

Internship Report
On
Off-Dock Services and Household Removal of



Novo Cargo Services Limited



BRAC Business School

**Off-Dock Services and Household Removal of
Novo Cargo Services Limited**

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Letter of Transmittal

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Subject: Submission of Internship Report.

Dear Madam,

It gives me immense pleasure to submit my internship report titled as “Off-Dock Services and Household Removal of Novo Cargo Services Limited” to you as a part of my MBA program that I was assigned to prepare under your direct supervision. This report is an integrated part of my three months internship program in Novo Cargo Services Limited. I have strived hard to make it as subjective as possible.

I would like to thank you for your invaluable guidance throughout the preparation of the report. I think the knowledge that I have gathered during practical work and preparation of the report has enriched my learning to the field significantly.

I have tried my best to make it more meaningful but there may be some shortcomings. I would be highly grateful if you consider those excusable points and accept my report. A call for clarification on any of the points will be appreciated.

Thank you

Sincerely yours,

Pinaki Bagal
ID: 11364010
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Letter of Acknowledgement

This is my humble attempt to present my gratitude in preparing this report. Initially, I would like to express my gratitude to God to give me the strength to complete the report within the stipulated time. Internship report is an essential part of MBA program as one can gather practical knowledge within the period of three months by observing and doing the daily works of chosen organization.

This project would not have been possible without the guidelines, suggestions and advices of my honourable internship supervisor Ms. Sharmin Shabnam Rahman. She has provided me with necessary outlines and formats of organizing the report. I am highly grateful to her for successfully completing my report.

I would like to show my warm-hearted gratitude to Mr. Shaymal Kumar Chaklader, Deputy General Manager, Novo Cargo Services Limited, who has provided me with necessary information, adequate data and cooperated me for the accomplishment of the report successfully. He has guided me in every step, shared his views and patiently answered all of my queries. I would also like to thank Mr. Rathindra Nath Mondal, Manager, ICD and Sea, for his generous help in understanding different aspects of Off-Dock operation and household removal process.

Then I want to show my gratefulness to the staffs of various departments of Novo Cargo Services Limited for their cordial and continuous support with providing various data and information during my internship.

Also my appreciation goes to the management of Novo Cargo Services Limited for giving me the opportunity to work in that reputed organization.

I would like to give my special thanks and inexpressible greets to my classmates for giving me good advice, suggestion, inspiration and support.

At last I must mention the wonderful working environment and group commitment of Novo Cargo Services Limited that has enabled me to learn and gain working experience during my internship period.

Executive Summary

A freight forwarder, forwarder, or forwarding agent is a person or company that organizes shipments for individuals or corporations to get goods from the manufacturer or producer to a market, customer or final point of distribution. Forwarders contract with a carrier to move the goods. A forwarder does not move the goods but acts as an expert in supply chain management. A forwarder contracts with carriers to move cargo ranging from raw agricultural products to manufactured goods. Information typically reviewed by a freight forwarder includes the commercial invoice, shipper's export declaration, bill of lading and other documents required by the carrier or country of export, import, and/or transshipment. Nowadays, the freight forwarding is not limited within the same geographical limit of any country. Due to globalization and free market economy, this industry is facing severe competition. As the competition among companies are rapidly increasing, many companies are trying to provide distinct services in terms of air freight forwarding, sea freight forwarding, customs brokerage, consolidation, logistics management, Off-Dock services, household removal, transportation and so on.

Novo Cargo is totally committed to provide a total transportation services to their clients irrespective of the size of consignment. They plan, coordinate, supervise, document and monitor the entire movement system of consignment. As Freight forwarding and logistics service sector is gradually developing to be a huge service sector so I am glad to have an opportunity to work in Novo cargo Services Ltd. to explore their activities and build up an analytical insight regarding their services.

As important freight forwarding and logistics services, Off-Dock offers entire item-wise package of service activities for handling the temporary empty/laden container storage, loading/unloading general export/import goods, and containers under custom clearance. It is an equivalent of a seaport located in the hinterland. Novo Cargo uses Esack depot as a part of Off-Dock facilities which is located adjacent to Chittagong port. Novo Cargo's dynamic approach to household removal business is well supported by the concerned authorities in Bangladesh. The objective of the company is to deliver reliable, cost effective transportation and management of clients' goods. Novo Cargo also offers other comprehensive services like air and sea freight, surface services, customs brokerages, cargo management, chartering, consolidation, warehousing and distribution, inland transportation and so on. SWOT, PEST and STP analysis of Novo Cargo are done here to identify its competitive advantage through analyzing its strengths, weaknesses, opportunities and threats, find out macro-environmental factors used in the environmental scanning and use the formula of segmentation, targeting and positioning for strategic marketing.

Though Novo Cargo is also facing more or less challenging situations in the current market, but it is well organized and is able to offer a full range of professional logistics services to its customers as well as overseas partners. It operates with a commitment to the global sea and air freight customers through highly qualified and experienced professional team specializing in all international logistics and customs requirements. Novo Cargo keenly focuses on enhancing long term sustainability in the market by providing quality commitment to its clients.

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Chapter 1: Introductory Part

1.1: Introduction

A freight forwarder, forwarder, or forwarding agent is a person or company that organizes shipments for individuals or corporations to get goods from the manufacturer or producer to a market, customer or final point of distribution. Forwarders contract with a carrier to move the goods. A forwarder does not move the goods but acts as an expert in supply chain management. A forwarder contracts with carriers to move cargo ranging from raw agricultural products to manufactured goods.

Freight can be booked on a variety of shipping providers, including ships, airplanes, trucks, and railroads. International freight forwarders typically handle international shipments. International freight forwarders have additional expertise in preparing and processing customs and other documentation and performing activities pertaining to international shipments.

Information typically reviewed by a freight forwarder includes the commercial invoice, shipper's export declaration, bill of lading and other documents required by the carrier or country of export, import, and/or transshipment. Previously, it was relatively straight forward to define the role of the freight forwarding community. Traditionally, it involved bringing together all the elements of international transport and distribution and arranging the most suitable space (depending on speed, cost, reliability and security) for the clients' cargo. The forwarder was also responsible for processing all paperwork, such as customs and letters of credit. This role has changed significantly. One of the principal catalysts for change was the entry of the global express delivery and courier companies (also known as integrated carriers) into the freight forwarding market in the 1980's. The fundamental difference between a traditional freight forwarding company and an Integrator (DHL, FedEx and so on) is that a forwarder provides pickup and delivery services but relies on independent carriers to transport the cargo. The integrated carriers also perform pickup and delivery services but use their own vehicles and planes to transport the cargo (forwarders continue to shop around with multiple airlines to ensure they obtain the most competitive rates for customers). The integrators offered a range of additional services, such as pick-up and delivery, as well as being relatively cheap and reliable. The effect on the freight market was to greatly increase customers' expectations, as a single company was now able to deal with all aspects of the collection and delivery of consignments. The "traditional" freight forwarders have therefore had to adapt and develop specialist and high value added services.

Today freight forwarders activities include the following functions:

- To act on the customers' behalf to procure the most suitable transport and shipping services.
- To undertake the arrangement of the routing and choice of mode for the customer, together with any ancillary service such as customs clearance or packing. This level of involvement introduces a higher level of expertise, which the shipper may not always be able to provide.
- Offering stand-alone ancillary services such as warehousing, customs clearance, packing and port agency etc.



