
St. Mary's University

# St. Mary's University
# College of Business and Economics
# Department of Management
# Masters of Business Administration Program

## Assessment of Logistics practices and challenges in the Case Green International Logistics Services PLC

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## Declarations

I **MekdelawitTefera**, Registration Number/I.D. Number **SGS/0492/2013A**, do hereby declare that this Thesis is my original work and that it has not been submitted partially; or in full, by any other person for an award of a degree in any other university/institution.

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This Thesis has been submitted for examination with my approval as University College supervisor.

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## APPROVAL

The undersigned certify that they have read and hereby recommend to the St Mary's University to accept the Thesis submitted by **MekdelawitTefera**, and entitle **theassessment of Logistic practices and Challenges in the case of Green International Logistics Services PLC**, in partial fulfillment of the requirements for the award of a Master's Degree in **Business Administration.**

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## *ABSTRACT*

*The study was conducted to assess the logistics practices and challenges o in the case of Green International Logistics Services plc. The general objective of the study is to describe the Practices of logistics and Challenges in the case of GILS. Specific objectives of the study are to assess the practices of logistics on green international, to assess the most critical challenges for the company to implement Practices on logistics, to assess the reasons of challenges, happen for the company, to assess what treatments take the company to solve the challenges and to assess the benefits of GILS for local economy participate internationally on logistics sector.The study employed a descriptive type of research design. The target population for this study was 118 company employees and 331 customer respondents. Inadequate logistics management system and inadequate transportation system and climate change are the main challenges for logistics activity especially for the company. These challenges sometimes create customers' goods to delay and the company exposes for extra cost like port storage and demurrage costs. The company plays a great benefit in local economy by sources for foreign currency, let in income for the country in terms of income tax by creating job opportunity, by collecting VAT (15%) from its service users and withholding (2%) at the time of making payment for its purchasing items lastly pays profit tax (30%) from its company profit annually.*



***Key words: Logistics, Transportation, Climate change, port storage, demurrage, Freight forwarding.***

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Finally, my deepest gratitude is to my office colleagues for their support during distribution of the questioners to company customers. The last but not the least, I would like to my respondents.

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**ACRONYMS**

ALP - Africa Logistics Properties

DDC FPO - Direct Data Capture Freight Process Outsourcing

FTA - Freight Transport Association

GDP - Growth Domestic Product

GILS - Green International Logistics Service PLC

KN – Kontena National

MISC - Malaysia International Shipping Corporation

PLC –Private limited Company

US- United State

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# CHAPTER ONE

# 1. INTRODUCTION

## 1.1Background of the study

Logistics is one of the trade facilitating factors in the global trade. It is a multidimensional factor in trade operation focusing on process, skills sets and technologies. Specifically, logistics affects trade performance of a country in terms of cost, time, reliability and predictability and customer services, which further affect overall competitiveness of the export in the international market other things being constant Arvis et.al (2007).The logistics industry, which exhibited great development during recent years globally, is the lifeblood of economies. Logistic activities are extensively important for production and trade sectors. Manufacturing corporations procure raw materials, process these raw materials in the production operations and ship their products to the end users all thanks to logistic activities(Sezer and Abasiz, 2017, p.12-14). Logistics is a rather comprehensive concept. Generally, logistics reflects the processes of the flow of information from the origin of the raw material to the end point where the product is consumed, planning and controlling this process both in a productive and low-cost manner via storage and inventory facilities. In this context, logistics includes several types of services. These fundamental services include transportation, customs clearance, storage, handling, insurance, packaging, stocks and inventory management, customer relations management and customer specific services. Above mentioned services increased the significance of the logistics industry and thus, the industry became the sector with the highest share in services in several countries (Sezer and Abasiz, 2017, p.12-14). The logistics industry has been tested to the extreme and is still feeling the effects of the Pandemic.

The logistic performance international trade the analysis draws on overall logistics performance as well as disaggregates measure of logistics specificities data for a large sample ofCountries. The logistic performance is positively and statistically significantly correlated with export and imports. The analysis is also extended by investigate if logistics specificities mattered for international trade. The finding reveals that several dimensions capturing logistics performance have statistically significant and positive effect, mostly on exports. The main policy implication is that continuous investment in logistics infrastructure and services can positively impact international trade (Gani, 2017). The negative effect encourages a consumptive society,

lowquality of natural resources, undeveloped countries tend to depend on the developed ones for their economic.Development, the market for international logistics, and transportation is the dominant activity. The transportation of goods allows geographical overcoming of big distances and enables plurality of borders. Many players are involved in cross-border transportation which leads to a high institutional complexity. Transportation and associated handling processes constitute the highest cost factors for the international flow of goods. This shows the need to implement good transportation systems to keep these costs minimize (Schieck, 2008). The logistics infrastructure of a country includes the transport network of roads, railways and waterways. The public authorities have a decisive influence on these macroeconomic logistic systems and contribute to the success of companies which are dependent on the quality of the logistics infrastructure. The state also takes care of maintenance of the transport networks and provides institutions for logistic services like postal service. Schieck, 2008).Furthermore, logistic services and information technology can be considered when looking at logistics on macroeconomic level. Logistic services of a country for example include the general offer of local suppliers and logistics service providers. Moreover, information technologies are very important because they provide decision-relevant data to plan and release the whole logistical processes (Schieck, 2008). Transport and logistics services facilitate international trade and play an important role in the growth and development of the local economy. The quality and efficiency of logistics services can matter for international trade as a weak logistics infrastructure and operational processes can be a major obstacle to global trade integration (Devlin and Yee, 2005). On the contrary, an improved trade related logistics, combined with a liberalized economic environment, can increase trade volume and economies of scale and scope in distribution and production activities (Lakshman et al. 2001). Logistics services provide sector connections within the local economy. It also connects the domestic economy to the international economy. The connectivity of various inter-dependent production sectors (agriculture, manufacturing, agro-food, tourism, amongst others) of the domestic economy is strengthened through an efficient transport and logistics systems as one of the motives of producers is to securely transport their goods to consumers in a cost-effective way with minimal time lags (Elsevier B.V. 2017).The aim of this paper is to assess the practices of logistics and challenges In the case of green international logistics services plc. In doing the paper while complementing past studies on logistics-trade relationship, sheds some new light on the importance of logistics achievements facilitating Logistics practices and challenges.

## 1.2 Background of the organization

Green International Logistics Service PLC (GILS) is a family owned and run premiere logistics firm operating out of Addis Ababa. The firm which was established in 2005 is in packing, moving, customs clearing, freight forwarding, transporting, storing and heavy lifting of all types of household and commercial goods to and from any part of the world. The firm is also engaged in cargo insurance making it one-stop shop for anything cargo (https://www.greenint.com).

The Company Expertise on diversify business and Exhaustive portfolio, comprehended cohesive logistic solution, globally Connected , Fleet of Networking web in the transport and warehousing industry, prestigious clientele, experience and deduction, customer oriented budget matching services with high level end

Mission Statement

Green international logistics Services is dedicated to ensuring that quality is applied effectively and is continually reconfirmed as providing unsurpassed logistics services to our clientele by creating unique international partnerships.

VISSION

To be the principal force in advancing international freight forwarding in Ethiopia.

## 1.3 Statement of problem

The international logistics and international trade are inseparable have complementary relationship. The former is emerged due to the prosperity of international trade while it now pushes the latter into a better future. This relationship reflects their mutual support and influences during interaction (Zhenyu Jiang and Yaohua Wu, 2017).

The accelerator role international trade has played in the development of international logistics industry (Tongzon (2009). Still, Nguyen and Tongzon (2009) also found the lack of infrastructure and investment causes the lagging growth of logistics and failed to promote the international trade. Analyzed data of international trade and logistics from 108 countries proposed six main factors that influence the international logistics development on the national basis, which are customs efficiency, infrastructure, international shipping, service quality, the ability to track cargos, and punctuality (Li's 2012).

According to the study of Fekadu (2013), from the assessment made about Logistics Practice in Ethiopia, stated that the Ethiopia logistics system is characterized by poor logistics management system and lack of coordination of goods transport, low level of development of logistics infrastructure and inadequate fleets of freight vehicles in number and age, damage and quality deterioration of goods while handling, transporting and in storage. And he recommended that there is an urgent need for research on the logistics gaps identified and human resource needs in freight transport and logistics needs of the country.Poor logistics services such as limited coordination among countries on border procedures; inefficiency of customs clearance process at the ports; fragmented and poor quality of transportation related infrastructure; costly and infrequent shipping (with long and indirect shipping routes) delays in tracking and tracing consignments; delays in terminal handling and Clearance of goods absence of cool storage facilities at ports; and the inability to certify product quality amongst others can cause significant hindrance to international trade.(Ciuriak Dan and Preville, 2010). Even though there is a study done by previous researchers on Ethiopian logistics practices, they are highly focused alone the transportation part of logistics and ignored logistics integral role in supporting commercial activities as well as its effect on international trade performance. Therefore, the purpose of this paper is to empirically examine the effect of logistics performance on international trade performance, in case of Green International Logistics specifically in major export and import goods of Ethiopia as well as to test the degree of these effects, thereby gives recommendations in which area of logistics an improvement could be necessary (Ciuriak Dan and Preville, 2010). The research gaps identified by this study is that there are few papers available as the world starts to recover from the effects of the COVID-19 Pandemic and even fewer that pertain to Ethiopia. The study tries to address that gap.

## 1.4 Research Question

The following research questions are developed to be answered as a result of the study:

1. What is the role of logistics in Green international logistics Services Plc.?
2. What are the practices of logistics in the case of Green International logistics services plc?
3. What are the challenges in the Green International logistics services plc?
4. How the companies solve the logistics challenges?
5. What is the contribution of logistics on the local economy?

## 1.5 Objective of the Study

### 1.5.1. General Objective

**T**he general objective of the study is to assess the logistics practices and challenges in the case of Green International Logistics Services PLC.

### 1.5.2 Specific objective

1. To assess the Practices of Logistics in the case of Green International Logistics Services Plc.
2. To identify the role of logistics on Green International Logistics Services Plc.
3. To assess the challenges of logistic in the case of Green International logistics services plc.
4. To assess the measures taken by the company to solve the challenges.
5. To assess the contribution of logistics on the local economy.

## 1.6 Scope of the Study

The study conducted and focuses largely on the assessment of logistics Practices and challenges in the Case of Green International Logistics Services PLC, most critical challenges for the company, the reason why challenges happen, what treatments take the company to solve the challenges and also the benefits of the company on local economy it participates internationally on logistics sector.

