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NEWS



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SILVER JUBILEE YEAR

Celebrating Multimodalism
and Family Business



ASSOCIATION OF MULTIMODAL TRANSPORT
OPERATORS OF INDIA





Family Business Dynamics

An interview by Mr. Sandesh Vasant Mestry with Mr. Vipin Vohra and Mr. Vaibhav Vohra, Directors of Continental Carriers Pvt Ltd

SM: Can you tell us about how you got into this business? You are a second-generation member. Right. So, what drew you into this business?

VV: My father founded this company in 1957 with my uncle and took over full control in 1967, when my uncle passed. At the time, we were a small company with only four employees. However, in 1967, textile exports from Delhi began, and we were among the first to enter the market. It started in northern India, where the manufacturers had relatives living abroad.

As a result, every night at supper, there was a conversation about what had transpired that day, which piqued my attention. I graduated from Shriram College of Commerce and wanted to study overseas. My mother and father, however, refused to let me go

because I was the only son among five sisters. They argued that if you are going to do the same business when you return, there is no point in going abroad. At the time, the firm was expanding. I was told to join the company and split the workload with your father to equal one plus one eleven. So, in 1975, I graduated and began working in business.

According to IATA estimates, we were either first or second in terms of exports at the time. For nearly 20 years, we were the number one and number two in airfreight, according to IATA records. We accepted the contract to handle all imports at Delhi's Palam airport (now IGI Airport). The CWC warehouse was located around five kilometres away from the airport. They awarded us the whole contract to transport the cargo from the airport to that location. At the time, almost 300

people were deployed on that mission. We handled the contract until 1986. I recall that it was the height of the Asian Games' TV frenzy, and the entire airport was packed with colour televisions. My father would go to the ministry to discuss how to handle such a load. So they ultimately handed us two halls in Pragati Maidan, and we were the ones who moved the entire TV freight there.

When the new airport was operational, the airport administration intended to do it themselves and asked us to give solely labour, which we declined because we were not a labour contractor. We lost that contract.

During those days, there were air export and space difficulties that we had to deal with on a daily basis, which gave us a lot of clout with both airlines and government organisations. I haven't looked back

since 1975, and I am personally involved in all departments.

When I first arrived at the office, my father told me to sit in every chair and study the job there before coming to sit in his chair. He told me to be aware of what is going on in the firm at every desk. It took me two and a half years to finally sit in his chair.

I learnt how to prepare shipping bills, which were handwritten at the time, airway bills, customs clearance, warehouse, and everything else by doing it myself.

SM: Do you think this type of training has helped you a lot in life?

VV: Oh, yeah. It was quite helpful to me. You know, now I can delve deeper into the problem. If somebody comes in with a problem, I can solve it because I worked on that seat. They cannot fool me.

SM: You can visualise what will happen next.

VV: Yeah, what will happen next? That is a significant edge that I gained from that training.

SM: Did you use the same induction procedures for your children?

VV: Oh, no. Let Vaibhav explain how he got initiated.

VV: When I started in business, times had changed, and everything had gone digital. I attended school in India and graduated from Babson Business College in the United States. So, when I chose to return to the business, we were in the process of modernising our IT. We were using an offline FoxPro-based system, which was excellent when it was deployed in the 1990s. However, as of 2007. There was no support, and you couldn't even get a coder to

maintain FoxPro, thus it was out of date. I was always drawn to the IT side, so we went with an ERP, which was a hard process, but we deployed our first ERP in 2009.

SM: What problems did you confront during that process?

VaV: First, grasp what the ERP can accomplish for you. Second, train your employees to understand. Third, mentally prepare for the costs associated with IT automation. As a firm, you must recognise that this is a capital investment that will yield profits over time. This took us a little bit since we had a twofold cost factor for about 2 to 3 years because we had to run our old processes alongside the new IT processes until they were fully deployed. During this process, I had to relearn finance and accounting, as I had previously studied finance in the United States, which was completely different from finance in India. When you start comprehending India's compliance, you truly understand.

