



Although Chaotic, Transport Business Has Scope for **Expansion & Development**

- Jigar Somaiya
Rajesh Roadlines P. Ltd.

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Transportation Business, besides various other characteristics, has one distinct characteristic of being Chaotic. Most of the kids who have seen their parents or uncles running the business have seen them untangling different kinds of situations everyday. However when they actually enter the business, they realise that the situation is more complicated than it actually seems. The scenario becomes even more challenging when you enter the business with some kind of management degree, because the traditional transport business has everything, except management. This is somewhat the kind of scenario that Jigar encountered when he entered the family business armed with a slew of management degrees. For the record, Jigar's educational qualifications read as under:

- *Bachelors in Management Studies*
- *Post Graduation in Customs Clearance & Freight Forwarding*
- *Post Graduation Diploma in Management (Operations Speciality)*

Armed with these degrees, Jigar entered the family business – Rajesh Roadlines, in 2014. Rajesh Roadlines was started by Jigar's grandfather Mr Narshidas Somaiya way back in 1969. Initially the company had a team of 4 people and 5 agents. The company was established in Goa with zero fleet. Jigar had been observing the chaos around management of the business right from his childhood days and for some reason he got attracted to this chaos. However he knew that this business had a huge potential for growth, considering the importance of the segment and hence he decided to take the plunge after completing his education. In fact he chose his education according to the career he opted for.

While Rajesh Roadlines was working without any fleet for almost 2 decades, somewhere in the 1980s the company took a call to invest in trucks. The returns on these investments were not just monetary, but beyond that and this attracted the company to increase their fleet. Currently the company has 103 trucks and over 130 drivers. The staff strength managing the business stands at 53.



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Rajesh Roadlines has a very diverse business model, some of which have been driven by the situations arising in their existing business model. They have been a major player in carrying parcel load to and from Goa, a business model which was started by the founder of the company. However after the mining ban in Goa, a lot of operations for the company came to a standstill and thus they had to look for diversifications. The company then contracted vehicles for Gas Tankers and they also started carrying EXIM cargo from JNPT, Hazira and ICD Ankleshwar. Meanwhile, Rajesh Roadlines also specialised in carrying hazardous cargo. This is a specialisation in true sense because carrying this kind of cargo involves a lot of risk and hence there is need for extensive training as well as dos and donts. Rajesh Roadlines has put in place all the PPEs (Personal Protective Equipment) and Emergency Response systems required for handling different class of Dangerous Goods. The most critical element in this kind business is the truck driver since he is the person handling the cargo enroute. Rajesh Roadlines ensures that all the drivers are well trained for this and they are familiarised with KYC related to the cargo. This involves KYC (Know Your Cargo) as well as KYR (Know Your Route). Adequate study and training are carried out to make sure that all assets i.e. Man, Machine & Material are safe at the end of each trip.

No one can claim that he entered into the transport business and immediately gelled with the scheme of things, or rather chaos. Jigar is no different and commenting on his entry in the business he says, “Coming from a management background and getting into this unorganised industry was certainly a challenge. There was chaos going all around me and it was a challenge understanding all the various

aspects of business where the company had already diversified into various types and ways of doing business. Initially I spent a few weeks just understanding the different types of vehicles and bodies, so that we could channelize our fleet better.”

Jigar further adds, “However understanding the basics is utmost important, which includes management of the business, the people working with you and also the profile of each business. Once I had a grasp on these elements I could manage things smoothly as well as swiftly. Once I had things organised and well under control, I started at growth and scalability. Once again, for this to happen, we had to change certain policies, which was naturally not a very easy thing to go. So to start with, we started prioritising performance over seniority. Thus the entire compensation pattern changed and this also got us the desired results. At the same time, we also invested in systems, which also included updating the MIS. While the company had MIS for a very long time, it was quite outdated. However with the new systems we have a lot of automation and loads of updating, which also increases the accuracy in work and reports, which makes performance monitoring easy and also increases accuracy.”

Achieving all this would not have been easy for Jigar without good mentoring. And Jigar lauds two people for mentoring him. These are his uncles – Mr Chandresh Somaiya and Late Mr Mahesh Thakker



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(Yashman Container Movers). While Jigar is thankful to these gentlemen for their continuous support and guidance, he also draws inspiration from other transport companies. There are various aspects in the transport business and Jigar looks up to different companies for inspiration in different aspects of business. For example, he looks upto SNGT for family bonding and Ganpati Freight Corporation for garage management. Jigar believes that every business house is different and they have certain qualities that can be adapted. Jigar is a keen learner and always has his eyes and ears open to new ideas. Thus the MPower programme was a great opportunity for him to learn and he says he made the most of it. For example he was impressed by lectures delivered by Vikas Sharda (Delegation of Authority), Rahul Sood (Business Development) and Abhishek Rathee (MIS). Jigar says, "Understanding and Learning the unique and best practices is vital for any business and implementing them effectively is the crux for success".

Besides other business plans, Jigar has his Mission & Vision crystal clear. His Mission is to acquire clients and offer them effective transportation services. At the same time his Vision is to take his company towards the 3PL industry. Jigar has already been investing time to become a customs broker and gain knowledge of Customs & Freight Forwarding. His plan is that once he settles in custom clearance and freight forwarding, he will take up warehousing as the next step.