## 1.7 Limitations of the Study

As with every other study, this study has certain limitations. First, the collection of sample was limited to employees and customers of Green International logistics services plc. Secondly, the study does not include qualitative data collection from experts in the fields of logistics. Since all the samples were collected from the employees and customers of the company, there is a possibility of bias. Further, even though best efforts were made to collect an adequate sample, it may not have been sufficient enough to represent the assessment of the role of logistics.

## 1.8 Significance of the Study

The study has a great significance for Green International Logistics Services PLC and for Government policy maker. The company will be benefited since the outcome of the study helps to understand the gap easily in its logistics practices and take corrective actions that can enhance its capacity to compete with best logistics companies in the world. It will also help the company

To identify, evaluate and monitor the key areas which can help to maintain its speed of logistics success. The government policy makers will benefit also from the outcome since it will assist them in examining the current policies towards the logistics sectors and improve them accordingly.

## 1.9 Organization of the thesis

The paper is organized with five chapters. The first chapter covers the introduction part that addresses the background information concerning the effect of logistics in international trade and development, the research questions, the general and specific objectives of the research, the significance and scope of the research, and finally the limitations of the research. Following this introductory chapter, the second chapter comes; it will describe the basic and relevant literatures related to logistics practices and challenges that are done previously by other researchers. In the third chapter the research report covers the type of research design used, the analysis of the data, the sampling techniques, and methods of data collection applied. The fourth chapter focuses on the descriptive data analysis and findings of the study. The last chapter provides the conclusion and recommendations so as to solve the observed gaps.

## 1.10. Definitions of key operational terms

Logistics Terms

Accessibility — the ability of a carrier to provide service for a freight order.

Accessorial Charges — Fees added to a freight bill for additional services that the carrier might provide. These are a la carte, or per service, and outside of standard shipping and receiving. Things like liftgate requirements, redeliveries, and reclassifications are typical accessorial charges.

Account-Specific Pricing — Customer-specific pricing, or account-specific pricing, refers to an agreement between a vendor moving product and a carrier or 3PL that establishes custom prices. Shippers who move volume above a certain threshold are eligible for a discounted rate because they give the carrier guaranteed business.

Advanced Planning and Scheduling (APS) — Critical supply chain planning that also accounts for production schedules. Typically, it accounts for the planning of demand, production, distribution, and transportation.

Agile — the concept of having a flexible supply chain that allows for quick order fulfillment with short lead times and varying volume

Air Freight — Transportation of products via air transportation methods.

Application Programming Interface (API) — A digital program that allows for data exchange between two or more applications via the cloud.

ATA — Actual time of arrival

ATD — Actual time of departure

Audit — in logistics, an audit refers to the process of examining, adjusting, and verifying freight bills for accuracy.

Backhaul — Refers to a truck's return trip to the original destination with either a partial or full load.

Benchmark — In logistics, benchmarks refer to KPI thresholds set by an organization to measure supply chain performance.

Billing — A process typically performed by the carrier that determines the total charges for a completed order.

Bill of Lading (BOL) — A legally binding document between a shipper and carrier that details all the information needed to process a freight shipment.

BOL Number — The number established by the carrier that refers to a specific BOL.

Cab Extender — A piece of equipment used to seal the gap between cab and trailer.

Capacity — in trucking, the term refers to available trucks in any given market. Conceptually speaking, tight capacity translates into a more difficult market that is more challenging to find a carrier willing to complete an order. Conversely, loose capacity translates into an easier environment that is easier to find a carrier.

Cargo — Product carried during transportation.

Carmack Amendment — The piece of legislation that establishes carrier liability and BOL provisions.

Carriage — in maritime shipping, carriage refers to the movement of cargo on a vessel after loading and before unloading.

Chargeable Weight — A shipment's weight that is used to determining freight pricing. It may be the dimensional weight of the shipment.

Claim — In freight, shippers can retroactively charge carriers for damages or loss to transported products.

Class (Freight Class) — A group of commodities that are bunched together under a specific based on similar dimensions or other attributes.

Class Rates — the rate charged for hauling products at a given class.

Co-Packer — A contracted partnersthat packages and labels products on behalf of its client.

Co-Manufacturer (Co-Man) — A third-party partner that produces goods from raw materials or semi-finished materials on behalf of its client.

Collect Shipping — A type of billing that charges the consignee with freight costs rather than the consignor.

Commodity — any item that is commercially exchanged.

Common Carrier (Carrier) — The person or company that is responsible for transporting goods.

Compliance — In retail logistics, the term that refers to the regulations set by retailers for delivery of goods into their supply chain.

Consignee — The receiver of transported products.

Consignment — A freight order transported by a carrier.

Consignor — the originator of shipped products.Also referred to as the shipper.Typically, the entity that sold the products.

Consolidation — The combination of multiple shipments on a single order. This process is most commonly used to lower transportation costs or improve supply chain performance.

Container — A large box used to transport freight via maritime shipping methods.

Container ID — the identification number assigned by the carrier to a given container.

Container Yard — the area that stows containers following their arrival at port.Carriers pick-up cargo from these designated spaces.

Contract Carrier — Carriers hired by shippers on a contract basis.

Contract Rates — The rate at which a shipper and carrier agree upon in advance on a given lane. These are rarely upheld as rates fluctuate with market demand and capacity.

Cross-Docking — The process of unloading product at a receiving facility and reloading it on another truck to complete shipment with very little to no storage in between.

Cumulative Lead Time — the total time needed to source material, produce goods, and ship a product to its destination.

Customs Broker — A third-party entity that assists vendors to deal with import or export customs.

Dashboard — In the tech aspect of logistics, a singular spot on a website or application where an abundance of information is displayed.

Deadhead — Refers to the empty miles traveled without a load in a trailer.

Dead on Arrival — In logistics, the term used to describe product that is damaged upon delivery to its destination.

Declared Value for Carriage — The value of goods according to the shipper. This amount is declared on a BOL.

Delivery Appointment — The agreed-upon time of arrival for a transported order.

Demurrage — Additional charges incurred when freight is unloading past its specified time. Used in rail and maritime transport.

Density — A product's pounds per cubic foot. The metric is used to establish pricing for a transported order.

Detention — The amount of time a carrier is held at a receiving location beyond a specified loading or unloading appointment. Typically, detention results in a charge to the consignor.

Dispatch — The office in charge of allocating assets to haul shipments.

Distributor — A third-party that purchases products to resell to a retailer.

Drayage — The pick-up of the contents of a container from a yard by a carrier.

Drop Trailer — The process of leaving a trailer at a receiving location to be reloaded at another time.

Demurrage — packing material used to product goods from damage during transport.

EDI Exchange — Communication between two businesses via a structured set of messages. EDI is used to exchange documents like purchase orders and invoices.

Exception Rate — A situation in which a rate does not follow the set class rate.

Expedited Shipment — The rapid delivery of a product from its origin to its destination.

First-In, First-Out (FIFO) — An inventory management strategy that requires product to be used in chronological order from its arrival to a facility.

Flatbed — A type of trailer that has no enclosed area.

Flexibility — the ability of a supply chain to react quickly and efficiently to changing customer demands.

Free on Board (FOB) — Used to decide who is liable for goods that are damaged during shipment.

For-Hire Carrier — A carrier that provides transportation services on a transactional basis.

Freight — An order that is transported from origin to destination.

Freight-All-Kinds (FAK) — pricing strategy that bundles multiple freight classes into a single class.

Freight Bill — the invoice for a carrier shipment.

Full Truckload (FTL) — A shipment on which an entire trailer is filled with product.

Gross Weight — the total weight of a truck, trailer, its cargo, the driver, and any potential passengers.

Handling Costs — The cost of moving or transferring inventory.

Inbound Logistics — Refers to the transportation and storage of incoming goods into your supply chain.

Intermodal Transportation — The transportation of freight by two or more modes i.e., using rail shipping and over-the-road shipping for a singular shipment.

Joint Rate — A rate of a route that requires two or more different carriers to transport shipment.

Just in Time (JIT) — An inventory control system that requires materials to arrive just in time for use.

Key Performance Indicator (KPI) — In logistics, KPIs are critical metrics that highlight the performance of your supply chain.

Landed Costs — The cost of product combined with additional logistics costs.

Lead Time — The time between an order being placed and the time it needs to be shipped.

Less-Than-Truckload (LTL) — A shipment mode that consolidations several smaller shipments on a single truck.

Line-Haul Shipment — An order that ships over 150 miles between two cities.

Load Tender — Also called a pick-up request. Simply put, it is a shipment offer to a carrier.

Lumper Fee — The cost associated with a driver assisting in the loading or unloading their trailer.

Market Demand — In trucking, this refers to the need for freight services.

Mileage Rate — A rate that is determined by the number of miles an order is shipped.

Must-Arrive By Date (MABD) — The date set by retailers that specifies when a vendor must have a product to their receiving facilities.

National Motor Freight Classification (NMFC) — A tariff that puts all products that can be hauled as freight into 18 different classes, numbered 50 to 500.

Network Analysis — The careful analysis of a logistics network. They are designed to analyze warehousing, transportation, and other means of distribution.

On-Time In-Full (OTIF) — A standard by which retailers' grade a supplier's ability to have product delivered to their distribution centers within prescribed delivery windows and at full quantities ordered.

Order — A shipment of goods.

Outbound Logistics — Moving product from your production facilities to the end-user.

Outsource — The process of using a third-party to complete functions that were previously performed in-house.

Over-the-Road (OTR) — The transportation mode that involves long-distance moves via a truck.

Owner/Operator — A driver who owns their own truck and trailer.

Packing List — A document that specifies the location of each item in a package.

Parcel Shipment — The shipment of one or several small packages not on a pallet.

Port of Discharge — The port where an order is unloaded.

Port of Entry — A maritime entry for goods into a country.

Port of Loading — The port where cargo is loaded onto a vessel.

Prepaid — A freight billing method in which the shipper pays transportation costs.

Proof of Delivery (POD) — Information supplied by the carrier that specifies who signed for the shipment, when it arrived, and any other information.

Purchase Order (PO) — A document that specifies the details of a transaction between buyer and supplier.

Real-Time — In logistics, this term refers to a shipper's ability to track an order as it progresses from origin to destination.

Receiving — The physical receipt of a transported order.

Receiving Dock — At a receiver's facility, the dock is the place where goods are unloaded.

Refrigerated Carrier — A truckload or LTL carrier that has the capability to transport temp-sensitive product in a refrigerated trailer.

Request for Proposal (RFP) — Refers to the process of bidding your freight lanes out to transportation providers for an upcoming period of time.

