ramco

Better control over supply chain for India's pioneer of Third Party Logistics (3PL)

Company: A pioneer in Third Party Logistics (3PL)
Headquarters: Mumbai
Industry: Logistics
Products and Services: Cargo and Courier Services

CUSTOMER BACKGROUND

As an acknowledged leader in the Logistics industry, this company has constantly strived to bring world-class services to India within the domain of Logistics Services. It introduced the first courier service in India through its tie up with DHL Worldwide Express in 1979, launched the first of its kind Door-to-Door Surface Express in 1988 and brought Logistics Services for the first time to customers in India in 1996.

Through its three business divisions, the company has catered to almost every logistics related need of customers. The Logistics division provides door-to-door, time and value sensitive movement of goods, warehousing and a wide range of customized inventory management related services. The Express division caters to the courier needs of both businesses as well as individuals through its Domestic Express brand. The Cargo division focuses on air and sea freight forwarding, customs clearance etc.

The company's network of over 200 offices and express centers across India includes a unique network configuration, with over 5,700 locations across the country, providing the best geographic coverage in the business. The company handles over 10,000 shipments from each hub every day, varying from envelopes to large parcels by both air and surface mode transport.

OPERATIONS FACE ROUGH WEATHER

The company is widely regarded as being a pioneer in the field of Logistics in India. For a company of its size and position, one would imagine that growth would be organic and natural. However, the company could not grow its business fast enough, not because it did not have the resources or capability to do so, but simply because its operations were totally disintegrated and scattered, making it impossible to plan resources and allocate wisely. Most of the time, the company's 23 hubs and 152 branches across 400 delivery locations and 1000+ Outside Delivery Area locations worked in dark-

ness. Transactions happened more by instinct and experience rather than through accurately managed processes.

Also, the market was opening up with new entrants briskly replacing the older players. Though the company had been in the business for far too long to worry about new entrants, it needed to pursue an aggressive growth path to retain its position as the chosen option for customers wanting Logistics services. This essentially meant that the number of transactions would have to go up dramatically. But in the absence of a robust resource planner which would connect and accommodate a large network of more than 2000 users across geographical locations, the company's growth strategy was seriously affected.

More importantly new communication devices were replacing the old, and the company did not have the capability to integrate multiple communication devices. SMSs and emails were now a reality and for a disintegrated operational setup like this company, a mandatory requirement.

While traditional logistics companies mostly use trucking for goods movement, this company preferred express, time-bound mode of transport. However, to offer express solutions they needed to integrate express with various other parts of the supply chain.

They knew that all businesses were not the same, and therefore the needs of customers would also vary depending on their core area of operation. Hence, the company introduced time and value sensitive movement of shipment. By reducing shipment transit times, it could increase the number of transactions which would tie in with its growth plans.

Multiple users and financial systems were paving the way for a chaotic work place and the company wanted an integrated and centralized billing system to gain insight into business performance. To summarize, this 3PL Logistics provider wanted to grow the business, reduce delivery time and have a centralized operation.

RAMCO – A COMPREHENSIVE SOLUTION FOR COMPLEX NEEDS

Due to the complexity of the company's needs, the team decided to take a phased approach with incremental steps for implementation. Also, the solution would not be a standalone offering managed solely by Ramco, but a partnership solution where Ramco would work with it to identify its needs, and resolve its issues comprehensively. As the needs were varied, it was obvious that an out-of-the-box solution would not meet the requirements. So, Ramco created a completely customized ERP for them which integrated information across customers, suppliers, service providers and transport links.It was developed in such a way that it could integrate with the company's multitude of handheld devices. It also linked its business processes for Sales, Operations, Purchase, and Marketing.

In less than twelve months, the solution was built from scratch and architected to include 18,591 function points across 31 components.This totally customized, co-created application provided superior service to all users who are part of the supply chain, by integrating information across customers, suppliers, service providers and transport links. Initially, in 2004, the company had started with 600 users. Since then, it has steadily increased to over 2,500 users. The unsurpassed scalability of the architecture allows the addition of more users without degradation of the system. The entire project took 12 months for development, and six months for implementation, including testing, training and deployment at the company's site.