Nowadays, the freight forwarding is not limited within the same geographical limit of any country. Due to globalization and free market economy, this industry is facing severe competition. But all the companies are now coming with latest technology and service features to satisfy their customers. Bangladesh Freight Forwarders Association (BAFFA) is the Single National Trade Organization of Freight Forwarders in Bangladesh. It has been formed through unification of Association of Cargo Agents of Bangladesh (ACAB) & International Freight Forwarders Association of Bangladesh (IFFAB) as per decision of Ministry of Commerce to establish a single trade association of Freight Forwarders back in 2003. It has been a long journey of about seven years to accomplish the long cherished mission. During the course of this long journey, leaders of both the associations had to overcome various hurdles and perform number of great tasks to arrive at the present situation of unification.

The prime objectives of this association are to promote, protect and safeguard the interest of the members of Bangladesh Freight Forwarders Association, engaged in total transportation of the goods in international trade by sea, land and air or combined multimodal transportation and any other related service like warehousing, packing, space booking, export & import documentation, CFS operation, customs brokerage, consolidation, Off-Dock services, household removal and all other functions pertaining to freight forwarding, logistics service, Non Vessel Operating Common Carrier(NVOCC) and supply chain management.

As both exports and imports are consistently registering increasing growth, it demands an increased number of business activities and enhanced movement of goods, at home and abroad. A big chunk of money is spent on transporting the exported and imported goods, either by road, air or waterways, or in storing the goods in warehouses. This means the logistics service providers play a vital role in the game. Logistics business is the management of the flow of resources between the point of origin and the point of consumption in order to meet some requirements, for example, of customers or corporations. Logistics business is thriving on increased internal and external trade. The growing number of logistics companies also generates employment for a significant number of people.

The resources managed in logistics can include physical items, such as food, materials, equipment, liquids, and staff, as well as abstract items, such as time, information, particles, and energy. The logistics of physical items usually involves the integration of information flow, material handling, production, packaging, inventory, transportation, warehousing and so on. Novo cargo services limited provide such variety of services to its clients with quality commitment as the combination of freight forwarding and logistics service provider.

1.2: Rationale of the study

Cargo services and freight forwarding business in Bangladesh economy are to face an increasing competition for their business in coming days like any other emerging market economics. The real change in the logistics and freight forwarding business has started to come with the government's decision to allow the business in the private sector. As the competition among companies are rapidly increasing, many companies are trying to provide distinct services in terms of air freight forwarding, sea freight forwarding, customs brokerage, consolidation, logistics management, Off-Dock services, household removal, transportation and so on.



As there are many services to offer, so many companies are coming with unique service features equipped with consistent quality. Off-Dock and household removal services are two most significant among all other services provided by Novo cargos services limited. It is linked more or less with all other logistics services. So the significance of the report lies within these two services. As a MBA student I needed to gather working experience in an organization as a form of internship experience and that is why dealing particularly with various forms of Off-Dock services and household goods packing and removals of Novo cargo services limited gave me practical exposure in relation with theoretical knowledge and learning of different forms of logistics service provider.

1.3: Origin of the report

The internship report is originated as a partial fulfilment of the MBA program of Department of Business Administration, BRAC University. This report is mandatory for the completion of MBA. On the time of internship I came to adjust my theoretical knowledge with my practical experience. The main purpose of the program is to expose the students to the professional life.

The logistics service providers have been of utmost importance to its users or clients. In Bangladesh, there are combination of local private and multinational companies who established themselves to provide different services to their clients which ease our international trade and business that has a big impact on our balance of trade and overall economy. As the course of MBA program is designed with an excellent combination of theoretical and practical aspects, so after the completion of all theoretical courses the students are sent to different organizations in different sectors which would help them gain practical experiences who have not gained such experiences yet.

As career in freight forwarding organizations has become very lucrative over the last few years considering the work environment, scope of operation and remuneration package so I chose to engage with Novo cargo services during my internship tenure. My internship program has helped me a lot to know about variety of operations of Novo cargo services particularly the scope of services under Off-Dock operation and household removal, practically which could not be learnt by reading books only.

1.4: Objectives of the report

Broad Objective

The major objective of the report is to make an in depth analysis of Off-Dock services and household goods packing and removal of Novo cargo services limited.

General Objectives

- To know about the overview of the Novo cargo services as private limited company with a variety of logistics supports.
- To have a clear knowledge about all the services included in Novo cargo's activities.
- To have the practical knowledge and assessment of various departments.
- To observe the working environment in logistics' company.
- To apply theoretical knowledge in practical field.



- To focus and apprehend the in depth activities of Off-Dock facility, customs clearance and household removal process.
- To examine Novo Cargo's performance in Off-Dock operation and household removal.

1.5: Scope of the report

This report will cover the details of Novo Cargo's practices about various activities of Off-Dock operation and household removal and overview of air and sea freight forwarding, air-sea combination, inland transportation, customs brokerage, chartering, consolidation and warehouses and distributions. In this report through different sections I have tried to focus on significances, functions and operations of Off-Dock, export-import activities of Off-Dock, clearing and forwarding services, household removals benefits for the clients and employees, Novo Cargo's engagement in embassy activities for household goods packing, using equipments, transportation and shipping line, agreement with non-agent countries and agents and other important related activities of Novo cargo services.

1.6: Methodology

1) Research design

Exploratory research has been conducted for gathering better information that will give a better understanding on activities of Off-Dock facility and household removal. Both primary and secondary sources of data collection procedures have been used in the report. Primary data has been collected mainly through my observation of the process and functions of Off-Dock and various steps included in household removal process and in depth interviews of my supervisors and officers of Novo cargo services limited.

2) Sources of data collection

To make the report more meaningful, organized and presentable, two sources of data and information have been used widely:

a) Primary data

b) Secondary data

Both primary and secondary data sources are used to generate the key activities of off-Dock operation, household removal and other topics of the report.

The primary sources are as follows:

- ✚ Observation, analysis and evaluation of different aspects of the report topics.
- ✚ Face to face conversation with the organization supervisor and officers of Novo cargo.
- ✚ Informal conversation with the clients.
- ✚ Practical work exposures from the different departments.
- ✚ Study of the relevant files and information as instructed by the organization's supervisor.



The secondary sources of data and information are:

- ✚ Different reports of Novo cargo services limited.
- ✚ The daily newspaper.
- ✚ Websites.
- ✚ Various articles regarding logistics support and freight forwarding services.

1.7: Data analysis

The report will be aimed at depicting the various operations of Novo cargo's Off-Dock facility and household removal to the clients. The data generated from both primary and secondary sources has been arranged orderly to get a clear picture of Off-Dock activities, household removal and other key activities of Novo cargo services. The study will include both quantitative and qualitative analysis of Novo cargo's air freight forwarding, sea freight forwarding, customs brokerage, consolidation, logistics management, Off-Dock services, household removal, transportation and so on.

1.8: Limitations

Though the report is mainly focused on Off-Dock operation and household removal service but they are quite connected with export-import activity and much of the information are too confidential to disclose due to organization's policy, regulation and business strategy to maintain their secrecy. So the certain limitations regarding the studies are:

- Deficiencies in data required for the study.
- General practices varied with standard practices that created problem.
- Theoretically there are so many factors to be observed before analyzing such type of study. Those kinds of information are confidential and it is too little time for me to check all those information within only 3 months.
- Employees remain busy with their respective works. Many of them have truly failed to manage time to have discussion about their specific task.
- Sometimes I was assigned to do some jobs without explaining why this task is to be done and how they are related. This situation has created a lot of problems to understand why a specific function is being performed.
- There were some difficulties in understanding some activities due to not being relevant to the theoretical knowledge.