I still remembers what one of my professors in the US had told me, when I asked his advice on should I stay back for an MBA or go back to India — as back then we were having one of our differences with one of our partners in our family business. He answered, "Go back to India and work in business there." Why are you sitting here and learning? You'll have to start unlearning. So, start unlearning and get active in the business. I recall that period as an interesting time to learn about finance, compliance, and everything else, as you realise how complex things are

SA: Do you believe that what your father learnt by performing manually on each workstation, you learnt with the adoption of ERP systems?

VaV: I believe you understand the processes, how to get things done, and how to interact with others; after all, the key goal is to complete the work. Also, when my father entered the firm, it was a controlled industry with a license raj; when I joined, the situation had changed, the licenses had been removed, and the paperwork had been significantly reduced.

SA: Tell me, Vipinji, did you have any competition back then like you do now?

VV: Not much. At the time, I believed it was a high-end business to enter. There were only five or six companies at the national level. And we were the first company from Northern India who became national level. There were companies from Bombay with subsidiaries throughout India. There was not even one agent in Northern India or South India who were all India. So, we were the first to expand our company throughout India. We opened an office in Bombay. When we lost the contract for Delhi Airport in 1986, we opened subsidiaries throughout India, including Delhi, Bombay, Madras, Bangalore, Calcutta, Ahmedabad, and Pune. Because we began import consolidation. There was a monopoly of these four big companies in import consolidation and there was a cartel amongst them to work in certain regions and they were making lot of money. When we entered, these people were really resistant.

SM: How did you handle that?

VV: A lot of people didn't want anyone else to enter the market. However, due to our power with the airlines, we were able to obtain permissions within two months; at the time, obtaining

clearance from Air India was a significant achievement. We also had links with ministries in Northern India, particularly in Delhi, which helped us much.

Aside from Air India, we began working with foreign airlines, and within two to three years, we were among the top three in import consolidation. We were key in bringing the big boys into India, such as BAX Global from the United States, Union Transport from Germany, and Concorde from Singapore. All these big companies, we signed agreement with them.

From 1986 to 1991, we had a successful business. When we first signed with BAX Global, they sent barely one kg per year; when we departed, we were shipping about 2000 kg per month with them. Then in 92, when the government opened up, you know, that multinational companies can come into India, we were the first one to approach by BAX Global. They said, Mr. Vohra, do you want to sell your company? Tell us what price you want and we will pay it.

You see, my father loaded the trucks himself. He said, till the time I am alive, this company is not for sale.

SM: You never sold the company?

VV: No. BAX opened their office, took my employees, and, you know, took the business. My strength, however, is my local business. You know, seven times my agents have opened an office in India. First came BAX Global, then UTI, Indian Transport, Airborne Express, Hellman, Asia Shipping, R.E. Rogers, and so on. Like this, seven companies, we were doing so good business with them and one day, they said, we want to buy you. Everybody made the first offer to us. We refused because, you know, I had

my sons studying in the US. What will they do when they return to India? That's what I was thinking.

SA: Vaibhav, did you know this back then?

VaV: We were aware because of the dinner table chats at home. When Hellman asked us to sell, I contacted my professor about it in the United States. I actually went to him and spoke with him. He was an excellent educator who also worked as a consultant for Fidelity. He asked some key questions and stated, "Look, what do they bring to the table?" What have you brought to the table? Then I had a pretty candid chat with him; it was my first time learning about the industry. In fact, when you see that you have so much involved in a business from a family standpoint, you become acutely aware that this is something you must do as a member of the family. That DNA is with you. It is something you have to do; you did not second-guess. You just know there are stormy waters. You need to come in and set sail.

It has happened seven times: your business was on the ascent, and then your agent left. And then we go again, stronger than ever. Because of our local business strength. Today, also, 70% of our business, we control. We are not agents rooted, on the contrary, we give them business. This is our strength. And this is how we are surviving.

SM: Did you plan this, or did it just happen?

VV: No, this was not planned. You see, we were always doing a variety of activities. We had a strong local presence. Our clients had developed comfort with us, as with Multi Nationals, they faced the challenge of whom to call. They are not dealing with a single individual, and the majority of the work is channelled through an

IVR system. Furthermore, if it's a foreign agent, the other person may speak in German, leaving the consumer unsure how to answer.

