

Top View

A journey of a thousand miles begins with a single step.

New year brings in new hopes and new horizons to look forward. Today, the Logistics Industry is at a crossroad where the regulators world over are looking to facilitate trade with the adoption of technology but the industry is still little hesitant to leave old manual and paper based practices. With more than 140 countries ratifying the Trade Facilitation Agreement (TFA), it is amply clear that the red tapism, the inefficiencies in the international logistics will have to go away to pave the way for smooth and transparent cargo movement. Ports and airports globally will need to create both the physical and digital infrastructure to remove the barriers to trade.

These mandates are definitely going to shake our industry from its slumber and push the adoption of technology in a big way. The technologies that will connect different processes, systems and people will shape the future of the industry.

We at Kale Logistics Solutions, are working hard on execution of our vision of empowering the constituents of the logistics value chain and then connecting them to establish an integrated logistics eco-system. We are experiencing tremendous traction globally and the excitement of making a difference to the industry is indeed electrifying. On behalf of the Kale Logistics Solutions team, we promise you that we will be your committed partners in your journey into a paperless, digital future!!!

CRUX, our quarterly newsletter, is a way to connect the industry. In this edition of CRUX, we have experts from the industry who will broaden your horizon. Ihsan Davulcu from Cargoworks gives us in- depth view into the ground handlers perspective Read about Voice Enabled Technology in the article segment. Our In-house expert Vivek Pandit speaks about what's transpiring the air cargo industry. In the Spotlight, read how technology is re-inventing the container industry.

Wishing you all a very Happy New Year!

Amar More
Director, Kale Logistics Solutions



In this Issue



REFLECTIONS

An Interview with
Mr. Ihsan Davulcu
CEO, Cargoworks Europe



ARTICLE

Voice-enabled technology –
streamlining processes
in logistics



SPOTLIGHT

Digital re-invention for
container industry



ASK THE EXPERT

Mr. Vivek Pandit
AVP, Kale Logistics Solutions



NEWS AND EVENTS @ KALE



Ihsan Davulcu CEO, Cargoworks Europe, is an expert in air cargo handling and warehousing. With close to two decades of experience in the aviation industry, Ihsan has had successful stints in Celebi Cargo and Asiana Airlines. He has an in-depth understanding of the industry as he has been closely associated with different domains from operations, sales to strategy. He shares with CRUX his views on the changing technologies and its influence on the air cargo industry..

Mr. Ihsan Davulcu
CEO, Cargoworks Europe



CRUX

The European logistics market is changing rapidly. Supply chains are being restructured, economies are expanding, and e-commerce is accelerating. What do you think is the need of the hour for the industry to capitalise on these positive trends and how is Cargoworks addressing them?

IHSAN

Cargoworks - The European logistics industry is set for another bumper year despite of significant political and currency-related problems. The main reason for this growth is the well-connected cities, which cuts costs for logistics providers because their transportation obligations are smaller. Many cities are now forming into logistics hubs. Frankfurt Airport in Germany, for example, is now considered a "super-hub" airport due to its high capacity is a frequently chosen destination for many cargo flights. The German economy is making a significant contribution in the logistics industry as it's considered as the powerhouse of Europe.

The rapid development of e-commerce and supply chain has allowed many business houses to build linkage and speed up information. The need of the hour is the integration of the e-commerce technologies and concepts of supply chain management. Trends like nominated day delivery, which allows the consumer to choose a day and time window for their order to be delivered. Speed is no longer the most important element in deliveries.

Consumers value convenience and choice, so nowadays it is important that the consumer has the certainty that the package comes at the moment that suits him. Another important factor is automation and use of technology. The supply chain industry is warming up to digitization, the air cargo industry is undergoing a complete metamorphosis.

Cargoworks, believes in continuous investment in IT infrastructure, Resource Planning and Real-Time Operational Control System to increase operational productivity and service quality in a real-time environment. In Frankfurt we have 9 different facilities with unique identities, few of them are new. We have observed that it's very challenging to put new technology and automation in the old facilities. The new warehouses have facilities like cross-dock and automation and were thought through while building. The other major challenge we are working on is resources using the facility, the warehouse is built with modern technology but the people operating it lack skills to run it efficiently, so with the technology upgrade we need to educate our manpower too and Cargoworks is trying to work in this domain.