Request for Quote (RFQ) — Another term for a transportation RFP.

Retail Buyer — A person who purchases products from vendors on behalf of a retail outlet.

Retailer — A business that buys products from suppliers to sell to end-users.

Routing Guide — the process in which a shipper determines which carrier will move a product based on completed RFPs.

Scalability — how quickly a supplier can increase productivity to meet rising demand.

Scorecard — A tool used by retailers to grade their suppliers' ability to deliver product on-time and in-full.

Shipper — the originator of a shipment.

Shipping Lane — the route on which a carrier transports a product between origin and destination.

Short Shipment — an order which is incomplete or missing agreed-upon parts.

Spot Market — the trucking market that exists for shipments with little lead time or notice.

Spot Market Rates — Rates at the present moment in the market.

Supplier — A seller of goods.

Supply Chain Visibility — Refers to the ability to identify and isolate key metrics within the supply chain.

Tariff — Taxes assessed by a government on goods leaving or entering a country.

Tender — A formal request for transportation services.

Tender Rejection — A situation that occurs when a carrier rejects a shipper's tender forcing them to find an alternative carrier.

Third-Party Logistics Provider — A third-party firm that provides logistics services for customers.

Traceability — in shipping, this term refers to real-time or close to real-time location tracking.

Track and Trace — following a shipment's movement from origin to destination.

Trailer Drop — Occurs when a driver leaves a full trailer at a facility to pick up an empty one.

Transactional — A singularly occurring business relationship that occurs only on an at-need basis.

Transportation Management System (TMS) — an application that allows users to perform the activities needed to complete key logistics planning and processes.

Transportation Mode —the method by which goods are transported.

True Logistics Partner — Refers to a logistics relationship that goes beyond transactional services to a deeper, more consultative approach.

Value-Added Partner — a strategic partner that creates value for a firm that goes beyond benefits received from a transaction.

Velocity — therate at which product moves through a warehouse.

Vendor — A company that manufactures or distributes an item.

Visibility — Access to key data within the supply chain.

Warehouse Network — Refers to a vendor's chain of warehousing locations throughout a given geographic area.

# CHAPTER- TWO

# 2. LITERATURE REVIEW

## 2.1. Theoretical Literature Review

American Council of Logistics Management: defines logistics as "the process of planning, implementing and controlling the efficient, cost-effective flow and storage of raw materials, in-process inventory, finished goods and related information from point of origin to point of consumption for the purpose of conforming to customers' requirements".Philip Kotler (2007)

Philip Kotler (2007): defines logistics as "planning, implementing, and controlling the physical flows of materials and finished goods from point of origin to point of use to meet the customer's need at a profit".Logistics is generally the detailed organization and implementation of a complex operation. In a general business sense, logistics is the management of the flow of things between the point of origin and the point of consumption to meet the requirements of customers or corporations. The resources managed in logistics may include tangible goods such as materials, equipment, and supplies, as well as food and other consumable items. The logistics of physical items usually involves the integration of information flow, materials, handling, production, packaging, inventory, transportation, warehousing, and often security. (Lambert, Stock and Ellram, 1998).

Logistics is defined as the process of planning, implementing and controlling the efficient, effective flow and storage of goods, service and related information form point of origin to consumption for the purpose of goods, services and related information form point of origin to point of consumption for the purpose of customer requirement (Lambert, Stock and Ellram, 1998).As cited by Rutner and Langley (2000), simple definition of logistics is the fulfillment of the '7Rs of Logistics'; availability of the right product, right quantity, right condition, right place, right time, right customers and right costs. Malaysia is no stranger to logistics industry boasting with magnificent world-class and modern infrastructure as welambertll as renowned logistics companies such as Malaysia International Shipping Corporation (MISC), KontenaNasional (KN), Northport Malaysia Berhad (Northport).According to Gołembska (1999) a logistics service is transportation and storage of logistics products organized by a company together with full formal and legal handling, including customs. A logistics service is a response to customer demand and expectation associated with the provision of a proper product in due time, at an

agreeable price, while preserving an adequate quality level of this service. Tseng et al., (2005) logistics services support the movement of materials and products from inputs through production to consumers, as well as associated waste disposal and reverse flows. They include activities undertaken in-house by the users of the services (e.g., storage or inventory control at a manufacturer's plant) and the operations of external service providers. Logistics services comprise physical activities (e.g., transport, storage) as well as nonphysical activities (e.g., supply chain design, selection of contractors, freightage negotiations).Gołembska, (2007) A logistics service is a logistics product constituting a set of wishes and expectations of a customer; a logistics service is provided by means of logistics management, which is a process of service planning and performance that considers an analysis of needs, possibilities and means of providing such a service in the entire supply chain from the manufacturer to the consumer. Logistics is widely known as the process of coordinating and moving resources such as equipment, food, liquids, inventory, materials and people from one location to the storage of the desired destination. It was originally a military-based term that was used to describe how the military force obtained, stored and moved equipment and supplies. In the supply chain and business sense, logistics is the management of the flow of things between the point of origin and consumption, so to fulfill the requirements of consumers or corporations. The logistics of the aforementioned resources involve the integration of production, packaging, warehousing, transportation, security, materials handling and information flow (November 12, 2018 By Nomi Mngomezulu)

## 2.2. Conceptual Framework

The literature of the study covers an explanation about the basic concepts which provide definition for logistics and the recent trends in logistics. The review also discussed about the general practices of logistics and the logistics challenges in different countries. The theoretical and empirical literatures are presented in combination with each other, explicitly they are not separated. Although, in the review of empirical studies, it was difficult to get many literatures that are matched with the title of the study, the basic findings from some related studies are included.

### 2.2.1 Logistics Activities

Logistics is also known as Physical Distribution management. Logistics is an activity carried out by many different companies for the physical distribution of goods. These goods have to be transported to the distributors and dealers and lastly to the end consumer. Logistics is the means to transport the goods from the company to the middlemen or the end consumer. However, Logistics does not mean "transport" only. There are many different logistics activities or functions of logistics which are used by a company (Bhasin, 2018). Since, Logistics play a key role to bridge the gaps between market demand and source of supply, and to accomplish these tasks there are some components that are connected with each other and develop the logistics system. Such components are warehousing, transportation, inventory management, information sharing, order processing, customer services, procurement and packaging. These components work together to deliver the right product to right customer at right time at right place (Sople, 2012).

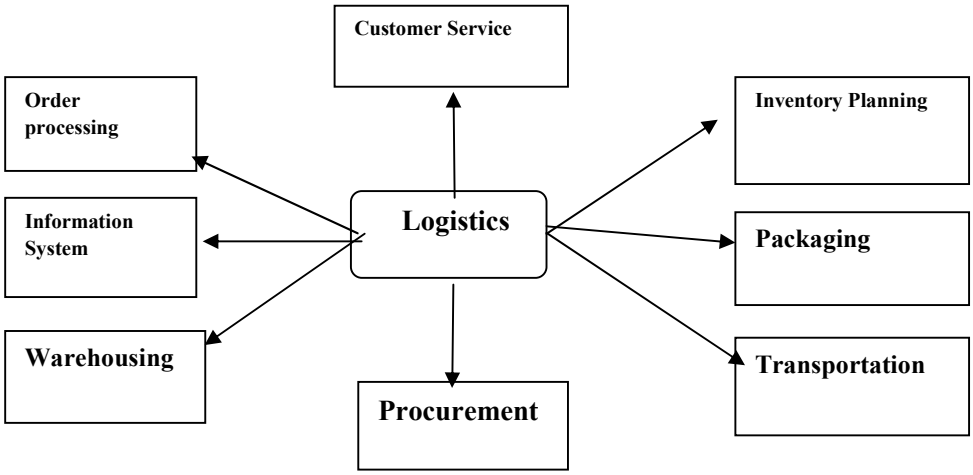


Figure 1: Components of Logistics System (Sople, 2012)

### 2.2.2Inventory Management

The efficient inventory management throughout the supply chain is dependent on the efficient logistics management. There are two opposite ways to control the flow of inventory. First, make sure to have an enough stock to meet the customer need. Second, keep the stock in hand at minimum cost. It is a sustainable way of managing inventory by making sure the demand of market and to make the arrangements to keep the inventory at minimum cost (Sople, 2012).

In cost effective management of inventory in different locations of warehouses, the logistics managers play an important role. Managers should implement cost effective strategies because there is cost which is associated with inventory on hand. These cost-effective strategies such as reducing the number of items, reducing manufacturing lead time, demand forecasting, just in time approach, improving supplier reliability and reducing supplier lead time (Ballou, 2004). These strategies have impact on company's carbon footprint as well. The sufficient inventory on hand requires smaller facilities such as less energy in terms of heating, cooling and workforce (Franchetti et al., 2009). Similarly, if the company manages its inventory in a way to send it to intermodal terminals, storage cost and lead time would be reduced. Because of these intermodal techniques, the environmental impact per ton mile would be reduced instead of relying totally on road transport (Dekker et al., 2009).

### 2.2.3 Warehousing

Warehousing is not only a place of keeping inventory, but it provides the switching facility in logistics system. Inefficient management of warehousing can cause the late delivery. Number of warehouses, their locations, size, design and layout matter a lot in successful and sustainable logistics system (Sople, 2012). Logistics managers all around the world striving to seek the ways to minimize the energy cost which logistics buildings are consuming. Such energy cost is utility expense. One way to reduce this cost is by using the natural lights such as larger windows and skylights because it saves utility expenses and employees appreciated it as well. On time maintenance and cost-effective replacement are also considered sustainable ways.

### 2.2.4 Order Processing

The activities in order processing are:

- Checking the order against the agreed terms and conditions
- Price negotiation
- Check out the availability of stocks
- Production or replenish the shelves
- Acknowledge the order
- Checking the order against the agreed terms conditions
- Price negotiation
- Check out the availability of stocks

In the large organizations where orders are received in thousands per day, a manual process of handling the order cannot be considered a sustainable way or can cause the time delay (Sople, 2012).

### 2.2.5 Information System

Through-out the supply chain, one of the important logistics components is 'information system'. With proper flow of information, the movement of goods and efficient inventory management is possible. For the purpose to improve the accuracy of information and communication, logistics firms consider efficient information system among their suppliers (Dey et al., 2011). According to Fugate et al (2009) the empty trucks and vehicles can be re-routed to replenishment which is cost effective and have least environmental impact. Generally, companies use the information for an internal perspective, but it is argued that in order to improve the sustainability efforts the efficient flow of information throughout the supply chain is necessary. For a sustainable Perspective, sharing knowledge throughout the supply chain is considered an effective strategy. Moreover, the utilization of knowledge in an integral way is helpful to reduce the negative effects of transport and logistics activities in supply chain (Evangelista et al., 2015).

