2024. The quality management software market is expected to witness a substantial hike in the demand, due to globalization of the market places. Consistency is the key here. Keeping that in mind, the goal of Kale Logistics is to ensure that the software development lifecycle follows a standard defined process. The data quality is another prospect that keeps score of our quality, its keeps track of the impact on the business. Aggregate scores help to make sense out of the numerous error report produced in the course of data quality assessment and without aggregate scores, error reports often discourage rather than enable data quality improvement. It helps us know, if the data errors are historic or were introduced recently. To make ourselves more competitive and efficient, we are on a journey of implementing CMMi ML v3. With smartphones invading our lives, more and more customers are demanding solutions or part of it to be made available on smart phones. This scenario has demanded a colossal need for mobile app developers and testers throughout software companies. We at Kale Logistics have adopted the latest technology to support our customer’s operational needs and we are pleased to share that we have never compromised on quality along with staying ahead of times in developing the solutions.



**Ranjit Virdi, Group Manager – Delivery, at Kale Logistics Solutions** has a decade of rich experience in software testing. With a keen eye for detail, Ranjit believes in focusing on continuous improvement and often motivates his team to do the same. Having a flair for managing people, he oversees Kale’s critical functions like Testing, PING - Bureau Services & Support. He has been able to create and maintain a competent team who trust his vision on business process improvements. A talented guitarist, an avid photographer and a passionate writer, Ranjit recommends & thoroughly believes in maintaining a perfect work-life balance.

**CRUX** Presently there is a sudden surge in outsourcing Logistics administrative work, what according to you is the reason for such a trend?

**RANJIT** Outsourcing is a flexible, scalable and cost-effective proposition to accommodate an industry's different requirements and still be competitive, without losing an innovative edge. There would be many reasons to list, for a sudden surge in outsourcing administrative work. Avoiding duplication, lack of end-user training, lack of end user's empathy towards fast changing technology are few of the key reasons for such a trend; but the top reason would be "focus on core business operations". Almost every office has software to manage their partial or complete operations. Often the existing software overlaps with new and this causes an intrinsic reluctance in users to use multiple software. No organization would like to duplicate efforts of their employees. This creates a roadblock for software implementation within the organization even if there is a proven monetary benefit. Having said that, bureau service makes this road block into an opportunity by providing outsourcing option to end users. So this becomes the biggest motivation for any organization to espouse this path. As an industry, the logistics domain has realised that adoption of IT in circadian operations will enable them to seek comprehensive solutions to combat price competition and adopt quickest and the most efficient delivery channels.

**CRUX** What is Kale Logistics offering in Bureau Services?

**RANJIT** In today's competitive world, operations surrounding Logistics industry have evolved from only 'Cargo' movement to movement of 'Information and Cargo'. It is a well-known fact that enormous amount of paperwork is generated in the logistics industry and humongous amount of administrative data entry work goes in moving a shipment from shipper to consignee. This administrative work does not provide any value addition to an organization. Most logistics organizations would rather prefer to focus on value additions and get rid of administrative work. Kale Logistics realizes this need of the industry. By virtue of their industry experience and having pioneered several technologies, Kale logistics has designed its suite of "PING" services which would take away the burden of administrative work like documentation, audit, status tracking etc., from the logistics entity, thus allowing them to focus on core business activities. With a combination of machine learning and human supervision, PING enables administrative tasks to be handled more efficiently, thereby reducing the overall costs for the end customer and delivering better value. PING service suites comprises of, Document to EDI Converter Service, Trade Documentation Service, Cargo Track and Trace Service, Rate Management Service and Freight Audit Support. PING has been designed keeping in mind the balance between service quality, costs and timeliness for a particular process. It helps the logistics entity to, reduce overhead costs and improve revenues, focus on core business functions, digitize operations, increase productivity and improve customer focus and gain competitive advantage







Mr. Amar More, CEO, Kale Logistics Solutions chaired a panel discussion on Digitalisation in the freight industry at Air Cargo India 2018



Kale Logistics solutions participated in the Air Cargo India Conference and Exhibition 2018.



Kale Logistics Solutions signs MoU with Cargonaut Netherlands B.V, to establish first of its kind digital Air Cargo corridor between India and Netherlands



Kale Logistics Solutions was awarded the Best IT Provider to the logistics industry at the 3rd logistics and Supply Chain awards 2017.

**Forthcoming Events**

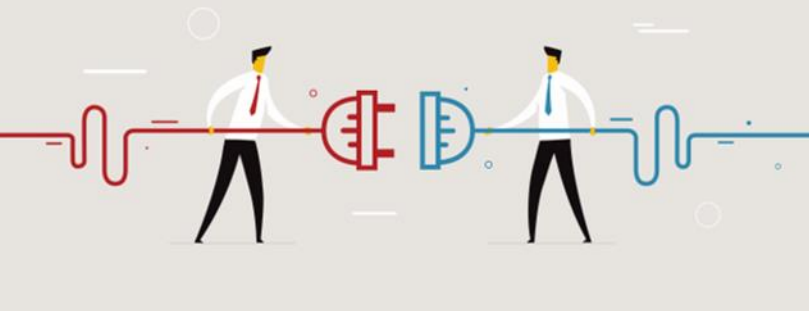


Kale Logistics Solutions will participate in TIACA, a premier air cargo industry event in Toronto, Canada.



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

Connect with us



**Kale Logistics Solutions Private Limited**

9th Floor, Thane One Corporate Business Park,  
Behind CineWonder Mall, Majiwada,  
Thane (W), Maharashtra, INDIA - 400 610.

+91 22 4113 4113

+91 22 4113 4123

info@kalelogistics.in

www.kalelogistics.in



Mumbai | Delhi | Dubai | Mauritius