

ILAM Newsletter

Nov, 2009



Institute of Logistics and Aviation Management

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Dear Readers,

We invite you to contribute articles, stories, research papers, opinion pieces based on Logistics and Supply Chain Management. We also welcome you to send us information on events and happening in the industry.

We look forward to your feedback and suggestions for our newsletter.

You can send in your inputs to Anchal Vashista

E-mail Id -

enquiry@ilamindia.com

Tel: 011-47655414

From the Chairman's Desk :



Dear Readers,

Today every successful organization owes a portion of its success to effective supply chain management & logistics. Business leaders realize that a sustainable approach to managing global supply chains plays a significant role in achieving success. They need well-qualified Logistics professionals to meet the challenges and recognize the opportunities.

ILAM is designed to reflect the realities of the global marketplace. Courses provide insight into the management of raw materials and finished products; the development of transportation strategies; the interface of transportation policies with production and marketing plans; global supply chain analysis and planning; and more. ILAM now is a name synonym with repute and excellence. With our ability to capture the situation and analyse the dynamic nature of education, we keep ourselves a step ahead of others to provide our students a better platform to face the real world.

The endeavor behind bringing out this newsletter is to build a medium which will help in imparting education & knowledge in the field of Logistics and Supply Chain Management. We look forward to your inputs.

 Dr. Hari Gautam, Chairman - ILAM

From COO's Desk :



Dear All,

It gives me immense pleasure to see that in today's world, education is getting the importance it should have got years back. Education is the process of instruction aimed at the all round development of individuals, providing the necessary knowledge and tools to understand and participate in day to day activities of today's world.

In the current business climate, to compete effectively, industry is placing more and more emphasis on recruiting better qualified and more professional logistics and Supply Chain Personnel.

Whether you are a manager seeking to elevate the profile, competence and professionalism of a group of people, or an individual about to embark upon a new career within the professional, knowledge is something which will help you always. Knowledge can enable each individual to demonstrate commitment towards the chosen career and provide the skills and knowledge needed for success in today's dynamic commercial world.

I hope many of us will be able to extract a lot of information from our monthly newsletter.

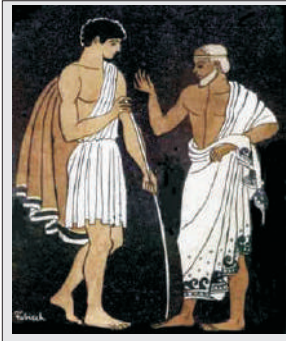
Happy Reading !

 Rajiv Verma, COO - ILAM

Student's Mentorship - An ILAM Initiative

Objective:

The concept is conceived by ILAM to empower its MBA students with functional live experiences of industry experts and making them more adaptable to functional requirements- post program.



We at ILAM firmly believe in its philosophy of providing education at par with international standards through class room training and continuous exchange of information with industry professionals to foster professional excellence in design and execution of management skills of our students. In our endeavor to further our above philosophy we are pleased to announce one more initiative Students Mentorship program for our MBA – Logistics student's.

About Mentorship:

Mentorship is a program long activity in which a student gets attached to a function specific expert for gaining real life experiences during his/her program. It provides an excellent opportunity to a student to value add his/her class room learning with real life learning from finest industry experts. Under the program, a student gets attached to an expert and he/she is required to spend mutually agreeable time with his/her mentor every month. The student is required to submit

a detail report to his/her faculty summarizing his/her learning from such meetings with in seven days of meeting with the mentor. A student is required to freeze his/her learning objectives and an agenda of the meeting at least one week prior to the scheduled meeting in consultation with his/her faculty who in turn will send the same to the mentor. The learning/ findings as recorded by a student will be measured by ILAM faculty on a scale of 1 to 10 and will assign marks to the student for this specific activity.

Program commencement:

The mentorship program is scheduled to commence from the middle November 09 and student will be informed about their respective mentor by first week of November 09.

ILAM Students Industrial Visit - CMA CGM Logistics park



An industrial tour was organized for the first year students of MBA and BBA Logistics to CMA CGM Logistics park Dadri on 31st October 2009. The students were received at the reception by Capt Viren Bawa – General manager and CEO of this facility. Captain Bawa first introduced himself and his company and gave 75 minutes exhaustive presentation on his company activities. The presentation covered about the company and the services :

The students queries were also addressed by Capt. Bawa towards the end of his session. . The students were later taken to the site of operations and were shown the various processes involved in carrying out their services. The students gained knowledge about Warehousing facility, Survey and repair of containers, Transportation of containers, weighing measures and many more. At the end the students were served with snacks and tea before their departure.