### 2.2.6 Packaging

Packaging plays an important role in protecting the goods and it saves the storage space as well (Sople, 2012). According to Fugate et al (2009) one of the best ways to reduce the carbon footprint is by making sure the efficient utilization of space. For logistics managers it is an opportunity to get sustainability economically and environmentally (Routroy, 2009). According to Boch (2010) it is a good way if a company updates its packaging technique in eco-friendly

manner because it results in building customer loyalty. Experts and managers have declared in the research of Twede et al (2007) the packaging play an important role in the utilization of pallets and the selection of pallets is a key component of sustainable packaging. They also argued that managers should use the substitutes of wooden pallets such as plastic pallets.

### 2.2.7 Customer Service

It is a universal concept and most of the companies have their customer service department. Organizations that strive to become profitable make sure the quality services to their customers. Good customer services increase the customer loyalty that results in boosting the revenue. For sustainable organizations, customer service is an essential component. To sustainable profit growth in an organization, customer service is a key contributor. In today's volatile competitive market, an organization barely thinks about losing its customers. If a customer turns his back to any business there are very rare chances that he will be back again because there many alternative options available for him in the market (Chowdhury, 2014). Because of loyal customers, good businesses become great. Loyalty of the customers make sure they will retain with the company over the years. And to achieve this loyalty there is a need to give good customer services. Customer Services retain customers and give competitive advantage which directly increases the profitability or economic sustainability. Moreover, it also helps to achieve the social sustainability because it gives the confidence to employees. When customers praise the business and its services, it boosts the morale of employees (Bhasin, 2018). Social sustainability is a way of identifying and managing the business impacts on employees, customers and communities. It is about understanding the corporation's impact on people (Adec Innovation, 2019).

### 2.2.8 Procurement

Purchasing or procurement is considered as a lever for sustainable development. This concept has emerged with the objectives of sustainability. It also involves in balancing economic, social and environmental sustainability (Walker et al., 2009). According to Kilby (2008) outsourcing or purchasing of logistics operations is considered an effective strategy of the organizations to achieve sustainability. Organizations have increasingly turned towards third party logistics to remain sustainable and to maintain the standard of the corporation.

### 2.2. 9 Transportation

Now we come to one of the major logistics activities which are one of the most resources heavy and revenue heavy segment of logistics. There is a single reason that transportation is costly – Fuel. Be it petrol, Diesel or gas, fuel is costly, and it is mostly consumed in transportation activities. This is why companies spend laths to control the transportation expenses because it is one of the highest variable expenses to any company.(February 9, 2018 By Hitesh Bhasin).Transportation involves the physical delivery of goods from the company to the distributor or dealer and from the dealer to the end customer. Generally, companies are involved only till the point delivery happens to the distributor or the dealer. The distributor is then responsible for the delivery to the end customer. However, transportation is a cost to the dealer as well and reduces his profit – due to which the company has to give higher profits to the dealer – to negate his costs.The better the warehousing and the inventory management of a company, the lower is the transportation cost for the company. Economies of scale play a major role in the cost-effectiveness of transportation. FMCG adopted "breaking the bulk" method to reduce the cost of transportation and also to improve functions of logistics as a whole (February 9, 2018 By Hitesh Bhasin)

### The benefits of logistics on international economy

Logistics has become an enormously important component of the gross domestic product (GDP) of industrialized nations and thus affects the rate of inflation, interest rates, productivity, energy costs and its availability and other aspects of the economy as well. Ever changing business

Environment due to globalization, lead time reductions, customer orientation, and outsourcing has contributed to the interest in logistics (Hertz &Alfredsson, 2003). The increase in global production sharing, the shortening of product life cycles, and the increase of global competition all underline logistics as a strategic source of competitive advantage (Arvis, Mustra, Panzer, Ojala, &Naula, 2007). Moreover, in order to remain in competitive marketplace and earn reasonable profits, organizations interest in logistics has been increased. Logistics operations have become more efficient due to technological advancements which make it possible to deliver goods on time while reducing the cost involved.Global market access has been improved over the time with the advancement in technology and trade liberalization resulting in the economic growth and development of the countries. Patterns in the market competition situation are continuously dictating the supply chain flows (i.e., product, price and information flows) in a

predictable, timely and cost-effective way. Global firm's corporate decisions regarding which country to locate in, which suppliers to buy from and Which consumer markets to enter are largely based on logistics costs, quality and service level. Therefore, the countries with higher overall logistics costs are more likely to miss the opportunity of globalization. Nearly every sphere of human activity is affected, directly or indirectly, by the logistics process. Certainly, the improved logistics is expected to have important economic effects. Lower logistics costs and services affect positively in production, distribution and trade and/or retail activities of the firms. Reduced/minimum logistics costs enable a production or distribution facility to serve a wider market area, with potential gains from economies of scale. It also means that a firm can draw supplies from a wider area with potential gains in terms of the cost and/or quality of parts and materials. Logistics costs include transportation costs, costs of owning and operating warehouses, ordering costs, and carrying costs of inventory (Consulting & Decision-Economics, 2002).

## 2.3 Empirical Literature

The role of logistics in facilitating international trade and development shows that a link between export performance and transport and logistics improvements can be traced back to the 1990s (Wiederer, forthcoming). The logistics performance of a country contributes to its productivity, attractiveness to foreign investment, and ability to participate in global trade (Hausman et al., 2013a). To connect with international customers, exporting firms need the spatial connectivity and infrastructure that a country's logistics environment provides (Banomyong et al., 2015). Many studies see customs as an important factor in logistics and transport efficiency, and, especially in relatively less developed countries, small measures in customs can increase the efficiency of the total logistics system (Ekici et al., 2016; Yang and Chen, 2016; Heaver, 1992; Devlin and Yee, 2005). In the transport and trade literature, customs are seen as an important factor for trade facilitation (Hausman et al., 2013). In fact, according to the FTA (Freight Transport Association), in 2014, many companies rely on transport and logistics to keep their business strong. Today, companies have good infrastructure and record keeping, which continues to improve through advancements in technology. As time has progressed, so has the importance of logistics, in fact this rise has brought factors such as warehousing and other facilities closer to large towns and cities. Logistics is affecting businesses within towns and cities, bringing more jobs into these locations.

The study by Fekadu (2013) on the logistics practices of Ethiopian found that the density and quality of transport infrastructure is very low, the main freight transport companies lack capacity in terms of skilled human resource, management skills and number of fleets of vehicles, the main/big companies are government owned that will result in inefficiency, the efficiency of customs authority is very low and this causes a lot of delays at check points, and the number of days required to get foreign currency from national bank is also very long.According to a third-party logistics study by Capgemini, 'cutting transportation costs' makes the top of the list as far as concerns for the logistics industry. Some other obvious pain-points make the list as well, but perhaps the most important and at times challenging concern is the need for greater innovations and technology advances while remaining budget-conscious. Here is a snapshot into eight (8) of the top challenges facing the industry (DDC FPO · Nov. 1, 2017).

- Fuel prices are likely to increase transportation costs for US shippers this year by pushing up fuel surcharges. This industry is then pressured by increasing compliance regulations, declining demand, additional capacity with additional increases in key cost centers. Hiring and retention remain an issue despite the lower demand.

According to Sidoman reports on (December 29, 2016,) Africa is currently facing variety of challenges. Below are some of the major challenges: -

- Foreign Currency Shortage Risks and Corruption are some of the biggest logistical challenges. Poor infrastructure may result in:. Poor tracing and tracking capabilities. Customs clearance process inefficiency. Poor quality of trade and transport. Lack of fund for investment and expansion also need consideration.

These industry risks raise questions on logistics growth in Africa. Rail, road, and sea network are not up to the international logistics business standards. Most of the countries in Africa are poorly ranked in World Bank's Logistics Performance. Freight and transportation costs in East Africa are among the highest in the world. Logistics can play a key role here. Agricultural investment is useless without a supply chain to get the produce to market. Medication will become ineffective if it is not transported in suitable conditions. Consumer goods can't be used in improving people's lives if their importing cost is too high.Good logistics can remove the above-mentioned problems quite effectively. It focuses on the required mechanics of delivery. Transit time is also on higher side in East Africa. Therefore, it will be a big challenge for logistics companies operating in East Africa.

According to NewBusinessEthiopia.com reports on September 24, 2019, A forum by the Nairobi based Africa Logistics Properties (ALP), discusses logistics challenges in East Africa mainly supply chain.The Index placed South Africa, Kenya, Rwanda and Ivory Coast as the top 4 best performing countries in Africa, while Somalia, Sierra Leone, Eritrean and Zimbabwe took the bottom four positions.Ethiopia was ranked position 131 globally, and on the African continent after Sudan, which was ranked position 130, according to the World Bank's Logistics Performance Survey of 2017

## 2.4 Logistics Challenges in Ethiopia

According to Fasika, Klaus and Marcus (2014) in their research on the 12 types of industries found that long delays in customs and port handling as well as complex tariff for imported items are becoming the challenge for logistics and supply chain processes. They also found that the major supply challenges are inconsistency of quality raw material during bidding time and final delivery, unavailability of local suppliers for imported items and long processing and delivery time due to lengthy bureaucratic procedure involved in the purchase of the imported raw material. Their study also indicated that the major transportation challenges are Ethiopia having no access to sea (Land-locked country) and backward transport infrastructure. Due to this the delivery process was expensive and challenging. This hinders the firms' competitiveness in the country.

## 2.5 Research Gaps

Logistics firms, which are involved in the movement, storage, and flow of goods, have been directly affected by the Challenges. As an integral part of value chains, both within and across international borders, logistics firms facilitate trade and commerce and help businesses get their products to customers. Supply chain disruptions to the sector caused by the pandemic could, therefore, impact competitiveness, economic growth, and job creation.After reviewing the literature, the research gaps identified by this study are the Practices of Logistics and Challenges in the post-Pandemic era, with the promises of digitization at the doorsteps of Ethiopia. While there are numerous studies available on the Practices of Logistics, there are few papers available as the world starts to recover from the effects of the Challenges and even fewer that pertain to Ethiopia. The study also compares and analyzes important variables and their effect on logistics practices focusing on East African Countries and their recent economic performance

# CHAPTER-THREE

# 3. RESEARCH METHODOLOGY

## 3.1 Introduction

Research methodology is considered as a systematic way to resolve the research issues. Generally, the process through which researchers precede their work of explaining, predicting and describing is often known as research methodology (Rajasekaret al., 2006). As its main objective, the study examined the assessment of logistics practices and challenges in the case of Green International Logistics Services plc. And the related logistics challenges, the reason why this happens challenges, the using methods to solve challenges as well as the benefits of the company for local economy by its participate internationally in the logistics sector. The proposed study employed a descriptive and explanatory type of research designs. And also, the study used quantitative research approaches. This was considered to be efficient to answering the research questions. The methodology used in this paper to make assessment on the logistic practices and challenges in the case of GILS was: collecting secondary data, literature review and analysis to identify the gaps.