CRUX

Today, cargo movement has become highly competitive with stakeholders expecting the cargo movement to be cost and time effective. How have CARGOWORKS fared in these aspects?

IHSAN

We are at a very interesting time; the German government is focusing on improving the competitiveness of the air transport sector. However, the industry is under pressure because of onerous taxes, airport infrastructure challenges and the overall inefficiency of European air traffic management. These escalate costs and blunt down competitiveness. Although some uncertainty now surrounds the future of international trade flows, demand for air cargo has been set for change, with new business models, e-commerce and influx of technology. In a world where data and connectivity are the keys to the kingdom, the air cargo industry is still clinging on to legacy technologies. It is now that we as an industry need to adopt technology or struggle to keep pace with changing business needs. Collaboration and digitalisation will drive the future of the air cargo logistics value chain. CARGOWORKS believes in having a strong quality management to ensure service excellence. We stay competitive with our principles of transparency, objectivity and fearless during the policies of how to deal with a customer. With focus on innovative marketing plan with cost savings we are building business models that are very competitive.



CRUX

Innovations have always been judged as the growth engines of society – in the field of logistics, their importance is still underestimated or rather there is slow initiative by the industry. However, increasing customer needs and new business models in trade and industry have made it imperative to innovation. How do you see this issue?

IHSAN

The logistics industry is estimated to be worth more than \$4 trillion worldwide. The growth story up until now had been riddled with legacy systems and now, more than ever, technology has been playing the role of enabler and game-changer in the logistics industry. The metamorphosis from paper-based documentation to the digitalised businesses that we see in the logistics value chain today has been challenging for some and miraculous for others. Key stakeholders in the end-to-end logistics value chain have leveraged technological advancements and innovations to optimise business operations and net profits. Things will only get better from here.

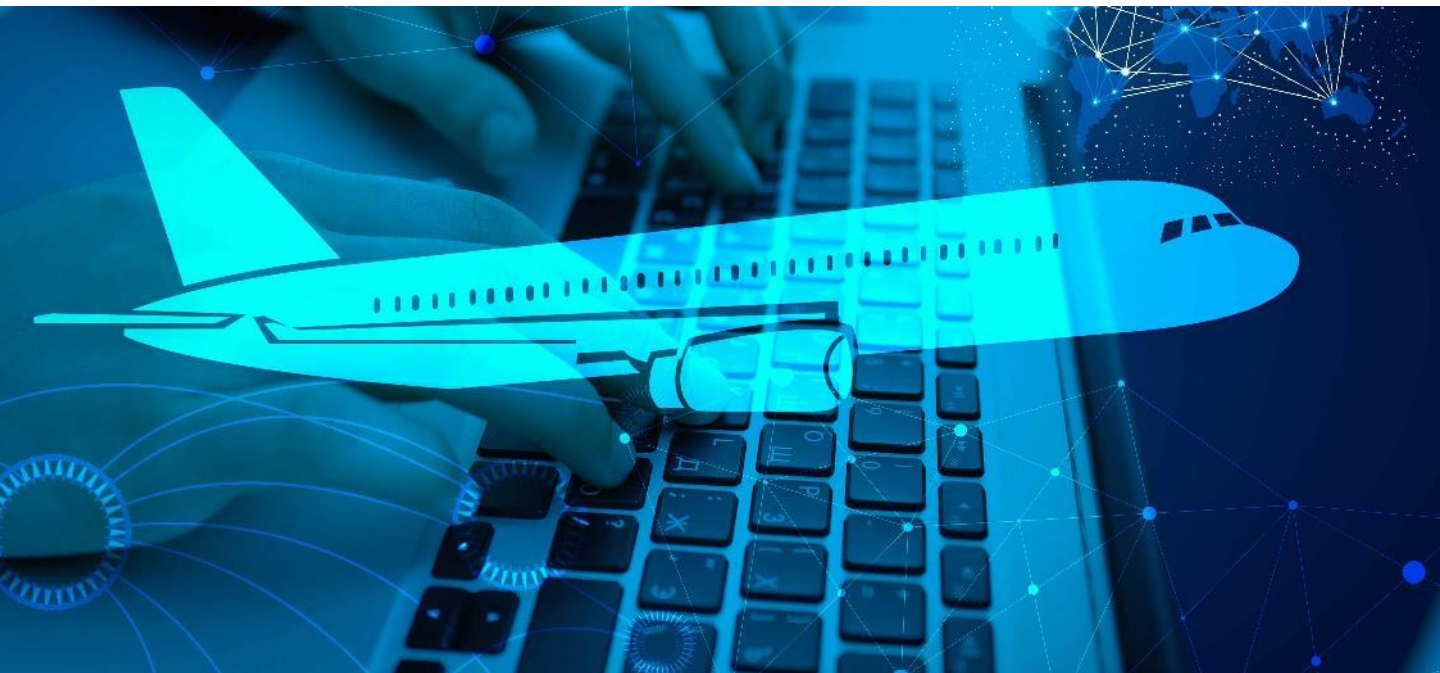
Newer technologies and newer applications of existing technologies will enable ease of business and facilitate trade globally. Voice-enabled technology systems, blockchain, artificial intelligence, internet of things are just a few such examples. The future holds strong growth potential for the logistics industry with the help of these and such technologies. Innovation has been and will continue to be a catalyst for fuelling the transformation of the logistics industry in the decades ahead.