About the company :

The CMA-CGM ICD Dadri, set up in Greater Noida, UP, is a Joint Venture between CMA CGM Global (India) Pvt. Ltd., and the Railway PSU CONCOR Container Corporation of India Limited. CMA- CGM is a leading global container shipping line, ranked number three in the world with an enviable worldwide network offering. Concor, because of its first mover advantage, is today India's leading provider of containerised goods transport across rail. Currently it has 34 rail linked ICDs out of its network of 51 terminals and is also the only agency that has rail-linked terminals criss - crossing the country.

RFID - An Innovative Technology that promises Cost Reduction and improvement in Efficiency



RFID technology helps in tracking movement of goods and items through the supply chain of Enterprises helping in reduction of costs and improvement in efficiency. RFID technology has been used by major companies like Wal-Mart, Target, Tesco, Metro, and Albertsons and by Government departments like U.S. Defence- All of which require suppliers to provide goods with RFID tags.

What is RFID Technology - RFID is a wireless technology working on UHF range of frequencies. RFID system consists of transceiver equipped with an antenna, a tag and a reader acting as an intermediary between the identification and the background system consisting of computer system and associated software displaying the information about Goods like country of origin, description, expiry date, destination, handling details etc. During the last few years plans

encompassing entire value chain using RFID Tags right from procurement of material up to the finished goods available on the shelves at the point of purchase for the customers have emerged. Tags make it possible to identify each Logistics unit or even each individual product and track their way through the supply chain.

RFID Tags are used in different shapes and sizes and their costs have been brought down to few cents. The Tags are divided in two parts viz Active and passive. Active Tags can usually be complemented with new information as they proceed in the supply chain. Whereas Passive Tags are for one time use and only send data which is stored in them initially. A passive tag draws energy from the reader whereas an active tag has its own battery and draws power from there. Read – write tags can be erased and can be used many times along with the ability to rewrite the data.

RFID Benefits for Enterprises - RFID enables significant benefits in the form of smaller shrinkage, especially during shipping and inventory handling-Missing units can be identified easily and much faster. Any corrective action can be taken much faster. RFID tags shall be widely used for tracking valuables and courier assignments. The shipping tools such as cartons and pallets are widely tagged. The technology can be used in manufacturing to check the availability of entire bill of materials relating to a specific purchase order or the combined inventory of finished goods. Manufacturers who experience bottlenecks in traceability of goods or who want to reduce labour costs with material management and replenishment are excellent candidates for implementing RFID technology. Numerous industrial applications requiring work in progress tracking, parts identification, asset and fleet management have huge scope to derive cost benefits and increase their efficiency by going whole hog for this technology.

RFID Technology in India - The RFID technology is still in a nascent stage in India and costs of RFID tag is a biggest deterrent though bar code technology with infrared readers has reached a stage of maturity. Few Foreign Logistics service providers like Schenker present in India as a multinational company are using the technology in coordination with their foreign principals. It is expected that in the retail sector, the use of RFID technology would be geared up by companies like Wal-MART and Carrefour who are waiting in their wings to start their full time operations with companies like Future Group, Bharti and Reliance Retail.

 Prof. Akhil Chandra, ILAM

ILAM students Visit Safexpress Warehouse

Students of BBA & MBA - 2009 batch were taken for their first Industrial Visit to Safexpress. On arrival the students and the faculty members were greeted by Mr. Pradeep Mishra (Senior Corporate Manager) who then proceeded to demonstrate the warehouse where different companies store their products. Post which a presentation was given on Safexpress by Mr. Upendra Singh, Deputy GM – NCR, followed by Question answer round. The students were explained about the receiving as well as the shipping process. The students even got the chance to see the practicality of certain things which they had learnt in their modules like Inventory Management, 3rd Party Logistics, Distribution network system, best practices, Industry Networking etc.



This industrial visit was very important for some students as one of the learning objectives about the visit was to understand and relate everything that the students learn in a practical environment. Later the students visited the Distribution Hub, where they were told about its functioning.

