



“The Operation Process of Airfreight Export and Import at Kuehne + Nagel Ltd”

Internship Report on Kuehne +Nagel Ltd

“The Operation Process of Airfreight Export and Import at Kuehne + Nagel Ltd”



Inspiring Excellence

Submitted To:

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Subject: Submission of Internship Report for the completion of BUS-401

Dear Madam,

With due respect, I would like to state that I have completed my Internship Report on “**The operation process of Air freight export and import at Kuehne + Nagel Ltd**” as a part of my BBA program. It has been great contentment for me to have the opportunity to apply my academic knowledge in practical field. The report was prepared on the basis of the theoretical and practical learning from three months internship program in the Banani Head office of Kuehne + Nagel Ltd.

I have tried my level best to put meticulous efforts into preparation of this report. I believe the report will at least give you a brief picture about the topic which will also showcase that I have acquired the valuable experiences through this internship under your astute supervision.

Thank you for encouraging me for working on this interesting topic. Kindly accept my report and oblige thereby.

Sincerely yours

Shadman Shoumick
ID: 13104206

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I am immensely thankful to the management of Kuehne Nagel for their enormous support and motivation. With my heartiest gratefulness, I would like to acknowledge a few individuals for their great support, encouragement and guidance in the completion of my report. At first I would like to thank my University supervisor Ms. Rahma Akhter madam for guiding me to complete the report successfully. She was always available and provides me proper guidance, support and advice throughout the semester, without which my paper work would not be possible.

I cannot stay without giving thanks to my Airfreight Department Manager Md.Tanjinur Rahman, Md. Kamruzzamen (Asst. Manager and my supervisor) and Masoud Alam Bhuyan (HR & Admin). They really help me a lot by providing valuable information.

Last but not the least, I am grateful to my university which is the reason I am standing here to earn my bachelor degree successfully.

Executive Summery

The KUEHNE+NAGEL LTD is a leading freight forwarding company. The business of the company is forward cargo of customer. The main objective of the company is to serve to the customers and survive in the global freight forwarding world. It was founded in 1890, in Bremen, Germany, by August Kühne and Friedrich Nagel. It provides sea freight and airfreight forwarding, contract logistics, and overland businesses with a focus on providing IT-based logistics solutions. Today, the Kuehne + Nagel Group have more than 1,300 offices in over 100 countries, with approximately 70,000 employees. They are financially strong, stable and independent. Their global logistics network, cutting-edge IT systems, in-house expertise and excellent customer service is proof of our dedication to be the market leader. These attributes have placed us at the forefront of our industry, and positioned us to continue increasing the scope of our customer solutions and services.

The airfreight plays an important role in K+N, because the air freight operates export operation in the most of the countries in the Europe and North America, Import from the North East countries. The airfreight attributes for the freight forwarding business for its speed and security both Export and Import operation system.

Kuehne + Nagel Ltd give their employees various training and knowledge's .For this reason these employee more motivated and ready to make much more contribution to the organization. I have acquired some experience to research and analysis this report that help me future job performance.

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Chapter 1: Introduction

1.1 Rational of the study

I am proposing this study because; this study will help me and other to gain depth knowledge about freight forwarding business operation process. As a student of marketing major I should know all of the business strategy and import-export process of freight forwarding business. This report is prepared for the internship program consisting of a depth and broader study of the Airfreight business of Kuehne Nagel Ltd. Internship program is a system by which we can accustom ourselves with the practical situation through the application of theoretical knowledge into real life, the gap between these two can be bridged up through this internship procedure. This report will help them a lot who want to pursue their carrier on freight forwarding Industry or who want to establish freight forwarding business in future. Kuehne Nagel ltd is one of the top most freight forwarder in the world. So if anyone wants to know about the freight forwarding process of Kuehne Nagel ltd then this study will help them to have better knowledge on airfreight department operation process.

1.2: Objectives of the Report:

1.2.1: Broad Objective:

- ✓ To know about the Airfreight export and import process of Kuehne + Nagel Ltd.

1.2.2: Specific Objectives:

- ✓ To know about the Airfreight Department of Kuehne + Nagel ltd.
- ✓ To know the Consignee and Shipper of Kuehne + Nagel Ltd.
- ✓ To identify the training method of Kuehne + Nagel Ltd.
- ✓ To analyze the management working processes and their operation
- ✓ To suggest some possible recommendations to solve the problem of Export and Import of Kuehne + Nagel Ltd.

So these are the various objectives of the study which are the yardstick as the total study will be done properly based on these objectives and will help the readers to understand and develop the basic knowledge about the above mentioned areas of Kuehne + Nagel Ltd .I have tried to develop the internship report study materials, and all the other mechanism of the study to make sure that the study objectives and the study finds have got logical links and can be joined together to have a useful and resourceful report.

1.3 Sources of Data:

1.3.1 Primary Sources of Data:

The primary data of this report were collected through:

- ✓ Practical experiences obtained from the corporate office of KNL
- ✓ Interview and conversation with KNL Human Resource Department
- ✓ Official records

1.3.2 Secondary Sources of Data:

I have gathered the secondary data via following sources:

- ✓ Annual report of Kuehne Nagel Ltd.
- ✓ Printed outline and documentation supplied by Kuehne Nagel Ltd.
- ✓ Website of Kuehne Nagel Ltd.