Chapter 2: Organizational Overview

2.1: Novo Cargo Services Limited (NCSL)

'Novo' in Bengali means something new. The company was founded in 1989 with an aim to provide total comprehensive services to the freight industry. It is a house of complete logistics solutions, the leading international air and sea freight forwarders, logistics and supply chain management service providers, consolidators, distributors, door to door service providers, project handlers, customs brokers in Bangladesh. With a commitment to quality service Novo Cargo's motto is to serve the total transportation needs of the transportation world. Now a day's logistics support to the Manufacturer, Exporter and Importer is necessary and that is the strategy to provide logistics support to their clients. Novo Cargo always tries to be committed to quality service that indicates symbol of quality service in freight industry.

Novo Cargo is totally committed to provide a total transportation services to their clients irrespective of the size of consignment. They plan, coordinate, supervise, document and monitor the entire movement system of consignment. For services, Novo Cargo provides a group of 350 trained and motivated young personnel in its 8 offices in Bangladesh. Novo Cargo is registered as a private limited company and a general member of the Dhaka chamber of commerce and industry. Novo handles mainly readymade garments, leather and leather products, jute and frozen seafood, textile items, petroleum products, plastics and rubber articles, yarn, food grains, capital machinery, chemical, edible oil, sugar, wheat, spices, cotton etc each year.

The mission of Novo Cargo is to satisfy the needs of striving for excellence in the field of freight forwarding and all other related aspects of shipping. Novo Cargo is also one of the pioneers in freight forwarding industry. It is in a remarkable position in both air and sea freight in the country. No matter whether anyone requires shipping by land, sea or air, incoming or outgoing, whether it is garments, electronics, machineries, Inland transportation, Project handling, consolidation and logistics support, warehousing, chartering, customs brokerages, transshipments, Off-Dock services, household removal, sea/air combination and so on, they just name it, Novo Cargo can handle it. The slogan of Novo Cargo is: "You Export...We Transport, You Import...We Transport."

Novo Cargo Services Ltd. at a glance

Founded	In 1989
Corporate office	Dhaka
Corporation type	Private Limited Company
Market position	Import Top-3 Export Top-3
Employees	350
Number of offices	8
Location of offices	Dhaka, DEPZ Savar, Chittagong, Khulna, Benapole, Comilla EPZ, Adamjee EPZ and Burimari.
Website	www.novocargo.net



2.2: List of the Projects done by Novo Cargo

1. Greater Dhaka Power Distribution Project.
2. Ghorashaal Thermal Power Station Extension Project.
3. International Digital Switching System under Bangladesh TNT Board
4. The City Gas Station Extension Project under Bakhrabad Gas System.
5. Kailashtilla Gas Treatment Plant.
6. BHP Minerals International Exploration Inc Bangladesh coal Project.
7. Construction 132 KV Overhead Lebukhali River crossing of Barisal Patuakhali Project.
8. Sheba Telecom (PVT) Ltd.: Rural and Mobile Telecommunication Project.
9. Alcatel Contracting Project.
10. EOS Textile, Italy.
11. Hoplun, Hong Kong.
12. Wills, United Kingdom.

2.3: Member of International Organization

HHGFA: Household Goods Forwarders Association of America.

NMSA: The National Moving and Storage Association (USA).

IATA: International Air Transport Association (Geneva).

FIATA: International Federation of Freight Forwarders Association (Geneva).

PATA: Pacific Asia Travel Association.

2.4: Member of Local Organization

AMCHAM: American Chamber of Commerce in Bangladesh.

DCCI: The Dhaka Chamber of Commerce and Industry.

IBCCI: Italy Bangladesh Chamber of Commerce and Industry.

JBCCI: Japan Bangladesh Chamber of Commerce and Industry.

BGCCl: Bangladesh German Chamber of Commerce and Industry.

TBCCI: Turkey Bangladesh Chamber of Commerce and Industry.

BAFFA: Bangladesh Association of Freight Forwarding Agents.

DCAA: Dhaka Customs Agent Association.

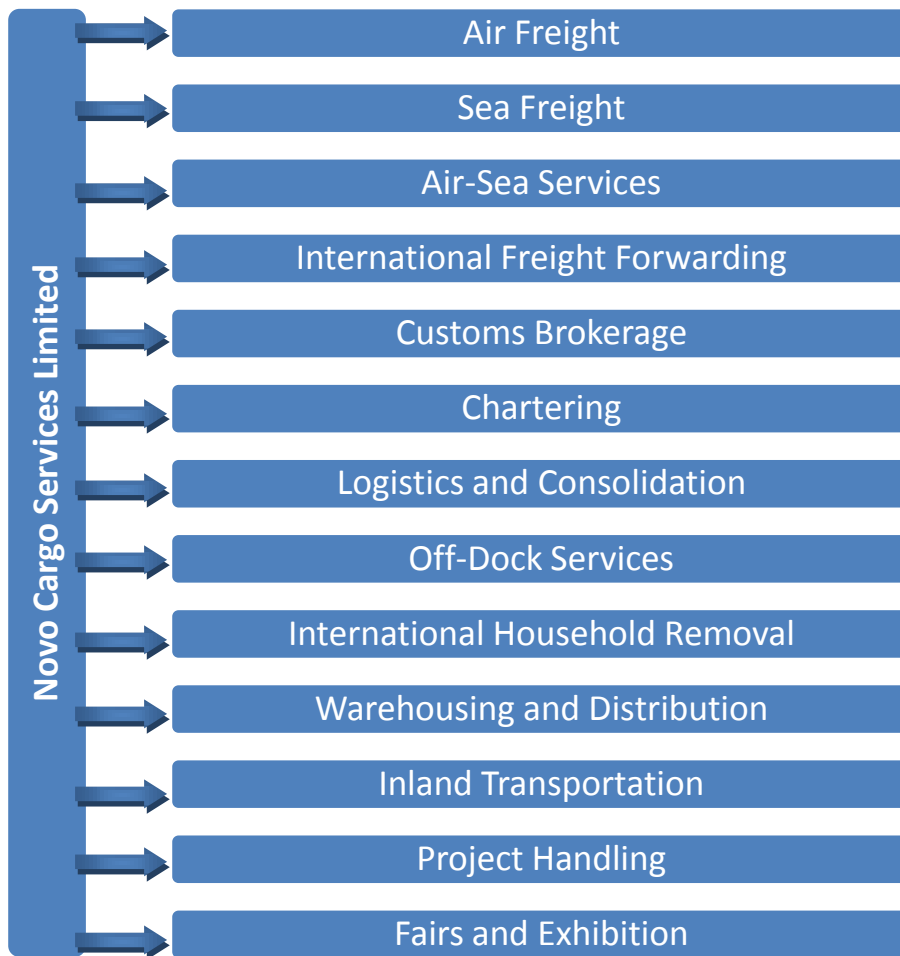
SCB: Shippers Council of Bangladesh.

BSAA: Bangladesh Steamer Agents Association.

ATAB: Association of Travel Agents of Bangladesh.



2.5: Main activities of Novo Cargo Services Limited





Chapter 3: Internship Experience

As a student of Master of Business Administration analyzing today's business world is very crucial. It is necessary to go through all fields of knowledge, both theoretical and practical. After completing all courses of MBA program, I needed to have practical knowledge in business world as a part of my academic program. An internship program is organized to give me an opportunity for enhancing my capabilities. Internship is a partial requirement of post graduation. It offers a great opportunity for any student to get some tremendous and brilliant ideas about the practical field. It is also a challenging experience to prepare internship report which increases intellectual abilities of students.

