

A STUDY ON IMPORT AND EXPORT OPERATIONS IN C.H. ROBINSON WORLDWIDE FREIGHT INDIA PRIVATE LIMITED, CHENNAI

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ABSTRACT

C.H Robinson grown and diversified into a multifaceted organization with a nationwide network of offices, extensive import and export facilities, full-fledged research and development capabilities. A market leader of mechanical seals for industrial use, the group also manufactures and exports industrial valves and pneumatic actuators to various parts of the world including Europe and USA and now extended its activities to include automated control systems for process industries, prime factors in the group's growth and success have been its emphasis on quality, innovation, productivity and customer support. The researcher was during the project work was trained in various aspects related to import and export procedures, right from the pre-shipment stage to post shipment. Daily functions were carefully observed. Different schemes involved in exports and imports were studied in details. It was a great experience understanding and learning the above mentioned things. The researcher has followed the research methodology as per the management procedure. The researcher has concluded that on implementation of the recommendations specified as per the study, the management can lead CH Robinson to the top most position when bench marked in the coming years

KEY WORDS: Multifaceted organization, Export, Import, Customer Support

INTRODUCTION

The expanding economy and business opportunities have caused companies to export and import products to develop their business. International shipping remains daunting for many new or relatively inexperienced exporters, particularly small and medium-sized firms. Effective use of transportation equipment and modes reduces shipping and logistics costs. However, export and import planning entails all sorts of considerations, from inventory levels and manufacturing lead times to customer's preferences and transportation options. Ocean export is generally much cheaper than air export, but the transits from warehouse dock to consignee door are measured in weeks instead of days. Air freight is suitable for perishable goods ; it may also include light, high-value commodities such as semiconductors and electronic components essential to running industry or fulfilling an inventory shortfall and unexpected consumer demand. Ocean cargo often includes goods such as automobiles, toys, and household appliances and items whose bulk, weight, and steady consumer demand allow slow transportation.

NEED OF THE STUDY

- To know about Logistics Industries
- To compare the effectiveness of logistics management at C.H.ROBINSON and to benchmark the organization with respect to the industry.
- To have a thorough understanding of how logistics and freight industries work.
- To know whether the customers are satisfied with the existing range of service pattern

SCOPE OF THE STUDY

- Focuses on global freight forwarding.
- Focuses on the operations of a freight forwarded.
- The scope of the study is limited to Indian import/export

INDUSTRY PROFILE

Companies in this industry provide freight forwarding and customs brokerage services. Major companies include CH Robinson, Expeditors International of Washington, UPS Supply Chain Solutions, and UTi Worldwide. Freight forwarding and contract logistics continues to be a growth industry, considering current economic circumstances. Even so, freight and logistics companies will need to deal with numerous issues in the years ahead. For example, as trade routes become more competitive and as freight rates fall, the industry's traditional bargaining power with its shippers volume will be challenged. One important strategy to counter this challenge is to use balance sheet strength to acquire niche players in important trade routes and geographies, especially in emerging markets.

Another key to growth and profitability will be the ability to analyze customers needs and then respond quickly with differentiated and advanced logistics solutions. That will require better IT tools to improve internal process efficiency and to generate analyses that result in deeper understanding of customers' industries and business processes.

As customers enter new markets, especially in emerging economies, they are demanding much more than traditional transportation and warehousing services from their freight forwarding and contract logistics providers. The ability to offer new, value-added services such as warranty processing, returns management and light manufacturing is now a differentiator, as is providing services such as customs and insurance brokerage, and trade and transportation management. In other words, the ability to become a "one-stop-shop provider" is emerging as a way to achieve differentiation and capitalize on cross-segment opportunities

REVIEW OF LITERATURE

Third party logistics (3PL) is a business dynamic of growing importance all over the world. However, it is at a very nascent stage in India, though some domestic and multinational companies are trying to establish themselves in this sector. This paper is an attempt to provide a 3PL perspective in India. The paper focuses on three major issues – present extent of usage of third party logistics services, reasons for outsourcing and impact of usage of third party logistics services on business results. The paper reveals that most 3PL users are satisfied with the current level of services provided by 3PL service providers as it has led to a positive impact on business results. As a result, the usage of third party logistics services is likely to increase substantially (40 percent) in the future.[B. S. Sahay and Ramneesh Mohan]

