Agarwal Packers and Movers Limited

Addressing his employees, Steve Jobs once said, "Our DNA is as a consumer company - for that individual customer who's voting thumbs up or thumbs down. That's who we think about. And we think that our job is to take responsibility for the complete user experience. And if it's not up to par, it's our fault, plain and simple."

Founded in 1987, the DNA of Agarwal Movers Group (AMG) was no different. A family-owned and professionally run business, AMG was India's leading logistics and solution provider for household goods relocation.

In February 2015, the annual meeting of Agarwal Packers and Movers Limited (APML) was nothing less than a celebration for the entire team. Their key service innovations helped in successful implementation of novel packaging processes through which the company not only reduced customer complaints but also absorbed the increase in packaging cost without increase in freight cost. Mr Ramesh Agarwal, Chairman-cum-Managing Worker of AMG, reflected upon the innovative approach followed by the organization to identify cost effective solutions for packaging and relocating household goods. Without being complacent, the APML team wondered if the innovation process was sustainable from the point of view of the organization. In addition to this, the company was looking at transforming the drive from a reactive (customer-complaint driven) to a proactive innovator in the industry.

Background

In 1987, Ramesh Agarwal transported household goods for one of his ex-military seniors from Hyderabad, which led to the foundation of Agarwal Household Carrier.

Over time, the company grew with experience, core competence, and confidence and established itself as one of the India's largest household transportation companies. The company's name was soon changed to Agarwal Packers and Movers Limited. It had a fleet of over 1,000 vehicles, 80 company-owned offices with headquarters in New Delhi. It was an ISO 9001-2008 certified organization with a turnover value of over INR 3,820 million[1] in 2013-14 and aspired to reach INR 20,000 million by the year 2020. It employed 1,173 employees at payroll with more than 4,000 people attached indirectly with the company. It was amongst the only four companies in India to be certified by ISO 39001:2012, which attested their contributions in road traffic safety. In 2012-13 APML was registered in Limca

[1] 1$ = INR 63.44

Prepared by Professor Debjit Roy, Indian Institute of Management, Ahmedabad. The author acknowledges the support of Krishan Mittal (research intern, IIMA); Mahindra Trucks and Buses Division; and Ramesh Agarwal, Navneet Agarwal, Sandhya Bhartiya, and other associates from Agarwal Packers and Movers Limited in developing this case.

Book of Records for transporting household goods of 61,302 clients (Exhibit 1). The core values of APML were ***A****astha*[2], ***A****pnapan*[3], ***A****wesome*, ***A****spiration,* and ***A****ssurance*.

Services by APML

- ***APM Domestic Moving***: Performed packing, loading, moving, unloading, and unpacking of the goods using convenient and good handling practices, all coordinated by a centralized office in Delhi (India).
- ***APM International Moving***: Provided relocation services to and fro for more than 200 countries and territories worldwide. The APML team conducted relevant research on international client culture and regional etiquette to execute business operations efficiently. Variety of packaging materials such as corrugated boxes (for books and crockery), corrugated rolls, bubble wraps, tissue papers, thermocol, corners, crates, and cases were used to prevent damage to the consignment.
- ***APM Home Storage***: Involved storing client's goods at destination for both long term and short term. This applied to cases where client had not finalized the destination for the goods or had to move to other places on temporary assignment.
- ***APM Car Carriers***: Involved transportation of client's car in its pristine condition using safety measures such as safety chains and locks, wheel stoppers, and safety belts.

Other Services

Apart from the above services, AMG also offered:

- ***APM Transportation***: Involved employing a multi-modal transport model as airways, seaways, railways or roadways depending on the purpose.
- ***APM Warehousing***: Provided safe and convenient storage for computers, documents, home furnishings, antiques, furs, linens, mattresses, electronic equipment, musical instruments, and innumerable other items using facilities such as multiple loading docks, provided with ample amount of space for staging of materials at the time of receiving and shipping (Exhibit 2).
- ***APM Exim Cargo***: Provided inter-modal transportation for the movement of export/ import containers through local transportation for both domestic and international shipments.
- ***APM ODC (over dimensional cargo) Transportation***: Involved movement of over dimensional, heavy, and bulky cargo. This included telecom equipment/ towers and rail coaches.
- ***APM Infrastructure***: Provided infrastructure and roof-tech services to functional domains such as commercial, agricultural, and industrial groups such as warehouses, godowns, and large sheds using state-of-the-art technology to assure durability, quality, and safety. Notable clients included Walmart.

APM Domestic Shifting

Agarwal Movers Group provided household relocation services under its flagship company, APML. The revenues from relocation services accounted for over 60 per cent of total revenue of AMG.

[2] Belief
[3] Oneness

Organizational Structure

Ramesh Agarwal believed that while practice makes a man perfect, so if one practiced being a server for his entire life, he can never become an owner. Therefore, in APML, the managers at different levels were called *Maliks* literally meaning 'owners'. Every branch had a *Branch Malik*, while a group of branches was headed by a *State Malik*. For the purpose of ease of operations, the country was divided in four zones. Rajender Agarwal, brother of Mr Ramesh Agarwal and Vice Chairman and Head of operations managed the West, East and South zone while the North zone was managed by Ramesh Agarwal (Exhibit 3).

Domestic Relocation Process

APML had standardized entire operational process in an organizational book detailing the roles and functions of employees within each department. The process started when a client made an enquiry for relocation, which came through any of the three mediums: website, telephone or email. This enquiry was followed by a survey of the house to assess the volume of goods that needed relocation. The survey could be either a physical assessment (98%) in which the survey officer visited the client's house to gather useful information about relocation on the basis of pre-defined survey forms or through distance survey (2%) where the client gathered the useful information himself by taking instructions from the survey officer over the phone. The details were then entered into a mobile tablet by the survey officers. Based on this form, a quotation was sent to the client detailing the cost of relocation. After this, for 70 per cent cases, the booking was confirmed (sometimes, the client had to be contacted 2-3 times). In case of a non-conformation, a feedback was taken from the client asking about the reasons for not going ahead with the booking (Exhibit 4).