Professional Speak - Training India's Cold Chain

Cold Chain is the one of the most modern forms of supply chain and requires the control of temperature and other parameters for safe and viable supply of perishable goods from production centre to end-consumer. The cold chain concept is applicable to live agri-produce, life sciences & pharma products, frozen products and to specialised chemicals and gases.

The cold-chain is exclusively the domain of the SCM expert, albeit requiring specialised skill-sets. An integrated cold-chain commences from first procurement of the product, all through right till the consumer, including each supply chain linkage. Each stage is conditioned as per the individual requirement of each product type. Depending on the nature of product being handled, not just an optimal temperature range, but air quality (O², CO² or other atmospheres), air flow patterns, humidity levels and even pressure may need to be controlled.



The Author, Capt. Pawanexh Kohli, is member of ILAM's Academic Advisory board and has 27 years of experience in specialized Supply Chain, including 15 years in the elite cold chain arena. He can be contacted at: pxkohli@crosstree.info

Despite an acknowledged lack of cold-chain implementation in India, the focus had earlier been more on developing the infrastructure and logistic mechanisms. This alone was never sufficient to sustain the application – an enormous lack of domain skills to manage this most complex of supply chain systems was brought to light. Today, a cold-chain specialist is in demand and a rare commodity in the country. Most specialists with appropriate experience can only be hired from the expatriate community. Here too, there exists a gap between India-centric skills and those from more advanced users of the cold chain. ILAM is one of those rare institutes at a national level with an increasing focus on cold-chain training.

Since maintaining the cold supply chain involves energy intensive utilities and requires capital intensive equipment, the supply chain expert becomes critical for optimising the process and in bringing profitability to the business. The greatest value addition is in streamlining the product flow, minimising energy losses and in sustaining the controlled supply links; thereby ensuring shelf life and marketable quantity and value of the product handled.

Any Training and Awareness program brings about improvement of knowledge and skill set, enhances the output, quality and productivity, and increases commitment leading to growth and prosperity. How does this translate specifically in the nascent cold-chain industry in India?

Any efficient cold-chain begins at the production and procurement centre. A product must reach the consumer well within its marketable life and without transit losses; haste becomes one of the most crucial aspect in perishable product movement. The physical limitation to speedy transit is offset by controlling the supply chain ambient – thereby in enhancing or sustaining shelf life, one basically has extended viable transit time. So it is to counter supply period that (in most cases), the cold-chain is applied.

An education in the cold supply chain requires imparting knowledge in Standardisation, Improved handling and minimising of conflicts, Sustained Product Quality, Improved Safety – protecting consumer health and national policy objectives, Improved planning, forecasting and outbound management, contingency responses minimising operational losses, controlled energy consumption; Reducing environmental impact.

Cold Chain Training also allows for Intelligent Operational Flexibility, which requires knowledge of cargo and limitations inherent to the cold supply chain.

◀ Blue Dart net climbs 18% to Rs 16.5 crore* ▶

TRANSPORTATION and logistics giant Blue Dart Express has posted 18% rise in net profit at Rs 16.49 crore. The total income from operations, however, dropped 10% to Rs 235.61 crore during the quarter. "Blue Dart, today, is firmly positioned as the unrivalled leader in the organised domestic air express space and has robust plans in place to sustain and augment its leadership position. We stand committed to our role of a trade facilitator and would continue to enable growths for a greater India," Blue Dart MD Anil Khanna said in a statement.

News from the Industry*

◀ FLYING HIGH: GOPINATH'S NEW AIR CARGO VENTURE TOOK OFF ON 4TH NOV ▶

Captain Gopinath, pioneer of low-cost flying in India, started his second innings in aviation by launching a dedicated air cargo business, branded Deccan 360, on 4th Nov in Nagpur. Mr Gopinath has already invested Rs 125 crore in the cargo venture, Deccan Express, and needs to raise an additional Rs 150 crore. **The venture would hire about 5,000 people in five years.**

In the first phase, the company plans to appoint 100 franchisees and each franchisee will hire 10 people. It will fly three Airbus A310 planes and seven smaller ATR planes to connect 17 Indian cities and international destinations like Dubai and Hong Kong. With not much funds coming to finance his cargo venture due to the slowdown, Captain Gopinath sold his stake in Kingfisher Airlines to raise money.

