

ST. MARY'S UNIVERSITY
FACULTY OF BUSINESS
DEPARTMENT OF MARKETING MANAGEMENT

AN ASSESSMENT OF SUPPLY CHAIN MANAGEMENT
FOCUSING ON INBOUND TRANSPORT IN ORBIS TRADING AND
TECHNICAL CENTER SHARE COMPANY

BY
SOLOMON ALEMU

JUNE 2014
SMU
ADDIS ABABA

**AN ASSESSMENT OF SUPPLY CHAIN MANAGEMENT
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TECHNICAL CENTER SHARE COMPANY**

**A SENIOR ESSAY SUBMITTED TO THE DEPARTMENT OF
MARKETING MANAGEMENT BUSINESS FACULTY ST. MARY'S
UNIVERSITY**

**IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE
DEGREE OF BACHELOR OF ARTS IN MARKETING
MANAGEMENT**

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Acknowledgment

I would like to express my special appreciation to my advisor, especially for her active and unforgettable advice for the accomplishments of this research study. My special thanks also go to managers and staff members of Orbis Trading and Technical Center Share Company.

I would also like to forward my special thanks to all my friends for their supportive ideas and morals which paved the way for this study to achieve its stated objective.

Thank you all!!

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CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Supply chain is understood as a bridge between demand and supply. It conveys the demand to the supply point and deliver the supply to the demand point. It can be said that it is a network of facilities and distribution options that perform the functions of procurement of materials, transformation of these materials into intermediate and finished products and the distribution of these finished products to customers. (Rahul V. Altekar, 3)

Supply chain management can be seen as the process of strategically managing the procurement, movement and storage of materials, parts and finished inventory (and related information flows) through the organization and its marketing channels in such a way that current and future profitability are maximized through cost effective fulfillment of orders. ((Rahul V. Altekar: 3, 4)

Many world class organizations expect their fast supply management functions to focus on the following four values that add to proactive procurement or supply management:-

1. Quality – the quality of supply materials and services should be virtually defect-free in some cases.
2. Cost – the supply chain management function must focus on strategic cost management.
3. Time – the supply management function and its outside supplier must play active roles in reducing the time required to bring products to the market.
4. Technology – the purchasing and supply management function has two key responsibilities in the area of technology.
 - A. It must ensure that the firms supply base provides appropriate technology in a timely manner.
 - B. It must ensure that technology affects the firms core competencies.

5. Continuity of Supply – the supply management function must monitor supply trends, develop appropriate supplier alliances and take such other actions as required to reduce the risk of supply disruptions. (Dobler and Bunt 1996: 10)

The Orbis Trading and Technical Center had been established in 1950 (E.C) by offering industries and commercial vehicles, and technical service, during that time agricultural and industrial machinery were in high demand. The number of cars in Addis Ababa was just a few thousands and a new company dealing with these products seemed an ill-advised business. But the founders of Orbis Company were forward looking. They felt a country like Ethiopia with enormous potential resources was inevitably going to develop.

The small offices at Menelik square became inadequate and Orbis moved to Mexico square in 1962, where the car service was added to the activities. It was necessary to engage new personnel and to open a branch in Asmara, where Orbis products were in growing demand and it was a private company whose share were sold in Germany.

Since the beginning till now Orbis Company has been selling two model vehicles, Mercedes–Benzes and Renault. In addition, it sells different machineries, spare parts and gives maintenance service in different departments.

The company's main job lies in selling different types of vehicles, machineries and spare parts to customers and in order to do this, the company has created a web with different suppliers in the world starting from Germany, France, Brazil and Cairo...etc.

Looking at the experience of the company in providing service and proper handling of its customers, it is hoped that the workshop and technical program of Orbis will contribute substantially to the economic development of the country, through improved technical services.

Therefore, the company should try to offer good customer handling to satisfy demands of customers and make order available at accurate time. Give sales and maintenance service to customers on new technology, comfort, satisfaction by suing the company product. But to do these well

1. The company should have a strategic plan and also vision and mission in a better manner.
2. The company should build value addition capability in cost efficient way.

1.2. Statement of the Problem

According to the supply chain management concept and cases book/ definition, supply chain management must be the bridge between demand and supply and also it would be seen as the process of strategically managing the procurement, movement and storage of materials, parts and finished goods. (Rahul V. Altek: 3, 4)

A supply chain consists of all parties involved, directly or indirectly, in fulfilling a customer is request. The supply chain not only includes the manufacturer and suppliers, but also transporters, warehouses, retailers, and customers themselves. Within each organization, such as manufacturer, the supply chain includes all functions involved in receiving and fulfilling a customer's request. These functions include, but are not limited to, new product development, marketing operations, distribution, finance and customer service. (Sunil Chopra and Peter Meindl: 5)

Most firms cannot bring value to customers by themselves. Instead, they must work closely with other firms in a larger value delivery network.

