

Top View™



Sumeet Nadkar
 Head-Logistics SBU

Indian logistics players are experiencing an exciting time. There are plenty of opportunities for those who are agile and ready to transform in tune with rapid changes in industry policies, infrastructure and technology.

“ At Kale, we have been working closely with industry associations that are dedicated to bring in speed to the logistics supply chain. ”

Kale as a leading IT solution provider to the Travel and Transportation industry is a pro-active enabler of this transformation. At Kale, we have been working closely with industry associations that are dedicated to bring speed to the

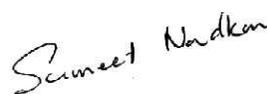
logistics supply chain. By virtue of this close partnership with industry experts, service providers and our esteemed customers, we have been able to build solutions representing industry best-practices.

As we endeavor to be the origin of change that we wish to see in Indian Logistics Industry, we have established a "Centre of Excellence for IT in Logistics" together with CILT -India, which is a leading world-wide organization that focuses on promoting the study of art and science of logistics and multi-modal transport .

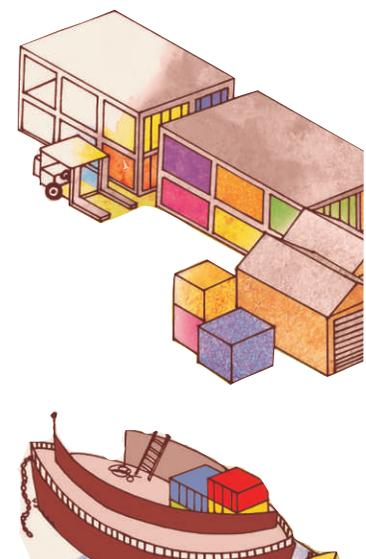
In this issue we highlight the key initiatives taken up by Kale in the logistics space through REFLECTIONS™- a Guest Column which features Mr. Sanjiv Garg, Vice Chairman-CILT India. Readers can get some focused insights through our cover article, solution profiles and Industry studies. Also, get to know our industry experts who are the driving force behind Kale's new initiatives for the Logistics Industry.

We hope you will find this issue informative.

Best regards,



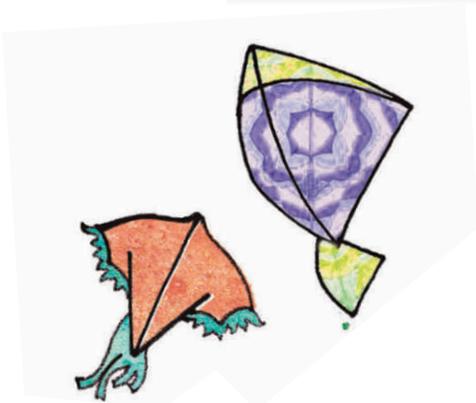
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<p>Kale to develop IATA's SIS platform for the airline industry</p> <p>LOT Polish Airlines selects Kale's passenger revenue accounting solution REVERA®</p> <p>First Air signs up for REVERA®</p> <p>Air Berlin selects Kale's REVERA®</p>	<p>African flag carrier engages Kale for outsourced PRA</p> <p>South American logistics player has selected Kale's Freight Management and Accounting solutions</p> <p>Kale introduces DoC Payables Audit Service, helps airlines recover upto 2% of their Direct Operating Costs.</p>
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<p>Kale Consultants awarded 'Emerging IT Solutions Provider in the Logistics Industry' at ELSC Conclave 2009</p> <p>Leading Indian logistics player chooses Kale's suite of solutions</p> <p>Kale Consultants ties up with MAIA Intelligence as its OEM partner for 1KEY BI</p>	<p>Leading Far-East Asian airline chooses REVERA® as a licensed solution</p> <p>Large American Carrier has chosen Kale's APEX®</p> <p>US-based Business Travel Corporation engages Kale for Custom Profile Migration Project</p>
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<p>Kale Consultants awarded for 'Innovation in Technology in the Travel Industry'</p> <p>Kale and CILT-India join hands to set up Centre of Excellence for IT in Logistics</p> <p>Vietnam Airlines chooses Kale's PRA and CRA solutions</p>	<p>Kale forays into Consulting & Data Analytics</p> <p>J. M. Baxi, large Indian logistics player selects Kale's Freight Management System</p> <p>COPA Airlines engages Kale for Error Q and Interline</p>
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The Chartered Institute of Logistics and Transport (CILT) is a world-wide organisation of professional logistics and transportation with over 33,000 members working in over 100 countries. The Institute is set up to promote the study of the art and science of logistics and transport in all its modes such as road, rail, shipping, civil aviation and pipelines. It was founded in London in 1919 by the principal transport interests in the United Kingdom.