1.4 Methodology:

The methodology is the most important section where we try to formulate the methods and figure out ways how to carry on the study, collect the data, do the entry and analyze the data. The data for this study was gathered through observation. I have done this report by using observational methodology.

1.5: Background of company

The name of the company was at the beginning Kuehne + Nagel International AG. It is a worldwide transportation and logistics organization situated in Schindellegi, Switzerland and established in 1890, in Bremen, Germany, by August Kühne and Friedrich Nagel. It gives sea and air freight sending, contract logistics, and overland organizations with an attention on giving IT-based logistics. From a traditional international freight forwarder they become leading global provider of integrated supply chain solutions for a comprehensive range of industries. Today, the Kuehne + Nagel Group have more than 1,300 workplaces in more than 100 nations, with more than 70,000 representatives. The main business activities and market position of Kuehne Nagel is built on the company's truly world class capabilities.

Sea freight:

- ✓ Ranked number 1 global sea freight forwarder in the World
- ✓ Sustained year-on-year double digit growth in managed freight
- ✓ Solid partnerships with an extensive range of preferred ocean carriers

Airfreight:

- ✓ Ranked number 2 global air cargo forwarder
- ✓ Leader in innovative cargo management concepts
- ✓ Global Cargo iQ Phase 2 certification

Contract Logistics & Integrated Logistics:

- ✓ Ranked number 2 global contract logistics provider
- ✓ Worldwide network of warehouse and distribution facilities
- ✓ Number 1 global lead logistics provider

Overland:

- ✓ European Top 3 freight forwarder
- ✓ Pan-European overland transportation including dedicated and individual delivery services
- ✓ Close partnerships with the best carriers

We provide logistics services to virtually all key industry sectors including:

1. Aerospace
2. Automotive
3. FMCG
4. High Tech
5. Industrials
6. Oil & Gas Logistics
7. Pharmaceutical & Healthcare
8. Retail

1.5.1 Kuehne+Nagel Bangladesh:

Kuehne+Nagel Bangladesh started its journey from 1997 from then on the company is working with confidence and continuously improving its image in Bangladesh as an international freight forwarder. In Bangladesh their head office located at Banani, Dhaka-1213 along with that there are also 3 branches in Chittagong, Gazipur and Uttara model town Dhaka. In Bangladesh the company has airfreight and Sea freight as well. The task of these departments are same as it is in 100 countries , I mean their main purpose is same as it is in other countries but some technological working tools might be different from each other. However, In Bangladesh the company is surviving with dignity and especially through its promise to its consumers. They have a good relationship with carrier, shipper and consignee. In Bangladesh Kuehne + Nagel also have contract logistics and integrated logistics. In airfreight department the company has 300 offices worldwide and these offices are actively working almost 24/7 for achieving their goal and also have a cost effective strategy for the consumers. On an average each week the company makes over 60,000 shipments near about 18,200 tons weight. It has also Standardized IT and operational systems. The company provides Door to Door shipment monitoring service. Now let's move on something else is about Sea freight of Kuehne + Nagel Bangladesh. In airfreight department the company also has many facilities one of them is highly flexible service through its leading carriers and over 7500 Sea freight specialists. Now- a- days the supply chain has become more complex and fragmented , markets are volatile ,competition is intense , customers

are more demanding than ever so having this situations Kuehne + Nagel continuously working for its customers and always try to meet all the demands of customers through its integrated and contract logistics systems .

As an intern in this company I had to do perform some duties. I have achieved some knowledge through my works. However now let's move on to my responsibilities there. The internship position I hold is with the airfreight department. I was helping with initial documents that airfreight department needs to make shipment. I got some real life working knowledge that I didn't have about airfreight forwarding and it helps me to know about airfreight forwarding process of Kuehne + Nagel ltd. In my learning process I came to know about basic documents and air freight process.

Chapter 2: Works-Related/Organization wide

2.1 Creating House and Making Dummy:

My first and main responsibility was making dummy and creating house for the shipment. I have to do this work by using software named CEAL. Making dummy was the basic of the software. By doing such kind of activities I have come to know about importance of commercial invoice number, purchase order number and some incoterms called FCA, FOB, CPT, C & F etc. Though this work was initial work but the importance of these works was huge. My simple mistake could cause a huge loss to the company. If I don't write the correct code or name then the shipment could go somewhere else. Once I did a big mistake. I wrote the wrong destination name on the dummy anyway later on my supervisor in air freight department have noticed my mistake and helped me to do correction and make me understand where I have made the mistake .So these activities helped me a lot.

2.1.1 Master Create, Master Schedule and Link:

When I got the clear idea of creating house and dummy then I have started to learn another thing called master create, master schedule and link. This is another work stage of operations department. However in this stage I came to know that by creating master and schedule we are creating such kind of thing in which flight products will be delivered what is the time of departure what is the time of arrival and where the plane will take transit. After creating the master we have to link between the house and master. Then it will provide us a file number and a sticker will be printed on our warehouse. This printed sticker is used to identify the product.