Producing a product or service and making it available to buyers requires building relationship not just with customers but also with key suppliers and resellers. In the company's supply chain, this supply chain consists of upstream and downstream partners, including suppliers, intermediaries and even intermediary's customers. (Philip Kotler: 399)

So, when we are trying to look by the concepts of the theory, Orbis Company has been going through different types of problems, such as lack of long term strategic plan, delaying of offering the products due to transportation problems and the clearing activities in Custom Authority.

Therefore, due to the above major problems the company's might be situated not in a fully profitable manner. So, the company should work to overcome the above business problems according to my observation of the company.

1.3. Basic Research Questions

To investigate the above stated problems, the following research questions are raised:

1. What are the factors that affect supply chain management focusing on inbound transport of the company?
2. Is the company having a strategic plan?
3. How the customer does are satisfied by the offering of goods by the company?

1.4 Objectives of the study

1.4.1. General Objective

The general objective of the study is to assess and identify the strengths and limitations of the supply management focusing on in bound transport trend in Orbis Company.

1.4.2. Specific Objectives

Specifically the research has the following objectives:

1. To identify the internal influences that affect the supply chain management.
2. To find out the existence of strategy and policy about supply chain.
3. To assure the customers satisfaction by the company offering goods.

1.5 Significance of the Study

The findings of the research paper will have paramount significance for the following reasons:-

- It might indicate for Orbis Trading to know its problems and enhance the organization is capacity towards supply chain management.
- It might indicate a way to develop cooperation and partnership between the firm and channel members and creates a long term mutually beneficial relationship.

- It can serve as an input for the other researchers who would be interested in making further study.

1.6 Delimitation of the Study

This study is delimited to the supply chain management practice of Orbis Trading Company. Even if the company has different branches across the country, the study would be on the main branch office which is found in Addis Abeba around Mexico. Because, many customers use the office. Moreover, the research was delimited to the data available on the last ten years since the company supplying request's arises within those periods.

1.7 Research Design and Methodology

1.7.1. Research Design

Descriptive type of research method is used, since the purpose of the study is to assess and describe the current supply chain management, practice of Orbis Trading Company.

1.7.2. Population and Sampling Techniques

The population of the study comprises of the company's managers (marketing, procurement, inventory) and also some of the company's customers who are found in Addis. Since the company has a list of its target customers, probability sampling techniques would be used. Among the probability sampling techniques simple random (lottery) method would be used since it would give equal chance to all customers. Out of the total population of the customers found in Addis which is 130 industrial (buyers), 30% of them would be taken as a sample since the industrial buyers exhibit similar characteristics and high homogeneity.

1.7.3. Types of Data Collected

Both primary and secondary data are used in order to make the study complete and achieve its stated objectives. The primary data consists of the pre-specified managers and a customer whereas the secondary data consists of the company's published documents and reports and other relevant within materials.

1.7.4. Methods of Data Collection

The primary data would be collected by conducting interview with the company's marketing managers. The questionnaires structured in both open and close ended format would be used as a primary tool of collecting information from the customers.

Secondary data's would be collected by viewing the company's published documents and reports such as company's profile and other relevant sources.

1.7.5. Data Analysis Technique

Qualitative and quantitative data analysis technique would be used in this research study. Quantitative data analysis technique are used to summarize the findings, percentage were computed to get the total picture of the data collected from sample respondents. Then the summarized data are presented in the form of table. Qualitative data analysis technique is used to answer the interview responses as well as the responses to open ended questions.

1.8 Limitation of the Study

All the studies no matter how they are prepared with high consideration, limitation do exists. There are some limitation associated with this particular study the following limitation are observed

- Late response from customers to replay the questionnaire
- Some customers are company official's unwillingness to provide necessary information, shortage of reference books.

Moreover, fluctuation of eclectic power was also observed as a limitation of a study.

1.9 Organization of the Study

This paper has contains four chapters. The first chapter includes the introduction part and it contains background of the study, statement of the problem, research questions, objectives of the study, significance of the study, delimitation of the study, and organization of the study. The second chapter includes the review of related literature of the study. Data collection methods interview checklist and questioner are involved. Chapter three consists of the findings and interpretations of the available data. The final chapter includes the summery conclusion and recommendation of study.

CHAPTER TWO

LITERATURE REVIEW

2.1. Introduction

This research paper has been mainly focus on the inbound supply chain management on Orbis Trading and Technical Center Share Company. The company major problems are more of concerned in the shortage of strategic plan, delayance of the offering products and also the some of custom cleaning activities are the so called mentioned problems.