For last 40 years, we are dealing and handling our customers, we have developed family relationships. We attend their social events, and they are invited to our family events. The relationship is strong since it is associated with a brand and has a reputation. At the same time, you must meet all of your obligations. In the service industry your relationship can get to some delta. Customers feel at ease working with us because they know we will never lie to them. In reality, in many circumstances, we tell them, "Look, we are not the best for this assignment; this is not our speciality." Why don't you go to this company? Because for us, our relationship is more important than just one or two transactions. It boosts your credibility and creates new opportunities. At the same time, your delivery and service levels must meet market standards. So you must establish an organisation that serves them in the same way that anyone else would. What the relationship is doing is giving you the report card and a true discussion on that report card. To say, "Look, you versus company X, you know, this is the weakness." You can enhance these areas over the course of six months or a year. And to be honest, people want to work with companies and build their vendors because they also need good companies which are reliable. Right? And reliability is one thing that we see across the market, and when we speak with clients, they are all aware.

In our industry, where turnover is significant, one source of reassurance is that Mr. Vipin Vohra will not leave. We can see him sitting here. In our field of work, difficulties will arise. You can't say

you'll be able to give everything because there are so many moving elements, but how you deal with the problem, solve it, get involved, and collaborate with them to get through the circumstance is what distinguishes us.

As professionalism grows, biddings, including reverse biddings, begin; you have no choice but to be competitive, which includes sharpening your pencils. If someone else provides that service, you must likewise do so. If anyone offers that price, you must match it. Another issue is that if exporters encounter a problem or difficulty, the first thing they do is contact me - Vipin ji. This problem has occurred; how can we handle it? So they know there's one man sitting over there who can offer us the greatest counsel. You know, when a number of US textile industries declared bankruptcy two years ago, there were many exporters. We're coming to your house and office, Vipin. We have so much money stuck, our shipment is halfway through, we are on the way, what should we do? I helped everyone, you know, on that day and help people save crores of rupees. All of these companies, anytime an issue arises, the first call they make is to me; that is the amount of faith they have now.

SA: Your father started in customs broking, then you got into trucking, and then air freight. You've advanced and are now entirely digitalised. You are the owner of the first container air freight station in India. Yes. What is the vision beyond?

VV: You know, we've always been thinking ahead of the curve. In 1985, we dealt with a department store situated in the United States. I met with their logistics team, and he enquired whether they wanted to start hanging items outside of India. In 1985, this was a foreign

concept. I said, "Give me two months, and I will resolve this issue." They stated that they pay an extra dollar per item, hence they prefer hanging garments in the air freight container or sea freight container.

We returned and approached customs; they said it was not possible—how can you write instead of 40 packages, 4000 pieces? We stated that this is occurring internationally. My father took an official customs officer to Hong Kong to examine the warehouse, show him how it works, and then returned, and that is how hanging garments began in India. We were the firsts.

In another case, we were dealing with a US-based store that had constructed a new warehouse in Ohio. At the time of distribution, each box included a custom seal, wire, and seal. The first day of the warehouse's operation, the entire conveyor belt broke due to the seal, and we received a bitter email from the client asking, "Why did you put this seal in it?" They damaged our conveyor belts, and we do not want this to happen again. We went to customs, and they said, "No, this is customs rules, you know." We cannot do away with the seal; every shipment, including large boxes, must be sealed. My father battled for it, and it was eventually abolished from India as a whole within six months.