CRUX

Kale Logistics Solutions has partnered with Cargoworks as a technology partner, why did you choose Kale Logistics and what are your expectations from this partnership?

IHSAN

Cargoworks wishes to build up the business concept for the consistency of collaboration in close communication between all the stakeholders. The coming few years are crucial for us as we plan to address innovation, scalability, automation. With our commitment to excellence and customer centricity as one of our core ethos, having a robust and next gen system will enable this transition. We collaborated with Kale Logistics Solutions as our technology partner. GALAXY has been our first choice as it is designed and built exclusively for air cargo handlers and their business needs. It has helped us streamline operations, check revenue leakages, brought greater business visibility and helped us take informed decisions with the help of Business Intelligence tool. GALAXY has simplified the handling process by integrating warehouse operations, back-office documentation and billing to bring about operational throughput without increasing costs. HHT integration, online payments, e-Freight compliance and short implementation cycle of the solution worked in our favour. We look forward to strengthening this partnership with Kale Logistics Solutions.



**DID YOU
KNOW** 

The word “logistics” comes from a 19th-century French word, “logistique.” This French word was originally exclusively associated with the transportation of soldiers and military supplies until it was later adopted for civilian applications.



Technology is a great enabler for innovation. And when we talk about antiquated paper-based systems such as those in logistics, technology can go a long way in transforming the mundane to the magnificent. Voice-enabled technology is one such buzzword that offers a plethora of benefits when applied to the logistics industry be it in warehousing applications, or in other areas of the logistics value chain.

Voice-enabled technology has evolved over the past few decades and has become more and more sophisticated in its applications. From the voice-recognition software systems of yesteryears to the Artificial Intelligence driven Siri and Alexa of the technology world, voice-enabled technology has indeed come a very long way. And, voice is a core element of the supply chain of the future. It acts as the bridge between people and technology, connecting human interaction with devices, computers and systems.

In the logistics industry, staying competitive necessitates optimising processes and thereby distributing more goods in less time. This would in turn entail shrinking delivery windows and reducing production costs, with an optimal workforce. These achievements would potentially result in lowering prices for customers, increasing company profits and hiking employee wages. All this becomes possible with Voice. This is so mainly due to its defining role in the next-generation supply chain technologies that streamline and standardise processes. Voice is partly automation, and partly human interaction. This combination makes it possible to appropriately merge futuristic technologies into the apt warehousing processes of today.