So, to solve these problems the following literatures are more helpful and make it clear the problems are easily to solve it.

The standard statement of the objective of the supply function is that it should obtain the right materials (meeting quality requirements), in the right quantity, for delivery at the right time and the right place, from the right source a supplier who is reliable and will meet its commitments in a timely fashions, which the right services (both before and after the sale), and the right price in the short and long term. The supply served balls in air at the same time for he or she must achieve these seven rights simultaneously. It is not acceptable to buy at the lowest price if the goods delivered are unsatisfactory from a quality/performance standpoint or if they arrive two weeks behind schedule on the other head the right price may be higher than normal if the item in question is an emergency requirement where adherence to normal lead time would result in higher total cost of ownership.

The right price is one aspect of lowest cost ownership. The supply decision maker attempts to balance the often conflicting objectives and make trade off to obtain the optimum mix of these seven rights. Obtaining this balance with eye to both the short term and the long term require supply managers to have both a tactical and strategic perspective. (Johnson and Fearon, 2006: 28)

2.2. Definition of Logistics and Supply Chain Management

There are many ways of defining logistics.

Logistics is the process of strategically managing the procurement Movement and storage of materials, parts and finished goods Inventory (and the related information flows) through the Organization and its marketing channels in such a way that current And future profitability are maximized through the cost-effective fulfillment of orders.(Christopher,martin: 2005:4)

Logistics is essentially a planning orientation and framework that seeks to create a single plan for the flow of product and information through business. Supply chain management builds upon this framework and seeks to achieve linkage and co-ordination between the processes of other entities in the pipeline, i.e. suppliers and customers and the organization itself. Thus, one goal of supply chain management might be to reduce or eliminate the buffers of inventory that exist between organization in a chain through the sharing of information on demand and current stock levels. This is the concept of 'Co-managed Inventory' (Chrstopher, Martin, 2005: 4).

It will be apparent that supply chain management involves a significant change from the traditional arm's length, even adversarial, relationships that is often typified buyer/supplier relationships in the past. The focus of supply chain management is on cooperation and trust and the recognition that, properly managed, the 'Whole can be greater than the sum of its parts'.

The definition of supply chain management that is adopted in Christopher Martin's (Logistics and Supply Chain Strategy) book is:

The management of upstream and downstream relationships with suppliers and customers to deliver superior customer value at less cost to the Supply Chain as a whole.(Opcit)

Thus the focus of supply chain management is upon the management of relationships in order to achieve a more profitable outcome for all parties in the chain. This brings with it

some significant challenges since there may be occasions when the narrow self interest of one party has to be subsumed for the benefit of the chain as a whole.

Whilst the phrase ‘Supply Chain Management’ is now widely used, professionals in the field argued that it should really be termed ‘demand chain management’ to reflect the fact that the chain should be replaced by ‘network’ since there will normally be multiple suppliers and, indeed, suppliers to suppliers as well as multiple customers and customers’ customers to be included in the total system.

Extending this idea it has been suggested by J Aiken that a supply chain could accurately be defined as:

A network of connected and interdependent organizations mutually and co-operatively working together to control, manage and improve the flow of materials and information from suppliers to end users.(Opcit)

Mostly definition of logistics and supply chain management varies from one organization to another. This is so because the way logistic and supply chain management is perceived in each organization has crucial importance for the definition of each term. However, Thomas Craig, an author and expert on the field defines logistics on his article dated: 20-01-2006 says all definition of logistics has to comprise the management of inventory. In addition to that Edward Frazelle in his book of supply chain strategy again tries to describe the confusion surrounding the terms logistics and supply chain management. Edward differentiates those two terms by saying logistics is what happens in the supply chain. Logistics activities (customer response, inventory management, supply, transportation and warehousing) connect and activate the objectives in the supply chain. To borrow a sports analogy, logistics is a game played in the supply chain arena.(EdwardFrazelle:2001:8)

“Supply chain management is an integrating function with primary responsibility for linking major business functions and business processes within and across companies into a cohesive and high performing business model. It includes all of the logistics management activities noted above, as well as manufacturing operations, and it drives coordination of processes and activities with and across marketing, sales, product design,

finance and information technology.” (The council of logistic management <http://clm.com>)

2.3. Objectives and Policies of Supply Management

The objectives of supply management can be viewed from three levels.

1. A very general managerial level.
2. A more specific functional or operational level.
3. A detailed levels at which precise strategic buying plans are formulated.

From a top management perspective, the general objectives have traditionally been expressed as the five rights that the management expects the department to achieve the acquisition of materials.