2.1.2 Use of software in work:

Import and export department people are used different software. However, I am the only person who has worked for both import and export department. So, I have used CEAL and SALog both software. Most of the work of operations department related with particular software called OPS which make the work easy for employees. Creation of house is also a part of OPS Software. Through this software employees make sure the house has been created and who is shipper and consignee, what is the destination of particular shipment and flight departure and arrival time, Quantity of goods, weight of goods etc.

2.1.3 More updated software coming soon:

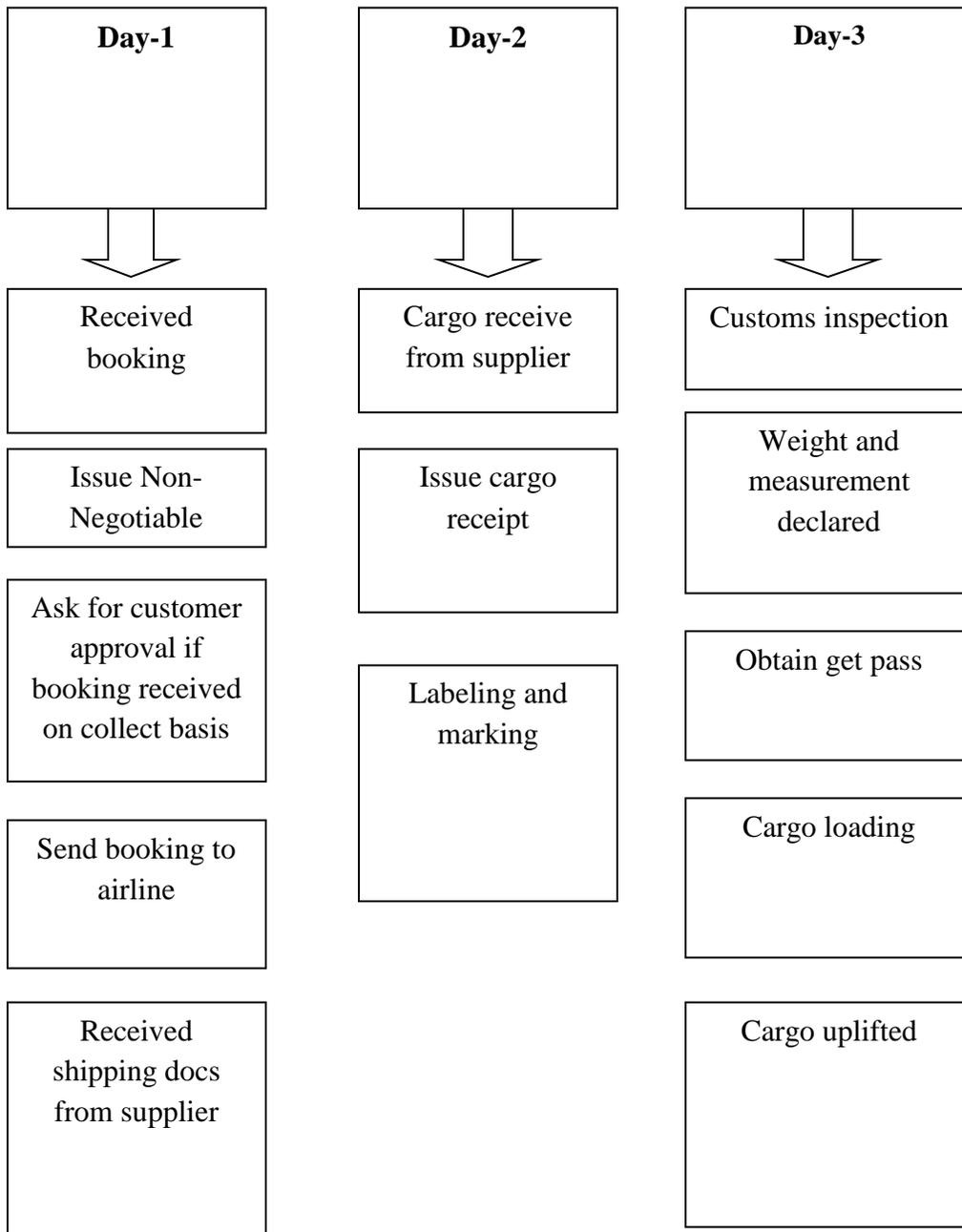
CEAL software is going to shut down within this year. SALog will be used for both import and export department. CEAL is faster than SALog and it takes a less time to complete the operation. Hope they will make an update version to get rid of this problem.

