



FEBRUARY 2017

## THE LOGISTICIAN



West Coast Logistics is well established in the US Gulf of Mexico and offshore California and undertake international assignments for our Clients in the fast-developing production regions of the world such as West Africa, Southeast Asia and the Middle East.

## THE LOGISTICIAN

**Alagappa University** Reaccredited with 'A' Grade by National Assessment and Accreditation Council (NAAC) is located at Karaikudi in Tamil Nadu is accessible from Madurai and Tiruchirappalli Airports within two hours. The 440 acre green and lush campus houses all the academic activities. This University has emerged from the galaxy of institutions initially founded by the great philanthropist and educationist **Dr. RM. Alagappa Chettiar**.

The University's **motto** is "**Excellence in Action**" and the University keeps before it the vision of excellence in all spheres of its action.

### ABOUT THE DEPARTMENT

This is a young, vibrant entity established during the academic year 2016-17 at Alagappa University. Logistics Management is getting professionalized of late, which is evident from the fact that this MBA (Logistics Management) programme is sanctioned to Alagappa University as an Innovative Programme with liberal funding by the University Grants Commission (UGC). The faculty members of the DoLM are well qualified, industry-academia enriched, Nationally and Internationally experienced professionals. Infrastructure at the command of the department is enviable. Video conferencing facility, Wi-Fi environment, Networked Computer Laboratory, well stocked Library, Conference halls are few notable features. The DoLM offers industry focused MBA (LM), M.Phil (LM) and Ph.D. in Management - Specializing in Logistics Management.

The DoLM is striving hard to position itself as a **thought leader in the National and International Logistics space**.

### STATE-OF-THE ART CURRICULUM

The latest revision of the curriculum was made during the year 2016 incorporating new courses in the fields of multi-modal transport system, retailing industry logistics and modern logistics operations management.

Summer Training (on the job) Programme in Logistics Industry for 2 months. Special focus on Soft skill development, Written Communication and Event Management. Placement focused programme, Entrepreneurial Assistance. Job Assistance through Executive Empowerment Programme MoUs are planned with Institutions of Importance in India and Abroad.

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## 'WE WILL USE RAILWAYS MORE TO BRING DOWN LOGISTICS COST'

SURESH P IYENGAR

**Mumbai, February 15:**

The revival in aluminums and copper demand has come at the right time for Hindalco Industries which has just completed huge expansion. However, in the last nine months, the aluminium demand grew by just 1.6 per cent and that of copper was down by one per cent against double digit growth for both metals last year. In an interview with Business Line, Satish Pai, Managing Director, said the metal demand peaks in December and March quarters but the demonetization has taken a toll in the last quarter and hopes are the March quarter will pan out well with good start in January and government spending on infrastructure. Excerpts:

### **What is the impact of demonetizations?**

Year-on-year all our sales and LME prices were higher and input cost was lower, but if you see sequentially the aluminums sales was lower marginally and LME prices were higher. That is why our EBITDA was positive even sequentially. Aluminums prices on LME was \$1,620 a tonne in the September quarter, while in December quarter it increased to \$1,710 a tonne. Copper LME was also high now but what impacts us is treatment and refining charges which dropped compared to last year. Any upside in LME prices will go straight to bottom-line with macros looking good, volumes hold-

ing steady and operational costs under control.

### **Do you expect metal prices to hold high?**

Aluminums prices shot up on China plans to cut output by 30 per cent on environmental concern. I am bit skeptical about this theory. Every winter the pollution goes up in Beijing and Shanghai leading to announcement of cut in aluminums production. After winter, things are back to normal. In fact, some of the plants have restarted production in China after the price rise. In December, they produced 35 million tonnes (mt) and January numbers are yet to come. So the upside in prices is limited and the downside is cushioned by rising input cost. The bottom level I see is \$1,600 a tonne, while on higher side it consolidated around \$1,750-\$1,850 level.