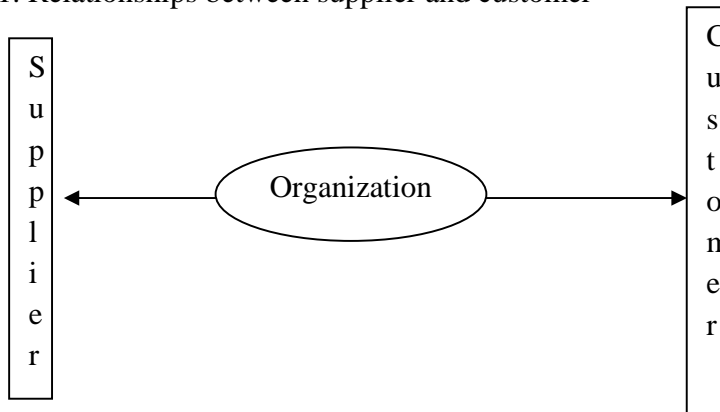
1. of the right quality.
2. From the right supplier.
3. In the right quantity.
4. At the right time.
5. At the right price (Dobler and Bunt, 1996: 41 – 42)

2.4. Supplier Goodwill

Good source of supply are one assurance of good quality today, and progressive thinking and planning is further assurance of improved quality tomorrow. therefore, supply is an important asset to any organization goodwill between a purchasing organization and its supply needs to be just as carefully cultivated and just as jealously guarded when purchasers are aggressive in their attempts to maintain proper and friendly relation with suppliers. (Johnson and Fearson, 2006: 496)

Every organization on the earth needs suppliers. No organization can survive without suppliers. Every organization also needs customers. Therefore, all organization exists between suppliers and customers.

Figure 1.1. Relationships between supplier and customer



(Johnson and Fearon, 2006: 2)

2.5. Identification of Potential Sources

Supplier selection constitutes an important part of the supply function, and involves the location of qualified source of supply and assessing the probability that a purchase agreement would result in on time delivery of satisfactory product and needed service before and after the sale. (Johnson and Fearon, 2006: 65)

2.6. Purchasing Supplier Relations

When one organization supplies another with goods or services, the nature of the relationship between the two organizations is a major influences of the ultimate value and customer satisfaction achievable. Supply management is, therefore, not simply engaged in the exchange of money for goods and services, but also in the management of the buyer seller relationship. (john and Fearon, 2006: 496).

2.7. Strategic Logistics Planning Process

Strategic logistic planning process is a growing awareness of logistics and supply chain management which have an amazing contribution on a firm's competitiveness and profitability. That is why, logistics has jumped from mere operational activity to strategic function of an enterprise. It has changed the traditional mindset about purchasing, producing, moving and selling dramatically and occupied the centre stage of corporate strategy. Keeping in mind the overwhelms contributions logistics, most of the world class

companies have incorporated a logistical vision in their mission and objective statement. (Agrawal, D., 2003: 24 - 25)

2.7.1. Mission

The mission of logistic management is to plan and coordinate all these activities necessary to achieve the desired levels of services at the lowest possible cost” (Christopher, Martin: 2005: 15)

2.7.2. Strategic Decision Making

The decisions in the supply chain are viewed as having strategic implications rather than just operational ones. For example rather than being concerned with just sourcing trucks from the market, one could consider long term contracts with transporters, on investing in the infrastructure to suit one’s purpose. This facilitates smoother and more reliable transport logistics in the long run. (Agrawal, D., 2003: 48)

2.8. Value Chain

Nowadays, corporate enterprises are to a large extent developing supply chain systems in their organization in order to gain a competitive edge in the market place due to its value addition capability in cost efficient ways, in other words, supply chain management ensures supplier customer value for care competency at a minimum costs. That’s way, the value chain of supply chain management focuses on speedier flow of goods, cash, value and related information within the complete supply chain process. In the value chain of supply chain management, which starts with vendors and ends with consumers, via the shipper (in bound transports) producer (manufacturer), out bound transporter, distribution warehouses, transportation from there to consumers and finally, to end user (consumer), the flow of goods and value are in forward direction for a greater market dominance and the flow of cash is in a backward direction, of the total business system alive, whereas the flow of information is in both directions for activation and improvement of total supply chain system. (Agrawal, D., 2003: 49-50)

2.9. Value Added Activities

Activities in the value stream are identified as value added (VA) or non value added (NVA). Value Added activities are those activities that add value to the product. This value addition can be in any form like the machine that converts the raw materials to finished goods. NVA activities are those activities which do not add any value to the finished product like the movements of the semi finished goods from one machine to another. These activities should be eliminated as much as possible as instead of adding value to the finished product they add more cost to the product. Some NVA activities are unavoidable; these are sometimes referred to as essential NVA activities. These activities include quality checking procedures at the various stages of the manufacturing process. These quality procedures even though, do not add any value to final product, are required as they are very much essential for ones mapped, the value stream activities are identified as VA or NVA.