The latest International Air Transport Association (IATA) data shows cargo traffic is 12% above its December 2008 low, but 17% below the peak early last year. Deccan Cargo has also signed an agreement with GMR Group for setting up express cargo operations at Delhi and Hyderabad airports, which, along with the hub in Nagpur, will form an extensive multimodal storage, transportation and delivery network. Deccan Express Logistics will pitch against established players such as Blue Dart, Gati, TNT Express and First Flight in India's domestic cargo and logistics market. The \$625-million domestic express cargo market is expected to grow at 20% annually over the next five years. Mr Gopinath had founded India's first low-cost carrier, Air Deccan, which was later taken over by Kingfisher Airlines and rechristened Kingfisher Red. Nearly two years ago, Gopinath sold the commercial aviation business Deccan Aviation to Vijay Mallya's Kingfisher Airlines.

◀ Taking Logistics to the Web ▶

Both SMEs and their larger counterparts can reap benefits by integrating supply chain operations with e-commerce

As the impact of globalisation is felt over industries and across continents, consumer demands have become more diverse and more stringent, driving industries to diversify their products and services. In order to cope with the increasingly dynamic customer demands, a strong urge to develop super-efficient supply chains has surfaced across industries.

Like their global counterparts, companies in India, including small and medium enterprises, need to improve their supply chains to deliver more efficient services and products. "Be it third-party logistics (3PL) or in-house logistics management, supply chain management (SCM) is essential in establishing a seamless link between the demand and supply ends," says Sarvanya Kumar, MD, Core Mentor India Ltd, a 3PL company in its initial stages of e-SCM implementation.

This is because conventional logistics practices and SCM lack the agility and flexibility required to meet the ever-changing customer demands. In conventional logistics, operations such as transportation, inventory and warehousing are integrated largely through manual procedures, which decreases efficiency. This logistics setup was sufficient in earlier times, when companies had longer timelines to schedule production, deliveries, and alterations. However, as more dynamic demand patterns emerged, it became difficult for SMEs to compensate for the changes necessary in inventory and lot sizes. According to Anup Wadhwa, Director, Automation Industry Association, "SMEs need to scale up their operations from the supply chain perspective to remain competent in the business."

To adjust to these changing demands, e-SCM and IT-enabled logistics have emerged as effective solutions for SMEs. Though they levy installation costs, e-SCM and IT-enabled logistics are cost-effective in the long run.

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* Source: Economic Times

News from the Industry

What is E-SCM?

E-SCM can be defined as the integration of the conventional supply chain with a dedicated e-commerce portal. With this improved system, logistics as a channel of SCM is transformed into IT-enabled logistics. An e-SCM system can improve the customer value proposition by reengineering the intranet- and internet-enabled collaborative channel partnerships.

Benefits of e-SCM for SMEs

SMEs can adopt e-SCM to acquire real-time capabilities throughout their supply chains, which also involves the logistics operations. It can update the manufacturer with accurate sales data, thus making demand forecasting and the whole supply chain more efficient. “With its implementation, SMEs can remain connected with clients and business partners virtually all the time. That is, e-SCM can establish the bidirectional flow of vital information between the point of origin and point of sale on a real-time basis,” adds Mr Wadhwa.

The E-Business Advantage

With the aid of e-SCM and IT-enabled logistics, SMEs, like their global counterparts, can spread their business across the virtual space to reach a wider customer base. Primarily known as e-business, the capability will provide additional dimensions to the SMEs’ existing logistics infrastructure. For example, by showcasing its products and services through a dedicated e-business portal, an SME will acquire major capabilities in the business-to-business (B2B), business-to-consumer (B2C), and online transaction spheres.

Ramesh Nair, MD, Warehousing and Logistics Solutions, says, “Through B2B and B2C channels, an SME is able to interact with its business partners and customers in a more efficient, secure and accountable manner. Online transactions will allow the SME to retail its products and services online.” Online transactions comprise various types of services, both at the buyer’s end as well as at the seller’s end. At seller’s end, the complete services and products catalogue is uploaded on a dedicated server. These can be accessed through an interactive user interface, using which the customer can select the desired product and services.

After making the appropriate selections, the customer can purchase the items through a secure payment gateway. Customer feedback and queries can simultaneously be relayed to the seller through an online form. On a whole, the system helps SMEs reach a wider customer base with ease and allows them to serve their customers in a more efficient, secure and cost-effective manner.