After confirmation, the process was divided into two parts: *hospitality*, which made the front end of the process and *operations*, which made the back-end of the process. There were two coordinators, who acted as intermediaries between the hospitality and the operations department. These coordinators ensured smooth flow of information between the teams internally.

The hospitality team comprised of about 20 people known as 'Your Shifting Assistant' (YSM). After confirmation, each client was assigned a YSM by APML, who served as the single point of contact between the client and the company. His job was to keep the customers informed about the location of their goods through telephone calls during various phases of the goods transportation (Exhibit 4). The phases of the relocation process were:

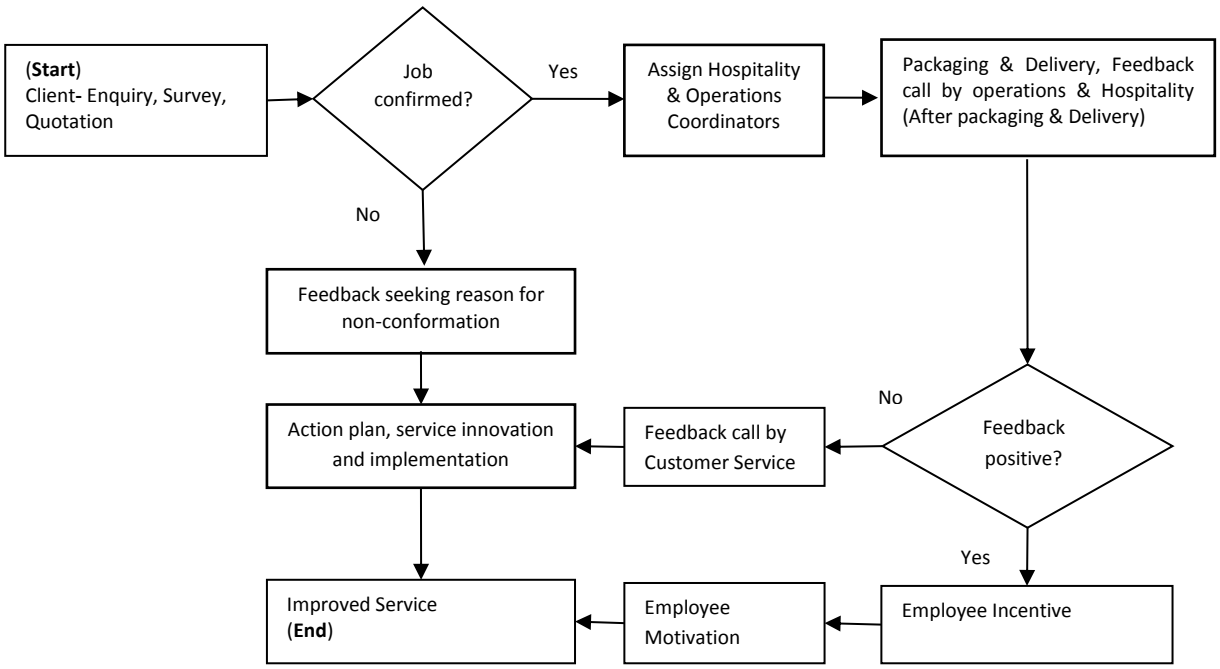
- *Phase I:* Introduction call just after confirmation of the booking.
- *Phase II*: This call involved taking a feedback after packing was done.
- *Phase III:* During transit of goods, customers were called every alternate day to inform them about the location of their goods.
- *Phase IV:* This call was to fix an appropriate delivery time based on client's convenience, after the goods reached the destination city.
- *Phase V:* This call was after the delivery and a feedback was taken from the client about the overall experience with APML's service.

The operations team comprised of a team of packers along with their supervisors at individual branch office. They were responsible for packing and delivery operations performed at the source and destination respectively (Exhibit 4). On confirmation of a booking, the branch office at the originating city was informed where the *Branch Malik*

issued a duty slip, an inventory issue slip, and wrapping material for the job. A typical packing team included four packers and one supervisor. However, other factors such as the number of floors and distance between the house entry and the vehicle location affected the number of packing team members. This team was responsible for packing and loading of consignments. The goods were then transported from the origin branch office to the destination branch office. At destination branch office, a duty slip and inventory collection slip was issued and an unpacking team was assigned for unloading, unpacking, and re-arranging the goods. They also collected the reusable packing material. The unpacking team had the same composition as the packing team. After delivering the goods, feedback was taken from the customer.

Cases of negative feedback post delivery of goods were handled by Customer Care Department. Any customer claims were also handled centrally by the Customer Care Department. The idea of having the customer care team centrally located was to have a focused approach. Also, it facilitated observation of any patterns or trends in the complaints/claims received across locations. While there were approximately 10 per cent complaints on the total number of deliveries, only 2.5-3 per cent of these complaints were requests for monetary settlements.

Figure 1: Domestic Relocation Process



Source: Author's representation

Employee Performance Appraisal

At APML, monthly performance appraisal was done at different levels based on the feedback obtained from customers. In the hospitality department, performance score was evaluated on the basis of appreciation given by the client. Shifting assistants got a score of 1, 4 or 6 based on the feedback by the customer.

In the customer care department, appraisal was done on the basis of a gain share matrix which included both, the number of claims solved and the time taken to settle a claim. They had internally set a 21 days deadline, the base time, within which a claim must be settled.

To ensure 'zero mistakes' at operational level, APML conducted a weekly branch meeting. All the employees participated in this Saturday meeting. At the employee level, this meeting provided a platform to be heard while at the supervisory level, this meeting was an opportunity to assess and share the feedback with the employees.