CHAPTER THREE

DATA PRESENTATION ANALYSIS AND INTERPRETATION

This chapter deals with the presentation, analysis and interpretation of data which were gathered from questionnaires and interview checklists. To see how much the customers are satisfied by the offering of the Orbis Company product, a questionnaire was prepared and distributed to 39 customers and an interview was conducted for one management staff member. The staff member was selected by direct contact of marketing manager of the organization. 90% of the distributed questionnaires were completed and returned. 3 questionnaires were incomplete and one was unreturned.

3.1. General Characteristics of the Respondents

Table 3.1. Characteristics of the Respondent Customer

No	Item	Number of Respondents	Percentage Distribution
1	Sex Distribution		
	A. Male	23	65.7%
	B. Female	12	34.3%
	Total	35	100%
2	Respondent's Age Distribution		
	A. below 30 years	6	17.14%
	B. 30 – 50 years	22	62.857%
	C. Above 50 years	7	20%
	Total	35	100%
3	Educational Level of Respondent		
	A. 12 complete	2	5.7%
	B. 12 + 1	2	5.7%
	C. Diploma	10	28.57%
	D. BA Degree	21	60%
	Total	35	100%

Item 1 of Table 3.1 which is sex distribution covers male 23(65.7%) and female 12(34.3%). From this data, it can be understood that sex distribution of respondents is relatively fair.

Item 2 of Table 3.1 covers the respondent's age distribution. Accordingly, below 30 years are 6(17.14%), 30 – 50 years are 22(62.857%) above 50 years are 7(20%). This indicates that the respondents are matured.

Item 3 of Table 3.1 shows that the respondents are asked about their educational background. Accordingly, 2(5.7%) are 12 complete, 2(5.7%) are 12+1, 10(28.57%) are diploma, 21(60%) are first degree holders. Therefore; the distribution of the education level of the respondent was fair and enough to give response about questionnaire.

Table 3.2: Quality of Offering Goods, Price and Satisfaction Levels

S.No	Items	No. of Respondent	Percentage Distribution
1	What do you feel about the company's offering goods due to quality aspects?		
	A. Very Good	19	54.5%
	B. Good	16	45.7%
	C. Medium		
	D. Poor		
	E. Bad		
	Total	35	100%
2	What about the timing the company in offering its goods concerning the customers agreement?		
	A. Satisfactory	5	14.3%
	B. Medium	7	20%
	C. Unsatisfactory	5	14.3%
	D. Very low	18	51.4%
	Total	35	100%
3	To what extent do you think you are satisfied by the company's product and price?		
	A. Very high	5	14.3%
	B. High	15	42.8%
	C. Medium	15	42.8%
	D. Low		
	E. Very low		
	Total	35	100%
4	How frequently do you visit the company?		
	A. Monthly	4	11.43%
	B. Quarterly	4	11.43%
	C. 2 times a year	12	34.3%
	D. Once a year	15	42.8%
	Total	35	100%

Item 1 Table 3.2: As indicated in the table, the quality aspects of offering goods shows, very good 19(54.3%), good 16(45.7%). This data shows the offering of products is more of quality and also it has a good performance of supplying quality products.

Item 2 table 3.2: The product offering with respect to the agreement of time is shown as. Satisfactory 5(14.3%), medium 7(20%), unsatisfactory 5(14.3%),and very low 18(51.4%). The data shows mainly poor offering of the products in the agreed time and this shows that the supplying systems of the company is very low.

Item 3 table 3.2: Concerning the product price it is discovered that. Very high 5(14.3%), high 15(42.8%) and medium 15(42.8%). The data shows the price is averagely high.

Item 4 table 3.2: The respondent visiting frequency is shown as monthly 4(11.43%), quarterly 4(11.43%), 2 times a year 12(34.3%), once a year 15(42.8%). The data shows the frequency of visiting time to be more of bi-annual and yearly.

Table 3.3: Concerning Company Secret, Technical Support, Customer Compliant, Structured Training Program and Other Options

Responses	Items									
	Do you keep well the company's secrets?		Are you getting technical support from the company?		Do you have any complaint about the company's business activities?		Does the company have a structured training program?		Do you have any alternatives other than Orbis?	
	No. of Res	%	No. of Res	%	No. of Res	%	No. of Res	%	No. of Res	%
Yes	28	80	22	62.857	21	60	9	25.74	19	54.3
No	7	20	13	37.143	14	40	26	74.3	16	45.7
Total	35	100	35	100	35	100	35	100	35	100

Item 1 table 3.3: concerning keeping the company's secrets it has shown that Yes 28(80%), No 7(20%). According to the data the majority of the customers keep the company's secrets. This is so because they look the company's secrets as this own secrets. They are mutual beneficiaries.

