

The Logistician

December 2016



Freight containers are a reusable transport and storage unit for moving products and raw materials between locations or countries.

**Dr. M. Senthil,**

Professor and Head i/c.

EDITOR & DESIGN**Dr. V. Sivakumar**

Associate Professor

**Dr. S. Sudhamathi**
Assistant Professor**Dr. P. Rajan Chinna**
Assistant Professor**Dr. V. A. Anand**
Assistant Professor**MS. R. Abirami**
Teaching AssistantMr. M. Arulkumar
Teaching Assistant

ABOUT UNIVERSITY

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 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 multimodal 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.

Five Currents Steer Global Maritime



Five big-picture trends are critical to improving the performance of the maritime industry over the next decade.

Five evolving trends are influencing the global maritime industry, according to a new report from IHS Maritime and Trade.

1. China begins to restructure its economy. The world's second-largest economy attempts a change of direction, but how will shipping respond?

China's economic expansion has been slowing for years. Eco-

economic growth now depends on efficient raw materials import and finished goods export. However, an underlying trend in China's reform process cannot be monitored and measured through the maritime industry alone.

China's burgeoning economy significantly influenced the health of dry, wet, container, heavy lift and project cargo, and general cargo shipping. Less demand for shipping from China, combined with the industry's failure to react in time, forced many vessel operators, shipyards, and related businesses to rebuild their future scenarios. It is not yet clear what kind of shipping a more internally focused Chinese economy will need; it will take years to finalize the transition.

2. Impact of low crude oil prices. Low prices have had a devastating impact on the offshore sector, but crude oil shipping is healthy.

A second trend is the collapse of crude oil prices, sparked by Saudi Arabia's refusal to continue its traditional role as global swing producer, especially when rival producers and exporters-U.S. shale oil, Russian oil and gas, and Iranian crude-threaten to increase their share of an already overcrowded market

3. Charter market weakness drives consolidation. Survival in several sectors of the shipping business will depend on mergers and acquisitions.

The dry bulk sector is far more fragmented than containers. A prolonged period of low freight rates is now weakening vessel owners' resolve. In Singapore, BW Group, riding high on oil and gas revenues, is openly

in the market to snap up distressed assets as vessel values fall in tandem with dry market rates.

The tanker business is generating sufficient revenue to avoid the merger merry-go-round, but the offshore oil sector has suffered catastrophically since oil prices plunged in September 2014. This is a sector where acquisitions are expected when the upturn comes, and that will happen when the crude oil price rises - but there's no sign of that coming in 2016.

4. Mega containerships in the wider supply chain. As shipping absorbs ever-larger vessels, supply chains are exploring the challenges.

With a limited number of ports and terminals able to receive them, megaships are challenging the very supply chain they were ordered to serve.

The arrival of larger vessels has also stimulated investment in new terminals and equipment. This improves handling efficiency, but challenges logistics businesses at every stage of the supply chain.

5. Big data, small data, and security. Shipping came late to the Internet of Things party, but it's catching up fast.

Shipping businesses need to assume a new role as maritime analytics leader, combining detailed quantitative experience with detailed industry expertise. Until that role is defined, "the industry will continue to make decisions on the basis that data flaws and discontinuities are routinely ignored, that the paucity of data is unfailingly accepted, and that the research and forecasts we cling to are biased and opinionated," says Patrick Thomson of the IHS advanced analytics team.

Further, as ships become a system of systems, connected not only to each other but via satellite to a shore-based control center, the need to provide different levels of security protection becomes urgent.

Five of the many ways we're reducing our environment impact

At DSC Logistics, we are:

•**Reducing** fuel usage and carbon emissions with network modelling, shipment consolidation and transportation collaboration

•**Saving** water with green-scrubbers that use 70% less water to clean our Logistics Centers

•**Measuring** water, electricity, propane and natu-

ral gas consumption and tracking recycling and waste tonnage across our network to monitor and drive improvement

•**Decreasing** paper and packaging waste with an innovative machine that designs each container to fit its contents precisely

•**Recycling** paper, plastics, electronics, batter-

ies, and other materials

DSC launched our network-wide sustainability program in 2009 and since then, we've won 22 awards for initiatives that conserve resources and reduce costs.

We think greener!

3PL

A third-party, or contract, logistics company. A firm to which logistics services are outsourced. Typically handles many of the following tasks:

purchasing, Inventory management/ warehousing, transportation management, order

COFC
Container-On-Flatcar. A term used in intermodal transportation in which containers are stacked onto rail flatcars for rail transportation. No truck chassis is used, and double stack cars are possible, thus more containers can be carried by a shorter, lighter



Ready or not, the death of the linear supply chain is upon us. Supply chains built to deliver reliable, cost-effective results are no longer fit for purpose in today's digitally driven world. Enter the digital supply network (DSN). More than that, DSNs give management end-to-end visibility into the supply chain, with control towers that analyse supply, production, distribution, and sales data collected along the way. That valuable information can warn of a problem, or can offer insights about new ways of working and enable execution of a broader digital business strategy.