As Freight forwarding and logistics service sector is gradually developing to be a huge service sector so I am glad to have an opportunity to work in Novo cargo Services Ltd. to explore their activities and build up an analytical insight regarding their services. I have tried to work in different departments under different service sectors during my internship period. I had the intention to be engaged with as many departments and services as possible to gain the practical experience about all the aspects of a freight forwarding and logistics service company. In this report I have tried to focus on both theoretical and practical knowledge regarding freight practices and logistics support particularly Off-Dock operation and household removal of Novo Cargo. My internship experiences in Novo Cargo can be highlighted through specific subject matters:

1) Dealing with Novo Cargo's Air Freight services

Air freight includes services from airport to airport, door to door, inbound or outbound, global and continental. Novo has been consistently ranked among the top 10 Air Freight providers worldwide, and within the top three in all major Asian/ Pacific markets. Novo air freight services focus on heavyweight (>1000 kilos) global movements on a cost effective and time definite basis. Total market for readymade garments is approx. 1500-2000 tons and Novo is the largest air forwarder moving 200/300 tons per month. Novo personnel are on service for 24 hours to supervise cargo loading and they maintain excellent relations with all the major airlines operating in Bangladesh. As an approved agent of International Air Transport Association (IATA) and member of Association of Travel Agents of Bangladesh (ATAB), Novo has contracts with all major airlines and hold large space allocations.

2) Dealing with Novo Cargo's Sea Freight services

Sea freight forwarding focuses on dealing with large number of import-export containers. Novo Cargo's comprehensive ocean freight services include: Less than Container Load (LCL), Full Container Load (FCL) shipments, contract management, multimodal inbound or outbound transport, from port to port through door to door, they also offer the proven expertise to their clients. They provide flexibility in transit times, sailings, routings, carriers and pricing. LCL and FCL are shipping terms for cargo that is insufficient either in quantity or in weight to qualify for the freight rates applied to a standard shipping container.



LCL is a term used to describe the transportation of small ocean freight shipments not requiring the full capacity of an ocean container – Usually less than 20 CBM (cubic meters). A freight forwarder may create a “Consolidation” by putting together multiple LCL shipments. Shippers often use LCL service as an economical alternative to air freight for smaller, less time-sensitive shipments. If an exporter has goods to accommodate in one full container load, he books an FCL (Full Container Load) to stuff his cargo. In an FCL cargo, the complete goods in the said container owns by one shipper. Let the cargo be half loaded or quarter loaded container, if booked by one shipper under one shipment, the said shipment is called FCL shipment.’

3) Dealing with Inland Container depot (ICD)

Inland container depot provides various facilities starting from transit facilities, which offer services for containerization of break bulk cargo and vice-versa. These could be served by rail and/or road transport. An Inland Container Depot (ICD) is generally located in the interiors (outside the port towns) of the country away from the servicing ports.

4) Inland Container Depot as a common user facility

ICD acts as a common user facility with public authority status equipped with fixed installations and offering services for handling and temporary storage of import/export laden and empty containers.

5) Activities of Inland Container Depot (ICD)

All the activities related to clearance of goods for home use, warehousing, temporary admissions, re-export, temporary storage for onward transit and outright export, transshipment of cargo can take place from ICD stations. All the Off-Dock facilities of Novo Cargo are facilitated by ICD.

6) Various departments of Off-Dock Services

Off-Dock works with some departments like container service departments, export-import departments, documentation department, equipment department, transportation department, port removal department, direct yard stuffing department and so on. All of these department’s functions have been explained in project part. All the departments have skilled personnel who handle all the necessary documents on a daily basis. For example, to provide freight forwarding for large amount of goods, it needs to be transported to Chittagong port within stipulated time period and warehouse them before clearing and forwarding pass for loading. These process needs communication and integration between Dhaka head office and Chittagong local office on a continuous basis to ensure smooth loading of all goods for destination.

7) Learning about Novo Cargo’s own Container Freight Station (CFS)

Novo Cargo Service Ltd. (as agents for “sea Quest Line”) has been allocated their own Container freight Station (CFS) area. Container Freight Station, on the other hand, is an off dock facility located near the servicing ports which helps in decongesting the port by shifting cargo and customs related activities outside the port area. Container freight stations are largely expected to deal with break-bulk cargo originating/terminating in the immediate hinterland of a port and may also deal with rail borne traffic to and from inland locations. Novo personnel supervise all containers loading.



8) Dealing with several important import-export documents

Through my internship reports I have analyzed several documents like Bill of Lading, invoice, insurance paper, Bill of Exchange, Letter of Credit etc. A bill of lading (sometimes abbreviated as B/L or BOL) is a key document used in the transport of goods. As a document of title, it is also an important financial instrument. At its most basic, a Bill of Lading is a document generated by a shipper, detailing a shipment of merchandise, giving title to the goods, and requiring the carrier to release the merchandise to a named party at the destination. The documents of insurance on the goods need to be assessed properly to see which goods have been insured. The invoice is checked properly before transporting goods to port whether any due remains from the part of importer and exporter.

Bill of exchange is a written, unconditional order by one party (the drawer) to another (the drawee) to pay a certain sum either immediately (a sight bill) or on a fixed date (a term bill) for payment of goods and/or services received. The drawee accepts the bill by signing it, thus converting it into a post-dated check and a binding contract. A bill of exchange contains: an unconditional order to pay a determinate sum of money, the name of the person who is to pay (drawee), a statement of the time of payment, a statement of the place where payment is to be made, the name of the person to whom or to whose order payment is to be made, a statement of the date and of the place where the bill is issued, the signature of the person who issues the bill (drawer).

A Letter of Credit is a written commitment to pay, by a buyer's or importer's bank (called the issuing bank) to the seller's or exporter's bank (called the accepting bank, negotiating bank, or paying bank). A letter of credit guarantees payment of a specified sum in a specified currency, provided the seller meets precisely-defined conditions and submits the prescribed documents within a fixed time frame. These documents almost always include a clean bill of lading or air way bill, commercial invoice, and certificate of origin. To establish a letter of credit in favour of the seller or exporter (called the beneficiary), the buyer (called the applicant or account party) either pays the specified sum (plus service charges) up front to the issuing bank, or negotiates credit. Letters of credit are formal trade instruments and are used usually where the seller is unwilling to extend credit to the buyer.

9) Engaging in Embassy activity for household goods packing

Novo Cargo generally engages in embassy activity for household good packing and moving. When an ambassador is transferred from one country to another country, their household goods need to transfer along with themselves. Then if the agreement is done with Novo cargo for household goods packing and moving, the expert loader or moving group of Novo Cargo visits their home and checks all the items or products like furniture, equipment, luggage etc to be shifted.

10) Handling of households goods packing and removal documents

I have also dealt with household goods packing and removal in the last month of my internship where I handled several documents regarding household removal like Novo Cargo's embassy activities over the years, corporate movements of goods, dealing with shipping lines and customs operation for clearing and forwarding.



11) Learning the purpose of machinery checking

For the purpose of machinery checking, the catalogue of all the machinery are checked before loading, country of origin and the longevity of all machineries are scrutinised and tested as well by clearing and forwarding and later on by shipping authority in order to maintain safety.

Findings and Recommendation

By working in Novo Cargo, I have come to realize that it offers a complete range of air and ocean freight solutions for both import and export freight and complete solution of household goods packing and movement services. Their skilled team can service clients' requirements for all facets of international shipping. As an independent operator, Novo Cargo can offer a full range of options best suited to their client's requirements. By utilising various shipping lines, Novo Cargo can offer the most efficient and cost-effective option to best facilitate clients' transport requirements. Based on such findings, I can state some suggestions for the improvement of some specific situations:

- ❖ Employees and staffs are often seen to remain busy with their daily tasks, so it is quite difficult to learn and have insightful idea about those services in such a short period of three months.
- ❖ Novo Cargo's mass media publicity of their services is very less than required whereas other organizations are focusing on it to gain more clients attention. So they should focus more spending on advertisements.
- ❖ Novo Cargo should expand worldwide agent service. Lack of Novo Cargo's worldwide agents in different regions or part of the world makes it difficult to expand household goods removal services.
- ❖ Novo Cargo's website information is too little to analyze and lacks organized contents for having a clear idea over all of their activities, so they should focus on arranging it informatively.
- ❖ Services like Less than Container Load (LCL), Full Container Load (FCL) shipments, contract management, multimodal inbound or outbound transport, from port to port through door to door etc require extensive researches and studies to know the details which was difficult due to lack of supportive reports and documents of previous records.
- ❖ All the reports, documents and published articles should be provided to interns related to various departmental activities in order to analyze those and learn various aspects of those services.
- ❖ Inland container depot, container freight stations and Off-Dock services should be set in a standard form in a uniform way as they can serve almost same purposes and should be monitored by an integrated software system which can make things easy for them.