There is growing evidence that the influence of environmental performance as a decision criteria in the consumption of products/services for consumers is growing. It's in the logistic operations where most organizations can implement green supply chain strategies. This paper presents a comprehensive literature review charting the evolution of logistics operations as it increasingly includes modern environmental concerns. Building on this the paper also presents the results of an exploratory face to face survey that was conducted to analyse attitudes to, knowledge of and preparedness among sellers but more extensively buyers of logistics services to implement sustainable logistics in Ireland. The paper shows that there is a varying degree of willingness among logistic buying organizations to implement practices to address the environmental impact of their activities. The results show that although the majority of these organizations are willing to some extent this is not universal with a significant proportion of organizations believing that there are hidden costs and risks associated with the implementation of sustainable logistics.[P.J. Byrne, Paul Ryan, Cathal Heavey]

With the ever increasing focus on cost reduction, product leadership and customer intimacy, the need for Supply Chain Management practices rises across many industries. Over the last two decades Logistics Service Providers have become important players in many chains and industries. New challenges arise due to the emergence of technologies. Data and information can be found anywhere however, to make the proper decisions we need to have an insight in how decisions should be made and what is important for the company and what not. In order to do so we solicited the Key Performance Indicator (KPI) literature focussing on the areas of general management, supply chain management, logistics service provision and warehousing. In our earlier work we proposed a KPI framework that we here revisit and validate in the Warehousing domain through the means of expert interviews. [Elfriede Krauth ,Hans Moonen ,Viara Popova, Martijn Schut]

RESEARCH METHODOLOGY

OBJECTIVE OF THE STUDY

- To compare the effectiveness of logistics management at C.H.ROBINSON and to bench mark the organization with respect to the industry.

- To have a thorough understanding of how logistics and freight industries work.
- To identify the drivers behind Logistics and Freight.

RESEARCH PROBLEM

The need for the study was to assess the effectiveness of Logistics Management in C.H.ROBINSON compared with other organization in the same industry. The organization also needs relevant data as to how it can improve its management policies in order to gain future market share.

RESEARCH METHODS

The type of research is analytical. Data regarding the division of logistics management such as Freight, Warehousing, Cross docking, Network Design etc. in which C.H.ROBINSON are at present in business were collected from other similar firms in the industry. The indicators selected are ease of service, client handling, customer service, website information, employee efficiency in general.

Other indicators for the freight and warehouse divisions are lead-time, inventory management, product availability; time elapsed in transit, operating cost and customer satisfaction. The collected data was analyzed and performance of C.H.ROBINSON was evaluated. As per the study the researcher has selected the right mix of techniques for the comprehensive approach, which can be suited well for the organization.

SAMPLE SELECTION

Convenience sampling is used for study, as the researcher is interested in getting an inexpensive approximation of the truth. Operations of C.H.ROBINSON WORLDWIDE FREIGHT INDIA PRIVATE LIMITED, Chennai has been acquired. Similarly, 100 samples having major operations in the Freight and Logistics have been selected for the survey. The selection was based on the sampling said above.

METHOD OF DATA COLLECTION

Primary Data: The major tool used was interview with managers and staff of the branch office, questionnaire was developed focusing various aspect.