2.2 Airfreight Operation Process:

At first the air freight department gets commercial invoice and booking format from the shipper after that warehousing starts if needed. Then by negotiating with consignee and shipper airfreight make sure whether the shipment will collect or prepaid. In air freight department these negotiation with buyer and seller done by particular employees. Someone may be deal with the buyer of USA someone may be deal with the buyer of Barcelona, Spain. I mean they are the buyers from different parts of the world. And the employees also negotiate about shipping rate with the different carriers some of them are Etihad air ways, Saudi air lines etc. Then it's time to

receive shipping documents from the shipper or other related parties . After getting all documents kuehne + nagel ltd they receive cargo from supplier . Kuehne + nagel ltd now issue a cargo receipt to the authority. So it's a proof that they have received the cargo. In this step labeling and marking is implemented. After that, the duty is for customs authority to check whether everything is ok with the description of the documents. Then weight and measurement of the goods are declared whether weight is okay or not. If everything is okay then shipment gets the pass. After getting all permissions now it's time to load the cargo into carrier and finally products are uplifting from the airport.

Kuehne + Nagel Ltd maintaining a cargo flow for shipment. Cargo process has been divided into 3 days process. The cargo flow process is given bellow:



2.3 Export Documentation and Operation System

The air freight Export operation systems are implemented by different kinds of documentation systems. This documentation system requires some specific steps and procedures and permanent job work which enable to implement and continue the freight forwarder service like air freight of KUEHNE+NAGEL LTD. The specific and routine based export documentation procedures are mentioned and subsequently identify is the given bellow:

STEP ONE

The sales department of local and overseas office contract with the shipper (the person or company who sends the goods) and consignee (the person or company to whom goods are sent) in home and abroad. They make an agreement with the prospective shipper (cargo or goods owner) and finally both parties settle a contract with specific terms and conditions.

STEP TWO

The shipper sends by e-mail or physically a hard copy of the commercial invoice, packing list and delivery note and a most important written document as booking format which is the essential for booking carrier in the KUEHNE+NAGEL LTD. Those are included the freight term and status time e.g. cargo delivery date.

Whenever we find that the shipper did not send a booking format then we request them to fill up the company's prescribed booking format for the company purpose.

STEP THREE

We create a House Air Way Bill number (HAWB) from the company's system. The system is Computer Integrated External Logistics (CIEL). At the time of creating of HAWB number at the CIEL Air Export Booking system, the following:

- ✓ Service Level e.g. For the Air Export it will be faced by "03".
- ✓ Shipper's company code from reference entry system of CIEL system.
- ✓ Consignee company code (defined by Hong Kong RI-T based on system)
- ✓ Principal, which is the same of consignee ID number.

- ✓ Notify Address.
- ✓ Destination (the place of discharge of cargo)
- ✓ Country code.
- ✓ Freight term (the term based on cargo are carried from one to another destination)
- ✓ The freight term consist of two individual terms:
 1. Collect shipment.
 2. Prepaid shipment.
- ✓ Number of package e.g. Total carton(s)
- ✓ Description of good or cargo. What kind of goods is actually into the carton.
- ✓ Gross weight and chargeable weight.
- ✓ Forwarder code (defined by Hong Kong RI-T e.g. Set by the system).
- ✓ Flight schedule, given by the airlines.
- ✓ Purchase Order number (PO number)

After filling the above information then we get the HAWB number. It is only the identification number of the specific order of Air Export shipment.

Example: DAC-00453432

AIR WAY BILL:

1. House Air Way Bill: A House Air Way Bill is a document of contract between Shipper and Freight Forwarder. For example this is a contact between garments owner and KUEHNE + NAGEL LTD.

2. Master Air Way Bill: A master Air Way Bill is a document of contract between Freight Forwarder and Air Lines. For example this is a contact between KUEHNE + NAGEL LTD and QATAR Airways.

A House and Master Air Way Bill contains the following common information and they are as follows:

1. Name and address of shipper.

2. Name and address of consignee.
3. Name and address of AWB issue agent
 - a) HAWB is issued by KUEHNE + NAGEL LTD. as a forwarding agent.
 - b) MAWB is issued by British Airways as concerned airlines.
4. Name of the carrier agent.
 - a) Regarding HAWB, KUEHNE+NAGEL LTD. is the carrier agent to shipper.
 - b) Regarding the MAWB Biman Bangladesh Airlines (BG) is a carrier agent to KUEHNE + NAGEL LTD.
5. Flight schedule.
6. Freight term.
 - a) Collect shipment, when consignee pays the freight charge and career charge.
 - b) Prepaid shipment, when shipper pays the freight charge and career charge.
7. Number of carton.
8. Invoice number, L/C number, EXP number and SB number.
9. Order and article number.
10. Freight rate or charge.

Freight rate are selected by International Air Traffic Association (IATA). The freight rate depends on destination to destination basis. A document including this number is called DUMMY. We provide this dummy to shipper for Export Promotion Burrow (EPB) purpose. By this dummy shipper are allowed to export cargo. I was responsible for creating the house and making the Dummy.