Overall all the activities of Novo Cargo from air-sea freight forwarding to different logistics support, I have gained practical and useful knowledge having worked in such a dynamic freight forwarding organization. I have been able to relate my theoretical knowledge with practical learning like never before and it depicted me a clear picture of organizational environment during my internship tenure.



Chapter 4: Project Part (Off-Dock Services and Household Removal)

4.1: Definition of Off-Dock Service

Off-Dock service or Inland Container Depot (ICD) offers entire item-wise package of service activities for handling the temporary empty and laden container, loading and unloading general export and import goods, and containers under custom clearance. It is an equivalent of a seaport located in the hinterland. It is also called a dry port. It receives and delivers container and general cargo by road, rail, and waterways.

Off-Dock service or Inland Container Depot (ICD) may be defined as per United Nations Conference on Trade and Development (UNCTAD): "A common user facility with public authority status equipped with fixed installations and offering services for handling and temporary storage of import/export laden and empty containers carried under customs transit by any applicable mode of transport placed under customs control. All the activities related to clearance of goods for home use, warehousing, temporary admissions, re-export, temporary storage for onward transit and outright export, transshipment of cargo can also take place from such stations."

4.2: Significance of Off-Dock services

The Off-Dock service is essential and significant for the following reasons:

- i. Concentration points for long distance cargoes and its unitization.
- ii. Provides support and service as a transit facility.
- iii. Provides customs clearance facility available near the centres of production and consumption.
- iv. Reduces level of demurrage and pilferage.
- v. No customs required at gateway ports.
- vi. Issuance of bill of lading by shipping lines, hereby resuming full liability of shipments.
- vii. Reduces overall level of empty container movement.
- viii. Provides competitive transport cost.
- ix. Reduces inventory cost.
- x. Increases trade flows.

4.3: Functions of Off-Dock services

The primary functions of Off-Dock service may be summed up as under:

- I. Receipt and dispatch or delivery of cargo.
- II. Stuffing and stripping of containers.
- III. Transit operations by rail or road to and from serving ports.
- IV. Customs clearance.
- V. Consolidation and desegregation of cargo.
- VI. Temporary storage of cargo and containers.
- VII. Reworking of containers.
- VIII. Maintenance and repair of container units.



4.4: Various Departments under Off-Dock Services

An Off-Dock service has the following related departments functioned in its own covered area or premises.

1) Container Service Department (CSD)

Container Service Department (CSD) will maintain the total operational responsibilities of container movements, i.e. container gate-in, and gate-out, and preservation, placement inside the depot and outside of the depot premises. The key activities of container service department are:

- ✓ Empty Import Container Removal List Collection from Main Line Operators (MLO).
- ✓ Taking necessary removal permission from Port and Custom Authority.
- ✓ Locating containers from yard or vessel.
- ✓ Once located or traced out the containers, the team will send containers to port gate for official formalities and send out from port gate to depot.
- ✓ Surveying containers whether it is damaged or sound.
- ✓ Preparing a report of removal containers and send it to concerned MLO for their necessary update and further course of action.
- ✓ Sound Container Placement to CFS/Yard.
- ✓ Removing the laden container after stuffing from CFS/Yard.
- ✓ Keeping the laden containers in separate yard for smooth delivery.
- ✓ Empty Container Reposition to Direct Vessel Loading.
- ✓ Coordinating with Vessel Operator for container receiving and delivery.
- ✓ Coordinating with Vessel Operator for Laden Container Dispatch.
- ✓ Port Removal Monitoring.
- ✓ Daily three times physical visits at the container Yard for keeping all containers in order.
- ✓ Issuing gate pass for empty and laden container.
- ✓ Monitoring of equipments and the operators.
- ✓ Keeping all up-to-date information with Port/Custom.

2) Export Department

Export of items like footwear, knitwear, garments, medicines, jute made products, frozen seafood, leather products need concentration of export department to export these items. This requires all the necessary documents to be submitted to customs and clearing and forwarding who will ensure the export of these items after scrutinizing the documents.

3) Import Department

The import of items like cotton, chemical, food items, petroleum products, rubber articles, iron, food grains, edible oil, sugar, spice, wheat etc needs support from import department. How much duty will have to be paid on items are evaluated. All the documents needed to import items whether available and provided are verified by port customs authority.



4) Container Freight Station (CFS) / Warehouse

Container Freight Station is an off dock facility located near the servicing ports which helps in decongesting the port by shifting cargo and customs related activities outside the port area. Container freight stations are largely expected to deal with break-bulk cargo originating/terminating in the immediate hinterland of a port and may also deal with rail borne traffic to and from inland locations. This container freight station gives the service of storing items before they are cleared and transported to ships.

5) Documentation Department

This department checks all the related documents like invoice list, purchase list, bill of lading, country of origin etc to ensure whether documentation procedures are correctly followed. The vat to be paid is also settled.

6) Equipment Department

If the containers are directly taken from port by importer, it can be done by giving a specific sum of deposit against those containers and if any damage is done to containers then the importer will be liable to pay for the damage. The containers are taken by using various equipment. This department handles the use of various equipments like crane, carrier, mover, and forklift.

7) Transportation Department

Some clients may use transport of their own but some may even hire cargo services for transport or even clearing and forwarding may be given responsibility of transporting the goods. This transportation department is essential for Off-Dock facility to look after and take charge of transportation.

8) Port Removal Department

The products are examined first by port customs authority before containerization. This port removal helps to find out specific container with numbers. Then the authority puts the containers according to specific rows and columns from which the particular container can be tracked easily. The department authority takes care of all the containers to be boarded for leaving the port in case of export or to be unloaded in the port in case of import.

9) Trucks/Covered van Parking Station

The trucks/covered vans, micro buses, pickup vans parking are also handled by Off-Dock facility to ensure that these vehicles are parked properly in the designated place or hired space.

10) Direct Yard Stuffing/De-stuffing Department

This department ensures smooth functioning of export-import activity. The quantity and weight of products are checked properly. Direct yard stuffing allows the products to get containerized directly from covered van, trucks etc. Then the containers are boarded into ships for destination after clearing and forwarding procedures.



4.5: Distinction between Inland Container Depot (ICD) and Container Freight Station (CFS)

Functionally there is no distinction between an Inland Container Depot (ICD) and Container Freight station (CFS) as both are transit facilities, which offer services for containerization of break bulk cargo and vice-versa. These could be served by rail and/or road transport. An Inland Container Depot (ICD) is generally located in the interiors (outside the port towns) of the country away from the servicing ports.

Container Freight Station, on the other hand, is an off dock facility located near the servicing ports which helps in decongesting the port by shifting cargo and customs related activities outside the port area. Container freight stations are largely expected to deal with break-bulk cargo originating/terminating in the immediate hinterland of a port and may also deal with rail borne traffic to and from inland locations. Keeping in view the requirements of Customs Act, and need to introduce clarity in nomenclature, all containers terminal facilities in the hinterland would be designated as “Inland Container Depots (ICDs)”.