### 3.1.1Research Design

The research design refers to the overall strategy that researcher chooses to integrate the different components of the study in a coherent and logical way. There by ensuring he/she will effectively address the research problem; research design constitutes the blueprint for the collection measurement and analysis of the data. The research problem determines the type of design a researcher should use not the other way round. The main purpose of this study is to examine the assessment logisticpractices and challenges of Green International Logistics Services PLC. Therefore, the researcher combined both descriptive and explanatory approaches. Descriptive research helps to examine the logistic practices and challenges; explanatory research helps to illustrate the correlation between variables. The study used quantitative research approaches.

### 3.1.3. Population and Sample

#### 3.1.3.1 Target Population

The target populations for this study constituted all the company employees and customers. The total numbers of company employees are 118 and customers are 331.

#### 3.1.3.2Sampling Technique

The researcher is use simple random sampling technique. Random sampling is said to be the easiest way of sampling technique. It is observed that every respondent will get opportunity to get selected. If the population is large then it is difficult to select the exact sample size (Saunders et al 2003). In this case each individual is chosen entirely by chance and each member of the population has an equal chance, or probability, of being selected. One way of obtaining a random sample is to give each individual in a population a number, and then use a table of random numbers to decide which individuals to include. As with all probability sampling methods, simple random sampling allows the sampling error to be calculated and reduces selection bias. A specific advantage is that it is the most direct method of probability sampling. A disadvantage of simple random sampling is that it may not select enough individuals with your characteristic of interest, especially if that characteristic is uncommon. It may also be difficult to define a complete sampling frame and inconvenient to contact them, especially if different forms of contact are required (email, phone, post) and your sample units are scattered over a wide geographical area.

### 3.1.4 Data Collection

There are two types of data collection methods. These are primary data collection and secondary data collection. The study used both primary and secondary data collection methods to achieve the objective of the study. For a primary data collection method, questionnaire is used. The researcher is currently an employee of the company participate fully on the activity of logistics operation and as well observe the implication of their relation on logistics performance of the company. Additionally, this study is use questionnaire to be filled by other company employees and customers of the company.

### 3.1.5 Reliability and Validity

#### 3.1.5.1 Reliability

Saunders et al. (2009, p. 156) have defined reliability as "the extent to which analysis procedures or data collection techniques would yield consistent findings". Reliability refers to the measures that offer the same results on each time. Moreover, the recorded data was re-checked to handle a high level of reliability and validity. As per Collis and Hussey (2009) [296] reliability is said to be credibility of research finding.

#### 3.1.5.2 Validity

In any research, validity is considered as essential in order to identify whether research findings are what appears to be about (Saunders et al., 2009 p. 292). To ensure internal validity the questionnaires of the researcher were given to Marketing and Operation Manager, Sales Manager, Commercial Department Manager and Supervisor and were confirmed.

### 3.1.6 Data Analysis Methods

As the specific methods to be applied in the study to collect data analysis of the Quantitative data from the questionnaires were analyzed using explanatory designs. The questionnaires were distributed to all the heads and supervisors of logistics/marketing and coordinators of the company. Descriptive statistics was used to describe different characteristics, frequencies, percentages; mean and standard deviation was used to analyze general information about respondents and to describe aspects of the assessment of logistics practices and challenges in the case of G.I.L.S.

In naturally statistical analysis, correlation and multiple linear regression analysis used to determine the relationship between the independent variable (logistics) and dependent variables (practices and challenges); and to test the Practices of logistics on GILS. Generally, the results will present using tables in order to display the collected data in a brief and meaningful way. Finally, the data will be interprets based on statistical findings.

### 3.1.7 Ethical Considerations

An Individual Should at no point feels any coercion to participate in the study and they are given fulfillment of consents, the researcher asks the permission from the organizations managers then distribute the questioners. On this study do everything to protect the study participant by giving their confidentiality of their information. The research design was address specific research questions and the conclusions part of the study correlate to the question and the results.

# CHAPTER-FOUR

# 4. DATA ANALYSIS, PRESENTATION AND DISCUSSION

## 4.1Introduction

This chapter is dedicated for data presentation and analysis of data collected from researcher using participatory observation, questioner filled by selected parties. The chapter also tries to deliver findings based on the study. As indicated in the objective part of this thesis, it is to assess the assessment of logistics practices and challenges in the case of Green International Logistics Services PLC, critical challenges for the company, reasons for the challenges, treatment and solve methods for challenges and the benefits the company for local economy participates internationally on logistics sector. Hence, analysis is made based on the response of the selected parties. Accordingly, analysis is organized and presented turn by turn and finally, summarized all together. The 212 questionnaires were distributed, from 212 questionnaires 113 distributed to company employee and 99 to company customers. From 212 distributed questionnaires 106 from company employee and 43 from company customers completed and returned. This indicated that the response rate is 70.28%. Therefore, the response rate found is very good to analysis of the data. Generally, findings of the study were presented to answer the important research questions, and the marketing and operation departments were the main sources of data. Because they gave more than adequate and very clarify responses for the research questionnaires.

## 4.2 Survey Result and Analysis

### 4.2.1Respondents' Profile of company employee

The employees of the selected have answered the questions that have given them in the form of questionnaires, and the researcher presents as follows. The response for the questions requested of their profile, i.e. duration of time they stayed in the company work activity and level of education presented as follows in the form of table:

**Table 1: Current position of respondents in the Organization**

| Current Position/Title | Frequency | Percent (%) |
|---|---|---|
| Operation Managers | 1 | |
| Marketing Managers | 1 | |
| Sales Managers | 1 | |
| Shipping Managers | 1 | |
| Finance Managers | 1 | |
| Warehouse Managers | 1 | 5.66 |
| Supervisors | 9 | 8.49 |
| Move coordinators | 8 | 7.55 |
| Assistant coordinator | 1 | 0.94 |
| Senior Commercial coordinator | 2 | 1.89 |
| Assistant office manager | 1 | 0.94 |
| Sales representative | 2 | 1.89 |
| Customs | 3 | 2.83 |
| Finance officer | 1 | 0.94 |
| Accountant II | 2 | 1.89 |
| Senior Accountant | 1 | 0.94 |
| Store keeper | 2 | 1.89 |
| Driver | 5 | 4.72 |
| Motorist | 2 | 1.89 |
| Packers | 58 | 54.72 |
| General service/purchaser | 1 | 0.94 |
| Mechanics | 2 | 1.89 |
| Total | 106 | 100 |

**Source: Human Resource Department**

As illustrated on Table 1 most of the respondents (54.72%) involved in this study are packers' and followed by supervisors' by (8.49%), next move coordinators by (7.55%) and managers by (5.66%). The result shows that the company hires more packers for its services especially for export (door to door), export (door to port), packing, local move (packing and transportation) and sometimes for storage (warehousing). Because these all the above services need ability to pack and move goods from one place to another place by load.

**Table 2**: **Experience of respondents**

| Experience in the company | Frequency | Percent (%) |
|---|---|---|
| Experience < 5 years | 43 | 40.57 |
| Experience 5 – 10 years | 53 | 50.00 |
| Experience more than 10 years | 10 | 9.43 |
| Total | 106 | 100 |

**Source: HR Department (HRM System)**

Based on Table 2 about 50% of respondents they have between 5 up to 10 years' experience and around 40.57% have less than 5 years of experience and the rest of 9.43% of respondents have more than 10 years.

**Table 3: Age of respondents**

| Age of respondents | Frequency | Percent (%) |
|---|---|---|
| Under 25 | 2 | 1.89 |
| Age from 25 – 30 | 51 | 48.11 |
| Age from 30 – 35 | 40 | 37.74 |
| Age from 35 – 40 | 10 | 9.43 |
| Age above 40 | 3 | 2.83 |
| Total | 106 | 100 |

**Source: Own Survey**

From Table 3 about 48.11% of respondents' age is between 25 up to 30, around 37.74% are between 30 up to 35, 9.43% are between 35 up to 40 and the rest of 1.89% and 2.83% are under 25 and above 40 respectively. This result shows that the company hires young employee especially for the position of packers.

**Table 4: Gender of respondents**

| Gender of respondents | Frequency | Percent (%) |
|---|---|---|
| Male | 82 | 77.36 |
| Female | 24 | 22.64 |
| Total | 106 | 100 |

**Source: Own Survey**

At the same time Table 4 shows about 77.36% of respondents are male and the rest of 22.64% of respondents are female. This result shows the company has more male workers. The reason of the number of male workers is more than female is the position of packers.

**Table 5: Education level of respondents**

| Education level | Frequency | Percent (%) |
|---|---|---|
| Certificate | 17 | 16.04 |
| Diploma | 28 | 26.42 |
| BA/BSC | 57 | 53.77 |
| Master | 3 | 2.83 |
| PhD | 1 | 0.94 |
| Total | 106 | 100 |

**Source: Own Survey**

Based on Table 5 about 53.77% respondents have BA/BSC, 26.42% have diploma, 16.04% have certificate and the remaining 2.83% and 0.94%masters and PhD holder respectively. The level of education especially in certificate level the researcher challenged to attain adequate response for the research questioners' which are presents in English.

### 4.2.2 Respondents' Profile of company customers

The selected company customers have answered the questions that have given them in the form of questionnaires, and the researcher presents as follows. The response for the questions requested of their profile, i.e. duration of time they stayed in the company work activity and level of education presented as follows in the form of table:

**Table 6: Current position of respondents**

| Current position of respondents | Frequency | Percent (%) |
|---|---|---|
| Operation manager | 4 | 9.30 |
| Finance officer | 9 | 20.93 |
| Cost Accountant | 2 | 4.65 |
| Budgeting | 7 | 16.28 |
| Supervisor | 3 | 6.98 |
| Accountant | 8 | 18.60 |
| Site manager | 5 | 11.63 |
| Project manager | 4 | 9.30 |
| Total | 43 | 100 |

**Source: Own Survey**

Based on Table 6 from all respondents 20.93%, 18.60%, 16.28% & 11.63% are works on the position of finance officer, accountant, budgeting and site managers respectively. The remaining 9.30%, 4.65%, 6.98% & 9.30% of respondents work on the position of operation manager, cost accountant, supervisor and project manager respectively.