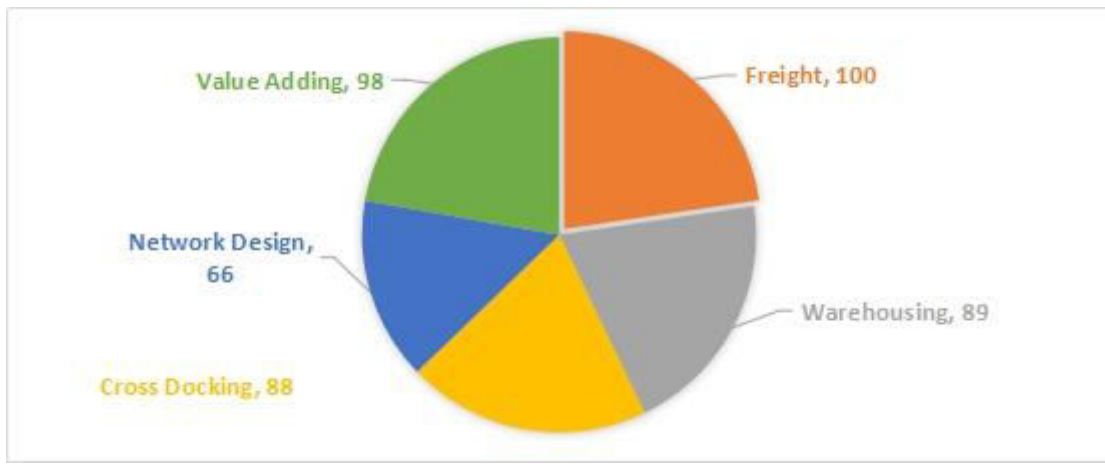
Secondary Data: Books of Logistics Management for literature reference, Internet WebPortals, Websites of each firm, Company Brochures

DATA ANALYSIS AND INTERPRETATION

- 1) Which are the logistics services organizations offers?

Table-1 Service Offer		
Sl.No	Service	Percentage
1	Freight	100
2	Warehousing	89
3	Cross Docking	88
4	Network Design	66
5	Value Adding	98

CHART 1 Service Officer



The pie chart above shows the service offer of each organization. The chart shows that 100% of the respondents provide freight service and almost 90% provide Warehousing and Cross docking. Only 66% were providing service of Network Design. Other service includes value adding, which represents 98 % of the sample. It includes packaging, labeling etc.

2) Operating with other logistical providers and reasons for decisions.

<i>Table-2 Operate With Logistical Providers</i>		
Sl.No	Decisions	Percentage
1	Operational Stability	11
2	Cost Effectiveness	10
3	Customer Needs	36
4	Other	96

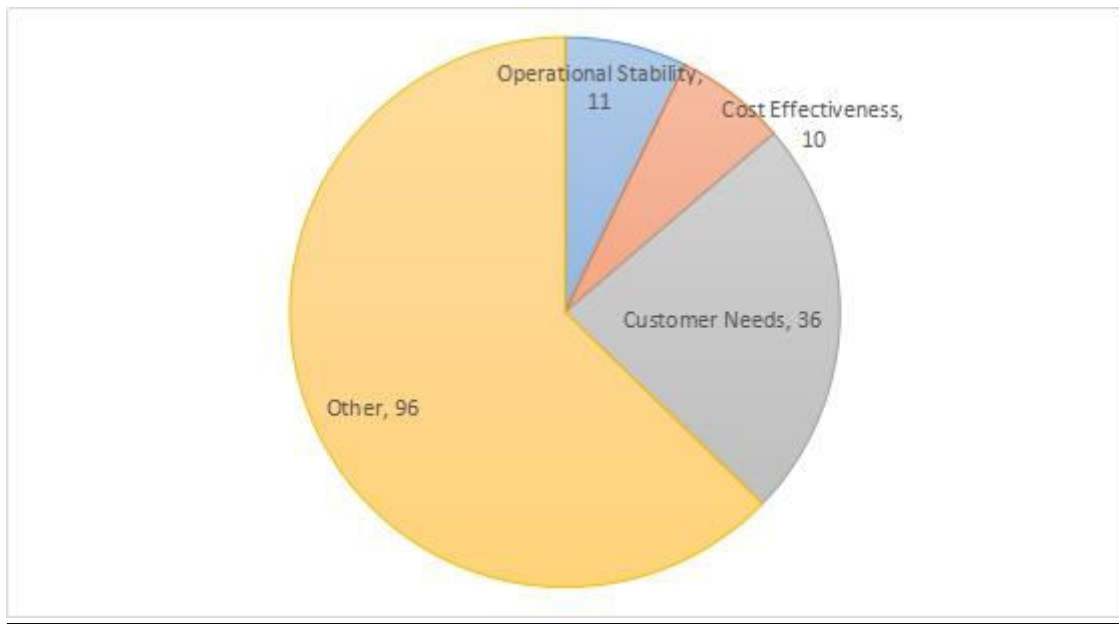


CHART 2 Operate With Logistical Providers

The pie chart above shows the operational decisions and reasons for operations with other logistical providers. The chart shows that 96% of the respondents operate with other service providers for different reasons like coordination, clearance, bulk operations etc. Almost 36% have operations with other providers as per customer needs. Only 11% and 10% were providing service along with other providers for the purpose of operational stability and cost effectiveness respectively. It is stated that 96% of organizations operate with other logistical providers and remaining 4% as standalone.