4.6: Off-Dock facility

There are 17 Off-Docks facility in operation in Chittagong port. There is also river line Off-Dock in operation which is also called river port. Some of the major Off-Dock facilities listed at Chittagong Custom House are given below:

Name of Off-Dock facility	Location	Off-Dock ID
Esack Brothers Industries Limited	Middle Haliashahar, Bandar, Chittagong	2594
Chittagong Container Transportation Co. Ltd.	Middle Haliashahar, Bandar (Near Port Stadium), Chittagong	2595
K&T Logistics Ltd.	CEPZ, Chittagong	2596
QNS Container Services Ltd.	Sector 6A, CEPZ, Chittagong	2597
Ocean Containers Ltd.	Katghar, North Patenga Chittagong-4204	2598
Vertex Off-Dock Logistic Services Limited	Delwar Bhaban(5th floor), 104 Agrabad C/A Chittagong.	2599
Shafi Motors Ltd.	Fauzderhat, Sagorika Avenue, Chittagong	2600
Iqbal Enterprise	Iqbal Bhaban 73 Agrabad C/A Chittagong.	2601
Summit Alliance Port limited (WEST)	North Patenga, Kathghar, Chittagong - 4204	2603
KDS Logistics Ltd.	Sonaichari, Ghoramara Sitakunda, Chittagong Bangladesh	2624
PortLink Logistics Centre Ltd.	Bhatiary, Sitakunda Chittagong	2643



4.7: Operations of Off-Dock services

The operations of Off-Dock services revolve around the following centers of activity:

1. Rail Siding (in case of a rail based terminal)

The place where container trains are received, dispatched and handled in a terminal. Similarly, the containers are loaded on and unloaded from rail wagons at the siding through overhead cranes and other lifting equipments.

2. Container Yard

Container yard occupies the largest area in the inland container depot. It is stacking area where the export containers are aggregated prior to dispatch to port, import containers are stored till customs clearance and where empties await onward movement. Likewise, some stacking areas are earmarked for keeping special containers such as refrigerated, hazardous, overweight/over-length, etc.

3. Warehouse

A covered space/shed where export cargo is received and import cargo stored/delivered; containers are stuffed/stripped or reworked; LCL exports are consolidated and import LCLs are unpacked; and cargo is physically examined by Customs. Export and import consignments are generally handled either at separate areas in a warehouse or in different nominated warehouses/sheds.

4. Gate Complex

The gate complex regulates the entry and exists of road vehicles carrying cargo and containers through the terminal. It is a place where documentation, security and container inspection procedures are undertaken.

4.8: Challenges in Chittagong port

The Chittagong port has to load and unload a large number of ships with so many containers than its capacity. That is why Bangladesh Government permits to set up a different entity which is called Off-Dock facility. The prime objective of this facility is to ensure the monitoring of export and import of different items like cotton, machineries, rice, readymade garments, medicines, leather, jute made materials etc. Each and every item to be exported will be stored in different containers according to the size of merchandise and each and every imported item will also be unloaded packed in containers. For example, if the capacity of Chittagong port is 10000 TEUs (Twenty-Foot Equivalent Units =TEUs) (one 20 foot container=1 TEU) means if it can keep 10000 containers each of 20 foot and if there are 15000 TEUs to load or unload in the port then the extra 5000 TEUs will be served by Off-Dock facility. This Off-Dock facility has skilled management to support, monitor and control import and export activity. All the Off-Dock facility is situated within a range of about 25 Kilometres from the Chittagong port.



4.9: Off-Dock service for Export

The Off-Dock service is used to export different items like jute and jute made products, medicines, readymade garments, footwear, knitwear, woven garments, leather and leather products, frozen seafood etc. Novo cargo services Ltd. Uses Off-Dock service as well like all other cargo services. Novo Cargo realized the necessity of having an Off -Dock location and that is why they already started this service to smooth the export and import activity with customs clearing.

4.10: Off-Dock service for Import

The duty on merchandise is based on bonded area and commercial area. Bonded area like Export Processing Zone (EPZ) is duty free for merchandise and commercial area is not duty free. Novo cargo uses Off-Dock facility for importing of different items like petroleum products, plastics and rubber articles, yarn, food grains, capital machinery, chemical, edible oil, sugar, wheat, spices, cotton and so on. To unload the items and for customs clearing with necessary formalities off-Dock facility provides different services to ease the process.

4.11: Clearing and Forwarding (C&F)

One of the primary jobs of clearing and forwarding is to keep shipping costs low, by providing a range of available transportation modes with services related to shipping, packaging, and acting as experts in clearing customs. "Clearing and forwarding agent" means any person, who is engaged in providing any service, either directly or indirectly, concerned with the clearing and forwarding operations in any manner to any other person and includes a consignment agent.

A clearing and forwarding agent normally undertakes the following activities:

- (a) Receiving the goods from the factories or premises of the principal or his agents.
- (b) Warehousing these goods.
- (c) Receiving dispatch orders from the principal.
- (d) Arranging dispatch of goods as per the directions of the principal by engaging transport on his own or through the authorized transporters of the principal.
- (e) Maintaining records of the receipt and dispatch of goods and the stock available at the warehouse.

Without clearing and forwarding no items can be imported and exported. Even Government requires clearing and forwarding to engage in import and export activity. Clearing and forwarding is customs related and the association related to it fixes the rate with which the export and import related clearing and forwarding is accomplished.



4.12: Novo Cargo's Off-Dock services

Novo is totally committed to provide total transportation services to their clients. Irrespective of the size of the consignment, they plan, coordinate, supervise, document and monitor the entire movement. For services of this venture they rely on well trained personnel and Novo consists of such a group of 350 motivated and integrated young personnel in its seven offices in Bangladesh.

With the advent and gradual worldwide demand of Off-Dock services Novo Cargo also felt the necessity of providing its customers with the facilities and fully equipped amenities of the off-Dock services. So Novo has already started providing its Off-Dock services.

4.12.1: Novo Cargo's Off-Dock Location

1) Chittagong Port Gate No: 5
Shed No: G (inside port area)
Space: 20,000 square feet

2) Dhaka: Gate 1, ICD, Kamlapur, Dhaka (inside port area).

4.12.2: Novo Cargo's Off-Dock Facilities

- ❖ On receipt of the cargo, Novo sorts out it as per order and stuff the same as per buyer's instruction.
- ❖ Container directly placed at Novo Cargo's Container Freight Station (CFS).
- ❖ After Stuffing, the containers are directly sent to the quay for loading onto feeder vessel.
- ❖ The entire job for stuffing is done by skilled manpower under highly experienced supervisor and executives.

4.12.3: Using Esack Depot

Novo Cargo uses Esack depot as a part of Off-Dock facilities which is located adjacent to Chittagong port. Novo Cargo has their hired space which they use to store the products. Esack Brothers Industries Limited (Container Yard) is one of largest Inland Container Depots or Dry Ports of the country. It has been handling the largest volumes of export and import cargos. It handles on an average 28% of the total export of the country. It is a concern of Esack Brothers Industries Limited, the pioneer in the sector of wood processing and treatment.



4.12.4: Transportation

The formal procedure starts with the transportation of products to Chittagong port and storing them in their rented space till shipment. Novo has a fleet of covered van, truck, trailer, micro bus, mover and forklift which are used to transport the products from one place to another. After transporting the products to Chittagong port, the products then will be wrapped and packed before they are inserted into container. The products then will be handed over to forwarder who will receive the container and seal it before boarding. But Novo has lack of concentration points for long distance cargoes and its unitization.

4.12.5: Warehousing

To provide warehousing and stuffing solutions to the valued customers Novo has its own container freight station and warehouse inside the port area and alongside of the port also.