Jigar is well aware of the problems that the industry faces. However his worries are beyond the stereotype problems of drivers, unorganised ways of working, RTO and others. There are other issues that Jigar would like the industry to focus upon. These are:

- **Staff Development & Growth:** This industry is the backbone of the economy making it very significant. But yet the pay scales of the staff are much lesser than other relevant industries. Jigar says, "Why doesn't this industry work on a cost module? Everyone is working on



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low pay scales and higher working hours. At the same time, the staff is looking at overhead earnings from other sources. These need to be streamlined.”

- **Educated & Well Developed Operations:** Jigar feels that many companies have experienced people working with them for many years in various positions in the field of operations such as traffic person, munshi, maintenance, etc. but yet they do not know how to use computers. This needs to be rectified and training must be provided to them on these skills.
- Over the years, costs and also overheads have been increasing. Alongside this, the industry has been working with larger volumes but lower margins. Also, cost of assets such as trucks, tyres and spares have been increasing. However freight rates have been going down and transporters have been going for volumes. This is leading to cannibalism in the industry.

GST and E-Way have been significant developments for the transport industry and one of the biggest advantages of the same are that the business has become more organised. With GST and E-Way bill, there has been a slight improvement in transit time and corruption too has come down. Those operating in and out of Mumbai would know that removal of octroi post GST has been a huge benefit for the industry. Specifically in terms of the E-Way Bill, being a standard operating procedure, things have been made simple and systematic. Definitely E-Way bill is better than all the previous methods of transit passes which prevailed in the past. Some people may be complaining about the high penalties, which needs to be looked into, but I do not any person would intentionally indulge in any malpractice, especially since the penalties are very high. Earlier there were cases where the drivers and/or brokers used to indulge in malpractices. However we see some control over this situation.

Speaking on the decision to increase the carrying capacity of trucks, Jigar says that while every step will have pros and cons, this one seems to be having

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more cons. “Additional load in trucks will put more burden on the road as well as various components of the truck resulting in higher wear and tear. There will be additional burden on the tyres, engines and also the braking system, which is not a favourable situation. We are still using the traditional drum braking system and with more load, braking could be an issue. At the same time, additional load will also mean lesser mileage resulting in higher consumption of fuel. Now the question is will we be compensated for this increase by the customers?

One of the major problems being faced by the industry is regular stoppage of trucks due to various reasons and one major reason for this is toll tax. There are stoppages at regular intervals and this is a hindrance to operations. While we appreciate the government's initiative to provide good roads, the delays and wastages due to collection of toll tax is something that needs to be reviewed. The government can think of a plan wherein a truck pays a single toll tax that would be valid throughout the state. At the same time, for trucks that being used within the state, the government can add toll tax to the road tax. The government needs to make some arrangements to ensure smooth flow of trucks.

Associations are an integral part of any industry and they are made up of players of the same industry. However the problem is that since the industry is not united at any level, the associations become ineffective. As mentioned earlier, the associations are made up of members and these members have to think alike and work accordingly so that the interests of the industry are safeguarded. But in our case everyone is working on a different level with a different mindset and the same is reflected in the working of associations. Although Rajesh Roadlines is a member of Bombay Goods Transport



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Association and Maharashtra Heavy Vehicles & Interstate Container Operators' Association, they are not active in any of these associations.

Speaking on the recent strike, Jigar says that they lost many clients because of 2 back to back strikes – one in May and the other in July. After the strike, we had to distribute the trucks and that resulted in some clients giving away business to others. However at the same time there were clients who understood the situation and adjusted with the supply of trucks. On our part, we always kept the customers in the loop and kept updating them on the developments.

There have been some people in the industry who have been demanding industry status for road transport. Speaking on the issue, Jigar says that industry status might not help road transport and what the industry needs is recognition at a larger level. Customers as well as people need to

understand and acknowledge the work done by road transport. That would be the biggest status for road transport.

Jigar is very optimistic about the growth of railways and waterways. He feels that they would act as a support system since road transport would still be needed for last mile delivery. With railways being used for long hauls, we can ply our vehicles on shorter routes and also at places where railways do not have their presence. With this kind of pattern, we are hopeful that driver management will also get better. For example, in case of RORO movement, we may need just 1-2 drivers to be with the trucks and the remaining drivers would be required at the origin and destination. We will have to plan these things for better management. Also in case of RORO movement, the wear and tear of trucks will be lesser and also accidents will come down. Jigar adds that his company is open to using these options for providing better and efficient service to the customers.

Jigar is pleased to have gone through the IIM-A programme initiated by Mahindra Trucks & Buses. Talking of his experience at IIM-A, Jigar says “The course helped me get a better and bigger picture of the logistics industry. At the same time it was a delight learning from the best professors and mentors in the industry. Also I also got to learn a lot while exchanging thoughts with other participants from the industry.” Amongst the various things he learnt at IIM-A, Jigar said that making proper use of IT and MIS was something very significant considering the fact that these subjects are as vast as the ocean. He added that although his company was using both, there was still a lot to learn and implement. Jigar appreciated the case studies and felt that they helped in understand the issues better and that helped in development of business.

Jigar was all praise for the efforts of Mahindra in putting together this programme. He said that this programme was a morale boosting experience for the 2nd/3rd generation and at the same time gave a lot of exposure to take the business to the next level. He added that this was a step by Mahindra to make the business more organised.



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