**Table 7: Experience of respondents Customers**

| Experience of respondents | Frequency | Percent (%) |
|---|---|---|
| Experience < 5 years | 10 | 23.26 |
| Experience 5 – 10 years | 23 | 53.49 |
| Experience more than 10 years | 10 | 23.26 |
| Total | 43 | 100 |

**Source: Own Survey**

Table 7 illustrated that 53.49% of respondents have from 5 up to 10 years' experience, 23.26% of respondents have less than 5 years' experience and at the same 23.26% of respondents have more than 10 years' experience.

**Table 8: Knowledge of customers on logistics**

| Knowledge of customers of company on logistics | Frequency | Percent (%) |
|---|---|---|
| Least | 5 | 11.63 |
| Good | 15 | 34.88 |
| Enough | 14 | 32.56 |
| Very good | 7 | 16.28 |
| Excellent | 2 | 4.65 |
| Total | 43 | 100 |

**Source: Own Survey**

Based on Table 8 about 34.88% respondents from company customers have good knowledge on the logistics practices. 32.56% of respondents have enough, 16.28% of respondents have a very good knowledge on the logistics practice.

The remaining 11.63% & 4.65% of respondents have least and excellent knowledge on the logistics practice respectively.

### 4.2.3 Customers' information depends on customers' response

**Table 9: Types of company customers work sector**

| Work sector | Frequency | Percent (%) |
|---|---|---|
| Services | 5 | 11.63 |
| Manufacturing | 7 | 16.28 |
| Beverage | 2 | 4.65 |
| Embassy | 10 | 23.26 |
| Construction | 8 | 18.60 |
| NGO | 11 | 25.58 |
| Total | 43 | 100 |

**Source: Own Survey**

Based on Table 9 most of the respondents 25.58% are NGO and followed by Embassies by 23.26% the remaining18.6%, 16.28%, 11.63% and 4.65% are construction, manufacturing company, service giver and beverage respectively. The result shows that the company more customers are NGO and next Embassies.

**Table 10: Company customers' establishment**

| Year of establishment of company customers | Frequency | Percent (%) |
|---|---|---|
| Less than 10 Years | 9 | 20.93 |
| More than 10 years | 34 | 79.07 |
| Total | 43 | 100 |

Based on Table 10 about 79.07% of company customers' respondents are established more than 10 years and the remaining 20.93% are less than 10 years.

**Table 11: Length of years' customers stay as a client for Green International Logistics Services PLC**

| Number of years stay as a client for the company | Frequency | Percent (%) |
|---|---|---|
| Less than 5 years | 2 | 4.65 |
| From 5 up to 10 years | 9 | 20.93 |
| More than 10 years | 32 | 74.42 |
| Total | 43 | 100 |

Based on Table 11 presentation about 74.42% respondents are stay as a client for the company more than 10 years, 20.93% stay between 5 up to 10 years and 4.65% stay less than 5 years. This result shows that more customers are stay for long period of time as a client for the company and the company can handle customers appropriately.

**Table 12: Company services in percentage depends on the employees and customers' response**

| Company services | Frequency | Percentage |
|---|---|---|
| Custom clearing services only | 7 | 4.70 |
| Packing services only | 7 | 4.70 |
| Transportation services only | 7 | 4.70 |
| Import (Air & Sea) | 33 | 22.15 |
| Export (Door to door) | 43 | 28.86 |
| Export (Door to port) | 34 | 22.82 |
| Local move (Packing & Transportation) | 9 | 6.04 |
| Storage (Warehousing) | 7 | 4.70 |
| Forklift and Crane | 2 | 1.34 |
| Total | 149 | 100 |

Based on the data collection from company employees and company customers as illustrated on Table 12 the company give more services on export (Door to door), export (Door to port) and import (air & sea) by 28.86%, 22.82% and 22.15% respectively.

## 4.3 Logistics Practices

Based on the data collection the company has formalized logistics department.

Respondents raise some ideas on the logistics practice in Ethiopia. As per their suggestion the ability to transport goods quickly, carefully and reliably is vital to a nation's prosperity and capacity to compete in global market.

But in Ethiopia the logistics practices not as much as. Because Ethiopian logistics system is considered by: -

- Poor logistics management system
- Lack of coordination of goods transport
- Low level of development of logistics infrastructure
- Inadequate fleets of freight vehicles in number and age
- Lack of sea port.

### 4.3.1 Customer services practices

**Table 13: Customer services practices**

| Customer service practices | Mean | Standard deviation |
|---|---|---|
| The company efforts to creating long term relationships with customers | 3.75 | 0.4166 |
| Measuring and evaluating customer satisfaction level | 2.92 | 0.6851 |
| Responding quickly to customers' needs | 3.45 | 0.4991 |
| Fulfilling customer orders in the promised date | 3.36 | 0.4803 |
| Using up to date information for forecasting of customer needs | 2.20 | 0.9203 |
| Proper organizing of invoicing and collection | 2.67 | 0.7028 |
| Aggregate | 2.74 | 0.1796 |

**Source: Own Survey**

Table 13 illustrates the distribution of customer service practices mean scores and standard deviation. Among all of the customer service activities, the company efforts to creating long term relationships with customers is found to be the principal practice, with mean score 3.75. But it does not mean that this is widely practiced. The mean score value indicates that it is well practiced. Other customer service practices that have been also practiced in well are: responding quickly to customers' needs (3.45) and fulfilling customer orders in the promised date (3.36). Measuring and evaluating customer satisfaction level, using up to date information for forecasting of customer needs and proper organizing of invoicing and collection are practice poorly by mean score 2.92, 2.20 & 2.67 respectively. Among the customer service practices the three highest values of standard deviation were observed for items of using up to date information for forecasting of customer needs (0.9203), proper organizing of invoicing and collection (0.7028) and measuring and evaluating customer satisfaction level (0.6851).

In contrast the lowest standard deviation was found for responding quickly to customers' needs, fulfilling customer orders in the promised date and the company efforts to creating long term relationships with customers with standard deviation score 0.4991, 0.4803 and 0.4166 respectively.

### 4.3.2 Transportation services

**Table 14: Transportation services**

| Description | Mean | Standard deviation |
|---|---|---|
| Collaborative relationships with transporters and transport companies | 3.685 | 0.4663 |
| Timely arrival of customers goods | 3.685 | 0.4663 |
| Delivery of customer goods without damage | 3.658 | 0.5043 |
| Aggregate | 3.685 | 0.0240 |

**Source: Own Survey**

Table 14 illustrates the distribution of transportation service practices mean scores and standard deviation. All the transportation service activities, collaborative relationships with transporters and transport companies, timely arrival of customers' goods and deliver of customer goods without damages are found to be the principal practices of transportation with mean score 3.685, 3.685 & 3.658 respectively. But it does not mean that this is widely practiced. The mean score value indicates that it is well practiced. From all the transportation service practices the one highest value of standard deviation were observed for items of deliver of customer goods without damage by 0.5043. In contrast the lowest standard deviation was found for collaborative relationships with transporters and transport companies and timely arrival of customers' goods by the same amount of standard deviation (0.4663).

### 4.3.3 Warehousing services

**Table 15: Warehousing services**

| Description | Mean | Standard deviation |
|---|---|---|
| Warehouse space optimizing | 3.7079 | 0.4547 |
| Making the records and reports up to date | 3.5044 | 0.4472 |
| The warehouse condition is comfortable for any type of stored goods | 3.7079 | 0.4547 |
| The warehouse system and all activities are automatic | 3 | 0 |

Table 15 illustrates the distribution of warehousing service practices mean scores and standard deviation. All the warehousing service activities, warehouse space optimizing, making the records and reports up to date, the warehouse condition is comfortable for any type of stored goods and the warehouse system and every activity are automatic are found to be the principal practices of warehousing with mean score 3.7079, 3.5044, 3.7079 & 3 respectively. But it does not mean that this is widely practiced. The mean score value indicates that it is well practiced. Among the warehousing service practices the three scored highest value of standard deviation were observed for items of warehouse space optimizing, making the records and reports up to date and the warehouse condition is comfortable for any type of stored goods by 0.4547, 0.4472 & 0.4547 respectively. In contrast the lowest standard deviation was found for the warehouse system and every activity is automatic by the standard deviation (0).

### 4.3.4 Suppliers of packing materials

**Table 16**: **Suppliers of packing materials**

| Description | Mean | Standard deviation |
|---|---|---|
| Effective implementation of purchase order processing | 2.7264 | 0.4479 |
| Sending and receiving of electronic communication with suppliers | 2.7264 | 0.4479 |
| Creating long-term relationships with your suppliers | 2.7264 | 0.4479 |
| Frequently measuring and analyzing suppliers' performance | 2.7264 | 0.4479 |

Table 16 illustrates the distribution of supplier of packing materials practice mean scores and standard deviation. All the activities of supply of packing materials, effective implementation of purchase order processing, sending and receiving of electronic communication with suppliers, creating long-term relationships with your suppliers and frequently measuring and analyzing suppliers' performance are found to be the principal practices of warehousing with mean score the same amount 0.4479. The mean score value indicates that it is poorly practiced.

### 4.3.5 Packing services

**Table 17: Packing services**

| Description | Mean | Standard deviation |
|---|---|---|
| Using have good quality of packing materials | 3.7079 | 0.4547 |
| Packed customer goods appropriately | 3.5044 | 0.4472 |
| Uses experienced workers for packing purpose | 3.7079 | 0.4547 |
| Deliver customer goods without any damages because of loss of packing quality | 3.5044 | 0.4472 |

Table 17 illustrates the packing service practices mean scores and standard deviation. Among the packing service activities, using have good quality of packing materials and uses experienced workers for packing purpose are the leading practices by the same amount 3.7079. Packed customer goods appropriately and deliver customer goods without any damages because of loss of packing quality the next good practices of packing service by the same amount 3.5044. The mean score value indicates that it is well practiced.