Warehouse size and location:

- 1) Dhaka:
 - a. 5,000 square feet in 270, Tejgaon Industrial Area.
 - b. 1,000 square feet in Uttara residential Residential Area.
- 2) Chittagong:
 - a. 3, 000 square feet in 145, Strand Road, Barik Building, Chittagong.
 - b. 1,500 square feet in MMT Building, Chittagong.
 - c. 10,000 square feet in Chowdhury enterprise, Chittagong.

4.12.6: Container Size

According to International rules and regulations, each and every product should be measured to find out their ratio in cubic metres (CBM) in relation to length, width and height before they inserted into container. The products need to be perfectly fitted into the container so that there is no extra unused space. The space into the container should remain to be used for further purpose.

The total volume of a container is measured as follows:



Twenty-foot equivalent unit

TEU stands for Twenty-Foot Equivalent Unit which can be used to measure a ship's cargo carrying capacity. The twenty-foot equivalent unit (often TEU or teu) is a unit of cargo capacity often used to describe the capacity of container ships and container terminals. It is based on the volume of a 20-foot-long (6.1 m) intermodal container, a standard-sized metal box which can be easily transferred between different modes of transportation, such as ships, trains and trucks. There is a lack of standardization in regards to height, ranging between 4 feet 3 inches (1.30 m) and 9 feet 6 inches (2.90 m), with the most common height being 8 feet 6 inches (2.59 m). Also, it is common to designate 45-foot (13.7 m) containers as 2 TEU, rather than 2.25 TEU.

Forty-foot equivalent unit

The standard intermodal container is designated as twenty feet long and 8 feet (2.44 m) wide. Additionally there is a standard container with the same width but a doubled length of forty feet called a 40-foot container, which equals one forty-foot equivalent unit (often FEU or feu) in cargo transportation (considered to be two TEU).

The forty-foot containers have found wider acceptance as they can be pulled by semi-trailer truck. The length of such a combination is within the limits of the national road regulations requiring no special permission.

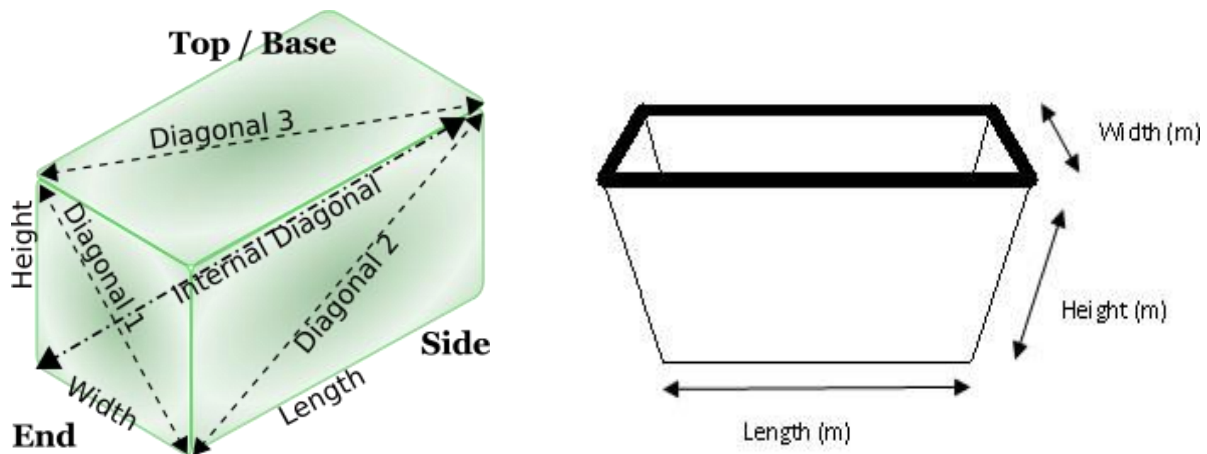


Fig: Length, width and height of a container



Equivalence

TEU capacities for common container sizes				
Length	Width	Height	Volume	TEU
20 ft (6.1 m)	8 ft (2.44 m)	8 ft 6 in (2.59 m)	1,360 cu ft (38.5 m ³)	1
40 ft (12.2 m)	8 ft (2.44 m)	8 ft 6 in (2.59 m)	2,720 cu ft (77 m ³)	2
45 ft (13.7 m)	8 ft (2.44 m)	8 ft 6 in (2.59 m)	3,060 cu ft (86.6 m ³)	2 or 2.25
48 ft (14.6 m)	8 ft (2.44 m)	8 ft 6 in (2.59 m)	3,264 cu ft (92.4 m ³)	2.4
53 ft (16.2 m)	8 ft (2.44 m)	8 ft 6 in (2.59 m)	3,604 cu ft (102.1 m ³)	2.65
High cube				
20 ft (6.1 m)	8 ft (2.44 m)	9 ft 6 in (2.90 m)	1,520 cu ft (43 m ³)	1
Half height				
20 ft (6.1 m)	8 ft (2.44 m)	4 ft 3 in (1.30 m)	680 cu ft (19.3 m ³)	1

(1 foot=.3048 meter)

The most common (interior or exterior) dimensions for a 20-foot (6.1 m) container are 20 feet (6.1 m) long, 8 feet (2.44 m) wide, and 8 feet 6 inches (2.59 m) high, for a volume of 1,360 cubic feet (39 m³). However, both 9-foot-6-inch-tall (2.90 m) *High cube* and 4-foot-3-inch (1.30 m) *half height* containers are also reckoned as 1 TEU. This gives a volume range of 680 to 1,520 cubic feet (19 to 43 m³) for one TEU. The world's largest container ships can carry in excess of 14,000 TEUs.

4.12.7: Packing and using Shipping Line

Packing of items generally starts with expert loader or moving group which includes expert people of Novo cargo. The expert loaders measure CBM of all the products or items to be transported to the port. With the calculation of CBM, the containers of specific sizes are demanded to the shipping line authority. There are various shipping line (Bards Bangladesh, QC line, Marks line etc) who deal with it. At the last stage the products are wrapped or packed with wrapping paper, polythene, cartoon box etc and inserted into containers.



4.13: Household Removal

This process of service includes household goods packing and removal. Novo Cargo Service Ltd. is a nominated agent of American Moving and Storage Association (AMSA) in Bangladesh. As a member of Household Goods Forwarders Association of America (HHGFA), it has the expertise, experience and reputation within the corporate removals industry and embassy activity to provide with an unparalleled worldwide service.

4.13.1: Services Specification

- ✓ Initial explanation of the removals process.
- ✓ A pre-move survey carried out at the assignee's place of residence to identify the items that need moving and to calculate accurate volumes and packing materials required.
- ✓ The provision of a moving schedule to the assignee.
- ✓ Calculating CBM of each item.
- ✓ Packing of household goods with great care.
- ✓ Ensures transportation to port.
- ✓ Using shipping line to demand containers according to the size of products.
- ✓ Containerize all the products.
- ✓ Customs clearance.
- ✓ Delivery of household goods by air or sea.
- ✓ Using shipping line to unload containers.
- ✓ Storage of household goods.
- ✓ Unpacking and delivery of household goods.
- ✓ Disposal of boxes and packing materials.

When moving house, each and every family needs to have thorough professional assistance. Novo knows how much people care about their belongings.

- Novo Cargo's packing teams are highly experienced and specially trained.
- It ensures full protection and safe arrival of household goods.
- It ensures economical shipping and transportation costs.

4.13.2: Benefits for the clients

- Novo Cargo has years of experience dealing with similar accounts with tried and tested processes and procedures based on service delivery, continuous improvement and cost minimization.
- They can provide independent benchmarking and compare market costs.
- With a commitment to providing quality service and sustainability, Novo Cargo has become an industry innovator in all aspects of household goods packing and removal that makes the company care for its clients.



