

The Logistician

November 2016

Logistics



A **shipping container** is a container with strength suitable to withstand shipment, storage, and handling.

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**.

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 envious. 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.

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DEVELOPMENTS IN E-COMMERCE LOGISTICS (2010-16)

Ecommerce Logistics concept started in India started four to five years ago

2011e-commerce logistics companies were recognized as they started handling minimal 20,000 shipments a day; starts up for delivery solutions to e-commerce companies such as Delivery and chotu.in were born

2013GoJavas was founded; Ecom Express launched

2015E-commerce logistics witnesses a revolution with a focus on hyperlocal logistics



We see notable improvement in the outlook with the government stepping up the focus on infrastructure though there is lot more needed.

R.S Subramanian
DHL Express

hub of the world, but in reality with our current standards of logistics and supply chain management we are simply biting off more than we can chew. The global average of logistics costs accounts to roughly 4 to 5 percent in comparison with 6 to 10 percent of average Logistics cost of India, which means there is a gigantic scope of improving the margins by 3 to 5 percent by improving the supply chain and logistics processes. In a country like India where logistics in e-commerce is of a paramount value the timely delivery of products, collecting returns efficiently are the key factors. Big giants like Flipkart and Snapdeal are still wrapping

From Amazon delivering your groceries, to a host of companies delivering your dinner and other household items, the competition for the last mile of the supply chain is heating up. India is creating a heavy buzz in the market to become the global manufacturing

BIG IDEAS

their heads around to mitigate these problems even after launching their own logistics arms like eKart (Flipkart) and SafeShip (Snapdeal). Ram Menen, a retired air cargo veteran, argues that those who control the last mile delivery will be the players of the future. “I could see that happening years before. But there is a resistance from the industry to change and it is an ongoing challenge,” adds Menen who is now the non executive chairman of Connect India, an Indian logistics service startup headquartered in Bangalore. According to data from venture capital intelligence firm Tracxn, funding money toward logistics start-ups jumped from \$69.3 million to \$617.7 million between 2014 and 2015. India has unique challenges in the logistics sector and it demands disruptive innovations to solve such challenges. India certainly needs to address these issues by creative ‘out-of-the-box’ thinking and resolve various pain points which are not addressed by the traditional ways. In this special series we feature

some of the big ideas in India’s rapidly evolving ecommerce logistics sector. Read our exclusive interviews with chief executives of India’s leading logistics startups and how they are fundamentally bringing in sweeping changes in the last mile delivery. Pranav Goel, reveals how he built ThePorter, a marketplace for logistics, which connects customers with commercial vehicles for quick and effortless goods transportation, inspired by the on demand economy. Amit Sawhney speaks about solving last mile delivery challenges though SmartBox, India’s first network of automated parcel delivery terminals. T A Krishnan shares his thoughts on creating an extensive network of last mile delivery mechanism for the whole of India through Ecom Express.

DHL Express expands Gujarat footprint with new service centre in Surat

DHL inaugurated India's 40th service centre at Surat. This new DHL Express service centre will enhance DHL's service offering for customers who require International Time Definite express services, thereby providing them with greater global connectivity. The service centre will also have the capacity to accommodate the growth in from Kumbhariya, Saroli, the next up and coming textile hub in the country. The new service centre is located around the upcoming textile market on Sahara-Kadodara road which connects the city with NH8 and will support DHL's customers by enabling the early delivery of import shipments and late pick-ups of export shipments, and also providing customers one-day transit time for most of their shipments. RS Subramanian, senior vice president & managing director, DHL Express, said, "Opening a centre in Surat is a significant step in strengthening our network and capabilities to support our customers' growing business needs. Surat is the second largest commercial centre in the state of Gujarat, and amongst the fastest developing cities in India. The opening of this facility strengthens DHL's commitment to enable trade and provide logistics excellence in Surat." As the textile hub of India, Surat is the largest centre of Manmade Fiber (MMF) in the country, with over 380 dyeing and printing mills and over 41,100 power loom



Goals for freight transport in the European Union

- Shift 30 % of freight transport over 300 km from road to rail and waterborne transport by 2030, and 50% by 2050
- Develop multimodal freight corridors and support multimodal transport
- Promote eco-innovation in freight transport
- Support deployment of new vehicles and vessels, and retrofit those already in operation
- Improve the energy efficiency performance of vehicles
- Optimise the performance of multimodal logistics chains
- Create an appropriate framework for seamless flow of information in the supply chain (e-Freight)
- Achieve essentially CO2 -free logistics in major urban centres by 2030
- Produce best practice guidelines on monitoring and managing urban freight flows. Transport White Paper (EC, 2011a)

DHL Express is a division of the German logistics company Deutsche Post. DHL providing international express mail services. Deutsche Post DHL is the world's largest logistics company operating around the world, particularly in sea and air mail.¹



ALICE: Alliance for Logistics Innovation through Collaboration in Europe

The European Technology Platform (ALICE) is developing a comprehensive strategy for research, innovation and market deployment of innovations in logistics and supply chain management in Europe. This industry-led stakeholder platform is developing short- and long-term research and innovation agendas and roadmaps for action at EU and national level, using private and public funding. Actions contribute to specific targets set in the Horizon 2020 Work Programme (EC, 2013c) and

The European Technology Platform ALICE is set-up to develop a comprehensive strategy for research, innovation and market deployment of logistics and supply chain management innovation in Europe. The platform will support and assist the implementation of the EU Program for research: Horizon 2020. ALICE was officially recognize by the European Commission as an European Technology Platform in July 2013. ALICE is based on the recognition of the need for an overarching view on logistics and supply chain planning and control, in which shippers and logistics service providers closely collaborate to reach efficient logistics and supply chain operations.