Freight Certificate

For the prepaid shipment we have to issue a freight certificate to the shipper. The shipper takes freight certificate for customs purpose. This certificate is included the following particulars:

- ✓ Shipper name
- ✓ House Airway Bill number
- ✓ Cartons
- ✓ Air Freight charge

- ✓ Security charge, THC, Scanning charge
- ✓ Documentation charge

STEP FOUR

MAIL FOR APPROVAL

After the issuing dummy we send E-mail or hard copy to local buying office or ultimate consignee or shipper. These depend on the nature of shipment of cargo with identifying the following particulars are given bellow:

1. Purchase order number
2. Article number
3. Number of carton
4. Freight term
5. Description of cargo.
6. Invoice number
7. Letter of Credit number (L/C)
8. EXP number, given by company or shipper.

After that, the informed company or person further send message to Airfreight department informing the conformation that the sanded information are correct or right with us. Then we forward the shipment of cargo. If casually the information is not correct between shipper and forwarder, we rein form to related parties. When we confirm that the information in correct, we e.g. forwarder request to the shipper for handle the cargo to Airport.

STEP FIVE

Finishing the handle of cargo to airport, we book the space of specific airlines and send an E-mail to airlines of approximate CBM and Weight of cargo. After the cargo receives, airport supervisor and responsible person at the airport provide actual weight, CBM, and dimension of the cargo. Providing the actual weight, CBM, dimension and carton we conform the airlines for air shipment of that specific cargo.

Every airline has a specific flight schedule for a week or a month. Then we try to match with flight schedule and after matching with our destination arrival date, we confirm the airlines of that shipment. After confirmation the airlines, we link our House Air Way Bill number with Flight number by our CIEL system. Then we get a Master Air Way Bill (MAWB) number from the CIEL system. Depending on our CIEL MAWB number, the airlines issue a Master Air Way Bill.

As for example: **214-09667652**

Then flight uplift towards the destination. We send the original documents to our overseas office. At the same time we inform the ultimate consignee, mentioning the following information:

1. House B/L number
2. Master B/L number
3. Number of carton, Order number, L/C number, EXP number and SB number.
4. Flight name and schedule

Release the Bill of Landing:

Finally the documentation system added the release of original Bill of Leading to shipper. They are as follows:

Collect Shipment:

If the shipment would be **Collect Shipment**, then the shipper pay only the documentation fee to us e.g. forwarder and release the original Bill of Leading (B/L). Regarding the Collect Shipment KUEHNE+NAGEL Dhaka office issue the invoice to concerned **KN** overseas office. The overseas K+N office collects the shipment charge at the time of release the original B/L.

Prepaid Shipment:

If the shipment would be Prepaid Shipment, then the shipper have to pay the total amount of charge which was contracted with shipper as per kilo Gram of the cargo. After paying the charge to forwarder they release the original Bill of Leading (B/L).

2.4 Import Documentation and Operation System

The air freight Import operation systems are implemented by different kinds of documentation systems. This documentation system requires some specific steps and procedures and permanent job work which enable to implement and continue the Freight Forwarder service like Air Freight department of KUEHNE+NAGEL LTD. Regarding the Import operation and documentation system there are some specific and routine based Import documentation procedures are mentioned and subsequently definitions are the given bellow:

STEP ONE

The import department or import executive check the SALog (IT operational system for sea- and airfreight) system on the regular basis about the new import information. If there are any new information are stored on the system that become a pre alert to import department of new cargo is imported.

STEP TWO

In to our SALog system we get information about new import that is coming in our country or K+N Dhaka office. From that system we get the full information about the import. They are as follows:

1. House B/L number
2. Master B/L number
3. Flight detail e.g. in which flight the cargo is coming as imported.
4. Number of carton (s)
5. Description of goods.

After getting the new import information in SALog we or import executive gives message about the flight details and also inform him about HAWB number, MAWB number, number of carton to our airport supervisor.

STEP THREE

After the flight arrival to airport, our supervisor receives the cargo and load to airport cargo receiving center. At the same time the airport supervisor receives the original document regarding the specific import shipment. Then those documents are forwarded to KN Dhaka office. We update the file by inputting the new information to SALog system. We open a file regarding the import shipment. We inform the ultimate consignee of the shipment. And also inform about the cargo arrival to us and advise them to release the Bill of Lading from us or KN office.

STEP FOUR

After gating all original documents we prepare invoice to them. The charges of invoice vary to nature of shipment.

Collect shipment:

Regarding the collect shipment we prepare invoice including the following charges:

- ✓ Freight charge.
- ✓ SSC charge
- ✓ Scanning charge
- ✓ Tracking charge
- ✓ Documentation charge
- ✓ Other charges depend on the nature of shipment

Prepaid shipment

Regarding the prepaid shipment we prepare invoice including the documentation charges.

Documentation charge:

At the time of release of original Bill of Lading, the ultimate consignee has to pay the above charge and release the Bill of Lading.

VAT (Value Added Tax):

Kuehne Nagel does not take any VAT from the welfare or charity organization. They have paid the VAT from their own expense. For example, ICDDRB does not pay VAT for their shipment. Other company must have to pay the VAT.

That is all of Export +Import documentation and operation system of Air freight of KUEHNE + NAGEL LTD.