Efficient Information Sharing

The e-Business portal developed within the scope of e-SCM enables real-time information sharing across the supply chain. Both big players and SMEs can enjoy the benefits of e-SCM-enabled technologies such as Vendor Managed Inventory (VMI) and Enterprise Resource Planning (ERP) to facilitate information sharing. With the help of e-SCM, vital information like product development data, after-sales statistics and customer demand projections can be shared effectively across the organisation.

Amid the growing business competition and changing demand patterns, companies—especially SMEs—need to incorporate flexibility, promptness and agility in their supply chains. Integrating their processes and optimising practices along their supply chains will allow SMEs to develop a competitive advantage while reducing unnecessary activities and saving time. IT-enabled logistics and e-SCM can be the ideal solutions to help SMEs acquire the desired level of competence.

Sports Day at ILAM: Funday Ka Funda

'A sound body contains sound mind'



Physical education contributes significantly to the development of one's personality and ability to function efficiently in society. The Annual sports Day at ILAM for the year 2009-10 was celebrated on 30th Oct 2009. Dr.Hari Gautam, Chairman – ILAM(Ex-UGC Chairman) was the chief guest for the occasion. During the course of the event, Dr. Gautam, emphasized the need to encourage students' participation in sports by giving them extra credits and encouragement.

Various sports events took place like Cricket Tournament, Kho-Kho, 7 Tiles and many more. Even the staff members participated in events evincing sports crosses all barriers. The Cricket Tournament had a total of 5 teams, out of which 'Pind de Munde', made its way to the victory. At the end of the eventful sports day, prizes were distributed and students received them beaming with pride.

◀ Learning from the Guest Lecture ▶



A guest lecture was organized for the students of MBA and BBA - Logistics on October 27th . The topic of the session was “ Air freight Logistics – its advantages, procedures and current development in Air freight space” . The session was delivered by Mr Sudesh Bhagat –Director, Expeditors . Mr. Sudesh has varied experience of 24 years in the field of Finance and International Transportation &

Logistics spreading across the boundaries of India Sub Continent and Gulf States and his prime area of interest has been Air Freight business. Mr. Sudesh Bhagat Is an active member of ILAM's Academic Advisory Board as well. In this session Mr. Sudesh talked about Air freight logistics, the operational activities , the advantages of air Freight Logistics besides sharing his experiences in Air cargo operations. The students described this session as a phenomenal session which helped them gain insight into Air freight Logistics operations.

Air Disaster: Causes and Remedies

Disaster is sudden or rapidly developing events that disrupt the prevailing order of life producing danger, injury, illness, death and loss of property. It has got some element of suddenness producing catastrophic results giving very-meager time to respond. When it comes to aviation disaster this response time is comparatively very less. However, airline flying is 10 times safer than road transport. According to OAG Back aviation solutions, the odds of being killed on a single airline flight with top 25 airlines are 1 in 10.46 mn. Thanks to the strict norms that are laid down by regulatory bodies like International Air Transport Association (IATA), International Civil Aviation Organization (ICAO), Federal Aviation Authority (FAA), National Transport safety Board (NTSB), National/ Regional Regulatory Bodies. Besides that whenever an air disaster occurs, the survival rate of passenger on the aircraft is very less. In the decade of 2000s it is mere 24%. Thus in case of air accident maximum proportionate fatalities occur making it the most vulnerable of all man made disaster.

Generally air disaster are caused by human action negligence, error or involving the failure of the system and come in the category of technological disasters. According to air accident statistics 53% of air accidents are caused due to pilot error, 21% due to maintenance error, 11% due to bad weather, 7% due to other human error (ATC), 7% due to sabotage and 1% due to other causes. Hence we find air disaster is the outcome mostly of human error and this is the consequence of inappropriate managed risk. However post 9/11 has given a new face of air disaster that is it can also be a sociological disaster.



It gives us immense pleasure in announcing that our youngest Faculty member, Mr. Nitin Pant's research paper on 'Air Disaster: Causes and Remedies' was selected for presentation in 2nd India Disaster management Congress, Ministry of Home Affairs at the prestigious venue, Vigyan Bhawan. He can be contacted at: nitinpant@ilamindia.com or at enquiry@ilamindia.com

In this paper we have discussed the extent of vulnerability in air disaster, prima role being played by regulatory bodies to ensure air safety. Furthermore various air disasters causes (both technological and sociological) are discussed in-depth with peculiar cases. Beside this an attempt to provide remedial has also hem made in order to bring down the air accident rates and hence ensure that air transport is one of the safest means of transport.