Going forward one can only expect consumer expectations for faster, more accurate delivery of goods to increase. Leveraging futuristic technologies to optimise the supply chain provides a logistics provider with a competitive edge by streamlining workflows. With voice as an enabler and a connector, logistics providers can reap the full benefits of futuristic solutions to today's challenges – higher throughput, better customer satisfaction, lower cost per order, decrease in returns, improved employee morale and more.

Developments in warehouse management software (WMS), voice verification technology and computer hardware are encouraging system integrators to seek new ways of expanding the benefits of voice technology beyond those gained from order picking. Yet, it is important to note that order picking remains the key benefit that voice technology provides, given the importance of this function in a distribution warehouse, especially given that the order picking function accounts for 40 to 60 percent of total warehouse labour hours.

In recent times, as computers are getting more compact and robust, and software for voice recognition and synthesis has significantly improved, increasingly more companies look to adopting voice technology for supply chains. The sales of such hands-free, eyes-free voice-enabled systems are reportedly increasing at over 50 percent a year.

In a best-case scenario, the investment in a voice technology system can be reimbursed from the savings in cost and efficiency in a year or less. And with technological advancements, costs have already come down and will likely drop further as voice-enabled technology achieves greater maturity. Moreover, economies of scale are also contributing to make it more affordable. Voice technology has found itself a spot in a small percentage of distribution centres, and growth is on a steady rise. Newly introduced features such as multilingual voice recognition and synthesis will also enhance its efficacy and appeal.

With substantial benefits over conventional methodologies, voice technology seems to be a tool poised to find its way into many warehouses, distribution centres, and in other areas of the end-to-end logistics value chain.

DID YOU KNOW ?

American businesses spend big dollars every year to ship their products. Companies spend approximately \$1.5 trillion on logistical expenses, which is equal to almost 8 percent of the entire U.S. GDP.



Container transport is the lifeblood of global trade. Simple, modular, and ubiquitous, containers carry almost a quarter of all dry seaborne trade by weight, and virtually 100 percent of everyday goods such as televisions, toys, and clothing. The industry behind this container has its fair share of challenges. Along with inherent financial pressures, the container depot industry is also grappling with external forces like automation, digitization, and a shifting geo economic and political landscape. There is great uncertainty about where value will be created in future—will it be through scale, flexibility, value-chain integration, productivity, more predictable supply chains, environmental performance, or technology?

The future is digital

Use of technology has begun reflecting in the performance of container yards with shipment, warehousing and cargo consolidation witnessing improved dwell time. Use of right technology like, Internet of Things (IoT) for preventive measures, big data for business analytics and forecasting

CAPELLA – Container Management System is designed to address the myriad challenges faced by Container Freight Stations (CFS) and Inland Container Depots (ICD) operators. Built on the foundation of thorough industry knowledge and technical expertise, CAPELLA is adept to drive complete automation and visibility in the container management functions. The system addresses all major issues faced by CFS/ICDs on Import, Export, domestic operations, container inventory, yard management, bonded & non-bonded warehousing, back-to-town processes, maintenance & repairs.

CAPELLA SUCCESS

CWC improves container-handling operations across 7 locations with CAPELLA

Continental Warehousing Corporation (CWC) is a premier enterprise with promising growth volume with 7 Terminals in India. CWC's key concern was eliminating the use of multiple standalone applications to manage operations at individual CFS/ICD locations. Systems with individual operational flow and standalone data mechanisms caused roadblocks in planning and strategy formation. They needed a technology partner who could comprehend their needs and offer them a sophisticated and lean system, capable of bringing integration, visibility and seamless operations. Kale Logistics Solutions, CAPELLA – Container Management System was chosen for its ease of operations, information flow that give the right business intelligence to forecast trends, plan strategies and automate processes. It also ensured regulatory compliance, standardisation and control.

