



# 21<sup>st</sup> CENTURY LOGISTIC SOLUTION

BY **AGARWAL PACKERS AND MOVERS LTD.(APML)**

Agarwal Packers & Movers Ltd. (APML) is betting big on trucking cube solution. The solution allows containerized movement of all kinds of goods and ensures safety and security during transit as well as storage. APML is headed by Ramesh Agarwal, the Chairman, under whom the company had a turnover of over ₹ 450 crore. As the company comes to its 30th anniversary, Agarwal's belief that trucking cube will make all the difference in the world to supply chain modalities in the country. Some of these cubes are imported while others have been outsourced to various manufacturing units.

Today, all of APML movements take place via the Trucking Cube Solutions, they had a very clear reason for this—most service providers in the logistics industry in India have been driven by the feeling that anything can be pushed to the consumer. APML felt that there was discrepancy in quality standard, from the manufacturing stage to consumers, is mostly happening during transit of the product. “We transporters are quintessentially partners of the manufacturers. A factory might be having 1000 trucking vendors. But even if one of them shows laxity in maintaining the quality of the product, an unsafe product can be delivered to the consumer,”



Ramesh Agarwal explains adding that if something goes wrong at the end-user level, the reputation of the manufacturer will nosedive. There is an analysis which says that about 6 % of trucks face breakdown during transit of goods. The most common solution is to bring a new truck, load the goods on to the new truck and move on. Nobody notices the nature of the goods the replacement truck has carried earlier. What if it was carrying chemicals or pesticides? It will spoil the food products offloaded from the original vehicle and same will certainly harm the end consumer.

## **SAFE AND SECURE**

Trucking Cube solution ensures that there would be no physical offloading in case the goods have to be shifted from one freight vehicle to another. As part of this solution, the trucks will have flat body and in the event of a breakdown entire cube will be transferred to another truck,. So there is no possibility of them getting into contact with any external hazardous elements which may dilute the quality of the product. Agarwal Movers & Packers Ltd. has cubes available in four to 20 feet sizes. It has an impregnable

coverage, protects the goods from dust, rusting and other things. The floors have been carefully designed to carry these containers; they have a shock absorbing floor pad. Plus, there is a safety net with every cube container so that the transit jerks do not cause any damage to the goods. They also control abrupt fall of goods from the top shelf to the container when it is opened.

The popularity of the cubes has been unprecedented. Agarwal is elated, "I never imagined that its demand will escalate in such a short span. We had launched with 500 cubes but demand went through the roof. Scaling became a challenge together with competent maintenance of the cubes. They also require special stock yards and proper loading and unloading equipment. Still, we have cobbled up around 2500 cubes and in the next two years the target is to take the number to over 10000." He agrees to the fact that it still isn't enough to cater to demand from a country as vast as India as he gives example of a similar company in US which has 160000 cubes in its inventory.

### COST EFFECTIVE

Even when considering storage and warehousing facilities, especially post GST, these cubes will have great value. To avoid GST, earlier companies used to have several small warehouses at the state level. But in a uniform tax regime that will not be required. APML can now offer virtual warehousing solutions to his clients. The clients can now continue with their regional distribution centers to deal while their goods can remain parked with APML in stock yards. Once the clients inform them where it has to be delivered, the company will take care of the last mile delivery. The company currently has 34 yards which they intend to take it up to 50 in the coming few years.

APML has pumped in over Rs 100 crore in this solution; most of which has been used in increasing the cube inventory, stock yards and trained manpower to support the business.

In a time when cost efficiency is paramount, APML assures that the logistics cost to their clients will come down by 8%, even as they cater to a

superior and more efficient service. It can also be used for the movement of household goods, a segment where APML are market leaders and recognized 5 times in succession by Limca Book of Records. All goods of consumers who are shifting cities is packed in a container/ Cube and the same is locked by the client himself and retains the key and in case there is a delay in the actual shifting of goods, the company can provide storage in their stock yard and this service has no additional cost for 7 days. "The common charge for keeping goods in fully built warehouse works out to be around Rs 14 / sqft in India on an average where as our open stock yards where goods are parked in a cube cost just Rs 3-4/ sqft. The difference is huge," Ramesh Agarwal explains why they're able to offer complimentary storage services. He adds that the loading/unloading cost which is labor intensive is also low because they don't need many human hands ,these are big savings which we are passing on to our customers. **"Our new initiative is bold and will bring a significant impact on the way logistics sector works."**

