

Value Proposition – Courier Cargo Logistics Software

Addressing Key Operational Issues for Enhanced Business Performance and Growth

Key Issues and Financial Impact

1. Volumetric Weight and Missing Weight

a. **Issue:** Significant loss due to inaccurate weight measurements and missing weight in consignments.

b. **Assumptions**

i. LBH Volumetric Weight is missing, per day for 1000 Consignments, out of which we assume 10% are wrong = 100 Consignments

ii. Each Consignment is having an average of 10 Pieces

iii. On an average Per Piece Loss is of 1 Kg, Total Loss is of 1000 Kg Per Day

iv. Per Kg Charge is Rs. 50

c. **Impact:**

- Daily: Rs 50,000
- Monthly: Rs 3 Lakhs
- Annually: Rs 36 Lakhs

2. Minimum Chargeable Weight

a. **Issue:** Inaccuracies in determining and billing minimum chargeable weight.

b. **Assumptions**

i. Minimum Chargeable Weight is wrong for 10% of Consignments, per day

ii. For 1000 Consignments booked per day, out of which we assume 10% are wrong = 100 Consignments

iii. On an average Per Piece Loss is of 1 Kg, Total Loss is of 100 Kg Per Day

iv. Per Kg Charge is Rs. 50

c. **Impact:**

- Daily: Rs 5,000
- Monthly: Rs 1.5 Lakhs
- Annually: Rs 18 Lakhs

3. Billing Inefficiencies

- a. **Issue:** Lack of a system to ensure all shipments are correctly billed like missed billing of consignments, less amount billed for consignments
- b. **Assumptions**
 - i. 30,000 Consignments are booked per month, out of which 2% of consignments are missed to be billed = 600 Consignments
 - ii. Cost Per Consignment is Rs. 500
 - iii. 30,000 Consignments are booked per month, out of which 10% of consignments are billed for lesser amount = 3000 Consignments
 - iv. Loss Per Shipment due to billing at lesser cost is Rs. 100
- c. **Impact:**
 - Monthly: Rs 6 Lakhs
 - Annually: Rs 72 Lakhs

4. Value-Added Services Missing

- a. **Issue:** Absence of value-added services reduces customer satisfaction and potential revenue.
- b. **Assumptions**
 - i. 3,000 Consignments are booked per month, out of which for 10% of consignments require value added services to be added = 300 Consignments
 - ii. Cost of Value-added Services per Consignment is Rs 100
- c. **Impact:**
 - Impact: Impact: Daily: Rs 30,000
 - Monthly: Rs 9 Lakhs
 - Annually: Rs 108 Lakhs

5. Avoiding Premium Customer Orders

- a. **Issue:** Fear of compounding existing issues leads to avoiding high-value orders.
- b. **Impact:** Loss in potential growth and revenue.

6. Lack of System and SOPs

- a. **Issue:** No standard operating procedures in place, leading to inefficiencies and higher risk of operational failure.
- b. **Impact:** High operational risk, potential for business collapse.

7. Data Backup and Maintenance

- a. **Issue:** No backup of critical business data, leading to potential data loss and operational disruptions.
- b. **Impact:** Lack of control over operations, accounting, and compliance data.

8. E waybill and Compliance Penalties

- a. **Issue:** Non-compliance with E-Way Bill regulations and other statutory requirements.
- b. **Assumptions**
 - i. E-Way Bill Penalty is of Rs. 2 Lakhs per Month
 - ii. GST Penalty is of Rs 1 Lakh per Month due to GST Credit, Missed Filing, Wrong Calculation, Missed Credit Note Filing for Agents, Vendor and Customer
 - iii. TDS Penalty is of Rs 1 Lakh Per Month due to Missed TDS Payments, Wrong Calculation for Agents, Vendor and Customer
- c. **Impact:**
 - Annually: Rs 48 Lakhs

9. Vendor Payment Accuracy

- a. **Issue:** Inaccuracies in vendor payments leading to financial discrepancies.
- b. **Impact:**
 - Annually: Rs 10 Lakhs

Benefits of Addressing These Issues

1. Increased Customer Confidence

- a. **Benefit:** Enhanced customer trust leads to higher retention and acquisition rates.

2. Increased Employee Confidence

- a. **Benefit:** Improved morale and productivity among staff.

3. Growth in Brand Value

- a. **Benefit:** Strengthened market reputation and competitive edge.

4. Exponential Turnover Growth

- a. **Benefit:** Substantial increase in revenue and profitability.

5. Network Expansion

- a. **Benefit:** Ability to confidently grow network, add more business associates and franchisees.

6. Improved Cash Flow Management

- a. **Benefit:** Better financial health and operational stability.