APML also started 'gain and share' scheme in 2014, where a share of company's profits was distributed among the employees with the percentage of share depending on the percentage of the target achieved by that particular branch office.

Also, in an attempt to treat all employees as partners in the company, APML had started an ***incremental profit sharing*** scheme under which about 50-60 per cent of the relative increment in APML's profit (obtained from balance sheet) with respect to the previous year, would be distributed to the employees while the rest would be distributed to the investors or would be invested in shares. For instance, if APML's current year profit was INR 300 million relative to last year's profit of INR 250 million, then about 50 per cent of the increase in profits i.e., about INR 25 million would be given to the employees.

Feedback and Claim Settlement Process

On 21st of every month, was denoted as the ***Claim Clearance Day,*** where all the claims and customer feedback from the previous months were discussed and appropriate actions were taken. The feedback was categorized into similar groups and the process to address the client concerns was initiated (Exhibit 4). The feedback of groups was then sent to a core committee, which was the *think tank* of APML. Problems confronted by the clients were then identified and after careful discussion and research, a plan for improving service was presented to the task head. Thereafter, the task head created an action plan for the implementation of improved services throughout the country. After the creation of an action plan, the systems head controlled the process of informing every branch in the country about the modification to the services proposed by the central office. Lastly, the vigilance department ensured that the improved processes and services were followed throughout the country without any branch specific discrepancies.

During the innovation process, suggestions were sought from the entire team of APML. The supervisor gathered the suggestions from the ground staff. This was the most elementary but also the most crucial aspect of the entire process, as the ground staff was the one who actually handled the materials. The supervisor would then share the suggestions with the branch *maliks*, who in turn would share it with the State *maliks.* After having received the ideas from all the branches, the state *malik* would filter out the ones which were feasible from the organizational point of view and send them to the top management for their views and further action. The top management would then compare the ideas with the objectives for feasibility analysis and also check the market suitability of the suggested proposal. Once the management review was done, it was forwarded to the Research and Development (R&D) Team to materialize the proposal and do a prototype testing of the product on ground. Based on the feedback of prototype, final changes, if any, were incorporated and followed by universal implementation.

Service Innovations by APML

APML developed new processes and packaging methods to improve the service experience on the basis of customer feedback. Interestingly, the innovations further decreased the *true* operational cost. These innovations could be grouped into three categories:

1. Managing Packaging Cost

The cost of packaging material was about 20 per cent of the cost to the company in transporting goods of an average 1 Bedroom-Hall-Kitchen (BHK) apartment (Exhibit 5). Therefore, APML had to cut down on their packaging costs in order to maintain the price at the same level (if not lower) and provide better customer service.

Increasing cost of corrugated sheet

Change in price of packaging materials had a significant impact on the freight cost charged for the customer. APML had been using corrugated sheets for packing goods. For one household packing, around two kg of packing material was required. With the rate of corrugated sheets increasing upto INR 58 per two kg, the APML research team had to think of an alternative, which would enable them to deliver service at a same or lower rate without being affected by the price hike.

To find a feasible solution APML's R&D team focused all its attention on getting a material which not only provided same cushioning effect as done by corrugated sheet but also brought down the overall cost. In the process, APML developed a flexible sheet named 'Fabric Sheet' (Exhibit 6). The cost of production of the sheet was INR 180 per two kg but it was reusable and could be used for six times making its effective cost to be INR 34 for a single usage (including the cost of fabric wear and tear).

Use of fabric sheets was also a step towards conserving environment because it saved 300 trees (the number of trees cut to produce the annual requirement of corrugated sheets).

For full implementation of fabric sheet in the system of packing, a time period of 20 days was set and this was also followed by training the packers about all specifications along with the ways to handle it. Timely audits were then conducted to ensure compliance.

Increasing cost of cartons

APML used normal cartons to transport books and clothes, for which the cost was as high as INR 72 per carton. To lower the costs, APML designed new trendy bags instead of cartons to transport clothes and books. This led to reduced cost as the price of each trendy bag was INR 38 only (Exhibit 6). Further, these bags created a strong brand recall because they had the logo of APML printed on them and were left with the customer at the destination.

2. Managing Customer Feedback and Claims

APML's mission was to achieve 'Zero Claims, Zero Tension,' i.e. minimize the number of claims, and reduce the stress level to improve organizational productivity. Therefore, they strived hard to deliver excellent customer service by reducing claim-related problems. At APML, feedback was viewed as a powerful tool for reducing the claims thereby improving services.

Increasing complaints about damage to LED Television

APML started receiving high number of complaints about malfunctioning of television sets after 5-6 months of relocation. An in-depth study of all the relocations that happened in the previous year revealed that during the transfer once the television was packed in the wooden crate it had to be sealed using nails (Exhibit 6). In the process of sealing, the crate was hammered 45-48 times causing damage to the delicate circuits of LED/ LCD televisions. The problems reflected after a few months. It was clearly a problem with the method that was being used for packing TVs.

Having identified the root problem, the R&D team at APML, under the guidance of management, started working on possible combinations to offer a solution to the issue. After 15 days of research on designs, the team came up with a solution that also resulted in reduced cost to the client. 'LED Box' was a box like container specifically designed to store television sets during relocation process (Exhibit 6). The box was layered with soft cushion from inside to provide extra protection to the screen, had a shock absorbing sheet, and was rugged from outside to face the inclement weather conditions. On the cost part, the box was a 'win win' situation for the company as well as its client. Since the manufacturing cost of a wooden crate was INR 800 with just one time use; whereas an LED Box with a manufacturing cost of INR 2,500 could be reused upto 14 times which brought down the cost of one time use to INR 200. This benefit was ultimately passed on to the customers who were now required to pay less for a much superior service.