So we were constantly thinking ahead of time. Many folks do not know these facts. We used to travel abroad to visit our agents. We used to observe their pallets being handed over to the Airlines. Till 2013, this concept was not present. So in 2013, I said, "Let me take a chance." I filled the form which goes to Inter-Ministerial Board for getting approved for AFS- I want to, start AFS- Airfreight Station. The Inter-Ministerial Board did not know what to do. There

was no policy. I kept following up with the ministry to find out what happened with my application. In 2013, the Inter-Ministerial Board delegated policy development to the Ministry of Civil Aviation. People from the Civil Aviation Ministry presented it to the Terminal Operator. The Terminal Operator were not in favor. They posted the draft policy on their website for feedback. I pointed out on each and every point. AFS does not have to have these items. I struggled about it, went to the ministry, and then to visit the economic advisor, describing the entire issue. Finally, in 2014, the AFS policy was developed. And it was announced, within two months, we applied based on that policy. Letters were coming in from all over. In 2016, they enquired whether warehousing was permitted at the planned location. We gave them all SDM certificates. Finally, in October of 2016, the Ministry of Civil Aviation approved our AFS station. At the time, the Inter-Ministerial Board was under the Ministry of Commerce, but it was later transferred to the Finance Ministry. We went to Customs and they said, "What is this?" We know nothing about it. Civil Aviation did not consult us.

At every point, whether it was Commerce, Finance, or Civil Aviation, I had to explain what this was all about and how it needed to be done. Because there was no policy at Customs, they would pull out the CFS policy and point out that you needed to have this and that. I am not earning anything currently, but I need to invest around Rs. 20 Lakhs on the computer system. Everything has to be approved by the board, which wastes time. They began to ask so many ridiculous questions that there must be one in-gate and one out-gate, just like CFS, even for a 10,000 square foot facility. It took me approximately ten years

to struggle with every department. Furthermore, the terminal operators were poking their noses into everything; at every point, they were attempting to, you know, hold this, because of their clout in every ministry. I battled for it on my own in every aspect. Finally, customs had to accept it, but they told you couldn't move freight until you were RA3 approved in Europe. RA3 is approved by someone from Europe who comes here to approve your company; we selected two or three individuals, and they said they could come after six months since they were busy. Finally, we got someone from London. She arrived soon. She approved our RA3. We have been paying around Rs. 20 lakhs each month for the past four years with nil revenue.

Even after 13 years, I'm still fighting alone. Every month I visit the ministry. There are seven ministries engaged, and ten secretaries have changed over time. First, the policy. This was on the Prime Minister's agenda during his first term in 2014, and I continue to advocate for it. As a final resort, I plan to write to him.

SA: So what happens next?

VV: You know, the job is to find a solution over AFS, and hand it over to them to run. And then I'll proceed to the next thing. I am working on our own large warehouse. We have a 12-acre land tract near the airport. We already have warehouses for Vistara and Air India. This will be another project.

SM: How do you view it as a business? Isn't it frustrating at times to wonder why we're doing this when nothing moves?

VaV: This is where you differentiate; else, you'll be fighting in the daily grind. You'll be occupied even if you only do the basics. You will

create disruption only from doing different things. This is where you can shape the organisation's long-term future. When I returned and became active in the business, I witnessed the struggle, and we saw our father face obstacles. We now understand how to plan timelines and manage expectations. You become frustrated because of expectations. If I thought that a project like this would take ten years, what if it only takes seven? Good for me. We learnt to be realistic about our approach. We prepare for the worst-case scenario and then focus on reducing costs wherever possible.

If I were an entrepreneur, I would have launched a startup. I wouldn't be aware of all these troubles. Because of the family business platform all such experineces are readily accessible to me.

SM: Do you think having international offices is advantageous?

VaV: It is mostly dependent on your business plan. Indian customers' service standards have significantly increased. Europe and the United States are experiencing a massive labour shortage. They do not have people. They outsource a large portion of their backend activities to India, the Philippines and Thailand. Having offices is relevant because we are able to serve your customers better. The decision of whether you want to create a full-fledged operating office with 50 workers is entirely dependent on your customer and their strategy. We're in the service industry, if you look at it historically a lot of global companies opened offices in India when their customers set up shop in India. They were forced to establish India offices. When you consider India's expansion and how Indian companies intend to establish themselves abroad,

you will need to take risks and collaborate with them in order to better serve them. We're all part of the trade. We know that some organisations thrive solely on one consumer worldwide. So it depends on your strategy.