### **Will input cost stay high?**

Rising input cost is a bit of a worry. With oil prices going up, carbon, furnace oil and caustic prices have risen, while coal in auction has also been creeping up. There is headwind coming in from input cost. With the monsoon approaching, the captive coal mines give us lot more security. When Coal India has production disruption during monsoon, other people have to import at high price, while our captive mines can supply at lower price. Our two underground mines will not be affected in monsoon. Except for the port-based Dahej plant we will not import coal. We use about 16 million tonnes of coal an annum.

### **What is the progress on reducing logistics cost?**

Our logistics had gone up in November and December. We got

struck badly for two months as the trucks could not pay for fuel after demonetizations. In the December quarter, we could not do any improvement due to demonetizations. It was logistically an inefficient quarter. We are targeting to bring down logistics cost from 14 per cent of overall cost of production to eight per cent by moving more goods on rail. Out of 1.3 million tonnes of aluminium we ship out, 6.50 lakh tonnes is by rail. Annually, we get 32 million tonnes of raw material including coal, caustic and coal tar pitch into the factory. Of this, 15 million tonnes comes through rail. We move roughly 50 per cent of our goods by rail and if I can raise it to 70-80 per cent then I can bring logistics cost down to 8-9 per cent of production cost. Rake availability remains an issue.

We have our own 11 rakes for moving alumina, but for moving coal and aluminium we need rakes from railway. But again companies like TCI and Concor are ramping up now. We would love to invest in rakes but are not allowed. Like coal mines, if they can allow some logistics company to run rakes for private sector companies, it will solve the problem.

GST is going to be the game-changer for logistics and large logistics companies will emerge after its implementation.

(This article was published in the Business Line print edi-

## Keeping Family In Line Three Things Every (Family) Business Should Address

Though it was a tremendous experience working alongside my brother and for my father, I quickly recognized several challenges that can affect a family business' success. It also became apparent that the inherent road blocks of working for a family business are prevalent in many non-family businesses.

The following are the three key problems, which if neglected, could destroy a family business.

**1. Nepotism** - Treat EVERYONE the same!

Obviously nepotism is far less an issue in a business solely comprised of employees who are members of the family. At Dodge Concrete Construction, we employed a number of outsiders to work on our team. When I missed a day of work to study for college midterms, the blowback I felt when I returned the next day from the outsiders was apparent. While no one specifically addressed my absence with me directly, the mood on the job site was tense. I could feel what the outsiders were thinking:

***“Must be nice to be the boss’ son; come and go as you please.”***

Wanting to ensure a comfortable work environment and recognizing the nepotism challenge, I spoke to my father and brother. If we expect our employees to be professional, show up on time, and give it their all, we needed to demand the same from each other. That meant, we shouldn't take days off to tend to personal matters that could be addressed at other times. We had to stick to the same break and lunch schedules as our employees. We had to treat each other and be treated

as non-family members—accountable to the company's policies for ALL employees.

At DDI, our management team, while not blood-related, are treated like family. As the "boss," I would feel completely comfortable granting each and every one of my direct reports an incredible amount of freedom. Regardless of the tenure or role of the employee, it is important for any company, but certainly for a family business, to create company policies and require everyone, blood or not, to adhere to those standards.

**2. Business Roles vs. Family Roles** - Come to an agreement about the differences between your respective professional and family roles!

I have great respect and admiration for my father. Growing up, he always had the last word and while I may have occasionally made a case against his word, I respected the final outcome.

At DDI, many of us have relationships outside of the business. We've gone to each other's weddings (two of our employees recently married each other!), ran 5Ks together, attended sporting events, etc. Our roles in those instances are much different than they are in the office and I have made it a point to address that with everyone, both in the group format and one-on-one. To this point, we have been successful. I attribute that success to our CEO Aaron Hageman. Every individual working in our business has key metrics

for their specific role, what we call Vital Factors. They are responsible for managing and driving. We've eliminated all personal feelings from our performance expectations. The Vital Factors tell the story as to whether someone is deserving of a promotion, a raise, or keeping their job. Everyone understands this. It's a prerequisite to working for us.

