

## MWENDOKASI STORE AND DISTRIBUTION COMPANY

Mwendokasi Store and Distribution Company is a newly established company with a large warehouse in Lake Zone. The company is located at Waweza District in Mkoani Region. It is the company dealing with supply of fragile materials for different types of laboratories. It is among the largest employers in East Africa with approximately one (1) thousands customers in Tanzania. The company vision has always focused on constantly reducing logistics costs as well as using innovative information and communication technology when operating logistic activities in company`s warehouse as well as when dealing with its customers. The company emphasizes the need for reducing acquisition costs and offers the best price to its customers through procuring goods directly from foreign manufacturers who sell their products at reasonable price.

The company purchased Glass Beakers from Greece in order to fulfill different orders of its customers in Tanzania. The following private schools were among the customers who made orders for the supply of glass beakers.

<b>Name of school</b>	<b>Location of the School</b>	<b>Number of Dozen</b>	<b>Order fulfillment Date as per contract</b>
Mafanikio Sec School	Ngata	35	4 <sup>th</sup> March 2000
Uwezo Sec School	Dangisi	15	5 <sup>th</sup> March 2000
Mabingwaa Sec School	Yambe	20	5 <sup>th</sup> March 2000
Wanajua Sec School	Ngairi	20	5 <sup>th</sup> March 2000
Wakufaulu Sec School	Madodo	25	9 <sup>th</sup> March 2000
Mwema Sec School	Sharua	40	5 <sup>th</sup> March 2000
Wazawa Sec School	Gorogoro	30	11 <sup>th</sup> March 2000
Wahapa Sec School	Magoma	30	7 <sup>ht</sup> March 2000
Total		215	

Each dozen was packed in a separate box for enhancing transportation. The company purchased a total of 2000 dozens of glass beakers with a total value of 200 Millions Tanzania Shillings.

The Procurement Management Unit (PMU) finalized all procurement related transactions on 1<sup>st</sup> of January, 2000 and was directed by Managing Director of the company to ensure that the products are delivered to the company's warehouse not later than 1<sup>st</sup> March, 2000 since most of the customers` orders had to be fulfilled from 4<sup>th</sup> March 2000.

The PMU advised the company to use EX-Work Commercial term for facilitating the importation of the products from Greece. The items were expected to be delivered in Tanzania one month after the product is ready for transportation but it delayed in transit due to logistic challenges. The carrier which was hired by the company to deliver the goods at the port of shipment did not fulfill his responsibilities to the extent of causing unnecessary delays. According to the contract the carrier had to avail the goods alongside the vessel at the port of shipment within 14 days after signing of the contract but the goods delayed for almost one month.

After arrival of goods at the port of shipment, the PMU assigned Store Manager of the Company to make arrangement for hiring the vessel so that the goods reach the port of Dar es Salaam as soon as possible. The task was very heavy to the store manager although he was supported by the company on each and everything including transportation costs from Tanzania to the port of shipment. He took almost 40 days straggling for clearance and transportation vessel but he didn't succeed.

The customers who made orders from the company started to complain on the prolonged lead time. Almost all customers had already entered into contract with carriers to transport the product from the company`s warehouse to their respective schools but the goods were not yet arrived in Tanzania. This was a hectic to the customers as well as to the company itself since the logistics costs increased while the products were not yet delivered to the company.

Due to those entire incidences, the management decided to convene the meeting in order to discuss that issue and hence coming up with the solution. In order to minimize the complaints from the customers as well as preventing increase in cost burden, the management decision were;

- To use professional and registered company which could assist in shipping and clearing the goods
- In order to fasten fulfillment of orders, the company should use its 8 vehicles to distribute the cleared goods from the Port of Dar es Salaam to the customer direct. The customer responsibility of picking the goods from the company as well as contractual order fulfillment dates were cancelled

In implementing decisions, the company decided to use DML Supply Solution to assist the company in shipping and clearing the goods. DML Supply Solution used its experts to ship and clear goods in few days and at a lesser cost compared to the cost incurred by the Store Manager of Mwendokasi Store and Distribution Company

Before transporting the goods to the customers, the company realized that almost 40% and 20% of glass beakers were damaged and lost respectively. Fortunately the items which were in good condition could fulfill the customer orders and the balance including damaged glass beakers had to be transported to the company's warehouse for further decisions.

Therefore the company used its vehicle to distribute the goods from Dar es Salaam Port to each customer who ordered the goods. The remaining items were transported to the company's warehouse and on arrival, the number of glass beakers which were damaged was found to increase compared to the number detected at the port

Company had a loss of 300 Millions Tanzanian Shillings due to the purchase and importation of those laboratory wares and therefore called an independent expert in international transport and logistics to assess the whole importation process and come up with the causes of the problem.