



# Global Exporter and Passionate Coach

Thirupathi Rajan, Managing Director, Raj Exim Group of Companies, exports hundreds of different products to more than 108 countries worldwide. Having started his light-weight export business model in 2004, Rajan aggressively pitches to global buyers through direct marketing and social media. In addition to being an aggressive exporter, he is also a passionate educator and trainer, having coached thousands of people from the MSME sector on all things about exports. He is also the Chairman of the Export Promotion Centre founded by the Tamil Nadu Chamber in Madurai.

Below are the edited excerpts:

► **Thirupathi Rajan**  
Managing Director, Raj Exim Group of Companies



**Q What is your business model? How did you actually get the idea of establishing so many companies and running them successfully?**

The model of our business embodies a distinctive approach - eliminating the necessity for physical presence while conducting operations seamlessly. As a merchant exporter, our modus operandi revolves around procuring materials from assorted manufacturers with whom we've established relationships. This procurement thrives based on previous affiliations, allowing us to navigate the international market, placing orders with manufacturers and undertaking payment in our company's name. The goods are then transported from the manufacturer's facility under our brand to the port for export.

Primarily, our office functions as the hub for documentation, communication, logistics, and banking. The core of our operations thrives without the need for a physical infrastructure dedicated to handling goods or processing. The venture took root in 2004, fuelled by the vision of international trade with a specific focus on products from the Madurai region of Tamil Nadu, India, boasting promising potential in global markets. Initially acting as a buying agent due to financial constraints, the enterprise steadily evolved, leveraging expertise acquired from exporting safety matches with stringent shipping protocols. This know-how facilitated direct exports in subsequent years, expanding to products beyond matches.

The evolution from safety matches to diversified exports unfolded, primarily driven by demand from importers for additional products, including food items and spices. Thus, a sourcing model was instituted, wherein we curated products in accordance with international specifications, ensuring strict compliance with quality standards through extensive sampling and quality checks. The portfolio expanded gradually to encompass a wide array of products sourced not just from Tamil Nadu but from various states across India.

The journey encapsulates a story of growth, forging partnerships with manufacturers possessing the capacity to deliver products meeting global standards. The business has expanded to encompass a diverse range of products, primarily exported in our brand name, mostly via 40-foot containers. This approach serves as a conduit for small and MSME (Micro, Small, and Medium Enterprises) products to reach the global markets. Our network now extends to multiple ports, including Chennai, Kakinada, Mangalore, Nava Sheva, Mumbai, Mundra Port, and ICDs, in addition to streamlining communication between international buyers and the manufacturing units.

The success story lies in the ability to collaborate with diverse manufacturers capable of delivering high-quality products meeting global standards. This has empowered us to diversify and grow our portfolio, extending our reach across various sectors and regions, resulting in an expansive array of export-worthy products.

**Q How would you capture so many markets like you are importing to more than 108 five countries worldwide?**

In our journey to reach international customers, we've employed two primary methods, both of which have proven to be instrumental in our global expansion.

First and foremost, we've harnessed the power of B2B portals, particularly international ones, as a pivotal platform for showcasing our products to a global audience. We actively promote our range on these portals, making sure that our offerings are visible to potential customers worldwide. This approach has brought us significant success. Through these B2B portals, we receive inquiries from international customers. We, in turn, engage in negotiations with these prospective clients, ultimately converting these interactions into valuable business relationships. It's an efficient and effective way to connect with global buyers and ensure that our products find their way to the right markets.

Our second approach revolves around tapping into internationally imported databases, made available to us through the Indian embassies in various countries. We communicate the Harmonized System (H.S.) code of our products to the Indian embassies in those respective nations. Subsequently, we request information about importers who deal with similar products. The Indian embassies serve as an invaluable resource, providing us with insights into international importers operating in our niche. We meticulously compile and maintain this information using Customer Relationship Management (CRM) tools and software, which help us efficiently manage this vast database of international importers.





