

A STUDY ON THE STRATEGIC OPERATIONS OF THE FREEZONES WITH SPECIAL REFERENCE TO JAFZA FOR PHOENIX SHIPPING LLC

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ABSTRACT

- ✓ To understand practical application of theoretical learning of various aspects of Freight forwarding and logistics management.
- ✓ To learn various aspects related to Air/ Sea/Land freight management.
- ✓ To learn about documentation in respect of the above.
- ✓ To understand handling and management of DGR goods.
- ✓ To get insight into operations related to Warehouse and CFS management.
- ✓ To get insight into the information systems used by the organization.
- ✓ To understand rules and regulations of different countries on documentation related to shipment of goods.
- ✓ To get opportunities to connect professionals in logistics industry.
- ✓ To get an insight into problems, if any, faced by the organization and suggest solutions.
- ✓ To get an opportunity to apply skills and attitude required in workplace.
- ✓ To understand difference in time zones in various countries and apply the same in shipment management.
- ✓ Usage of various Inco terms, types of documentary credits, charter services etc.
- ✓ To get an insight into overview of the industry.
- ✓ To understand interpersonal relations in an organization.

DOCUMENTATION OF INTERVIEW

The below mentioned are the questions asked during the interview

1. What are the documents company deals with to facilitate international trade?
2. What is calogi and why is it being used?
3. What is the difference between freight prepaid and freight collect?
4. What are the different types of containers used in air & sea freight?
6. What is the procedure used in air import, air export?

7. What is the procedure used in sea import and sea export?
8. What is the difference between BAF & CAF?
9. What is I Pack and what is ERP software?
10. What problem the company faced in ERP system?
11. What is the difference between cross trade and transshipment?
12. How container enquiry or Vessel enquiry is done online?
13. Using calogi how house air way bill is attached to master airway bill?
14. What ERP system is being used and what are its salient features?
15. How the payment is made by the customer?
16. What are the skills required in warehousing and operating forklifts?
17. What is the difference between stacker and forklift?
18. How is the rate calculated in sea freight and air freight?
19. How are the shipments managed according to different time zones?
20. Any idea on the cost incurred on ERP system?
21. What is the difference between roll off roll on (RO-RO) and Load on load off (LO-LO) and when it is being used?
22. What is the difference between FCL and LCL and how rates are being calculated?
23. What are the different modes of container services?
24. How un-sized cargo is being moved?
25. What are the precautions to be taken so goods in transit are not damaged?
26. How rates are being calculated to the customer?
27. What problems the employees have faced in operations due to ERP system?
28. What are the rules to be known while trading with other countries?
29. How DGR good is being differentiated from NON DGR goods and how it is handled?
30. What is the difference between warehouse and CFS in terms of operations?

LIMITATIONS OF STUDY

- ✓ Though it was a wonderful experience, I was not allowed to handle the system during my training session. All my observations in the study are based on interviews with the employees of the organization and observation on how they carried out their work.
- ✓ Employees were extremely busy handling day to day activities; the lack of motivation on their part to train me was clearly evident.

ANALYSIS

An attempt has been made to cover in the following paragraphs basic concepts, documents required and work flow process related to Air and Sea Freight, Import/Export, Warehousing, CFS, handling of DGR goods etc, problems encountered and suggested solution.

DOCUMENTS USED IN AIR &SEA FREIGHT

SHIPMENT REPORT

A report prepared when shipment starts from origin until it reaches destination and depending on the shipment status which is co ordinate among by sales coordinators with the operations on weekly basis for every week and sent to their operations. Once the shipment reaches destination and confirmed the file for that client is closed until the file is being updated. For LCL shipment only for imports sales report is prepared.

SCOPE OF WORK (SOW)

It is a document used for sea freight import (LCL&FCL), air freight import and export, but in sea freight LCL import SOW is prepared and sent to the back office and in return they will send the cost sheet and invoice which is calculated by back office and SOW once it is calculated then job opening is done.

INVOICE

An invoice is a detailed bill left by vendors and outside suppliers for goods or services rendered to a company. A typical invoice might list the quantity of each item, prices, billable hours, service description and a contact address for payment. While some expenses may be paid out of a general fund or petty cash account, an invoice is usually paid through an accounts payable department by the posted due date.

B/L (BILLS OF LADING)

Document issued by a carrier to the shipper as a contract of carriage of goods. It is also a receipt for cargo accepted for transportation, and must be presented for taking delivery at the destination. B/L contains consignor's and consignee's name, ports of departure and destination, name of the vessel, dates of departure and arrival, itemized list of goods being transported with number of packages and kind of packaging, marks and numbers on the packages, weight or volume of the cargo, freight rate and amount.

It serves as a proof of ownership of the cargo, and may be issued either in a negotiable or non-negotiable form. In negotiable form, it is commonly used in letter of credit transactions and maybe

- Bought
- Sold
- Traded
- Used as security for borrowing money

A B/L is required in all claims for compensation for any damage, delay, or loss; and for the resolution of disputes regarding ownership of the cargo.

TALLY SHEET

This is used in the warehouse for import of goods when are goods are to being imported they are counted according to pallets there many goods are available in order to know that the goods that has been received so accordingly it will be stored in the warehouse and that much of space will also be allotted.

CARGO ARRIVAL NOTICE

It is a document used when the shipment is arrived and it will be given to the consignee in for the confirmation to the consignee that for arrival of shipment. *It* contains a standard Arrival Notice Invoice document, which can be faxed or emailed to the Consignee or their Broker to provide

shipment details and charges and documents required to enable them to make customs clearance and arrange pickup and delivery.