Sanjiv Garg, Vice-Chairman, CILT-India, in a tete-a-tete with our **CRUX correspondent** (CRUX -C) shares insights regarding CILT and setting up of Centre of Excellence (CoE) with Kale.

CRUX C: Greetings Mr. Garg, Can you share with our readers regarding what CILT does with its presence in over 100 countries, for the Logistics & Transportation Industry?

Sanjiv: CILT is a professional body for everyone in the logistics & passenger transport. Membership of CILT gives its members the tools to realise their ambitions by keeping them informed of the latest news and information as well as by providing comprehensive opportunities for continuous professional development. The introduction of CILT is timely and reflects the logistics industry's need for skilled personnel. In return, the industry offers a career path for those who continually upgrade themselves with higher skill sets.

CRUX C: How will this pioneering initiative of setting up Centre of Excellence with Kale strengthen logistics management in India? What challenges do you envisage in taking this initiative forward?

Sanjiv: With the growth in both the EXIM and domestic trade in India, the pressure on logistics infrastructure is ever increasing. Currently due to manual operations a lot of inefficiencies exist in the system which cause delays, penalties and lack of visibility, resulting in higher cost of logistics for India. This higher logistics cost, pegged at around 13% of India's GDP, creates serious non-tariff barriers and reduces overall trade competitiveness.

The stage is set for innovative solutions through effective and efficient adoption and utilization of information technology. The Centre of Excellence (CoE), being

jointly setup by CILT-India and Kale Consultants, will strive to promote excellence in establishing, nurturing and growing the use of Information Technology (IT) in the Indian Logistics industry. Improved adoption of IT will, in turn, ensure elimination of manual operations, paperwork, redundant data entry and bring in greater visibility across the logistics value chain.

We know for sure that level of technology adoption in India is dismal. This is where CoE will play a pivotal role. We do envisage few challenges for CoE, like battling traditional industry mindset towards technology, preference for manual processes over technology adoption, etc. But we strongly believe that in challenges lie the opportunities and this is where CoE will help the industry change its current approach.

CRUX C: Broadly, what are the activities planned under The Centre of Excellence?

Sanjiv: The Centre of Excellence will promote excellence in practice by acting as a forum for all-round development of IT practices and excellence in Logistics practice. To maximize technology adoption amongst LSPs, the CoE aims to create platforms for recognising and rewarding innovation, developing intellectual property for dissemination to the industry, acting as a forum for all-round development of IT practices, and creating forums for discussion and debate on the IT practices within the industry.

CRUX C: What benefits can Logistics Service Providers derive from The CoE & its functioning?

Sanjiv: On an average, the Indian logistics industry spends only about 0.3% of revenue on technology whereas the global standards for the logistics industry are around 3-4% spend on technology. These are staggering numbers.

The main purpose of setting up the CoE is to promote the use of IT amongst Indian Logistics Service Providers (LSP). Adoption of technology will augment well for the industry and will facilitate in controlling the logistics cost. This will, in turn, strengthen the logistics industry footprint in the Indian economy.

Logistics industry is also highly fragmented with presence of unorganized enterprises including transporters, express cargo movers, courier companies, freight forwarders, container companies and

shipping agents. This industry is also concentrated on manual processes and operations. With technology adoption coming in, the inefficiencies existing in the current system can be controlled considerably and also eliminated. Technology will also provide the much-needed process visibility and eliminate the delays and penalties that have been hampering growth of the industry.



Sanjiv Garg
Vice-Chairman, CILT India

Sanjiv belongs to the Indian Railway Traffic Service cadre and is a renowned transport professional and Divisional Railway Manager- East Coast Railway with Indian Railways Traffic Service. In a career spanning 27 years, he has handled diverse portfolios relating to railway operations and has successfully worked for bringing in reforms.

He was the recipient of Railway Minister's Medal for meritorious service in 1999 and the General Manager's Award in 1990 as a result of his outstanding work and his impeccable service record.