SA: If you create offices abroad and transfer people from here to work there, how likely is it that they will stay with you?

VV: You know, we were the first to open an office in the United States in the 1980s. We have our own office in logistics in the United States. We staffed that office from India. Most of them were freight forwarding people from airlines. They were exceedingly devoted, but once they received their green card, their worth soared. I had an office in London for approximately 20 years. That was our courier office, which we exited. We may eventually create new offices in China and Europe. It remains unclear if it will be a fully working office or a marketing front office.

SM: Currently, how many family members work in the business?

VaV: Three: myself, my younger brother, who also graduated from Babson and originally worked outside before becoming drawn to the family business and my father.

SM: How did you manage to attract the next generation family members to the family business? According to my observations, it is the most significant difficulty that family companies confront around the world.

VV: I believe they decided that it was a worthwhile business venture.

VaV: The business was going through a difficult period when I joined. As I previously stated, one of our partners had left us,

resulting in a bit of a dilemma. So, at the moment, you must draw up your boots and show up. I suppose one positive aspect of this company is that once you get involved, you find it engaging and begin to understand the true nature of supply chain. I found it intellectually fascinating. In your everyday routine, you may sit there and haggle pricing; that is part of the business; you must do it; but, the main business is to provide solutions. When you begin to achieve success gradually, you become interested in the business. Also, for me, the scale was very good and I was getting exposure to go travel many places. When I speak to my friends who are in different businesses, many of them do not get the opportunity to travel, say like 20 cities in India. They are blind to the possibilities of what is happening around them and the emergent opportunities which they might look at.

VV: When the third generation joined us, they developed new business verticals. We were always strong in textiles, but with their arrival, they expanded the business into the automotive sector.

SM: How do you manage things amongst yourselves? Is there a defined role for each of you?

VaV: I don't think we've achieved perfection yet, but that is a path forward for us.

SM: Are the areas defined?

VaV: I would say yes, defining roles is part and parcel of your work, and that helps. The firm is divided regionally among us, and my father also oversees the company's finances. It relieves stress among us. I don't think working with family is easy; but the challenges are the same, the only difference being here, your boss is

your dad. I think, being optimistic is critical. Only when you are pushed will you be able to solve problems and grow as a person.

SA: Vaibhav, as a next-generation family member, what do you believe are the success factors?

VaV: Creating the correct teams is crucial. As shareholder management, you must eventually become involved in strategic responsibilities such as an AFS project, which will result in 10X growth and 100X wealth creation. If the promoter's energy is completely spent by managing the everyday routine, there will be little value created. As a result, you must exercise caution while choosing your battles. That does not imply you should abandon day-to-day operations; you must have procedures and personnel in place to operate the business. You have to keep one ear on the ground. However, as you become involved in significant strategic endeavours. Then only your role is justifiable and relevant to the organisation.

What we are attempting to do is develop the ability to pool functional expertise in the strategic thought process and establish a matrix organisation in which we can pool required resources for a project from various departments and create knowledge base project teams to work on it. When you look at India, each region has an own worldview. I can't expect someone from Punjab to understand how Maharashtra works. They do not. Every region is like a country in itself, hence it needs a different treatment, hence regional working. You must incorporate a local flavour into your regional effort for it to be effective.

SA: Amongst family members, how do you review or how do you develop make strategies

for the future. How are disputes addressed and resolved?

VaV: Excellent question, as this is a work in progress for us. There are always dinner table conversations and individual level strategy discussions. But as the organisation grows, it has gotten increasingly structured, as controlling scale is one of the most difficult tasks. Perhaps we might consider an outsider, such as Mr. Sandesh, who can look at the task objectively and propose a whole different approach.

So, like all businesses, you reach a point where you can bring in some outside aid to give you a different view on your firm. Be clear on what is short term, midterm and long term and break that into your particular room to understand what kind of uncertainty you are dealing with. Among family members, be clear who is part of management and what role they will play; if you are not part of management, be explicit about which areas need to be professionalised. **SM:** Given the size of your business, how has professionalisation benefited you? Do you promote internal talent or attract talent from outside?