2.5 Human Resource Department:

Human resource department of KNL is very strong and resourceful. They really work hard to find out the Right employee for the company. There are four execution processes of Human Resource Department of Kuhne+ Nagal Ltd. This four operation processes of this department are interdependent into one another. These four steps are explained below:

1. Human Resource Marketing: Find out the appropriate location and then find out the proper candidate for the company, who will met perfectly company's requirement and satisfy top level management by job done.

2. Staffing and administration: In this stage the HR manager staffing right one by recruitment process among the candidates. Manager will teach the new employee all duty, rules and regulations of the company

3. Training and Development: New employees are trained by the Human resource department as company's new employee training procedures. HR manager shift him for practical work that develop the new employee. Sometimes they are being sent to their overseas office like Singapore, Malaysia, and Dubai for better training and development. Some of them participate in online classes. This is another way to develop the skills of their employee.

4. Compensation and Benefit: HR department provide the employed one such as sharing profit, accident and sick benefit, fringe benefit, traveling, transportation, overtime and lunch, provident fund and well environment. Sometimes they got the opportunity to work in their regional offices.

2.6: Sales

Kuehne + Nagel Ltd is a forwarding service oriented multinational company and they have to sale their service those who want to send cargo from one destination to another. So the sales team has to sale the service locally and globally. Sales team works are given bellow:

- ✓ Sales team works with the exciting customers and they connect with the potential clients both locally and globally.
- ✓ The sales team of Kuehne+ Nagel instantly informs their customers about the new added service.
- ✓ Whenever a new customer is going to be penetrating export or import business. Only the sales team firstly introduces with that institution or individuals as representative for providing them freight forwarding service.

Kuehne + Nagel Ltd have strong sales forces and they are called ultimate sales machine of the company. This ultimate sales force is one of the machine powers of the company. The Kuehne+Nagel have strong sales forces in the local and global region. By the strong sales team the company survives in the forwarding market. A service oriented company's main product is its manpower as well as a strong sales team. A strong sales team is the main manpower of the Kuehne+Nagel Ltd.

2.7: SWOT Analysis:

SWOT analysis is way of finding out the positive and negative sides of a company. It can bring a positive change for a company. It also can identifies whether a particular company is viable or not and identifies the position of a company in the market place. So SWOT analysis is very much import for a company. The SWOT analysis of Kuehne + Nagel ltd is given bellow:

Strength:

- ✓ Globally first in Sea freight and second in Airfreight
- ✓ Approximately more than 1200 offices in over 100 countries
- ✓ Near about 70,000 workforces worldwide.

Kuehne + Nagels is in a leading market position. Currently they are ranked number 1 in global sea freight forwarder and number 2 in air freight forwarder. Consecutively number 2 and 3 in contract logistics and overland. So the statements giving a clear understanding that they are in leading position.

Another point is that they have 1200 offices in over 100 countries. So, currently they are active in those countries. KNL is a corporate giant because currently they have approximately 70,000 active workforces. A huge number of people are working under this organization.

Weakness:

- ✓ Less budget on advertising
- ✓ Less suppliers on the market
- ✓ Very slow promotion process

Most of the people of Bangladesh do not know about this top most multinational freight forwarder because; they have a very low budget on advertising. We do not see any advertising of this company. Another weak point is they have a very few supplier available on the market. That is a great weakness of KNL. Another important weakness is their promotion process. Employees get frustrated with this process and sometimes leave the company. In this way they are losing

many trained employee. The HR department should create more position and they must fasten the promotion process.

Opportunities:

- ✓ Growth in global airfreight market
- ✓ Freight forwarders are value drivers

Worldwide the freight forwarding businesses are increasing day by day and airfreight market as well. So many companies are importing and exporting their products and for moving their product through air is becoming popular day by day. The second thing is that freight forwarders are value drivers. They are enhancing customer life cycle management and they are adding value through supply chain.

Threats:

- ✓ Worldwide competition
- ✓ Volatile oil price

Threat for freight forwarders all over the world is increasing the number of freight forwarding company that's why competition is very high. Currently, more than 30 freight forwarding companies are operating their business in Bangladesh and if we think about globally then the number of freight forwarder are huge. Another point is volatile the oil price. For transporting the goods, freight forwarders need to depend on airline but the problem is the increasing price of the oil. This SWOT analysis is not only for the KNL but also for other freight forwarder. However, after implementing the SWOT analysis it can be assumed that Kuehne + Nagel ltd has a strong position in market and they are in viable position. Hope they will find a way to solve their weaknesses.

2.8 PESTLE Analysis:

Through this PESTLE analysis we can find out the areas of Political, Economical, Social and Technological factors analysis and the impact of those factors. The factors and their analysis are given below:

▪ Political Factors:

The Political factors are one of the most important factors in the PESTLE analysis. After the liberation war many political parties are taken charge of the country. Every political party has their own and different beliefs and ideologies. However, they give more importance and provide more facilities on different industries. The political situation of Bangladesh is not stable and it is regarded to be a very volatile and investors are worried about their investments return. Destroying public and private property and calling strikes has become a common practice of our political team. Freight forwarding companies in Bangladesh operate 24/7 and any kind of this political disruption may cause a huge lose. Because of this problem sometimes the freight forwarder may fail to keep their commitment and they are unable to deliver their package within the committed time to the customer. The company may face the damage or lose of their asset which could decrease the amount investment in our country. Last year, “Holy Artisan terror attack” has created a huge negative impact on our reputation as well as our economy. Foreign investors are now not interested to invest on our country. So we can see that, political factors could cause a great damage on our economy.