Sanjiv is a very well-read professional and holds many credentials including a Diploma in Multimodal Transport Management from West Flanders Economic Study Bureau, after having been selected as an ABOS Scholar by the Belgium Government. He was specially selected as a British Chevening Gurukul Scholar to attend a long term program on 'Leadership and Excellence' at the London School of Economics and Political Science, UK.

Sanjiv is a much acclaimed speaker and is regularly invited at many Indian and International conferences.

Economists, statisticians & industry experts are right in saying, 'Growth of a nation is largely reflected by the state of its logistics and transport industry'. To which India is no exception. Even though the Indian logistics industry is on a growth curve, it is not able to capitalize on its full potential due to inherent supply chain inefficiencies.

In the most sophisticated transport value chain i.e. air cargo, the same shipment data is entered at least 6 times by several constituents. This results in huge amount of paper generation and movement. It is no surprise then that, in India the Logistics costs are as high as 13% of GDP.



Amar More

VP-Logistics Practice, Kale Consultants Ltd

Getting the Realistic Solutions:

Bill Gates has talked about doing 'Business at the Speed of Thought'. If we were to achieve this in logistics business, our first step should be elimination of duplicate data entry. This will directly reduce errors, improve productivity and result in cost reduction at each level of the supply chain.

However to achieve this goal we require solution that is a combination of Freight management, Warehouse Management and Cargo Handling Systems. Such a solution will enable information sharing across all logistics partners in the supply chain. Data exchange between these systems, as well as legacy and external systems, can be achieved on a real-time basis through message based EDI, Internet applets, middleware or other messaging software layers.

One of the best weapons to overcome these lacunae is through Electronic Data Interchange (EDI). EDI simply put is the replacement of paper-based documentation with electronic equivalents.

Managing Data Flow in the Supply Chain:

EDI has been in existence for at least 3 decades now and the countries who have adopted EDI have seen phenomenal improvement in the Logistics process

efficiencies. The principle of EDI in Logistics is simple- "Data Captured Once in the Supply Chain shall not be re-entered by any supply chain partner."

Data originates from the shipper, which then passes on in the form of paper to the Freight forwarders then to the Carriers, Customs and Airport / Port cargo terminal operators. In each of these organizations, the paper data is again entered into their systems. Looking at the number of times the same data is entered and the amount of paper being generated and moved between these supply chain entities, we will not be surprised by the GDP cost numbers of 13% for Logistics.

This is where EDI plays a key role in linking various industry players and helps reduce the duplication of human effort. It provides a fixed structure for the data transfer between two systems and also improves customer service by effectively automating key processes like- order cycle time, product availability, distribution information and distribution malfunction.

The logistics service providers aiming to stay ahead of competition can now leverage EDI communication for a seamless information flow.

Industry Best Practices:

Utilising EDI to include all parties can facilitate supply process visibility, exception notification, advanced receipt of shipment line item details as well as proof of delivery information. But it is critical that efficient systems with EDI capability follow stringent industry standards, so as to enable process integration between various systems across the supply chain.

The principle of EDI in Logistics is simple- "Data Captured Once in the Supply Chain shall not be re-entered by any supply chain partner."

Standards enable business process flexibility by providing concrete rules for integration that have been developed by representatives of the travel and logistics services community. If one is to look at the happening Intermodal sector, it is experiencing considerable growth. The key to successfully executing a 'coordinated, seamless, flexible and continuous movement of goods on two or more modes of transportation' is with the timely and accurate exchange of information between all parties. The use of EDI, as well as other enabling technologies, facilitates this, providing new opportunities in the area of logistics information management.

Are you a Freight Forwarder?

Most of the forwarders receive information in the form of shipment papers (Commercial Invoice, SLI) which they input in their systems, if they have one. They then generate the customs files, waybills, carting receipts for the customs, carriers and airport operators respectively. If the forwarders were to utilize EDI then the entire shipment data will come from shipper electronically to them, this will then be processed by their internal system to create waybills, customs entries and carting receipts respectively without needing any manual intervention, without having to wait in long queues at the carrier or Airport/Port terminals. Most importantly getting status updates through EDI messages will give the forwarder or LSP complete shipment visibility that he can share with his customer. Thus there will be a lot of reduction in resource costs, communication costs and costs due to errors. Also the shipment turnaround time will improve significantly.

Are you a Shipper?