FINDINGS

The quality of service as rated is above average in the case of CH Robinson compared to industry. But the organization should continuously try to improve the quality aspect as is being done by other players in the field. This is quite a necessity as otherwise the figures may fall down. Continuous improvement is a must so that the customers will prefer CH Robinson as their first choice in Logistics and Freight industry category. This can be achieved with more modern equipment's and proper guidance to employees and the rating can go high to excellent service.

- a) Pricing of service is satisfactory, which organization can further enhance with proper management. Present employee strength is satisfactory compared to other organization but more focus should be made to human resources and documentation areas where the firm has lesser employees compared to other organizations.
- b) Network Design is an area that the organization should not start

immediately due to low rate of returns is recorded as the industrial average.

Design of new warehouse areas and proper allocation of work with more sophisticated software facility can be done through outsourced way during implementation.

- c) Decision making is excellent for organization with respect to other organization in the industry.
- d) Operation with other logistical providers should be given more preference to achieve cost effectiveness.
- e) The organization client handling, website management and customer service is having remarkable difference from the industry standards. The main focus need to be on the ease of service and employee efficiency. From the data we can infer that areas which need to be improved are Website and employee efficiency. Employee efficiency can be improved with a proper Human Resource department.
- f) Service offer presently has good impact with other organizations service offers. The remarkable areas are Freight, warehousing, and Value Adding. Company can further enhance operations of cross docking and network design through proper methods.
- g) In the sample taken only a few organizations has inventory short and excess. Values are 119 and 29 for shortage and excess. CH Robinson had shortage, but no excess in inventory and while comparing with industry CH Robinson have remarkable value.
- h) The efficient methods for retaining customers are Phone, Email, Sales Agents and least preferred methods are Fax and Gifts.

SUGGESTIONS

Organization can further straighten the employee strength in the documentation and HR department. This can lead to further rapidity for operations.

Organization can initiate Human Resource Department to further enhance employee motivation. This will have favourable impact for the operational as well as total strengthening of organization

Decision making is quite effective and can be followed for future operations

Operations with other logistical providers need to be enhanced further for operational effectiveness, more focus should be given to customer delight and cost effectiveness.

Quality of service can be further enhanced to increase customer delight.

Client handling and service need to be followed in the same way and can be further enhanced with more support. This can be achieved by proper guiding of employees and other workers in the logistical area.

CONCLUSION:

The universe everyday is witnessing unimaginable growth in majority of the industries. The logistics and freight industry is one such industry that is rapidly growing. Worldwide logistics industry is distinguished by fast technological advances and is growing rapidly than most other industries over the past years. With stiff competition around, the company is likely to reduce the profitability but with proper management of operations and by proper customer desired services, and also effectively utilizing its alliances it can

maintain and improve the performance. Joint operational ventures for developing the customized services for its steady growth. The organization has enormous opportunities to grow beyond the expectations. CH Robinson has come a long way from being just a service provider. The organization now has the value of being an ultimate service provider for Freight, Transportation, Cross-docking and Value Adding as per customer needs. The present scenario and the future of the organization with regard to the management are satisfactory. The organization can increase the market share by improving with more state of art technology. The organization can diversify into related other business areas like Warehouses for lease to other organizations, state of art technology providers for other organizations. More importance is to be given for HR development by having a separate department for it. With the development of such a department, several favorable impacts such as increase in output per employee, increased loyalty, team spirit etc can be generated. As far as CH Robinson is concerned it can be stated that through its excellent service and aggressive logistics service, organization has shown a noticeable increase in the market share. However, there are some areas where the company is not at the top-most position but it can certainly gear up in the near future and is committed to acquire that spot. On implementation of the above recommendations, the management can lead CH Robinson to the top most position when bench marked in the coming years

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