Item 2 table 3.3: Concerning getting technical support from the company, the respondents said Yes 22(62.857%), and No 13(37.143%). Technical supporting according to the data, it is situated in better manner but it is not enough because the products the company is offering are industrial goods. So, it needs supports strongly.

Item 3 table 3.3: the complaint regarding the company's business activity it is said that Yes 21(60%), and No 14(40%). As the data shows, the majority of the customers have some complaints that are not solved by the company.

Item 4 table 3.3: concerning training program the respondents said Yes 9(25.7%), and No 26(74.3%) from this it can be seen that there is no sufficient training program.

Item 5 table 3.3: concerning who this the respondents have other options, the respondents said Yes 19(54.3%), and No 16(45.7%). The data shows, the company is in a very bad condition because above 50% of the respondents have another options.

Table 3.4: Promotional and Motivational Support, Time of Communication and Feedback System

S. No.	Items	No. of Respondent	Percentage Distribution
1	Are you getting technical support from the company and if yes what kind?		
	A. Promotional support	9	25.7
	B. Motivational support	12	34.3
	C. If any other specify (Technical)	14	40
	Total	35	100
2	How do you communicate with the company?		
	A. Periodic meeting	1	2.857
	B. Phone call	12	34.3
	C. Report	7	20
	D. When you feel bad	15	42,857
	Total	35	100
3	How often the company collect feedback from you?		
	A. Always	1	2.857
	B. Sometimes	9	25.7
	C. When you feel bad	25	71.43
	Total	35	100
4	How fast are your feedbacks entertained?		
	A. Immediately	3	8.57
	B. Slowly	20	57.14
	A. If any other specify	12	34.3
	Total	35	100

Item 1 table 3.4: the kinds of technical supports received are promotional support 9(25.7%), motivational support 12(34.3%), and any other technical support 14(40%). As the data shows, promotional support and motivational support are giving minimum attentions from the company as compare to technical support.

Item 2 table 3.4: concerning communication with the company periodic meeting is, 1(2.857%), phone call is 12(34.3%), report is 7(20%), and feeling bad is 15 (42.857%). According to the data, communication is when the customers feel bad is not good to the company.

Item 3 table 3.4: collecting feedback trends it is sometimes 9(25.7%), always 1(2.857%), if any other specify 25(71.43%). Feedback collection system also has a great problem because the company collects information mainly when the customers are feeling bad.

Item 4 table 3.4: Regarding fast and well feedback entertaining systems, it is said that they are immediately 3(8.57%), slowly 20(57.14%), very slowly 12(34.3%). Here it can be seen that the feedback systems are very weak.

Table 3.5: The Criteria System, the Quality of Offering Products and Service Giving Activities

S. No.	Item	No. of Respondent	Percentage Distribution
	What criteria did you use to select the company from the others like Moenko, GM etc?		
	A. Quality based	23	65.7
	B. Fast offering of product	4	11.43
	C. Proximity of company	7	20
	D. If any specify	1	2.857
	Total	35	100
2	How do you see the quality of Orbis products?		
	A. Very good	14	40
	B. good	13	37.14
	C. medium	8	22.857
	D. Low		
	E. Very low		
	Total	35	100
3	Are service giving activities of the company specially for the new product?		
	A. Enough	15	42.857
	B. Not enough	20	57.14
	Total	35	100

Item 1 table 3.5: regarding the selection criteria of the company, it was indicated that quality based is 23(65.7%), fast offering of product is 4(11.43%), proximity of the company is 7(20%), and any of other is 1(2.857%). Based on the data the company was selected more of the quality based.

Item 2 table 3.5: The quality of the company's products are shown as very good 14(40%), good 13(37.14%), medium 8(22.857%). The data shows the quality of goods very good and good.

Item 3 table 3.5: concerning service giving activities for new products it was said that enough is 15(42.857%), and not enough is 20(57.14%). Based on the data, it is possible to say that the service giving activities for new products are low.

Finally, the last item what efforts and activities should the company do to increase the customer satisfaction and decrease the complaint was asked to the respondents. They responded as fast offering 23(65.7%), improvements of service giving activities 7(20%), decrease the product price 5(14.3%). This data shows the problems of delay in offering products and shortages of services giving activities and also somehow price is expensive.