If you are a shipper, then EDI will help you get the data electronically from your vendors, process it through your ERP systems and then generate and send the shipment information to the Logistics Service Providers. This will save you a lot of data entry costs, data transfer errors and of course the communication costs.

Are you a Carrier?

As a carrier you can receive the booking, waybill data electronically thus eliminating staff time and paper management. Moreover, you can also give shipment visibility information to the forwarders or LSPs or Shippers

EDI platform in SaaS model can be developed by industry associations in partnership with IT providers like Kale Consultants, who are focused on Cargo & Logistics and have the necessary experience of working with cargo value chain. Kale is currently working with the industry to develop such a platform that will help Indian Logistics industry leapfrog other countries and stay at the helm of the EDI revolution.



Clear Benefits

When EDI is in use, logistics operations are significantly better than in traditional ways of data exchange.

Orders get registered 2-3 days earlier to the system of the sub agent and without any errors. Even the sub agent requires fewer resources. Faster delivery times, lower safety stocks and quick response times in exceptional situations are possible due to EDI between trading partners.

Another big benefit is the speed and correctness of data delivered to suppliers, when the customer changes his own orders and daily forecasts as the MRP is run by nights. Hence, with EDI the data transmission time is reduced from 3 weeks to only one day delay. EDI also reduces number of mistakes, giving purchasers more time to do more value added purchasing. With EDI is in use, faster lead times and more flexible operations models can be provided to EDI trading partners, who in turn offer the same flexibility to their customers. EDI can improve about 20% of the problems in purchasing logistics in inbound logistics. Also EDI can reduce 20% of the cost of making an order and it allows making of small EOOs.

EDI: the 'Journey so Far' in India

All said and done, until the internet revolution EDI was an expensive and proprietary technology. In India the Logistics companies had very little automation, which meant EDI did not make much sense for them as they could not produce the data sent to them by shippers or carriers. This is the predominant reason of non-adoption of EDI. However recently there has been a good focus on automation by the LSPs and many are getting their internal systems in shape. Also, EDI as a technology has become affordable thanks to the advent of Extensible Mark-up Language (XML).

How can India leapfrog in EDI?

India has got a huge advantage of leapfrogging the EDI wave. Most of the developed world is on legacy EDI whereas India has got the advantage of using the latest EDI and most affordable EDI technology. India needs an EDI platform that can be deployed in SaaS model so that adoption of technology is easier and even the weakest element of supply chain comes on board and leverages this technology.



An Enterprise-wide Web-based CFS Management System

Container Freight Stations (CFS) and Inland Container Depots (ICD) are complex operations, involving intricate flow of information and goods between multiple stakeholders and are relying on manual processes. Typical procedural hassles, painfully slow movement of cargos and containers, and frequent inaccuracies in planning and actual actions add to the complexity of CFS operation. Amid this inefficiency, customers have increasing demands and high expectations from your operations. They are looking for nothing less than perfection.

The solution to these problems can often be found in technology and information

systems. Yet many CFS and ICD operators have primitive and often debilitating IT solutions, which, instead of helping the business flourish, actually constrain growth and restrict flexibility and change. A comprehensive web-based software solution built on ground reality can make these processes hassle free. Such a system should be efficient, facilitate communication between all stakeholders and provide decision support at all levels.

The Best Fit Solution for CFS/ICDs

Kale's CFS Management System- CAPELLA™ caters to specific needs of CFS and ICD operators. It is an enterprise-wide, robust, web-based system that automates

the disorganised CFS/ICD processes to give the operator instant access to information and provide the management with complete visibility of their business at all times.

The solution addresses all the major issues faced by the CFS operator in terminal operation, container inventory and yard management, bonded and non bonded warehousing, back to town processes, maintenance and repair, damage and loss of shipments, and other features with a comprehensive reporting tool.