DSNs allow companies to shorten processes, potentially eliminate functions, and identify ways

to be more competitive with new services and products. For instance, companies may not need purchase orders because sensors embedded in products could enable an auto-receipt function upon delivery, and trigger a transfer of funds for payments.

Moving Together

Companies have traditionally created separate management structures for supply chain components such as human resources, information, products, and financial transactions. It is the physical supply chain that transports goods, which people equate with a supply chain.

One Size Does Not Fit All

The DS is a modern strategic approach that deconstructs and restructures supply

chain strategies to deliver value.

As such, a company's DSN adoption will be inherently fit for purpose, tailored to that company's needs and future proof. 0 two DSNs are the same, but they all should exhibit four key characteristics: connected, intelligent, scalable, and rapid.

Built from modern digital technologies, and bringing all four supply chains into harmony, the DSN of tomorrow is ready to be deployed today. Companies holding on to the dying linear supply chain are closing themselves off from a strategy that operates at a lower price point while doing more to enable growth.

Goodbye, Linear Supply Chain. Hello, Digital Supply Network

TLIL is to explore the emerging opportunities in the logistics market.

Delhi-based Tiger Logistics (India) Ltd (TLIL) has carved a niche for itself in international trade by offering its customers end-to-end supply chain management services. The \$250-crore company, which is listed on the Bombay Stock Exchange, posted sales of \$253 crore with a net profit of \$7.3 crore in 2015-16, at a CAGR of over 25 per cent for five years in a row.

Its performance has been well-acknowledged by the capital market, as it migrated to the main bourse of the Bombay Stock Exchange, after having been listed on the SME platform in 2013, when it raised \$7.5 crore through a maiden IPO. TLIL's stock is priced today at \$210, with a market capitalization of \$211.45 crore.

Through specialized capabilities in handling and movement of project-related cargo, the company offers services like transportation, warehousing and distribution, air- and ocean-freight, turn-key projects, character services and cold chain logistics.

While others in the field hesitate to accept high-risk assignments in difficult geographies, TLIL has moved ahead. For instance, TLIL was involved in the Salma Dam (Afghan-India Friendship Dam) project in Afghanistan, moving cargo from India to war-stricken Chishti Sharif district in Afghanistan during construction. The hydro-electric and irrigation

dam project was inaugurated by Prime Minister Narendra Modi, along with Afghan president Ashraf Ghani, on 4 June 2016.

TLIL has also provided services to the Indian peacekeeping force stationed in civil war-inflicted Congo in Africa. As part of this UN project, it transported cargo containing essential goods and food items from India to that country.

Diversified portfolio:

Its client list includes Bajaj auto, Hero Motocorp, Honda Motorcycles & Scooters, Honda cars, TVS, Piaggio, and Mahindra in the automobile sector. TLIL also has a presence in the two-wheeler market. In fact, it is the only logistics provider that is working with all two-wheeler makers in India. The Indian logistics industry has been witnessing a good deal of traction in the last decade or so. Having grown at a CAGR of 9.7 percent during 2010-15, the \$300 billion industry is expected to maintain this momentum, growing at CAGR of 8.6 percent between 2015 and 2020.

Apart from GST, which is under implementation and other policy initiatives, development of transportation and logistics-related infrastructure, such as dedicated freight corridors, logistics parks, free trade warehousing zones and container freight stations are expected to improve its efficiency and drive its growth in future. "The Indian logistics sector has benefited

immensely from the emergence of organized retail, increase in foreign trade and India becoming the manufacturing hub", explains Shashi Kiran Shetty, founder-chairman, All-cargo logistics. "However, it continues to face challenges due to lack of proper infrastructure which is one of the major deterrents to its growth.

The implementation of GST will not only bring efficiency across all the businesses, but also open up a plethora of opportunities for logistics players." The government's reform initiatives, promotion of manufacturing and trade, as also improving the investment climate, are likely to transform the industry and drive growth", explains Malhotra.

"The market for value added services is growing rapidly, even as 3PL market in India is expected to be worth \$301.89 billion by 2020. The infrastructural bottlenecks increase the logistics cost of the country to 10-15 percent, as against only 3-4 percent in developed countries. Besides, lack of trained human resources is another challenge for the sector.

CHEMICALS AND THE 'AMAZON EXPERIENCE'

A part from safety concerns, one of the big logistical differences between chemicals and other products is that chemicals have much more complex handling requirements. For example, a chemical might require careful temperature control.