To date, we've successfully accumulated a database of more than 4.5 lakhs (450,000) international importers, each of whom engages in trade not only with India but also with various other countries across the globe. We leverage this extensive database to reach out to potential clients, connecting with them through newsletters and other communication channels. These interactions often lead to negotiations, sample exchanges, and, ultimately, the establishment of fruitful business partnerships.

Over the years, our reach has grown exponentially. What began as a venture into one international market has now expanded to include over 108 countries worldwide. It's a testament to our commitment to delivering quality products and our unwavering dedication to connecting with customers on a global scale. As we continue to explore new horizons and expand our reach, we're excited about the endless possibilities and potential collaborations that lie ahead.

**Q With so many products, shipments and destinations, how do manage the logistics service providers, in terms of freight rates and quality of service?**

Initially, we partnered with a small clearing house agent (CHA) based in Tuticorin, our nearest gateway to international trade. At that point, we were uncertain about their capabilities and whether they possessed the necessary licenses. These agents were operating with licenses from other entities, acting as intermediaries for clearing and forwarding services.

As our export shipments continued to grow, it became apparent that the existing CHAs could not accommodate our expanding needs. Their limited experience and capacity constraints hindered the smooth flow of our shipments. It was time for a change.

Our search for professional CHAs in Tuticorin, who has expertise and infrastructure to handle the logistics process seamlessly, marked the beginning of a pivotal transformation. Most of our shipments involved FOB (Free On Board) terms, while some importers nominated bookings through other lines. Gradually, we cultivated strong relationships with

these freight forwarders, gaining valuable insights into the dynamics of the logistics industry.

Our approach was rooted in negotiation, ensuring that we secured the best freight rates while working with a minimum of two to three CHAs or freight forwarding companies for each shipment. The capacity of the CHAs was of paramount importance. Our network of CHAs extended to various ports, both domestic and international. We were selective about choosing CHAs based on the port they operated from, emphasizing the significance of local knowledge and expertise. Our negotiations and collaborations were destination-specific, tailoring our approach to each port's unique requirements.

Today, we have an extensive database of over 4,500 CHAs, freight forwarding companies, liners, inspection agencies, and other service providers in the supply chain. We have a profound understanding of each port's unique requirements, recognizing the professionals who specialize in handling hazardous, general, or agricultural commodities.

Our meticulous negotiation and selection process, combined with a focus on on-time payments, has built a network of reliable partners across India. We have at least three to four trusted CHAs and freight forwarding companies in every port. Be it Mumbai, Mundra, or the ICDs in Delhi, we have cultivated a robust network of trusted logistics partners.

For air cargo shipments, including destinations (like Chennai and Bangalore), our city-based and airport-specific cargo handling partners are instrumental in our operations. Negotiating with two to three of the best logistics experts ensures that we always choose the most suitable partners for each shipment.

Today, we employ around 100 logistics companies across India. These professionals offer competitive rates, expert guidance on air and sea cargo, and an understanding of government regulations and guidelines.

Our journey in logistics has been one of continuous learning, adaptation, and growth, and our commitment to excellence in the field has propelled us to a position where we can confidently manage a wide array of logistics operations across India.





**Q Please tell us more about EPC and what are its objectives? How does it help in uplifting small and medium enterprises?**

**M**y journey into the world of export trade began after I completed my post-graduation. I joined a well-established export company and gained valuable insights into the intricacies of the trade.

However, it didn't take me long to notice a prevalent attitude among many seasoned exporters, which is secrecy. It seemed that most of the prominent players in the field were reluctant to share their experiences or knowledge with fellow exporters, driven by the fear that they might inadvertently create competitors.

I, on the other hand, have a different perspective. I believe that learning is a continuous process, and that there is enough room for multiple players in the market. I encouraged an attitude of collaboration and open sharing of information. After all, every exporter operates in distinct markets and serves different customer bases, so why the secrecy?