Sustainable freight transport in the core

In December 2013 the TEN-T Guidelines established a core transport network as the backbone of the Single Market (EC, 2013g; 2014b). The network consists of nine key corridors to be completed by 2030 (EC, 2014b). For freight

transport, the key objectives are to:

- improve sustainable use of transport infrastructure, including efficient management .
- promote deployment of innovative transport services • facilitate multimodal transport services and improve cooperation between transport service providers

the Transport White Paper (EC, 2011a) and include:

- developing and applying new concepts in freight transport and logistics
- contributing to low-carbon supply chains
 - achieving virtually CO₂ -free logistics in major urban centres by 2030
 - better and efficient utilisation of transport modes. (ETP ALICE, 2014; EC, 2013a).



Without a proper tech support, you can't match supply and demand effectively. We come in that space. We match supply and demand effectively using technology.

*Pranav Goel
Porter*

• improve links to the most vulnerable and isolated parts of the European Union

• support and promote transport decarbonisation through transition to innovative and sustainable transport technologies.

Snapdeal to invest in logistics to speed up delivery

Online marketplace Snapdeal, backed by Japan's SoftBank Group Corp and others, will spend more on logistics and technology to better compete with Flipkart and Amazon's Indian unit. Shopping online is becoming more popular in India due to the rising use of cheaper smartphones and e-commerce firms are struggling to cope with the growing demand and make faster deliveries in different parts of the country. The e-commerce market in India is expected to grow to US\$220bn in the value of goods sold by 2025, up from an expected US\$11bn this year, Bank of America Merrill Lynch said in a



Rabi sowing picks up

The hike in MSP has been higher for the second straight year, besides a bonus of Rs 100-200 per quintal for pulses

According to the Department of Agriculture and Cooperation, the Production of food grains in the kharif season (April-September) of agriculture year 2016-17 was 8.9% compared with a decline of 3.2% in the



same period in FY 2016.

The Union government has announced the minimum support prices (MSPs) for rabi crops of the 2016-17 season (October- March).

The area under wheat crop has touched 57.6% of the normal area under crop. Uttar Pradesh, Punjab, Madhya Pradesh, Rajasthan and Haryana are major

wheat-growing states.

1. Rice: The area under rabi rice was lower at 13.37 ih as on December compared with 14.84 ih same time a year ago.

2. Coarse Cereals: The area under coarse cereals declined 13.2% to 44.59 ih, as the area under jowar dipped 21.2% to 27.67 ih

3. Pulses: The area sown to pulses has shown a jump of 13.1% to 112.95 ih as on December.

4. Oilseeds: The area sown to oilseeds witnessed a 10.1% increase to 70.70 ih as on 02 December. Fisheries are a big sector in the country and around 150 lakh people are engaged in fisheries business. It contributes about 6.3% in global aquaculture. India can achieve about 8% growth rate in Indian fishery. Integrated development and management of fisheries.

Outlook: However, the government's decision to demonetize high denomination currency notes of Rs 500 and Rs 1000 from 08 November 2016 has affected rural activity and income. Thus, agriculture growth may get affected in H2 of FY 2017.

CAR CARRIER SERVICE FROM CHENNAI IS BEING EXPANDED TO INCLUDE NEW MANGALORE PORT

The popular car carrier coastal shipping service from Ennore to Gujarat ports is now being expanded to include a halt at new Mangalore port to service client in North Kerala and Karnataka. The service earlier had only one stop over at cochin port.



The car and truck carrier MV Dresden called at the New Mangalore port on last week and sailed out to Kochi after discharging Tata cars and loaded trucks according to a port release. The coastal services between Mangaluru and Gujarat will bring down fuel consumption and toll charges for car manufacturers and truck operators. It will also reduce the wear and tear of vehicle and bring down the delays in bor-

der-crossing. These cars were brought for the Tata car dealers in Mangaluru and Udupi. Loaded trucks and cars can be driven into the vessel and driven out once it reaches the destination. It said that the vessel will be plying on Gujarat- Mangalore-Kochi -Ennore route. New Mangalore port administration has earmarked exclusive berth and storage area for handling coastal vessels.

The Head load workers Union fell in line and the service to cochin port was restored. The car carrier service has now expanded to include New Mangalore port. The service will commence at Ennore port adjoining Chennai, touch cochin and New Mangalore before reaching port in Gujarat. It is only a question of time that ports like Momugoa and JNPT will also join the service. Three automobile hubs exist in the country and they include Chennai, Pune and Gujarat. Car carrier service is yet to start in the East coast. Such a service from Chennai could cater to the requirement of Andrapradesh, Odisha, Chattisgarh, Bi-

har, Jharkhand, West Bengal, Assam and North



East.

Last year, Chennai based Sical Logistic organized a coastal shipping service from Chennai's satellite Ennore port carrying including Ford, Nissan, Hyundai Ashok Leyland to port in Gujarat via cochin. The workers in cochin went on an agitation protesting against deployment of professional drivers to take out the cars from the ship in the port. The services to cochin port was temporarily workers union fell in line and the service to cochin

Last mile delivery is the most complex and costliest part of the delivery process... we increase the efficiency of the delivery agent because of which the cost goes down for the e-commerce companies. Amit Sawhney

Smarthox