Tanzania's largest distributors of petroleum products experiences optimized container-handling operations with CAPELLA

Lake Oil is one of Tanzania's leading oil marketing company with a state-of-the-art depot having a storage capacity of 38 Million Litres. It's newest venture was their diversification in CFS/ICD business. With a new, but growing line of operations, the client needed to employ a system that not just enabled efficient yard management, but also supported the necessary integration for streamlining and connecting their other businesses. Based on their domain experience and technical expertise Kale Logistics Solutions, CAPELLA system was chosen. Since a single implementation could easily support multi-branch operations, CAPELLA's adoption was quick and smooth. The system brought in the required automation, business visibility, acumen and elimination of multiple systems.

**DID YOU
KNOW ?**

Even with so many people already working in the industry, there are still a lot of job opportunities. Each year, 300,000 new logistic-related jobs are created.

The event was hugely successful with the overwhelming participation of the 25-30 CXOs. CLEAR VIEW Air Cargo Thought Leadership Summit in the last two years has had encouraging participation from IATA, TIACA, Alibaba, Dnata, Saudi Arabian Airlines, CSC, TIFFA EDI, Cargoworks, leading Airlines, Cargo Handlers, Industry Associations, Regulators and Prominent Industry Consultants from North America, Europe, Africa, and Asia. CLEAR VIEW Summit, is a platform where collective voices of the industry got collated, and ideas were exchanged and a seed is germinated for the industry itself to assemble and charter for enabling possible realistic strategies and viable solutions to the challenges faced by the Air Cargo industry, and we can proudly say, that the sessions have been very fruitful in making our vision a possibility.





CRUX

Airport handlers across the world are battling infrastructure woes. Not only are many airports operating close to capacity with congested airfields, many of the existing facilities are ill suited to the requirements of modern cargo traffic. How in your opinion will technology solve this problem?

Vivek

It's a fact that for the last 40 years Air Cargo industry has been more or less static. With insufficient warehousing facilities, the situation looks grim as there is little chance of wavering in demand, the pressure will only increase in the near future. The Air Cargo industry does not need a change but a revolution. A planned collaboration amongst the air cargo stakeholders along with proper mandates is the need of the hour. As an industry, we need to move ahead and respond to special business needs of the pharma and e-commerce sectors. Its time to set-up new facilities and asset utilization is the key, to look at the smart cargo where we are able to handle volumes in and out efficiently. An impressive example is China's, 'Dark warehouses' — fully automated with no human intervention run 24 hours, 7 days a week are producing unprecedented efficiencies of a different degree. These are the technologies of tomorrow and soon world will be adopting them. As competition in the logistics market grows, we are likely to see a rise in a number of companies embracing automation of various nature like voice enablement and DGPS tracking systems in the forthcoming years boosting overall efficiency and transparency leading to faster movement of cargo less congestion and more capacity for the influx of cargo import and export in the airfields along with bringing all the stakeholders aboard.

CRUX

What are your expectations as technology provider from the regulators for the coming year that will bring a positive impact?

Vivek

Regulatory challenges have long been felt in the air cargo industry, with overzealous rules and laws hampering profitability. A maze of varying standards globally complicating communication. The industry is truly at a crossroads, from the industry or the regulatory perspective and the big push comes from the authorities to standardise the practices to regularise the industry completely.

It has been observed that the Air Cargo Industry has a reputation for reacting very well to regulations rather than no regulations at all. To tap into the market, the air cargo industry needs the support of smart regulations designed to enhance air cargo supply chain safety and security. The industry is also proactively taking initiatives on e-freight, e-CSD, digitisation, interactive cargo. IATA has been the prime force behind regulating the Cargo Industry. Recently IATA has announced that the electronic Air Waybill (e-AWB) will become the "default contract of carriage for all air cargo shipments on enabled trade lanes effective 01 January 2019. This directive encourages all air cargo industry stakeholders to switch to e-AWB at the earliest unless a paper air waybill is a requirement of the applicable international treaties, national law, or as bilaterally agreed between the parties. It is guiding us towards smarter regulations. It has been predicted that global e-commerce revenue for 2019 will touch USD 3.5 trillion a big reason to turn towards clear regulations.

CRUX

GALAXY is now live in more than 70 airports across the world. How has this solution evolved in the last 2 years?