The interview questions conducted to the marketing manager were concerning the experience of the marketing management of the organization. The first question was when and how the company was established. The reply was the company was established in 1962 by understanding of a fast growing development potential of the country.

The second question tried to find out from where the company purchased the products and it was stated that the supplier countries are Germany, France, Brazil and Cairo.

The 3rd question was whether the delivery of goods was on the time. It was said that the products are not coming on the time, because the shipping transports are not suitable as much as they are want. This means that the products are very bulk; therefore, the transporting time needed is very high.

The fourth question was on the location of warehouse being at appropriate cite. The response is that their warehouse are enough and they are not getting the problems of

store, in this experience, if the product is supplied to their warehouse, the majority of customers are collecting as soon as possible.

The fifth question asked if the company tries to visit its customers and the response is there is no such trend.

The seventh question was to know how the company handles customer complaint. The reply is when the customers are feeling bad and raise their problem by phone call as report we have to try to solve the problem?

The eighth question asked if the company has a strategic plan to which the reply is no. The reasons given was strategic plan was not accepted by the company.

According to the tenth question the rank on the scale of 1-5 for evaluating a marketing department is given as:

- Market share 4
- Return on investment 1
- Sales volume 2
- Profit 3
- Others 5

The eleventh question asked what they consider to be an appropriate profile for a business recruited from within or from other company and the responses show in descending order as:

- Age 4
- Work experience (length and type) 2
- Personal trait 3
- Education 1

The last question was about the structured training programs, the reply was no structured training program.

CHAPTER FOUR

SUMMARY, CONCLUSION AND RECOMMENDATION

4.1. Summary

From the analysis and interpretation in previous chapter the following summary, conclusion and recommendations are drawn: as summarized from sample respondents.

- The age distributions of the respondents were below 30 6(17.4%), 30 – 50 years 22(62.857%) and above 50 years 7(20%) so, this shows that the respondents are very mature.
- According to sex respondent customers were 23(65.7%) male and 12(34.3%) female. Gender distribution was very good.
- Concerning educational background, 12 were complete 2(5.7%), 12+1 were 2(5.7%), diploma were 10 (28.57%) and BA Degree were 21(60%) so the education levels of respondents are capable enough to evaluate my questionnaires.
- The quality aspects of the offering products are more of very good because 19(54.3%) respondents agreed, and 16(45.7%) said well. So , the quality aspects are more of a very good performance
- In keeping the company's secrets, 28(80%) of the respondents agreed looking as their secrets because they are benefited mutually.
- Concerning technical support getting 22(62.857%) respondent agreed but, it is not enough because the company offering products are fully industrial goods and so its need more of technical supports.
- The customer's criteria to select the company's product by quality based 23(65.7%). So, regarding quality the company was strongly preferable form others company.

- When we are looking the experience of the company providing service and proper handling of its customers, it is hoped that the work shop and technical program of Orbis will contribute substantially to the economic development of the country, through improved technical services.
- The raised basic questions are, the factors of affecting the supply chain managements, strategic plan, customers satisfaction level by the company's offering products. So
- According to (Christopher, Martin, 2005:4) logistics is the process of strategically managing the procurement movement and storage of materials, parts and finished goods inventory (and related information flows) through the organization and its marketing channels in such a way that current and future profitability are maximized through the cost effective fulfillment of orders.
- (Prof. D.K. Agrawal, 2003:24-25) stated as strategic logistic planning process is a growing awareness of logistics and supply chain management which have an amazing contribution as a firm's competitiveness and profitability. That is why, logistics has jumped from mere operational activity to strategic function of an enterprise. It has changed the traditional mind set about purchasing producing, moving and selling dramatically and occupied the center stage of corporate strategy. Keeping in the mind in overwhelms contributions logistics; most of the world class companies have incorporated a logistical vision in their mission and objective statement.
- According to (Prof D.K. Agrawal, 2003:48) strategic decision making in the supply chain are viewed as having strategic implications rather than just operational ones. For example rather than being concerned with just sourcing trucks from markets, one could consider long term contracts with the parts, on investing in the infrastructure to suit one's purpose. This facilitates smoother and more reliable transport logistics in the long run.