Also, because of the innovation upto 160 trees were saved per year, which was very much in line with APML's Corporate Social Responsibility (CSR) objective.

Damage to fragile items such as crockery

In the course of its market research, APML's team came across certain customers who had also used services of some other packers in the market. Feedback obtained revealed how fragile items like crockery and glass decorative pieces got damaged during shifting.

The research team realized packing crockery items in normal cartons resulted in much damage due to their fragile nature. Further, thermocol sheets used for initial wrapping tended to break into small pieces (during handling, packing, as well as unpacking) scattering all around. Hence, special boxes called 'perfect boxes' were introduced which were foamed from inside for transporting fragile items ensuring their utmost safety (Exhibit 6).

This not only solved customer problems but also resulted in cost savings for the company. The thermo-sheet packing cost was just INR 2.5 compared to thermocol packing cost of INR 7 saving 200 trees annually. The perfect boxes were sealed with security stickers. The customer had to sign on the sticker after the packing process, which further enhanced the customer's trust in the company.

Samples were distributed among different branches for testing so as to know their suitability in practice. Testing was done for a period of 15 days in different geographical locations and with goods of variable fragility level. Once the assessment was over all samples were evaluated and the best were selected. Also, some major modifications were made in the internal specifications based on the feedback obtained during testing process.

After finalization of container, a span of 20 days was fixed to replace all existing cartons used in packing.

Also, corner and side protection covers for cartons were used in order to strengthen them (Exhibit 6).

Requirement for filler

Number of claims owing to the damage done to the clients' motorcycle fuel tank during transportation was rising. To address this, the most apparent solution was to use air-packed containers, which would act as fillers and provide support during transportation. However, they were expensive. Hence, APML had to think of an alternate solution which was cost effective too.

Finally, APML team came up with an innovative idea to collect used cement bags, clean them, fill them with grass and foam and then use them as filler. It provided a permanent and effective solution to the problem and the production cost was only around INR 5 per bag.

Requirement for wardrobe carton

Special boxes called 'Coat Carriers' with pre-installed hanger were innovated (Exhibit 6). These were meant to benefit those customers who wanted certain clothing items such as a coat or a shirt to be transported unwrinkled at the destination for immediate use. The cost of a hanger for coat carrier was INR 130 and it was reusable.

Packaging of religious items

APML faced a problem with some of its clients while packing their religious items. These clients were very sensitive and wanted their religious items to be dealt with utmost care. This was a matter of serious concern for APML team, who highly valued emotions of the clients.

After giving it a considerable thought, certain guidelines were laid down for packers to pack items of religious value. The packers were to first wash their hands and remove their shoes before entering the *pooja room*[4] of the house. They were also given behavioural training for the same. Also, the carton containing religious idols and other items of worship was marked with a newly designed *Mandir*[5] sticker (Exhibit 6). This sticker distinguished the particular carton from the other cartons. These cartons were the first to be packed in the packing list and were always the last to be placed inside the truck. The same procedure was then followed while unpacking the goods.

Potted plant carriers

While APML were experts in relocating household goods, there were demands from some customers to also transport some of their potted plants, such as *Tulsi*[6], which held a high religious sentiment attached to them.

To satisfy the needs of such customers, APML customized its truck and fitted them with special potted plant carriers (Exhibit 6) at the bottom of the truck which could carry

[4] Room of the house used for worship
[5] Temple
[6] Basil

customer's plants safely and separately along with household goods. They were designed in such a manner that the plants got fixed at a place where they were open to air and sun and also the drivers were instructed to water the plants during their stoppages.

3. Managing Transport and Goods Storage Problems

Transportation cost had the highest share in the total cost of moving 1 BHK apartment at 40 percent (Exhibit 5). Therefore, APML needed to device ways to cut down on the transportation cost.

Trans-shipment and storage problems

APML used 24ft double door trucks to transport goods, which could normally carry goods of two customers. Although this was a very efficient system, trans-shipment was required in some cases. Agarwal believed that reducing trans-shipment was the key behind reducing damage to consignments. Also, there were certain situations where clients wanted their goods to be stored at APML premises for a few days. This period would allow the client to settle down in the new city. However, storing customer's goods meant that the trucks could not be used further, which meant loss of business. Hence, APML needed a solution to the problem of storage of goods as well as the problem of trans-shipment.

To address both these concerns, the company's R&D team after a month long discussion, came up with a cost-effective solution called 'Trucking Cubes' (Exhibit 6). Trucking cubes were independent units that could be easily latched on and unlatched off the trucks. These cubes could also be used as car carriers for customers who wished to have their car transported along with their goods. APML stored the customer's goods in them for 21 days at the destination without any additional charge. The cubes came in three sizes: 8 ft, 11ft, and 16ft. The client's goods were picked up at source through branch vehicle by either 20ft or 16ft trucks. These cubes were then collected at the nearest hub (Exhibit 2). The goods were next transported from the hub near to source to the destination hub via big 33ft trucks that could carry 4, 3, or 2 cubes depending on the size of the cube. APML was currently in the process of acquiring more of these cubes and 33ft trucks. The team analyzed that for efficient functioning of the truck-cube system, 5 cubes on an average per truck were needed. Since 6 cubes were needed per truck for 11 ft cubes (3 for transit and 3 for storage) whereas 4 cubes were needed per truck for 16 ft cubes (2 for transit and 2 for storage), an average of 5 cubes was required for a single truck operation. While 33ft trucks would be purchased, the 20ft and 16ft trucks would be acquired by modifying the existing trucks in order to make them suitable to carry trucking cubes. They had 46 trucks and 100 cubes, and at the rate of introducing 50 new cubes per month, they aspired to reach their target of 1,000 cubes and 200 trucks.