MATERIAL SAFETY DATA SHEET

It is a document given by the manufacturer depending on the goods of they are DGR goods and to which extent they are dangerous. CSS has tie up with Araina afghan airlines for the movement of cargo from Dubai to Kabul and Kandahar and the customer is offered a special rate since CSS logistics has tie up with the airlines.

AIRWAY BILL

When cargo sent by air, the shipper of the cargo prepares airway bill in triplicate (three copies). The airway bill is otherwise called as air consignment note. The three copies of airway bill are made as follows:

The first copy is signed by the sender and is handed over to the carrier. The second copy is signed by both the carrier and the sender of the goods and it is handed over to the consignee. The third copy is signed by the carrier and is handed over to the consignor after the receipt of goods. The airway bill contains place and date of carriage contract, the place of departure, the name and addresses of the sender, name and addresses of the carrier, name and addresses of consignee, description of goods, nature of goods and the details of freight.

DELIVERY ORDER

A delivery Order is a document from a consignor, a shipper, or an owner of freight which orders the release of the transportation of cargo to another party. Usually the written order permits the direct delivery of goods to a warehouseman, carrier or other person who in the course of their ordinary business issues warehouse receipts or bills of lading. A Delivery Order which is used for the import of cargo.

FINDINGS& RECOMMENDATIONS

- ✓ Understood practical application of theoretical learning of various aspects of Freight forwarding and logistics management.
- ✓ Learned various aspects related to Air / Sea / Land freight management.
- ✓ Understood handling and management of DGR goods.
- ✓ Understood operations related to Warehouse and CFS management.
- ✓ Understood about the information system used by the organization.
- ✓ Understood difference in time zones in various countries and application of the same in shipment management.

- ✓ Usage of various Inco terms, types of documentary credits, charter services etc.
- ✓ Understood the use of CALOGI system for Air freight which reduces time and paper work.
- ✓ Understood interpersonal relations in an organization.
- ✓ Learned about documentation in respect of the above.
- ✓ Got an opportunity to learn skills and attitude required in workplace, briefly.

Recommendation : -

After studying carefully we recommend the following techniques & methods to be implemented:-

- ✓ Inventory technique to be improved in the process.
- ✓ Documentation should be handled properly on / before time so that there should not be any problem in material clearance.
- ✓ Various types of stocks maintaining techniques like ABC analysis & inventory management technique to be introduced in the warehouse
- ✓ Awareness campaign of improving on-work knowledge for various shipping technique to be held in the organization.

CONCLUSION

UAE is well positioned to act as a link between the West and East for facilitating global trade by virtue of its location on the earth. Recognizing the importance of logistics, the UAE government has promoted Dubai Logistics City. Dubai Logistics City (DLC) is an integrated logistics platform with all transport modes, logistics and value added services, including light manufacturing and assembly, in a single customs bonded and Free Zone environment. DLC is attached to the upcoming DubaiWorldCentralInternationalAirport and adjacent to the JAFZA it will be opportunity for the logistics industry in UAE. The future of logistics and transport industry, and the growing importance of a customer-focused approach driven by innovation, were the key topics of discussion at the conference organized and, a leading logistics solutions provider, in Dubai. As the worldwide economy continues to show positive signs of recovery remains on a financial and operational growth track, this annual gathering served as a platform for global team leaders to share their specific experiences and collectively identify future expansion opportunities. This is a quantum leap year for the logistics business in the Gulf and the greater Middle East and will cater to the region's requirements up to 2050. DLC will be the first phase of the new Jebel Ali Airport City, which eventually will span almost 140 square kilometers, featuring logistics, and aviation, commercial, residential, educational, recreational, technology and entertainment facilities. DLC will be a free zone and the preferred location for businesses which require, or offer, logistics and multi-modal transport services to the GCC, wider Middle East, India, and Africa market of more than 2 billion consumers. This is the

world's first truly multi-modal facility for air, sea and road services combined into an integrated common logistics platform. DLC will allow companies to integrate their regional manufacturing, sales and support infrastructure and organization into their global networks. Spread over 25 square kilometers, DLC has begun operations since 2007. It will handle more than 12 million tons of air cargo annually in up to 16 air cargo terminals all designed to handle the new generation Airbus A380-800F freighter version of the giant airliner. DLC and Jebel Ali international airport are being built next to the Jebel Ali Free Zone and port, which is being further extended to handle 15 million TEU (container units) per annum within more than 100 square kilometers. This major initiative will allow Dubai International Airport to focus on the development of passenger traffic without suffering from congestion or bottlenecks caused by freight and logistics operations. DLC will provide: land plots for dedicated industrial businesses, trading companies, distributors and logistics service providers; shared facilities, such as warehouses and offices as well as modern air-side cargo handling facilities. 'DLC's wide and competitive offering will focus on delivering speed, efficiency and economy so our customers, in turn, can pass these values.

The unique platform will be another of Dubai's outstanding business landmarks and will strengthen the emirate's position as a regional logistics hub. DLC is aimed at boosting business opportunities and developing services and facilities for its customer base that address the needs of leading global, regional and local industrial businesses, trading companies and logistics service providers who need multi-modal transportation. These will include airlines, integrators, multi-national, regional and local forwarders, as well as third party logistics service providers. It will also target key high-end logistics users including multi-national companies within the automotive, I.T., pharmaceutical, electronics and communication.

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