Vivek

We can proudly proclaim that GALAXY is the most preferred Airport Cargo Management system across air cargo players. Managing the movement of cargo at airports is a tedious task. Airports across the world dealing with international cargo movement are struggling to make their intricate and complex operations efficient and transparent. They need to deploy airport cargo management systems that understand their needs and manages the cargo movement from the beginning to the end. With



Vivek Pandit, AVP at Kale Logistics Solutions has a rich and varied experience of over 18 years in Air Cargo industry. He focuses on addressing new businesses formation for airports and business structures, drafting policies and structuring community transactions. As an SME his expertise lie in feasibility studies, technical design, cargo handling operations, training and management development and project planning and evaluation.



Ask The Expert : Streamlining Air Cargo Industry

GALAXY, users can experience exemplary cargo handling capabilities. GALAXY is a robust, web-based comprehensive ground handling system, designed to drive complete operational efficiency and end-to-end real-time visibility to cargo handling airports and independent ground handlers. It eliminates redundant processes by offering a single point of data entry and thorough automation in operational processes. GALAXY International gives complete information related to consignment status to all the stakeholders simultaneously. Strong EDI backbone complementing seamless information exchange and most importantly unequalled Customer support has transformed GALAXY to take the leap from a periphery to a mainstream space in its area. Large economies across the world comprise several domestic trade connections. These trade connections need a robust air cargo system to streamline and support the smooth movement of domestic cargo. Be it perishables, high-value goods or other miscellaneous goods, it is imperative that a web-enabled system that supports a complete set of Inbound and Outbound cargo processes is placed to ensure operational competency. GALAXY encompasses outbound cargo processes such as acceptance; loading and departure manifest and takes care of inbound processes from flight arrival to transfer of consignment to a storage facility, and right through the delivery of cargo. The comprehensive charge master maintained in GALAXY system allows auto-generation of invoices for a charge-line set. GALAXY engages to comply with the intricate operations like transshipment, ULD management, service level management, invoicing, mail and courier too. It's evident that GALAXY is a platform catering to all the stakeholders associated with the air cargo movement and quietly leaping from periphery to mainstream territory.

CRUX What are the future plans for GALAXY, where do see this solution at the end of 2019?.

Vivek Kale Logistics Solutions believes in being with the times and our mission is to bring the best to our customers. As the market is evolving so do we keep upgrading the solutions. GALAXY Air Cargo management system will this year enhance itself by bringing in a feature of claims and refund for the GHA body, helping them in claiming refunds for the missing and damaged cargo. We plan to bring in the Comprehensive ULD Management as a separate ULD management system to keep track of the ULD availability, damages and generate inventory for repairs, receipts and invoice too. Another feature we plan to add is Manpower Planning and Management in the GALAXY solution. It will prepare a plan to keep track of hourly and monthly utilization of the manpower. The Manpower Planning and Management will not only help in assigning the task but will keep track of the assigned task status too. Along with that, the system will keep the data of movement of the flights, and track the status of the flights
In our initiative to understand the industry needs further we have held Air Cargo Thought Leadership Summit-CLEAR VIEW, for the last three consecutive years, giving us significant insights into the air cargo industry and how we can serve it better.



DID YOU KNOW ?

Supply chain management (SCM) is an important aspect of every business today. Surprisingly, the first person widely credited with using SCM is Henry Ford, who designed and built his factories to make it as easy as possible to manage his inventory and shipping needs



Kale Logistics Solutions felicitated for "Outstanding contribution to Logistics IT Services" at 4th PHD Air Cargo Summit 2018



Kale Logistics Solutions awarded 'Most Innovative SME company – service category' at CII Industrial Innovation Awards 2018



NASSCOM Product Conclave (NPC), Bengaluru, India 25-26 October, 2018



FIATA World Congress New Delhi, India 26-29 September, 2018



10th AIR CARGO HANDLING Brussels, Belgium 25-27 September, 2018



IATA 7th Digital Cargo Conference Geneva, Switzerland 18-19 September, 2018



Forthcoming event: Air Cargo Africa 19-21 February 2019



Forthcoming event: World Cargo Symposium, Singapore 12-14 March 2019

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