## 4.4 Thepractices of logistics role on international trade

Based on data collection from company employees and customers' logistics has a great Effect on international trade. These are: -

- If an investor has import or export cargo, he or she has to go through Logistics Company to make sure the cargo is delivered to buyer or manufacturing site. Thus, provision of goods and services gives by logistics providers. Green is as a logistics company it has a significant impact to extent of the success of investing firms.
- Logistics has a great impact by connecting local commercial activity to international commercial activity.
- It increasing supply chain performance.
- Without logistics there are no activities of international trade and investment flow. Because in order for trader to do their trading activity well, they must use transportation or logistics services. So, logistics is the main thing or backbone for international trade and investment flow.
- Logistics companies are important to foreign and local investors to operate their investing activities efficiently and it helps them to stay at the market competitively.
- To increase international trade and investment flow qualitative logistics is necessary.
- International trade and investment flow are contributing for standard living of people. For this contribution efficient transport and logistics activities are very important and play a great role.
- Logistics helps to service givers or manufacturers to provide quality service and coordinating the movement of products timely, safely, effectively across border.
- Logistics has a great impact a business to expand from regional to global level.
- Logistics is the most crucial factors in the quality of any supply chain. A supply chain cannot ensure high value if it is without effectively organized transport.

- From logistics activities transport is the one and the main activity; effective transport improves a supply chain by decreasing waste of material and time.

From the above listed logistics impact some respondents' raises some ideas as logistics disadvantages orally. These are: -

- Lack of coordination especially in the case of international logistics. There are some failures because of language and schedule.
- Cost of transportation is one of obstacle for logistics. Because the greater the distance to travel, the greater its cost. This makes it difficult to get a competitive price.
- In logistics, the legislation has much to say both at the level of laws, customs policy, and the entry and exit of product.

The researcher sets in the Practices of logistics side adequate transportation system, adequate logistics management system, adequate logistics infrastructure and port as criteria. The researcher did that every respondent to give a rank for each criterion. Based on the respondents' response the rank of criteria will be first adequate infrastructure, adequate transportation system in the second and port in third and adequate logistics management system at fourth by amount 50, 45, 35, & 19 respectively. The interpretation of the correlation result between the independent variable (logistics) and dependent variable (international trade) based on the data analysis shows that the two variables have a positive correlation by 0.97. This means both variables move in the same direction and also the result tells us the two variables have very strong related. Because the correlations result it almost it approaches to +1.

## 4.5 Critical challenges for the company

**Table 18: Challenges of logistics**

| No | Types of challenges | Specific challenges | Frequency | Percentage (%) |
|---|---|---|---|---|
| 1 | **Demographical Challenges** | • Resistance to change | 19 | 25.50 |
| | | • In appropriate culture | 2 | 4.07 |
| | | • Ageing of population | 2 | 4.07 |
| 2 | **Environmental Challenges** | • Climate changes | 25 | 50.34 |
| | | • Natural disasters like storms and floods | 25 | 50.34 |
| 3 | **Geographical Challenges** | • Insufficient road development and infrastructure | 13 | 26.17 |
| | | • Difficult geographical location of some places | 7 | 18.79 |
| 4 | **Legislative Challenges** | • Low efficiency of customs | 37 | 74.50 |
| | | • Regulation and length bureaucratic procedures | 31 | 62.42 |
| | | • Higher taxes | 29 | 58.40 |
| | | • Shortage of foreign currency | 21 | 42.28 |
| 5 | **Technological Challenges** | • Lack of modern management techniques | 40 | 80.54 |
| | | • Insufficient logistics management capacity | 36 | 72.48 |
| | | • Poor exchange of information | 21 | 42.28 |
| | | • Lack of integrated system | 37 | 74.50 |
| 6 | **Other Challenges** | • Low quantity of vehicles | 19 | 38.26 |
| | | • Changes in fuel prices | 11 | 22.15 |
| | | • Security issues like terrorism | 13 | 34.90 |

### 4.5.1 Demographical challenges

From demographical challenges resistance to change selected is selected by 19 of respondents (25.50%) and inappropriate culture and ageing of population selected by 2 respondents for each which indicates that this challenge is not critical for the company.

### 4.5.2 Environmental challenges

From environmental challenges both climate changes and natural disasters like storms and floods is selected by 25 respondents for each (50.34%), which indicates that this challenge is critical for the company logistics activities.

The world climate changes and natural disasters like storms and floods affect different logistics activities like transportation.

### 4.5.3 Geographical Challenges

From geographical challenges insufficient road development and infrastructure difficult geographical location of some places are selected by 13 & 7 respondents respectively (26.17% & 18.79%).

### 4.5.4 Legislative Challenges

From legislative challenges low efficiency of customs is selected by 37 respondents (74.50%), regulation and length of bureaucratic procedures selected by 31 respondents (62.42%), higher taxes is selected by 29 respondents (58.40%) and the last shortage of foreign currency is selected by 21 respondents (42.28%).

### 4.5.5 Technological Challenges

From technological challenges lack of modern management techniques is selected by 40 respondents (80.54%), lack of integrated system is selected by 37 respondents (74.50%), insufficient logistics management capacity is selected by 36 respondents (72.48%) and poor exchange of information is selected by 21 respondents (42.28%).

### 4.5.6 Other Challenges

From other challenges low quantity of vehicles is selected by 19 respondents (38.26%), security issues like terrorism is selected by 13 respondents (34.90%) and changes in fuel prices is selected by 11 respondents (22.15%).

## 4.6Benefits of Green International Logistics Services PLC for local economy participate internationally in logistics sector.

Based on the data collection respondents set some benefits of Green International Logistics Services Plc. for local economy it's participating in logistics sector internationally. These are: -

- It is sources of foreign currency to the country by providing services to clients that are found internationally and the foreign currency that directly support for local economy (GDP) of the country.
- It makes or facilitates the ability of firms or manufacturers to make their goods available internationally by providing door to door services.
- It helps for investors to make their investment without troubles by providing logistics services like their manufacturer goods available to international market and to attract them.
- The country to have access participates on global market and to be competitive.
- It's source of income for the country in terms of income tax by providing job opportunity.

# CHAPTER-FIVE

# SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

## 5.1 Summary of finding

According to the data analysis in the previous section, summary of the findings is presented as follows.

- Based on the data collection the company effort to creating long term relationship with its customers, responding quickly to customers need and fulfilling customers' orders in the promised date are well practiced in the company.
- Measuring and evaluating of customer satisfaction level, proper organizing of invoicing and collection payment and using up to date information for forecasting of customers' needs are poorly practiced in the company.
- In the transportation service practice collaborative relationships with transporters and transport companies, timely arrival of customers' goods and delivery of customer goods without damage are well practiced.
- In the warehouse service practice warehouse space optimizing, making the records and reports up to date, the comfortably of warehouse condition for any type of stored goods and the automatic warehouse system and every activity are well practiced.
- In the suppliers of packing materials effective implementation of purchase order processing, sending and receiving of electronic communication with suppliers, creating long-term relationships with your suppliers and frequently measuring and analyzing suppliers' performance are poorly practiced.
- In the packing service practice using have good quality of packing materials, packed customer goods appropriately, uses experienced workers for packing purpose and deliver customer goods without any damages because of loss of packing quality are well practiced.
- Respondents mention many effects of logistics on Practices. From these investors to deliver their cargo to buyers or manufacturing site in appropriate time logistics plays a significant role.
- Logistics Practices change the living standard of people. But without logistics and sufficient transportation there is no secure international trade and investment activity.

- Inadequate logistics management system and inadequate transportation system, if there is climate change are the main challenges for logistics activity especially for the company. These challenges sometimes create customers' goods to delay and the company expose for extra cost like port storage and demurrage, destination, sea or air freight costs.
- The respondents mention also as additional problem there is lack of coordination between the employees on work activity.
- The company plays a great benefit in local economy by it a means sources for foreign currency, let in income for the country in terms of income tax by creating job opportunity.

## 5.2 Conclusion

Based the data analysis and findings the researcher sets some ideas as a conclusion as follow:

- Logistics and investment flows have direct and strong relation between them without any doubt depends on the result of correlation coefficient. If there is no logistics there is no investment flow as well.
- Logistics has an effect for local business to expand from regional to global or international market. It also has an effect to attract foreign and local investors to participate on investing activity.
- Customer service practices, transportation service, warehousing service and packing service practices are the major work activity of the company.
- The company plays a great benefit in local economy by it a means sources for foreign currency, let in income for the country in terms of income tax by creating job opportunity for 118 employees. And also it let in income by collecting VAT (15%) from its service users and Withholding (2%) at the time of making payment for its purchasing items and annually pays profit tax (30%) from its company profit. The other pay to government divided profit tax from its stakeholder.

## 5.3Recommendations

Based on the findings of the study and conclusions the following possible and acceptable recommendations are given by the researcher.

- First if there happens to be a problem or challenge, they identify the issues or what the problem/challenge.
- Understand the customer needs and interest.
- Discussed on the problem or challenge and how to solve it.
- List possible solutions for the existing problem or challenge.
- Evaluate the options.
- Select the suitable option which can give a better solution

- The main company activities like customer service, transportation, warehousing and packing service practices are well practiced but the company have to improve and try to widely practice. The company works for better and better to be continuing its competitiveness internationally.
- The company works on measuring and evaluating the level of customer satisfaction, proper organizing invoicing and collection of payment and using up to date information for forecasting of customers' needs highly. Because if the company can't measure and evaluate level of customer satisfaction it can't know how to maximize the level of its customer satisfaction. And also, the company makes proper organizing invoicing and collection of payment to continue its logistics activities and sustainability of the company at the market. The company costs for every works; so, to reimburse the cost doing invoicing and collection of payment appropriately is the necessary things. The other thing is the company works on using up to date information for forecasting of customer needs in good way.
- The company packing materials purchaser and its considered body have to improve its poorly practice with suppliers of packing material; if it can't to do widely practice but it tries to do at least well-practiced. Because packing materials are basically one of the most important things for the company main services and activities like export (door to door), export (door to port), packing services, local move (packing and transportation) and warehousing or storage services. Changing of the condition and status the company with its

suppliers of packing materials it can avoids shortage of packing material earlier and it has a time to measure the quality of packing materials appropriately and timely.

- The company works more and more to avoid the delay of customers' goods that happens because of inadequate logistics management and transportation system. To control and avoid these challenges the company works and improve on the communication of its agents who are works together. If the company can avoid and control these challenges it can gives its services without any displeasure for its customers. The other thing is the company makes stronger the collaboration of its employees by creating a way to discusses logistics problems and it solutions.