▪ Economical Factors:

The whole logistic sector is suffering for a global economic crisis. The recession has slowed down the whole industry and the number of shipments has reduced dramatically. Our economy is heavily depended on the garments industry and the freight forwarder moves a majority of the garments sample and documents to the various developed countries. Many developed countries are facing some economic crisis. However, they are now reducing their expenditures in the apparel sector. So the RMG sector has slowed down the business of freight forwarding companies and the forwarding are also facing a hard time for their business.

- **Socio-Cultural Factors:**

Social and cultural forces affect customers' attitudes, opinions, and interests. Customer should get services and products according to their needs and requirements and the company must provide that. Response quickly with the changes in society is very much important to avoid lose. So, the socio cultural issues are very important. The social influence in this industry plays a very strong part for operating business. The brand image of Kuehne + Nagel is higher compared to other local or small freight forwarder. However, people are emphasizing on the rate rather than the brand value and good customer service. They are selecting some local or small forwarding company to carry their products. So some small players like TNT, UPS and Aramex is gaining the business in Bangladesh market.

- **Technological Factors:**

Technology is an important factor for every business and the technological advances have changed the world. Technology has made our life easy and created to expect immediate results. Now a days swapping information become easier between customers, companies, stakeholders, and other people. Kuehne Nagel is clearly ahead with more sophisticated technology and software support to the customers compared to the other competitors. The company is using the latest innovations to make sure that the shipments can be tracked properly and easily by the customer.

- **Legal Factors**

The logistic market position gets strong from removing of border and installing liberalization. For operating the market companies like KNL face various legal directives, taxes and rules. Authorized documents are imposed on company to operate in any region that contains the detail of goods to be transported, safety standards and confidentiality.

2.9 Competitive Advantages:

- **Cost Competitive Advantage:**

Cost competitive advantage is the point at which an organization can use its skilled workforce, reasonable raw materials, controlled expenses, and effective operations to make maximum incentive to purchasers. Kuehne Nagel does not use the cost competitive advantage. As a multinational organization they have to pay a huge amount to tax and other fees to the government. So it is impossible for them to follow the cost competitive advantages.

- **Product/Service Differentiation:**

Through product/service differentiation companies can have a competitive advantage in the marketplace. Product/service differentiation can be occurred when company's product or service has a valuable, unique offering for its consumers. Kuehne Nagel has different and unique kind of services. They have Express service, Consolidation service, Full and part charter service, OBC (on board courier) service and diversion service available for their customers.

- **Niche Marketing:**

Niche marketing strategy is a focused marketing plan unlike the 'target everybody' strategy. It targets only those customers who can relate well to the product/service. The company tries to build the long term relationship with these small set of customers. KNL sales team uses this strategy to sell their service. When any new offer and service is launched then sales team go to some selected customer. They try to provide the information to their targeted customer. They do not use the above the line strategy. That is why many people do not know about the giant multinational freight forwarding company Kuehne Nagel.

2.10 Other relevant activities

2.10.1 Work with customer service department:

Along with my regular duties I had to do some other activities. Sometimes i went to the customer service department to help the employees. I have learned real life experience from there. The customers come with many documents and clear all the bills there. A feedback machine is

available on the counter. Every customer must have to provide feedback after the service. This place is very challenging and you have to do multiple tasks quickly within a very short of time. The customer and company always keep a good relationship with each other and they co-operate each other.

2.10.2 Attend in meeting:

Sometimes I have to attend weekly meetings where I came to know about particular top level management employees. Every Sunday departmental meeting is organized and it really helps us to know about the current market situation of this industry. Town hall meeting was another big thing for us. It is like a festive. Managing director and all the department head announces the profit, loss and the performance of the individual person as well as the department.

2.10.3 Photocopy, Print, E-scan:

During my internship period I did print, photocopy and e-scan. I have never done this works before and truly I have enjoyed these works as well.

2.10.4 Find the documents:

Sometimes I had to help the senior employees. Sometimes they called me and told me to find out the particular file containing specific house number or master number and I did so.

Chapter 3: Constraints/Challenges

During my internship period I have noticed some constraints or challenges that the company is facing. Those things should be fixed as soon as possible for the better of the organization. I have identified the following constraints and challenges related to the company.

3.1: Customer dissatisfaction about cost:

Customers' dissatisfaction on charge/price is conventional. At the desired destination the cargo was sent by a general customer (shipper) with the cheapest freight possible. That is the conflict between shippers with freight forwarder like Kuehne + Nagel Ltd. Bangladesh.