Business Benefits

<p>Enhanced Operations</p> <ul style="list-style-type: none"> ➤ Eliminates bottlenecks (resulting from manual processes) and redundant activities through process improvement ➤ Provides real-time information with greater visibility ➤ Improves forecasting and planning ➤ Enhances customer service ➤ High level of data security ➤ Enables easy integration with other systems 	<p>Improved Profitability</p> <ul style="list-style-type: none"> ➤ Lowers total cost of ownership ➤ Enables quick return on investment ➤ Maximises container & cargo throughput and space utilisation ➤ Improves revenues through accurate revenue reporting ➤ Maximises labor efficiency
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Kale's Logistics Offerings

Offerings	Airports	CFS & ICD	Freight Forwarders	Warehousing & Distribution
Data Analytics & Consulting	Process consulting IT consulting Infrastructure consulting	Process consulting IT consultancy	Process consulting IT consultancy	Process consultancy IT consulting Infrastructure consulting
Managed Process Services	Revenue audit service Customer service Accounting	Documentation Freight payment	Documentation Customer service Freight payment audit	Freight payment audit Track and Trace Documentation
Technology & Hosting Services	IT infrastructure management Application maintenance and support Business intelligence	IT projects (e.g. RFID) IT infrastructure management Business intelligence	IT infrastructure management Business intelligence IT projects (e.g. Web enablement)	System integration Testing and validation ERP implementation
Products & Platform Solutions	GALAXY-CUSTODIAN: Custodian management system GALAXY-GHA: Ground Handling system	CAPELLA™ - CFS management system	FMS™ - Freight management system	WISE - Warehouse management system

Vineet Malhotra spearheads Sales, marketing and customer relations for Kale Consultants' Logistics Division. One of the foremost experts in B2B marketing and sales, Vineet has been responsible for building the 'technology specialists in logistics' brand, implementing innovative go-to-market strategies and customer engagement programmes that have been the cornerstone of Kale's foray into the logistics sector.

With over 18 years of experience, he has initiated and led several marketing initiatives in diverse B2B verticals like Manufacturing, Energy and Textiles. His extensive experience spans core marketing functions of strategic planning, brand management, channel management and marketing communication. Vineet has been instrumental in executing competitive strategies and building focused marketing teams across his previous assignments. He is also a sharp communication strategist when it comes to market penetration initiatives.

Over the years, Vineet has been widely quoted in the media and has been invited to speak at various industry forums. Prior to Kale, Vineet was the Head - Marketing at Premier Evolvics and National Marketing Manager at Amara Raja (Amaron) Batteries. Vineet is an Electronics and Communications engineer and holds an MBA degree specializing in Marketing and Strategy from FMS, Delhi University.



Vineet Malhotra

Sr. Vice-President, Kale Consultants Ltd

Events@Kale

Past Events

4th Annual Conference on Developing Container Infrastructure July 21st-22nd, 2010 | Hyatt Regency, New Delhi

Kale was the key sponsor of the 4th Annual Conference on Developing Container Infrastructure. Mr. Vineet Malhotra-Senior Vice President, Kale Consultants Ltd, presented a key note address on "The New 'I' in container Infrastructure". The session provided industry delegates an opportunity to understand and share key insights on the Technology trends, issues and opportunities in the CFS/ICD area with special focus on the future of Container Supply Chain management.

The conference proved to be an ideal platform for industry leaders to share an update on container infrastructure development in India, focus on the key requirements, highlight the new initiatives, and discuss the main challenges and opportunities. Kale also showcased its entire suite of solutions for the Logistics Industry at the exhibition organised at the conference venue.

Stay Ahead™ - A Kale Thought Leadership Summit | The Future of Revenue Accounting, June 15th - 17th 2010, Istanbul, Turkey

The Stay Ahead™ summit has been a pioneering initiative to bring together the global revenue accounting community. Initiated in November 2008, the summits have turned out to be a unique get-together of industry decision makers geared towards facilitating a thought provoking discussion on the future of Revenue Accounting (RA).

The Stay Ahead™ summit at Istanbul provided in-depth insights around critical components of SIS which helped participating Airlines get ready before SIS gets mandated. The sessions spanning over two days, also had experts from the industry and Kale share their knowledge on managing large volumes of data with actionable analytics and discuss emerging areas in the RA eco-system.

The summit saw top RA professionals discuss and debate some critical case studies to arrive at real life solutions to their day-to-day problems.

India Bulk & Project Cargo Summit, August 20th, 2010 | Taj Bengal, Kolkata

India Bulk & Project Cargo Summit was a unique platform which brought together industry, trade and the government to debate and deliberate the most pressing issues. This summit was a focused event on bulk and project cargo which looked at bringing together all the stakeholders like port operators, transporters, transport authorities and users onto a single platform to express their views and build efficient business relationships.

At this summit, Kale Consultants showcased its offerings for the Logistics industry covering Cargo Community Solutions, Integrated Freight Forwarding Solution, CFS & ICD Management Systems amongst others.



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