**3. Obligation** - Value your people over your business!

I began working at our family business during summers while in college. After I graduated in 2001, I really wanted to go to Graduate



School and focus on getting a Masters in Education so I could begin my teaching and coaching career, whether at a high school or community college. At that time, the business was doing well... *too* well. We were busy. We had more customers than we could manage. I felt obligated to put my own aspirations aside and stick around to ensure that my father could achieve all he wanted. So, I stayed. Not for weeks or months. I stayed for years. While I don't regret that decision, looking back, I made it solely from the pressure I felt to appease my family.

### About the Author

Adam Dodge is the executive director of Delivery Drivers, Inc. To discuss this article or more with Delivery Drivers, Inc., please contact the author, [adodge@ddiwork.com](mailto:adodge@ddiwork.com).

## Increase cash withdrawal for logistics, transport players,

### ASSOCHAM urges PM

MANGALURU: As India Inc supports Prime Minister Narendra Modi's battle against black money, the ASSOCHAM has urged the government to consider among other relief measures, increasing the cash withdrawal limits for logistic and transport fleet owners since they need hard cash for meeting expenses for crew members including truck drivers and cleaners.

Drawing inputs from various sources, a latest ASSOCHAM study on Transport and Logistics has noted that close to 10 per cent of the enroute expenses of trucks on trunk routes are accounted by drivers and other support crew for the journeys which take 7-8 days on a single trip.

"The entire expenses of the

drivers and other crew are to be met by cash. In the wake of the demonetisation of high value notes, the fleet owners are facing problems of operations," said the chamber.

While the fuel accounts for 52-66% of the total trip expenses, another 25-40% are to be accounted for sub heads like tolls, octroi, speedy clearance at check posts etc. "Traditionally, all this money was required in cash. The driver also acts as a petty cashier. The note ban has come as a bottleneck to the transport business."

The chamber has urged the government to review the cash withdrawal limit of Rs 50,000 from the current account per week and raise to minimum Rs 4-5 lakh, which is bare minimum.

Besides, the fleet owners face other problems which need

to be resolved for improving the overall efficiency of the fleet owners and ease of doing business. "Faster turnaround of trucks alone in the absence of check posts may improve the operational efficiency of the road transport sector. Presently, there are 177 interstate check posts and 268 toll barriers on national highways. The ASSOCHAM study suggested that to promote seamless inter-state freight flows; green channel should be adopted for transit of secure/sealed containerized cargo. About 75% of trucking firms own small fleets of less than five trucks. The industry has largely been operating in an unorganised sector and has not really taken to the main stream.

Pravin .V  
(II Year M.B.A. LM)

## Parliamentary panel to quiz RBI governor Urjit Patel on demonetisation.

A parliamentary committee has sent Reserve Bank of India governor Urjit Patel a list of questions on the demonetisation process and asked him to appear before it on January 20. The public accounts committee has asked Patel to explain how the decision to recall Rs 500 and Rs 1,000 banknotes was taken and for details on its impact on the country's economy, PAC chairman KV Thomas, also a senior member of the opposition Congress party, told Reuters.

Patel, under fire from some politicians over shortages of replacement currency and restrictions on depositing old notes that have caused long queues at banks and ATMs, is already set to testify before another parliamentary committee. In December, the central bank unexpectedly kept its key policy rate unchanged at 6.25%, despite calls for action in the face of an intense cash shortage that threatens to slam the brakes on the world's fastest-growing large economy. The bank was widely expected to cut the rate by at least 25 bps.

He added that the governor has also been asked about the country's preparedness to handle cashless transactions. "We had decided to call the RBI governor sometime in December but because the Prime Minister had asked for 50 days, we decided to postpone it to sometime January," Thomas said. "We did not want to give it a political colour."

## An ancient heritage that survived colonial period

Jallikattu is an ancient sport. The seals of the Indus Valley civilisation depict it, which is proof that this sport was in vogue 5,000 years ago. Ancient Tamil poetry, known as Sangam literature (2nd BCE – 2nd CE), has many detailed references to Eru Thazhuvuthal (hugging the bull).

one of his enemies and makes at him to toss him savagely. Upon this the man drops on the sand like a stone, and the bullock, instead of goring him, leaps over his body. The fact that English colonial administrators have also written about jallikattu tells us the sport was played continuously down the ages.