VaV: We do provide opportunities for internal talent to advance, as they have hands-on expertise in operational areas. Automation also aids in process-driven work and increases system transparency. Hiring talent from outside requires caution since you may have a really good individual, but if he does not gel with your culture, it will not work. Alternatively, you may have someone who is not very talented but can fit into your organisation today is more relevant.

One crucial aspect is to consistently communicate with your employees. You must be

honest with individuals, remind them of their ambitions, and show them their career prospects. I was reading something which is very nice which states \ that people are either driven by financial growth or intellectual growth or by power growth - which is designation or authorities and decision making power. You must identify the right skilled people for the proper roles and meet their aspirations. You must collaborate with those pursuing financial progress in order to assist them reach their goals. However, if someone is on an intellectual growth path, you must offer them assignments that will push them intellectually. Those who crave power and authority must be placed in positions and trained on how to use that power for the benefit of the business. Fitting employees into the correct function is critical.

SM: As you grow, there is also the issue of old vs new employees; how do you deal with that?

VV: You won't believe one of our directors has been with us for 56 years. Without a doubt, such loyalty is uncommon today. However, as Vaibhav pointed out, if we place the right individuals in the right jobs that align with their goals, your retention rate should be greater than the industry average. Finally, we are in people's businesses; as owners, we must learn the art of effectively managing them and achieving the necessary results.

VaV: I would describe human resources as our nervous system. Manage it well, and your chances of success will increase. Sometimes I believe it is more important than financial management. We need to learn from other industries, such as how non-doctors run hospitals and how do non-engineers run automobile companies?

I believe that talent management is the key role of management; currently, having a competent HR department, rather than just payroll administration, allows you to establish a strong loyalty factor. With 20 offices, you cannot centralise control. I can't handle the local Chennai situation from here. Improving your HR systems is now cost-effective due to the availability of various SAS-based systems; all you need is the will to apply them.

SA: As previously stated, you have received several offers to take over the firm, but you have declined, and the business has remained in the family. What will your response be if such an offer comes up again?

VV: I believe it is God's grace, and we are fortunate to be a family company for generations, and our business has allowed us maintain the proper lifestyle. Fortunately, my sons were equally enthusiastic in working with me and taking the firm to the next level; without their backing, it would be impossible. This enterprise has helped us build wealth.

VaV: What will happen to the next generation? I am unsure. My generation is happy to be a part of this industry, but if my children want to pursue their passions, we cannot compel them to join. We need to be clear about this. At the end of the day, are we motivated to go to work every morning? That's vital.

SA: You received an offer seven times. In the future, if you still receive an offer, how will you respond as the next generation family owner?

VaV: We are humans, and this is a decision you make. This business keeps us active, which we like. When the action becomes too much, you may find yourself making a decision like this. I

believe it will depend on the conditions at the moment. I believe in the phrase "Never say Never."

SM: Vipinji, do you have intentions to step back?

VV: Yes. Yes, I would. I'd love to. I am now 68 years old, and my next generation is completely committed in the business. I can unwind and enjoy life, and I may take on an advising role for the business, industry, and ministries, where I can share my knowledge with them.

SM: How does your family bond?

VV: Every year, we all travel away for family vacation. We're all going on vacation for ten days starting next week. Our whole family. We meticulously prepare and look forward to these getaways. Most significantly, it will be entirely family-oriented, with no work spoken during these times. We just relax and play with the grandchildren. As a result, the holiday destination is chosen based on the compatibility of the grandchildren; we must choose depending on their age group.

In Delhi, my son and I have lunch together, and whenever Vaibhav flies to Delhi or we visit Mumbai, we arrange family dinner dates. Family bonding is very essential to us. For me, playing with the grandchildren is the most significant stress reliever.

SM: Thank you for openly expressing your ideas with us. It was an enriching experience for both me and Sharmila. I hope our AMTOI members gain valuable insights that they can apply to their family company.

Thank you again.

The interview has been edited for clarity, conciseness, and coherence. Certain passages may have been rephrased or eliminated to improve readability while preserving the authenticity of the interviewees' comments.