Trucking cubes also helped to reduce cost in the long term. Agarwal mentioned that trucking cubes reduced the overall operating cost by 18-20 per cent, including 20 per cent annual fuel savings (volume in litres). The cost savings included toll tax savings and fuel (diesel) savings because the new 33 ft trucks incurred only half of the toll tax and consumed half of the fuel (diesel) compared to the 40 ft trucks earlier used as car carriers. Cost saving was also due to the fact that, with effectively 3 cubes attached to a truck, a single truck was doing the work of 3 individual trucks used earlier, thereby reducing the transportation cost to one-third of the previous value. The total investment on trucking cubes was around INR 400 million with breakup as INR 110-120 million on cubes, INR 210 million on trucks, and

INR 60 million on secondary trucks (around 80 secondary trucks). The cost of an individual truck was around INR 1.1 million which included a customization cost of INR 0.1 million.

Thefts on highways

There were many cases of thefts on highways in certain areas such as Madhya Pradesh where some groups were involved in thefts even on moving vehicles. APML had to think of a solution to curtail these thefts.

In order to counter these thefts, the carriers were fitted with a separate top and bottom lock which would make thefts very difficult. This customization was done at body shop located in Ghaziabad, Uttar Pradesh, India. Total cost of customization was around INR 400 which included bolt charges of INR 100, labour charges of INR 100, and sheet charges of INR 200.

Also, 'lashing belts' were used at the back of trucks in order to securely hold the goods and prevent any accident to the worker while unloading. While the cost of each belt was INR 90, there were 12 belts required for a single truck making the total customization cost for a single truck to be INR 1,080.

Driver exhaustion and lack of motivation

According to Agarwal, truck driver was the driving force behind the country's economy. However, truck driver's job was not considered respectable in India; hence very few second and third generation youth considered it as a career option. As a result, there were only 770 drivers per 1,000 trucks.

To boost the morale of drivers in APML, Agarwal launched a scheme called *'Khub Chalao Khub Kamao'* meaning 'Drive More, Earn More.' Under this scheme, drivers were given incentive to drive more by paying them extra for every kilometre driven.

However, this scheme led to use of increased speed by the drivers, damaging the consignments. Further, the scheme also incentivized more driving hours per day, leading to driver sleep deprivation and accidents. To arrest this situation, APML had to think of a more innovative solution, which would not only increase the performance level of drivers but also boost safe driving practices.

Keeping in mind the safety concern, a modified *'Khub Chalao Khub Kamao'* scheme was launched. It proposed that the driver could recruit a co-driver to drive with him. Incentives were given based on the number of hours for which a truck was driven rather than the distance travelled. The time driven by the truck was monitored using a Global Positioning System (GPS) device, which also checked the speed of truck and ensured that drivers do not increase their speed above 50kmph. Under this scheme, while APML paid INR 2 per km driven to drivers, in case of driving for more than 15 hours, additional incentive of INR 15,200 was awarded (this was to be shared between the two drivers). This scheme not only ensured that output of each truck was doubled (because the truck now ran for double the time by two drivers as compared to a single driver) but also reduced the problem of highway thefts, as there was more vigilance in the presence of two drivers as compared to one.

Looking Back

APML had always taken customer feedback constructively and used it to modify and enhance their existing service resulting in decrease in the cost incurred by the customer and therefore customers' delight. Agarwal wondered whether the existing processes for implementing innovative solutions were sufficient for APML to remain a domestic location leader.

EXHIBIT 1
APML Awards

Limca Book of Records Certificate

Limca
Book of Records

National Record

Agarwal Packers & Movers Ltd, an Agarwal Movers Group company based in New Delhi, transported household goods of 61,302 clients in 2012-13 bettering their own record of 43,335 clients during the previous year. Established in 1987, the company has 78 branch offices and serves 1,264 locations across the country with a fleet of 2,500 vehicles.

Vijaya Ghose
Editor, Limca Book of Records

ISO 39001:2012 Certificate

APPROVED CDG CDG INSPECTION LTD.

Certificate

Management System as per

ISO 39001:2012

Road Traffic Safety (RTS) Management System – Requirements with guidance for use

In accordance with CDG Inspection Limited procedures, it is hereby certified that

AGARWAL MOVERS GROUP

Agarwal Packers and Movers Ltd.

Saraswati Vihar, Opposite Crescent Public School, Pitampura,
New Delhi-110034 (India)

Applies a Management System in line with the above standard for following scope:

Transportation, Logistics, Household Relocation and Warehousing Services

Certificate Number: 70056
Issue Date: 04th December 2014
1st Surveillance: 30th November 2015
2nd Surveillance: 30th November 2016
Expiry Date: 30th November 2017

Managing Director
CDG INSPECTION LIMITED
W- www.cdginspection.com
E- info@cdginspection.com

Remarks: This certificate of conformity based on the evaluation of a sample of the above mentioned products. It does not imply an assessment of the mass production of the product. The certificate holder may use this certificate in connection with the test report. This certification body should be informed (revision of technical file) for any modification or alterations made to the aforementioned product (parts). The manufacturer is allowed to affix the CE marking to the products under its own responsibility. If the products are complied with all relevant and effective European directives. The manufacturer is responsible for the product and ensuring that all manufactured products are in compliance with the specifications declared in the technical construction file. The certificate is valid for 3 years if the company applies the technical construction file which has been stored in CDG office. This certificate includes declaration of manufacturer. Check www.cdginspection.com for currency of the certificate validity. Certificate remains property of CDG Inspection Limited to whom it must be returned upon request.