The trade landscape, I soon realized, was far more complex than it initially appeared. For instance, filing a shipping bill or negotiating export contracts, seemed straightforward on the surface, but the reality was very different. The complexities arose from the nuances involved, especially with regard to documentation and compliance.

I felt a strong desire to educate and mentor individuals who were eager to venture into this world. My goal was to break down the barriers and provide aspiring exporters with the knowledge and skills needed to navigate this intricate terrain. With this intention, I began conducting training sessions, free of charge, right in my own office in 2008 and 2009.

These sessions covered various aspects of international trade, including payment terms, FOB (Free On Board) pricing, and export documentation. The response was overwhelming, with numerous individuals, including college students and young business enthusiasts, seeking clarifications and guidance.

In 2010, Tamil Nadu Chamber of Commerce reached out to me, inviting to become the Chairman of their export forum. The mission was to guide people who were interested in the

world of exports. Madurai, where I was based, lacked an association or training centre for export education. Most of the export promotion councils were situated in major cities like Chennai, Mumbai, and Bangalore, making it difficult for smaller cities to access export knowledge. To fill this gap, we began conducting extensive training programs, ranging from three to six months, to educate small and micro-companies on export potential, market access, export costing, documentation, banking procedures, and more.

Today, our Export Promotion Centre boasts a membership of around a thousand individuals across Tamil Nadu, with chapters in several cities. We conduct regular training programs and workshops, enlisting the expertise of professionals from various fields such as banking, insurance, and logistics. Our members gain exposure to a wide range of topics and emerge with the knowledge they need to embark on their own export journeys.

Our EPC collaborates with various export promotion councils, including FIO, APEDA, Spices Board, Coffee Board, Capexil, and more, to support first-time exporters. Every year, we recognize and reward around 25 to 30 new exporters who have successfully entered the global market.

This endeavor is a part of our corporate social responsibility-a capacity- building program to empower small and micro-companies and MSMEs to expand their products globally. We charge a yearly membership fee, and, in return, provide members with valuable knowledge on export costing, digital marketing, customer acquisition, negotiation techniques, export documentation, risk management, working with export promotion councils, and leveraging government incentive schemes.

The success of our trained members has been evident, with many of them now running their own export organizations. These entities are driven by seasoned exporters who are eager to educate budding exporters and help them navigate the complex world of international trade. In essence, we've created a vibrant export community, where knowledge and expertise are openly shared, fostering an environment of growth and collaboration. This is how our Export Promotion Center operates, promoting the growth of exports and enabling more businesses to take their products to global markets.





**Q How is the current slump consumer demand from major global markets like the US and the Europe affecting your business?**

**W**e do not have the pressure to aggressively sell goods; instead, we focus on creating demand from the international market. We source products and match them with interested buyers. We don't operate under the stress of having to push a particular product - our model is built on a foundation of promoting products that we supply from India through our trusted contractors.

One of our key strengths is our powerful database. We regularly send out newsletters to around thousands of importers around the world. Out of those, at least five people express interest in our products or inquire about specifications and FOB prices. Eventually, around two of them become our customers. This approach has served us well in expanding into new markets and overcoming slowdowns in the business cycle. We utilize email and social media marketing to stay connected with global customers.

Our clientele spans across the globe, including African, South American, European, North American, Canadian, and Asian markets. We've never been significantly impacted by economic fluctuations. In fact, we see challenges as opportunities. For instance, when India and Russia have some disagreements and the Indian rupee weakens, it actually works to our advantage. Our costings are in Indian rupees, giving us a buffer of 2 rupees for every dollar we earn. This financial cushion allows us to stay competitive and thrive in the global trade landscape.

Our business model is lightweight and efficient, and we don't worry about minor slowdowns or order delays. We typically operate with a 50% advance payment and the balance through a Letter of Credit (LC), without extending credit or DA (Documents against Acceptance) terms. This prudent approach minimizes risk and ensures smooth transactions. ✓



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