4.2. Conclusions

The following conclusions are drawn from the study;

- The quality offering products are very good because it is supported by the customers but the timing of offering is very slow.
- Most of the company's customers keep the company secrets they are looking as their own secrets. This shows that the company is building a good relationship from customers by offering attractive and quality goods.
- Concerning to technical support, the company had tried to do. But, it hadn't done enough because they offer industrial goods and also it needs some extra supports by its nature of newness.
- The satisfaction level of the customers regarding to the product is good but in the cases of price it is medium so, to improve the pricing activities, the company could improve the supply chain system.
- Regarding to the communication system between the customer's and the company it was not enough. It could be improved and encouraged by well organized training activities and also supported in periodic meeting. They feed back giving system could also be improved to create smooth relationship.
- About 60% of the customers had a complaint about the company business. This is sometimes observed because the customer behaviors will not stopped by similar position so, the company has to try to get a possible solution.
- The possibilities of customers to look for other similar company are 54.3% according to the study. This information shows a very dangerous situation to the company. If the company does not try to improve the weak parts the figure is to grow and, as a result, it may lose its potential customers.
- Most of the respondents said they were getting the technical support but they didn't got enough promotional and motivational support. Therefore, the company should also focus on the promotional and motivational support.

4.3. Recommendation

The main purpose of this paper was to investigate and identifying the strength and weakness of supply chain managements focusing on in bound transporting systems of the company trends and thereby to give possible recommendations. Therefore, in order to improve the overall efficiency and effectiveness of the organization the following recommendations are forwarded.

- To improve the offering of the company, it must take a contractual system from others that have a strong transporting facility company and integrate their business with this activity.
- Regarding the technical support system, even if the company had a program to give a service, it wasn't enough because of the products are industrial goods. Industrial goods by nature have dynamic behaviors, so, its needs continuous and strong technical supports. Therefore, the company must give a sustainable and scheduled training and technical supports to those of the customers who need the service.
- The pricing systems of the company were very expensive probably if the company improves the transportation system to be faster, the price also minimizes a little bit. One of the most important benefits of supply chain management is fast offering and this minimizes the cost of the products. So, the company uses integrative transports systems.
- To solve the customer's complaints, the company must improve customer handling system. Most of the customers are agreed by quality offering products. But, they were complaining by offering time, technical support, price etc. if the company tries to improve these problems by taking and doing the above recommendation 60% of the complaints are becoming satisfied and 54.3% of the customers who are looking for other company are retained.
- Promotional support and motivational supports are very poor. The company also has to improve these by different types.

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Appendix

16. Do you have any complaint about the company's business activities?

Yes

No

17. Does the company have a structured training program?

Yes

No

If yes, please describe the types _____

18. Are Service giving activities of the company especially for the new product?

Enough

Not Enough

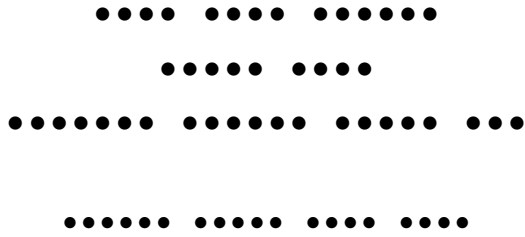
19. Do you have any alternatives other than Orbis, if they are not offering the needed product?

Yes

No

20. What efforts and activities does the company make to increase the level of customer satisfaction and decrease customer complaints? Please, specify.

Thank you for your time! Your contribution is highly appreciated.



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St. Mary's University

Faculty of Business

Department of Marketing Management

Interview Checklist to Marketing Management

This interview checklist is prepared for the procurement, inventory control, and marketing managers of the Orbis Trading and Technical Center Share company.

1. When and how was the Orbis Trading Technical Center established?
2. Where do you purchase the company offering products?
3. Do you always deliver the product on time?
4. Do you believe that your warehouse is located at the appropriate place?
5. Does the company try to visit its customers?
6. If yes, by what time interval?
7. How does your firm handle customer complaint?
8. Does your company have a strategic plan?
9. If No, why?
10. Please rank on the scale of 1 – 5 the following criteria used in evaluating a marketing department.
 - Market share_____
 - Return on investment_____
 - Sales volume_____
 - Profit_____
 - Others (please explain)_____
11. What do you consider to be an appropriate profile for a business recruited from within or from other company?(rank from 1-4 in descending order ?from the most important to the least important)
 - Age_____
 - Work experience (length and type)_____
 - Personal traits (personality, creativity, aggressiveness etc)_____
 - Education_____
12. Does your company have a structured training program for its employees? If yes, please describe the type of training._____

DECLARATION

I, the undersigned, declare that the senior essay is my original work prepared under the guidance of Selamawit Negassie. All sources of materials used for the manuscript have been duly acknowledged.

This research paper will not be used to other institution as a fulfillment of any study.

Name: _____

Signature: _____

Place of Submission: _____

Date of Submission: _____

Submission Approval Sheet

This senior research paper has been submitted to the department of Marketing Management in partial fulfillment for the requirements of BA Degree in Marketing Management with my approval as an advisor.

Name: _____

Signature: _____

Date of Submission: _____