Source: Company records

EXHIBIT 2
Warehouse Details and Location of Hubs and Warehouses

Every warehouse has a similar structure:

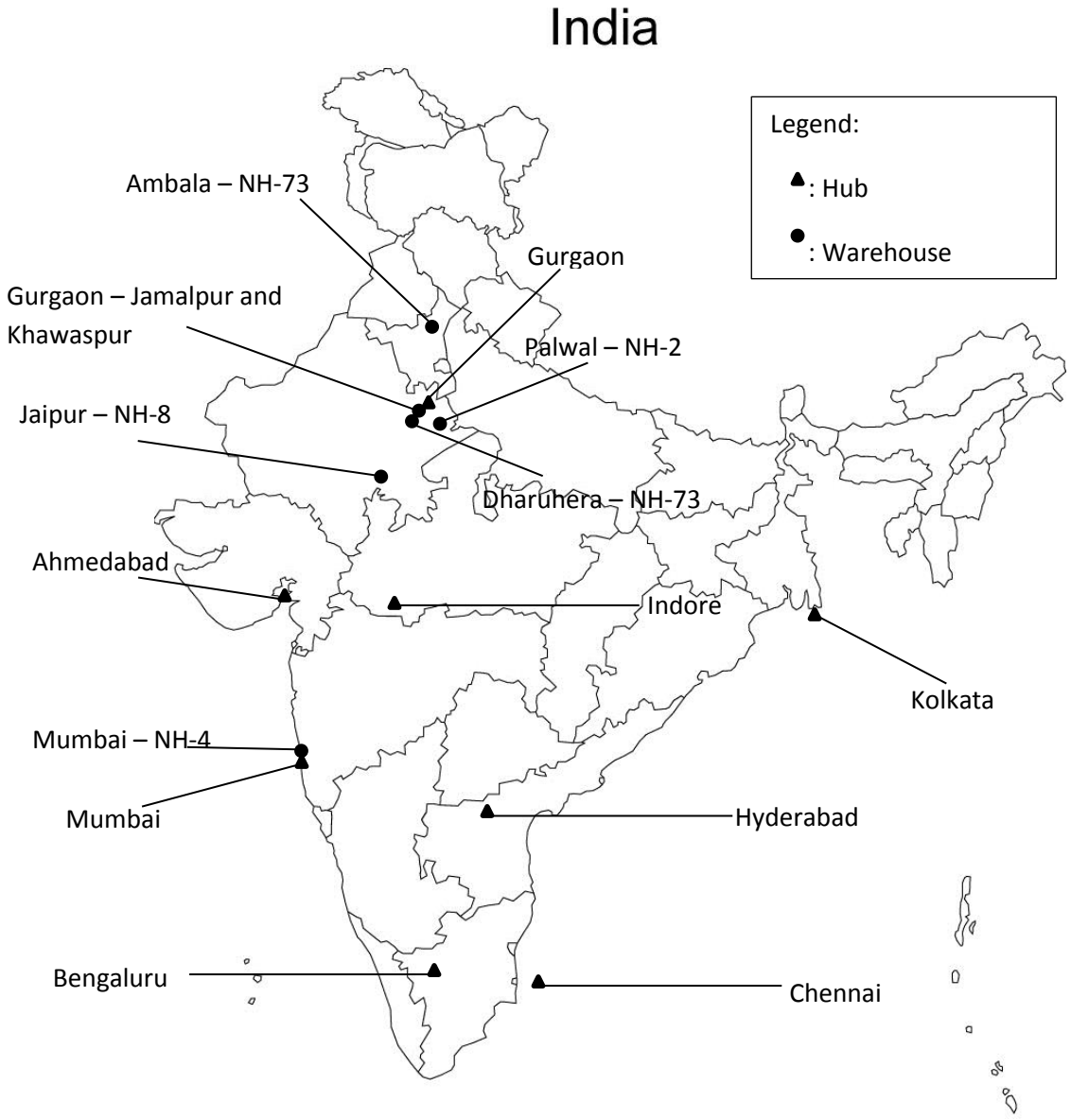
Basement: Industrial Storage

Ground Floor: Short Term/Transit Storage

First Floor: Long Term Storage

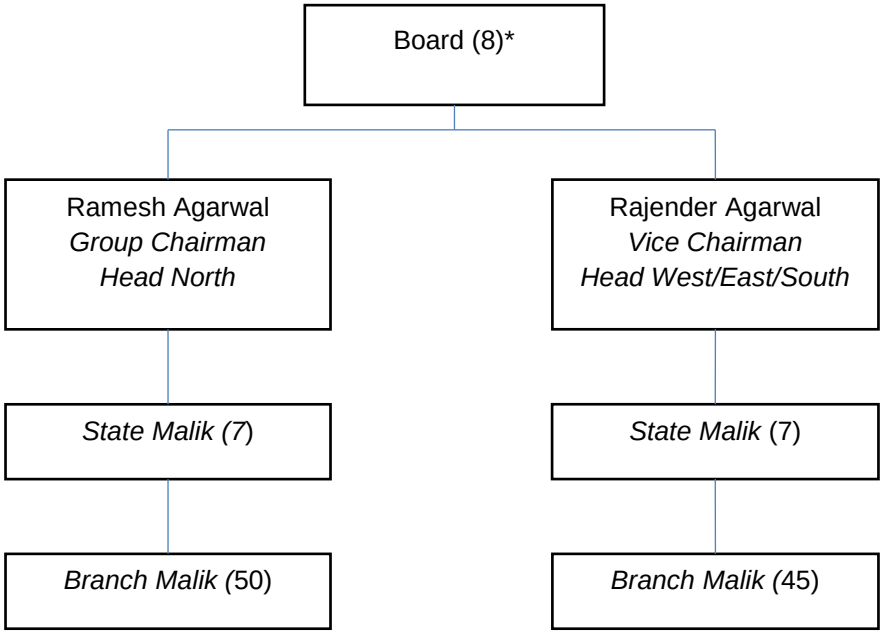
Second Floor: Complimentary residential facility for warehouse workers