The jellikattu is conducted in the following manner. On a certain day in the year, large crowds of people, chiefly males, assemble together in the morning in some extensive open space, the dry bed of a river perhaps, or of a tank (pond), and many of them may be seen leading ploughing bullocks, of which the sleek bodies and rather wicked eyes afford clear evidence of the extra diet they have received for some days in anticipation of the great event.

The owners of these animals soon begin to brag of their strength and speed, and to challenge all and any to catch and hold them; and in a short time one of the best beasts is selected to open the day's proceedings. A new cloth is made fast round his horns, to be the prize of his captor, and he is then led out into the midst of the arena by his owner, and there left to himself surrounded by a throng of shouting and excited strangers.

Unaccustomed to this sort of treatment, and excited by the gestures of those who have undertaken to catch him, the bullock usually lowers his head at once, and charges

wildly into the midst of the crowd, who nimbly run off on either side to make way for him. His speed being much greater than that of the men, he soon overtakes, and rushes after another. The second man drops in his turn, and is passed like the first; and, after repeating this operation several times, the beast either succeeds in breaking the ring, and galloping off to his village, charging every person he meets on the way, or is at last caught and held by the most vigorous of his pursuers. Strange as it may seem, the bullocks never by any chance toss or gore any one who throws himself down on their approach; and the only danger arises from their accidentally reaching unseen and unheard some one who remains standing.

After the first two or three animals have been let loose one after the other, two or three, or even half a dozen are let loose at a time, and the scene quickly becomes most exciting. The crowd sways violently to and fro in various directions in frantic efforts to escape being knocked over; the air is filled with shouts, screams, and laughter; and the bullocks thunder over the plain as fiercely as if blood and slaughter were their sole occupation. In this way perhaps two or three hundred animals are run in the course of a day, and, when all go home towards evening, a few cuts and bruises, borne with the utmost cheerfulness, are the only results of an amusement which requires great courage and agility on the part

of the competitors for the prizes – that is for the cloths and other things tied to the bullocks' horns – and not a little on the part of the mere bystanders. The only time I saw this sport (from a place of safety) I was highly delighted with the entertainment, and no accident occurred to mar my pleasure. One man indeed was slightly wounded in the buttock, but he was quite able to walk, and seemed to be as happy as his friends."

From Edgar Thurston, *Castes & Tribes of Southern India*, Vol 5.) This is concrete evidence to prove that jallikattu has been part of the long heritage of the country. One strong characteristic of life in India is the persistence of certain social institutions, the origins of which are lost in pre-history. Though the profile of these practices change, they retain their essential features. Jallikattu is one such precious heritage that has been preserved over millennia and our duty is to take this forward. Of course we should have rules and restrictions for the conduct of the event but Jallikattu should go on.

Ramya G.  
(I Year M.B.A. LM)

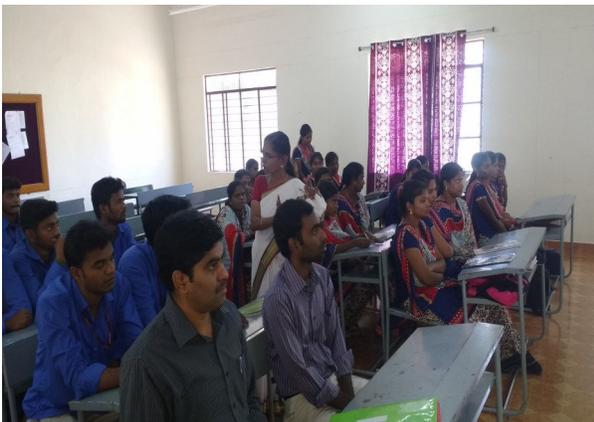
Guest lecture by Mrs. Chellam  
Centre for Vivekananda studies

Welcoming the chief Guest



Honouring the Chief Guest

Discussing about the  
importance of Boldness and  
English Knowledge



Students Team interacting  
with the Chief Guest

## Motivate the students to create story using Vivekananda Quotes



## Winner & Runner of the Vivekananda contest