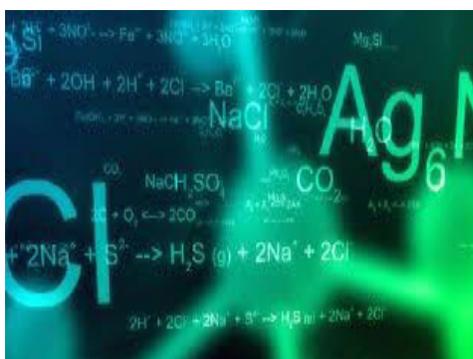
"In winter, if a chemical gets to its destination after moving through the cold part of the country, it has to go to a separate location to be steamed for as long as one day to bring the temperature up so it can be offloaded," explains Mike Challman, vice president, North American operations at CLX Logistics.

Based in Blue Bell, Pa., CLX serves chemical manufacturers with a broad range of domestic and international 3PL services, and with financial services such as freight bill audit and payment. It also provides technology, such as transportation management and rail management solutions and tools for network design and transportation procurement.

The complexity of chemical logis-

tics adds a special twist to one challenge facing everyone who sells tangible goods today, Challman says—the "Amazon experience." E-commerce vendors have raised consumer expectations for fast delivery and sophisticated shipment tracking. "People bring that thought process to work," he says.

These days, business-to-business



customers demand the same level of speed and transparency.

"A lot of industrial manufacturers, and particularly chemical companies, are trying to figure out how they can respond to those customers' expectations without making the response so expensive that it

becomes uncompetitive," Challman says.

Unlike consumer goods companies, which can easily add warehouse locations to reduce shipping distances, chemical companies can't always position inventory close to customers. "If you have a liquid chemical with certain storage requirements, and maybe certain environmental requirements, it becomes more complex," Challman says. "It can be done, but it's harder and more expensive."

For example, CLX recently helped one customer outfit its private fleet of tank trucks with a real-time fleet tracking system. When—as often happens—a customer places a rush order, the shipper now can draw from inventory on the move as well as inventory in storage. "They have visibility into where a truck is on the road at any time," Challman says. "So if they need to divert a load, they can make sure they divert the right one." These companies have become more interested in solutions that provide a better view of what's moving through the supply chain.



"Leaders win through logistics. Vision, sure. Strategy, yes. But when you go to war, you need to have both toilet paper and bullets at the right place at the right time. In other words, you must win through superior logistics."

– Tom Peters

TOP FIFTY LOGISTICS IT PROVIDERS & MARKET RESEARCH SURVEY

Company Name - Website

360data - www.360data.com	Demand Solutions- www.damandsolutions.com
3pl Central - www.3plcentral.com	Deposco- www.deposco.com
A3 Freight payment - www.a2freightpayment.com	Elemia- www.elemica.com
Acuitive Solutions - www.acuitivesolutions.com	Epicor Software- www.epicor.com
Agistix - www.agistix.com	Fortigo- www.fortigo.com
ALC Logistics - www.alclogistics.com	Fourkites- www.fourkites.com
Aljex Software - www.aljexsoftware.com	Foxfire Tecnologies- www. Foxfiresoftware.com
Amber Road - www.amberroad.com	Freight Management Inc- www.frightmgmt.com
Apprise - www.apprise.com	Freightquote- www.freightquote.com
Argos Software - www.argossoftware.com	Hewlett Packard Enterprise - www.hpe.com
ASC Software - www.ascsoftware.com	Highjump - www.highjump.com
AscendTMS(Inmotion Global) - www.thefreeTMS.com	Highway 905 - www.highway905.com
Avercast - www.avercast.com	Infor - www.infor.com
Best Transport - www.besttransport.com	INSIGHT- www.insightoutsmart.com
Blue Ridge - www.blueridge.com	Integration Point- www.intergrationpoint.com
C3 Solutions - www.c3solutions.com	Intellect Technologies- www.intellecttech.com
Cadre Technologies - www.cadretch.com	Interlink Technologies- www.thinkinterlink.com
CargoSmart Limited - www.cargosmart.com	International asset systems - www.interasset.com
Cass Information Systems - www.cassinfo.com	International Business Systems- www.ibs.com
Cheetah Software Systems - www.cheetah.com	Invata Intralogistics- www.invata.com
ClearTrack Information Network - www.cleartrack.com	Kewill- www.kewill.com
Cloud Logistics - www.gocloudlogistics.com	Leanlogistics- www.leanlogistics.com
CT Logistics- www.ctlogistics.com	LLamasoft- www.llamasoft.com
CTSI-Global - www.ctsi-global.com	
Cypress Inland(YardView)- www.yardview.com	
Data2Logistics- www.data2logistics.com	
Datex- www.datexcorp.com	

GUEST LECTURES

Mr. Saravanan,
Karur vysya bank,
Chennai.



Mr. Valliappan,
Accenture,
Chennai.