Map showing location of completed warehouses and hubs



Source: Company records

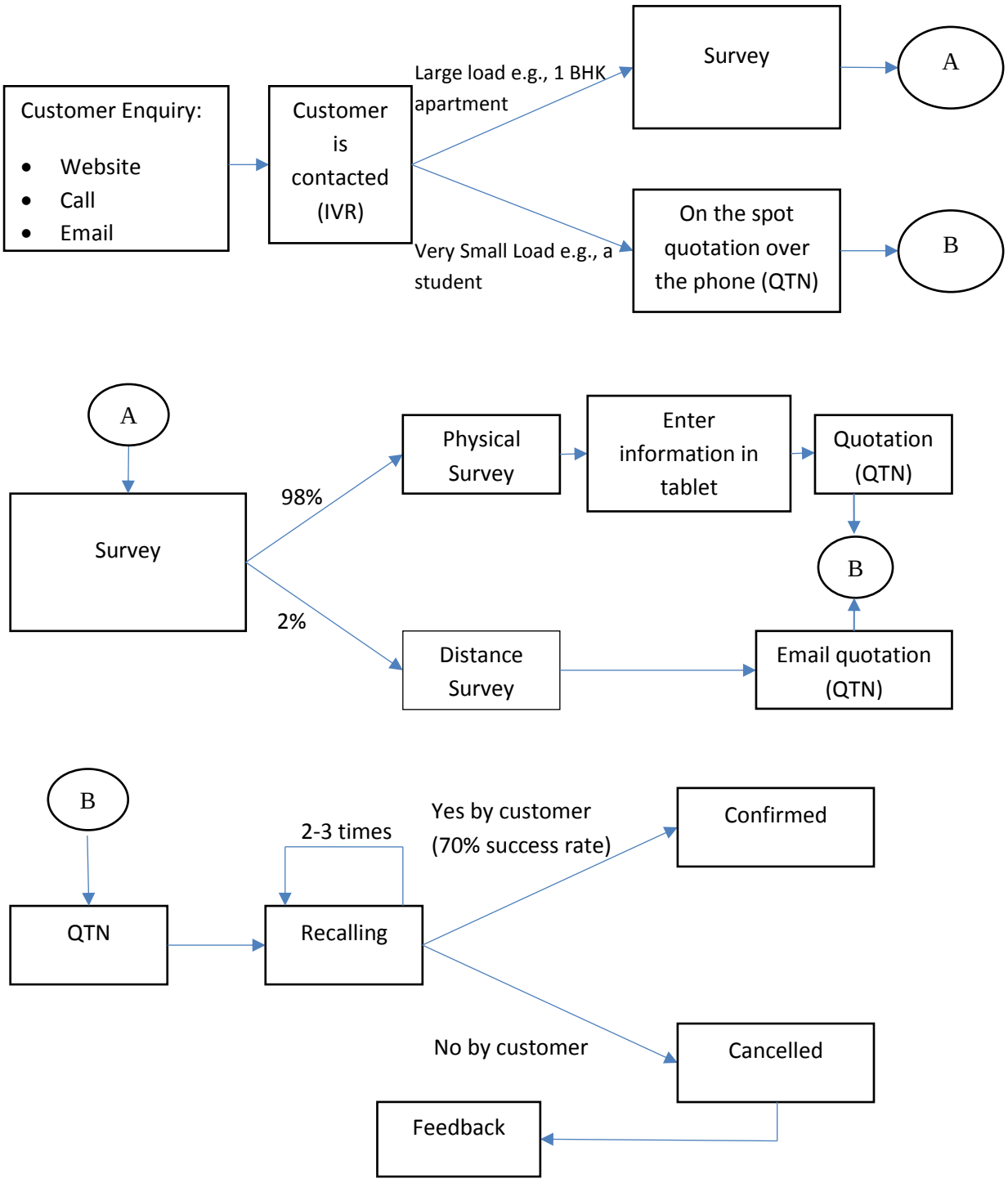
EXHIBIT 3
Organizational Structure



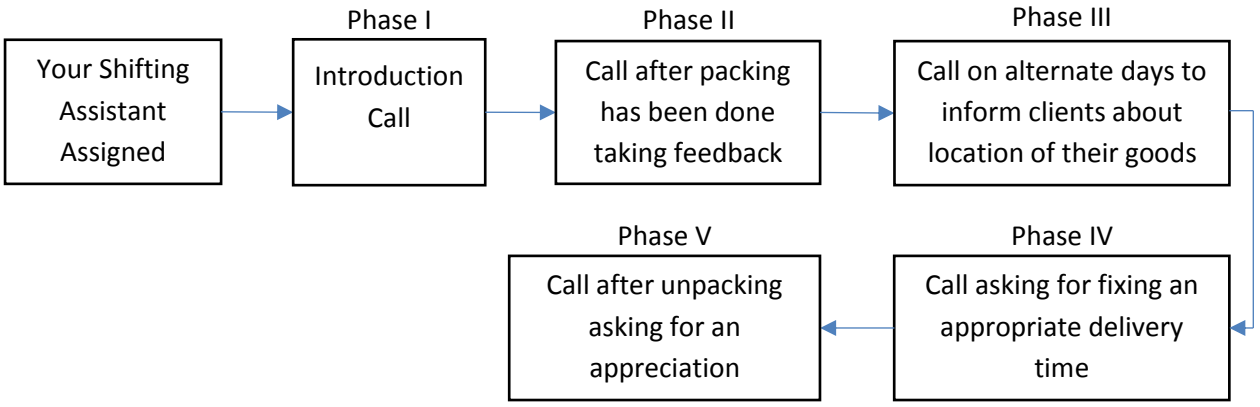
Source: On the basis of interview
*Number in parenthesis indicates the total number of employees in that division