3.1.1: Lack of specific task:

The major problem I have faced is that for internship students does not have any specific task to perform. While an intern performing a given task sometimes he/she needs to perform another task before finishing previous given task. I had to work under less than fifteen people. Different person has different task. Sometimes I forgot some task that was given by my supervisor. It is really difficult to do work under this kind of circumstances.

3.1.2: No Fixed time to leave:

The employees must have to present in the office within 10:00 am but there is not fixed time to leave the office. The official leaving time is 6:00 pm. However, the work pressure does not let them to leave the office on time. Sometimes urgent shipment makes their life miserable. When urgent shipment comes, the employees have to stay in the office till late night.

3.2 Academic preparation:

Before joining in this company as an intern I didn't have any practical working knowledge with any other company. And I didn't have any working knowledge regarding freight forwarding company. I am from marketing background but here I had to perform in operations department. The main mismatch was performing the operations task.

3.3: Missing Knowledge:

Our university does not offer any subject related to import and export. I had to suffer a lot to learn about many terms of freight forwarding. Globalization has made the world small and made our life easier. Freight forwarding industries are becoming an important part for a country. This subject should be included in our university syllabus as early as possible.

Chapter 4: Lesson Learned from the Internship Program:

4.1: Learning of corporate norms:

Although we were interns over there, we get addressed just as other employees are. I did not feel myself as an intern for a moment. They always consider us as their colleague. The most impressive thing I have learned that is staffs members are being treated with equal amount of respect. The ways our performance gets appraised gave me a very positive outlook regarding the corporate norms of this company

4.2: Team work:

In my university I did lots group work that helps me to understand how to work as a team in the corporate sector. Here I also have to work with the airfreight team. It was really enjoyable.

4.3: Public relation

There I have improved my communication level because during my internship time I had to meet lots of different people. Sometimes I had to communicate with different country over the phone.

4.4: Work precisely

It should be learnt how to work more precisely. At the beginning, it has been noticed that there are lots of mistakes I have found in my work. After completion of my internship, it has been improved.

4.5: Improve my communication skill

Sometimes foreign employees from regional head office come and visit our office. We had to communicate with them properly. It has improved my communication skills. I also had to communicate with the customer. That was a great experience for me.

4.6: Effective work environment:

The work environment at Keuhne + Nagel ltd is the first thing that attracted the intern most towards the company, as it is not only spacious but also the professionalism of the employees

was really excellent. Equality is the first priority of this company, and the company provides desks that remain surrounded by employees holding different designations. That is employees of a particular department sit together and interns have an entire place for themselves. They are very much friendly and co-operative. I always felt like home there.

So these are some knowledge and skill that I have achieved during my internship and I am so happy as I have done my internship at Kuehne + Nagel Ltd. Working with such kind of organization was really a great achievement for me and specially the memories with airfreight department is not forgettable. I have learned so many things from this department and hope that in near future the airfreight department will be more viable place for the interns.

Chapter 5: Concluding Statements

5.1 Summary

Airfreight is an important part of global trade. Keuhne + Nagel Ltd is the word leading airfreight solution provider. Our economy is mainly depends on Agriculture and Ready Made Garments (RMG). So freight forwarding companies are playing a great role in our economy. Kuehne + Nagel Ltd. being the world's one of the top most freight forwarders offers customers a very competitive service. They have been offering a high quality services within a reasonable price. They would not have stayed in business for the last 15 years in Bangladesh. Moreover, the sales of Kuehne+ Nagel Ltd. Bangladesh have increased astoundingly in every single year. Kuehne + Nagel Ltd. Bangladesh have obviously satisfied its customers by competitive service and surely customers have also got satisfaction from their point of views. Otherwise, sales would not have increased nor would have the profit of this company. Recently, Kuehne Nagel Bangladesh is opening a new office in Mongla port. More people will get the opportunity to work in this organization. Sometimes I had to face some critical problem during my work but I have solved this problem on my own way that was my great achievement in the internship. Another achievement is I had joined here with a blank knowledge of freight forwarding and I am finishing my internship with a lot of knowledge and experience. This experience will definitely help me to do something better in my whole life.

5.2: Suggestions

I have done this report on the basis of my personal observation and experience. As per my earnest observation some suggestion are given to improvement of the situation which will help the company to solve many problem. They are:

- ✓ Expand branch office for smooth and comfortable operation
- ✓ Recruit employees from some reputed university
- ✓ Promotion process should be improved otherwise employee turnover rate will be high
- ✓ More focus on customer satisfaction

- ✓ Some solution is needed for freight charge problems.
- ✓ Advertising budget should be increase to attract more customer
- ✓ Long term internship period should be abolished
- ✓ Salary structure should be more improved
- ✓ Setting up some complain box in every floor so that customer can write their problem
- ✓ Office hour should be fixed and everybody should follow the schedule time

The overall performance of the company is a good in Bangladesh. In our country day by day business policy is changing. Whenever we are overcoming a problem to run the freight service, then we have to face another problem. Our river loss its depth and customs policy becomes complex day by day. In spite of having problem KNL survive in the Bangladesh as well as all over the world. Only the proper planning, execution, developing process, information system and overall management system can help KNL to achieve its goal in the near future.

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