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**Appendix I**

**Questionnaires for Company Employees**

**St. Mary's University (Department of Masters of Business Administration) Master Thesis**

**Questionnaire**

Dear Respondents,

My name is MekdelawitTefera and I am a Masters graduate candidate in St. Mary's University. This questionnaire is proposed to collect primary data on "**The Assessment of Logistics Practices and challenges in the case of Green International Logistics Services PLC**". The main purpose of this study will be used to fulfill a thesis requirement for the partial fulfillment of MA of Business Administration, St. Mary's University consequently. Your genuine response for inquiry is very significant for the accomplishment of this study. All information collected this questioner will use for the purpose of the study, and will be kept confidential. In addition, I would like to appreciate your kind support and cooperation in advance. Thank you!

**1. Demography of Respondents**

1.1. Current Position /title…….

1.2. Number of total work experience in your company ……

1.3. Age

a. Under 25 b. 25- 30 c. 30 - 35 d. 35 - 40 e. above 40

1.4. Sex

a. Male b. Female

1.5. Educational level

a. Certificate b. Diploma c. BSc/BA d. MSc /MA e. PhD

## 2. Company information

2.1. When your company established? ……..

2.2. In which service you have more users? You can mark more than one

- Custom clearing services
- Packing services
- Transportation services
- Import
- Export (Door to door)
- Export (Door to port)
- Local move (Packing & transportation)
- Storage (Warehousing)
- Forklift and crane services

## 3. Logistics Practices

3.1. Is there a Logistics Information System/LIS in your company?

- Yes
- No

If your answer is **no**, which method of communication do you use for customers' communication? You can mark more than one.

a. Calling b. mailing c. Faxing d. Post

**4. Customer services**

Please rate the following customer service practices in your company.

| **Customer service practices** | **1 Never practiced** | **2 Poorly practiced** | **3 Well practiced** | **4 Widely Practiced** |
|---|---|---|---|---|
| The company efforts to creating long term relationships with customers | | | | |
| Measuring and evaluating customer satisfaction level | | | | |
| Responding quickly to customers' needs | | | | |
| Fulfilling customer orders in the promised date | | | | |
| Using up to date information for forecasting of customer needs | | | | |
| Proper organizing of invoicing and collection | | | | |

**5. Transportation services**

5.1 How do you transport customer goods to your customers?

a. Using your own truck b. renting c. Both using own truck and renting

5.2 Does your company outsource the transportation to your foreign customers?

a. Yes b. No

Please rate the following transportation practices in your company and your freight forwarders.

| Description | 1 Never practiced | 2 Poorly practiced | 3 Well practiced | 4 Widely Practiced |
|---|---|---|---|---|
| Collaborative relationships with transporters and transport companies | | | | |
| Timely arrival of customers goods | | | | |
| Delivery of customer goods without damage | | | | |

**6. Warehousing services**

6.1 Which type of warehousing currently uses your company?

a. Private b. Public c. Both public and private

6.2 Which type of material to does the company use to handle equipment? You can mark more than one

a. Cranes b. Forklifts c. Automatic Guided Vehicles

Please rate the following warehousing service practices in your company.

| Description | 1 Never practiced | 2 Poorly practiced | 3 Well practiced | 4 Widely Practiced |
|---|---|---|---|---|
| Warehouse space optimizing | | | | |
| Making the records and reports up to date | | | | |
| The warehouse condition is comfortable for any type of stored goods | | | | |
| The warehouse system and all activities are automated | | | | |

**7. Suppliers of packing materials**

Please rate the following suppliers of packing material practices in your company.

| Description | 1 Never practiced | 2 Poorly practiced | 3 Well practiced | 4 Widely Practiced |
|---|---|---|---|---|
| Effective implementation of purchase order processing | | | | |
| Sending and receiving of electronic communication with Suppliers | | | | |
| Creating long-term relationships with your suppliers | | | | |
| Frequently measuring and analyzing suppliers' performance | | | | |

**8. Packing services**

Please rate the following packing services practices in your company.

| Description | 1 Never practiced | 2 Poorly practiced | 3 Well practiced | 4 Widely Practiced |
|---|---|---|---|---|
| Using have good quality of packing materials | | | | |
| Packed customer goods appropriately | | | | |
| Uses experienced workers for packing purpose | | | | |
| Deliver customer goods without any damages because of loss of packing quality | | | | |

**9. Impact of Logistics on international trade and investment flow**

9.1. What impact Green International Logistics Services PLC has on International trade and investment flow?

- Little positive impact
- Little negative impact
- Significantly positive impact

- Significantly negative impact
- No impact

Please write your own suggestion on this topic

……

……

……

……

……

9.2 What are your criteria for impact of logistics on international trade and investment flow? Please give them rank as first, second, third, fourth and fifth.

A. Adequate transportation system B. Adequate logistics management system

C. Adequate logistics infrastructure D. Port

**10. Critical challenges face the company on its logistics practice.**

| No | Types of challenges | Specific challenges | 1 Never challenge | 2 Less challenge | 3 More challenge | 4 Extensively challenge |
|---|---|---|---|---|---|---|
| 1 | **Demographical Challenges** | ● Resistance to change | | | | |
| | | ● In appropriate culture | | | | |
| | | ● Ageing of population | | | | |
| 2 | **Environmental Challenges** | ● Climate changes | | | | |
| | | ● Natural disasters like storms and floods | | | | |
| 3 | **Geographical Challenges** | ● Insufficient road development and infrastructure | | | | |
| | | ● Difficult geographical | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | location of some places | | | | |
| **4** | **Legislative Challenges** | Low efficiency of customs | | | | |
| | | ● Foreign currency shortage | | | | |
| | | ● Regulation and length bureaucratic procedures | | | | |
| | | ● Higher taxes | | | | |
| | | | | | | |
| **5** | **Technological Challenges** | Lack of modern management techniques | | | | |
| | | ● Insufficient logistics management capacity | | | | |
| | | ● Inability to access and apply the growing logistics knowledge base | | | | |
| | | | | | | |
| | | ● Poor exchange of information | | | | |
| | | ● Lack of integrated system | | | | |
| **6** | **Other Challenges** | ● Low quantity of vehicles | | | | |
| | | ● Changes in fuel prices | | | | |
| | | ● Security issues like terrorism | | | | |

**11. If there any challenges not mentioned on the above, please mention it**

……

……

……

**12. How do you solve the challenges to accomplish the work appropriately?**

……

……

**13. Do you think Green International Logistics Services PLC has benefits for local economy participates internationally in the logistics sector? How?**

……

……

……

……

**Appendix II**

**Questionnaires for Company Customers**

**St. Mary's University (Department of Masters of Business Administration) Master Thesis**

**Questionnaire**

Dear Respondents,

My name is MekdelawitTefera and I am a Masters graduate candidate in St. Mary's University. This questionnaire is proposed to collect primary data on "**The Assessment of logistics Practices and challenges in the case of Green International Logistics Services PLC"**. The main purpose of this study will be used to fulfill a thesis requirement for the partial fulfillment of MA of Business Administration, St. Mary's University consequently. Your genuine response for inquiry is very significant for the accomplishment of this study. All information collected this

questioner will use for the purpose of the study, and will be kept confidential. In addition, I would like to appreciate your kind support and cooperation in advance. Thank you!

**1. Demography of Respondents**

1.1. Current Position /title…….

1.2. Number of total work experience in the company ……

1.3. Age

a. Under 25 b. 25- 30 c. 30 - 35 d. 35 - 40 e. above 40

1.4. Sex

a. Male b. Female

1.5. Educational level

a. Certificate b. Diploma c. BSc/BA d. MSc /MA e. PhD

1.6 How would you rate your knowledge of logistics?

- Very Limited
- Good
- Enough
- Very good
- Excellent

**2. Company information**

2.1. When was your company established? ……..

2.2. In what sector did your company participate?

- Service
- Manufacturing
- Merchandise
- Construction
- NGO

a. For how many years your company has been a client for Green International Logistics Service PLC? …….

b. Which service are you using from the company (GILS)? If you use more, you can mark more than one

- Custom clearing only
- Packing services only
- Transportation only
- Import (custom clearing, empty container return, Djibouti handling & transportation)
- Export (Door to door)
- Export (Door to port)
- Local move (Packing & transportation)
- Storage
- Forklift and crane services

## 3. Customer services practice

Please rate the following customer service practices in Green International Logistics services PLC.

| Customer service practices | 1 Never practiced | 2 Poorly practiced | 3 Well practiced | 4 Widely Practiced |
|---|---|---|---|---|
| The company efforts to creating long term relationships with customers | | | | |
| Measuring and evaluating customer satisfaction level | | | | |
| Responding quickly to customers' needs | | | | |
| Fulfilling customer orders in the promised date | | | | |
| Using up to date information for forecasting of customer needs | | | | |
| Proper organizing of invoicing and collection | | | | |

## 4. Transportation service practice

Please rate the following transportation practices in Green International Logistics services PLC. (If only you use this service from the company)

| Description | 1 Never practiced | 2 Poorly practiced | 3 Well practiced | 4 Widely Practiced |
|---|---|---|---|---|
| Collaborative relationships with transporters and transport companies | | | | |
| Timely arrival of customers goods | | | | |
| Delivery of customer goods without damage | | | | |

## 5. Warehousing service practice

Please rate the following warehousing service practice in Green International Logistics services PLC. (If only you use this service from the company)

| Description | 1 Never practiced | 2 Poorly practiced | 3 Well practiced | 4 Widely Practiced |
|---|---|---|---|---|
| Warehouse space optimizing | | | | |
| Making the records and reports up to date | | | | |
| Storing items according to recommended storage guidelines | | | | |
| The warehouse condition is comfortable for any type of stored goods | | | | |
| The warehouse system and all activities are automated | | | | |

## 6. Packing service practice

Please rate the following packing services practices in Green International Logistics services PLC. (If only you use this service from the company)

| Description | 1 Never practiced | 2 Poorly practiced | 3 Well practiced | 4 Widely Practiced |
|---|---|---|---|---|
| Using good quality of packing materials | | | | |
| Packed customer goods appropriately | | | | |
| Uses experienced workers for packing purpose | | | | |
| Deliver customer goods without any damages because of loss of packing quality | | | | |

## 7. Impact of Logistics on international trade and investment flow

7.1. What impact has logistics on your company?

- Slightly positive impact
- Slightly negative impact
- Significantly positive impact
- Significantly negative impact
- No impact

7.2. **What do you think the impact of logistics on international trade and investment flow? Please write your own suggestion on this topic.**

……

……

……

……

……

**8. Are there any challenges for your company uses logistics service? If there is, how it solves it? Please mention it**

……

……

……

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**9. Do you think logistics have benefits for local economy especially local company like Green International Logistics Services PLC participates internationally in this sector?**

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