DOMAIN KNOWLEDGE DOMINATES

The company's widespread distribution network covers practically the entire country with its 23 hubs and 152 branches. It services over 400 regular delivery locations and 1000+ Outside Delivery Area locations. Ramco's robust ERP system connected the network and paved the way for seamless integration, enabling over 4,150 users to process shipments harmoniously across the country, regardless of their geographical location. On an average, they handle 15000 tons, 70,000 shipments and 1.04 million packages on a monthly basis with a network capacity to handle twice as much. For its management, visibility into such a diverse and spread out business operation was proving to be a nightmare. Ramco's solution ensured complete shipment visibility to and from any hub or spoke, mapping over 10000 route profiles. For the different links within the supply chain, the rhythmic information flow meant no sudden surprises. They could work as a harmonious, tightly knit group with the one key motive of providing excellent customer service. This customer consciousness was further enhanced by Ramco's support service, 12 hours x 7 days-a-week operation and linked to IVR during off hours. Handling 1.4 million packages monthly, the company continuously faced challenges with lost or misplaced consignments. Ramco's offline shipment processing sub-system enabled uninterrupted shipment processing and swift online system upload, using FTP integration with equipment applications like bar code readers, weighing machines, IVR etc. This ensured that packages could be tracked and traced in real-time, resulting in savings in terms of cost and man hours. It also had a huge positive impact on the customer's perception of the company as a reliable and dependable Logistics company.

A large, disintegrated system was the company's biggest challenge. One delayed arrival would immediately throw the entire supply chain into a spin. But Ramco's device-integration facility now ensured that real-time automated alerts through multiple channels like SMSs and emails would keep stakeholders abreast with the latest information on shipments and consignments.Completely doing away with Excel sheets which resulted in information silos, Ramco provided for an integrated financial system which supported multiple tariff rate definitions by zone, product or customers. The benefits experienced by the company after implementing Ramco were almost dramatic. The delivery turnaround time was brought down by four hours as a result of operational efficiency at hubs and spokes. Four hours savings for an operation of this size has translated into enormous cost savings and opened up opportunities for new business. Real-time visibility into shipment status meant they could plan resources down to the last detail. With so much information and transparency, the company could now confidently increase its business, knowing that deliverables were within its own control and power. In no time, the number of shipments processed increased from 5,000 to 15,000 per day in each hub (express centers). The company now took less than three-minutes to retrieve PODs (Proof of Delivery) to process customer service requests. Finally, billing which would take weeks for completion could now be completed in less than three hours for more than one million shipments.

CAN RAMCO DO IT FOR YOU?

Of course it can! To find out more on how RAMCO can be stretched (or shrunk) to answer your need, call **1800 425 6667.**

QUICK FACTS

CHALLENGES & OPPORTUNITIES

- Disintegrated network
- No real-time information on operations
- System could not be integrated with hand-held devices
- Financial data delayed, with errors and information gaps
- Decreasing customer satisfaction levels

SOLUTION – RAMCO ERP

Completely customized and customer partnered resource planning solution that brought the entire operations under one integrated system

IMPLEMENTATION HIGHLIGHTS

- Seamless integration of 4,150 users
- Complete shipment visibility, mapping over 10,000 route profiles
- 12 hours x 7 days-a-week operational support, linked to IVR during off hours
- Offline shipment processing sub-system
- Integration with equipment applications
- Real-time automated alerts through multiple channels, including email and SMS
- Multiple tariff rate definitions by zone, product or customer

EXISTING ENVIRONMENT

Non integrated information systems

BENEFITS

- 25% cost reduction in delivery turnaround time
- Real-time end-to-end shipment visibility
- Increase in the number of shipments processed from 5,000 to 15,000 per day in each hub (express centers)
- Less than three-minute Proof of Delivery (POD) retrieval to process customer service requests
- Completion of automated billing process, reduced to three hours for more than one million shipments

OBJECTIVES

- To integrate information across customers, suppliers, service providers and transport links
- Establish an integrated and centralized billing system, providing crucial insight into business performance
- Plan and allocate resources in a cost-effective manner
- Reduce shipment transit times so as to increase the number of transactions
- Eliminate the use of Excel sheets, which was resulting in information silos
- Ensure complete shipment visibility to and from any hub or spoke, mapping over 10000 route profiles

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