EXHIBIT 4
Domestic Relocation Process of APML

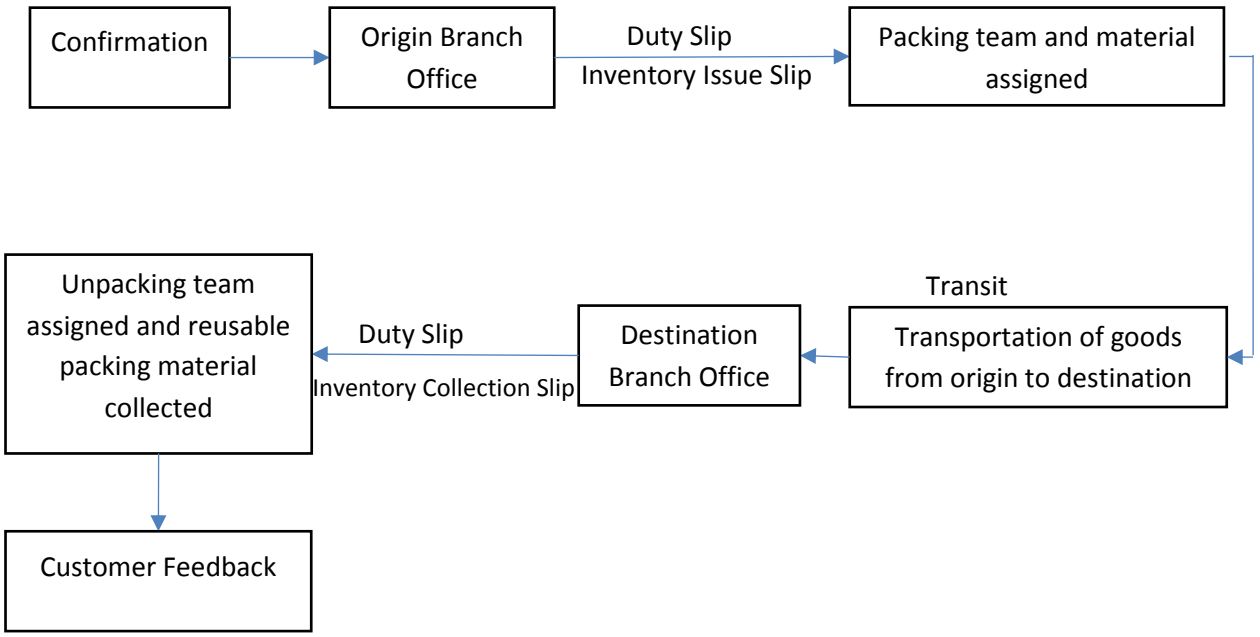
Confirmation Process



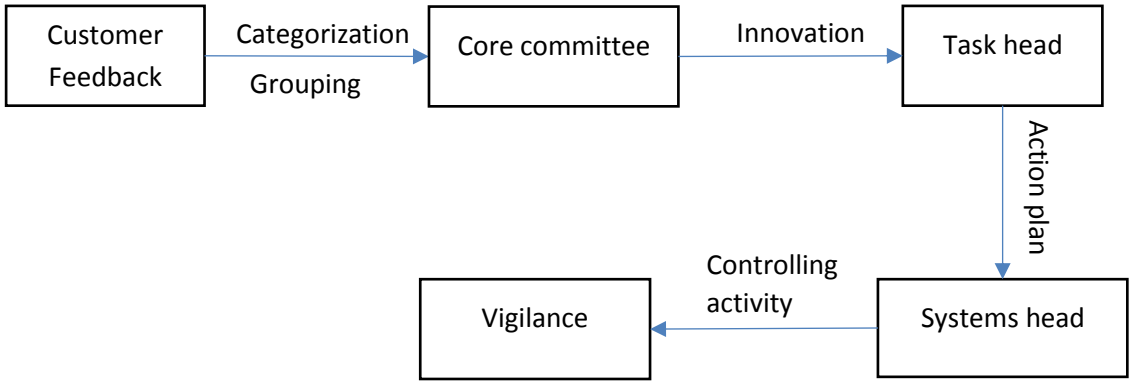
Hospitality Process



Operations Process



Service Innovation Process and Implementation



Source: On the basis of interview

EXHIBIT 5
Cost Breakup of Relocation Process

Cost share in movement of 1 BHK apartment from Delhi to Ahmedabad:

Packaging cost: 16%

Transportation cost: 40%

Labour cost: 10%

Overhead cost (Your shifting assistant, supervision and other): 7%

FOV (Risk cover charge): 1%-3%

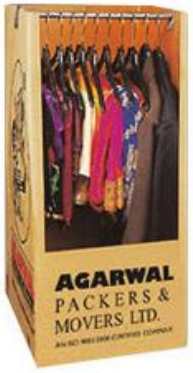
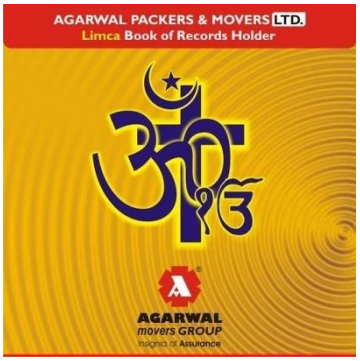
Surplus charges: 10%

Remaining cost share which is around 12.5% accounts for the company profit.

Source: On the basis of interview

EXHIBIT 6
Service Innovations

Before Innovation	After Innovation
Corrugated Sheets 	Fabric Sheets 
Wooden Crate 	LED TV Box 
Corrugated Box 	Perfect Box 
Thermocol 	Thermo-sheet 
Not present	Corner Protection Cover

	
Cartons 	Trendy Bags 
Not present	Coat Carrier 
Not present	*Mandir* Sticker 

Not Present	Potted Plant Carriers 
Single Door Truck 	Double door truck with front and back door 
	Trucking Cubes  

Source: Company records