4.13.3: Benefits for the employees

The assignee can have the complete peace of mind that their household goods are being moved by an expert who can cater for any requirement. Expert employee and personnel working in a team to find out clients' demands and requirements and try to work accordingly to satisfy clients by providing household goods packing and removal service within the shortest possible time designated by clients and if the employees can do it, they are often rewarded on their performances.

4.14: Novo Cargo's Household Removal Services

With advantageous office and warehouse location equipped with advanced and updated communication system and office automation, guided by professionals with complete proficiency and talents in household goods packing and transportation, Novo certainly deserves to be a leader in the freight forwarding market.

Novo Cargo's dynamic approach to household removal business is well supported by the concerned authorities in Bangladesh. The objective of the company is to deliver reliable, cost effective transportation and management of clients' goods. Novo Cargo's strategy is based on customer satisfaction, quick transportation, and least logistics cost which are competitive edges in logistics business.

4.14.1: Novo Cargo Service Ltd. as an Agent of American Moving & Storage Association (AMSA)

Novo Cargo Service Ltd. is a nominated agent of American Moving and Storage Association (AMSA) in Bangladesh. It has the expertise, experience and reputation within the corporate removals industry and embassy activity to provide with an unparalleled worldwide service. It provides sincere service for household goods packing and removals by making sure that the packing, removals, transport and arrivals of goods are handled smoothly and with great care.

4.14.2: Engaging in Embassy activity for household goods packing

Novo Cargo generally engages in embassy activity for household good packing and moving. When an ambassador is transferred from one country to another country, their household goods need to transfer along with themselves. Then if the agreement is done with Novo cargo for household goods packing and moving, the expert loader or moving group of Novo Cargo visits their home and checks all the items or products like furniture, equipment, luggage etc to be shifted.

4.14.3: Calculating Cubic Metres (CBM) of client's products

The expert loader then measures CBM of all the items and decides accordingly about the size of the containers they will need for the items. Without proper measurement of client's products the container size cannot be determined.



4.14.4: Packing of items

The products are packed with wrapping paper, polythene, cartoon box and so on before they are containerized. The packed items are kept into each of the containers in such a way that they are fitted into perfectly. Then the containers are sealed and sent to Off-Dock for storing. The containers are loaded into ships by the forwarder at the specific date. The packing of different items are done in such a way that they remain intact in the containers even if there is any rough shaking.

4.14.5: Clearing and Forwarding (C&F)

The best service clearing and forwarding can provide for the clients is tailoring shipping needs particularly suited for clients' business according to the goods that clients ship and where that are sourced. For importing clients, they work to get the best mode of transportation from the manufacturer or wholesaler to the local customs office upon arrival. For exporting, they choose the best method to take goods from clients' doorstep to the destination's customs office. Clearing and forwarding can greatly reduce shipping expenses and the time clients spend on customs forms.

It is the customs permission to engage in import and export activity. Before loading the containers into ships the containers must be cleared by clearing and forwarding authority. This clearing and forwarding is much needed for import and export activity. After reaching the destination point or port the containers are also cleared by clearing and forwarding authority and sent to definite point for unloading.

4.14.6: Equipment and Transport

To load and unload, skilled manpower and different equipments are required. With the help of covered van, truck, crane, carrier, mover and forklift Novo Cargo can provide transport facility of the goods with great care and ensure safe transport with reduced cost from one place to another.

Novo Cargo as an international freight forwarding company committed to providing expert and error free domestic and international transportation through different vehicles and advanced equipments to maximize logistical effectiveness and minimize cost.

Household Removal requires

- Proper skilled manpower
- Proper equipment
- Proper technique.

4.14.7: Shipping line

The specific containers are supplied by the shipping line for a deposit of certain sum. The shipping line unloads all the goods according to the specific marks or numbers given on containers which is used worldwide. Novo Cargo Service Ltd. does the clearing and forwarding and even provide transport facility if required. But if the embassy can manage to transport goods then Novo provides only clearing and forwarding.



4.15: Agreement with non agent countries or regions

If Novo Cargo does not have any agent in a particular country or region then they will have to deal with that country's or region's local clearing and forwarding (C&F) agent to export there. After reaching an agreement with local C&F agent in terms of export, Novo Cargo will make necessary arrangements to send the products to the specific address in that country and the fees agreed upon are prepaid in US dollar or Euro. Even sometimes the bills are paid after the products are delivered and upon submission of necessary documents as per requirements. The transaction of fees and bills are done in time because the goodwill of both the parties are involved.

4.16: Other related services of Novo Cargo Services Ltd.

Comprehensive services are required by today's globally operating companies. Novo Cargo is a leading international freight organization of Bangladesh with a reputation for providing exactly what today's customers want, when they want it and where they want it.

This flexibility of freedom of action comes from being privately owned. It is the independence which is their strength. They consider the entire range of options available and make those decisions which benefit their customers most. Other key related services of Novo Cargo are discussed below:

1. Air Freight

Novo Cargo with their worldwide network of partners offers a complete range of air freight solutions for import and export cargo. Their skilled team has many years of experience with all types of cargo, both general and perishable. Be it direct flights, consolidations, door to door delivery, part or full charters, their policy is to provide the most cost-effective method to meet their client's requirements.

Air freight includes services from airport to airport, door to door, inbound or outbound, global and continental. Novo has been consistently ranked among the top 10 Air Freight providers worldwide, and within the top three in all major Asian/ Pacific markets. Novo air freight services focus on heavyweight (>1000 kilos) global movements on a cost effective and time definite basis. Total market for readymade garments is approx. 1500-2000 tons and Novo is the largest air forwarder moving 200/300 tons per month. Novo personnel are on service for 24 hours to supervise cargo loading and they maintain excellent relations with all the major airlines operating in Bangladesh. As an approved agent of International Air Transport Association (IATA) and member of Association of Travel Agents of Bangladesh (ATAB), Novo has contracts with all major airlines and hold large space allocations.

Thus they are able to offer their clients a competitive rate structure and a wide choice of services. Jointly with their overseas offices and network of agents, they operate a wide range of cargo services to and for Dhaka airport to most major cities around the world. Novo has also been chartering freighter for the last several years in peak seasons.



2. Sea Freight

Novo is one of the three top ocean freight forwarders of the country and handles containers mainly to Europe, Asia, USA and Canada. A very big volume of import containers are successfully handled per year. Novo Cargo's comprehensive ocean freight services include: Less than Container Load (LCL), Full Container Load (FCL) shipments, contract management, multimodal inbound or outbound transport, from port to port through door to door, they also offer the proven expertise to their clients. They provide flexibility in transit times, sailings, routings, carriers and pricing.

LCL and FCL are shipping terms for cargo that is insufficient either in quantity or in weight to qualify for the freight rates applied to a standard shipping container.

LCL is a term used to describe the transportation of small ocean freight shipments not requiring the full capacity of an ocean container – Usually less than 20 CBM (cubic meters). A freight forwarder may create a "Consolidation" by putting together multiple LCL shipments. Shippers often use LCL service as an economical alternative to air freight for smaller, less time-sensitive shipments.

If an exporter has goods to accommodate in one full container load, he books an FCL (Full Container Load) to stuff his cargo. In an FCL cargo, the complete goods in the said container owns by one shipper. Let the cargo be half loaded or quarter loaded container, if booked by one shipper under one shipment, the said shipment is called FCL shipment.

Novo Cargo Service Ltd. (as agents for "sea Quest Line") has been allocated their own Container freight Station (CFS) area. Novo personnel supervise all containers loading. Novo has very good relationships with all major shipping lines that are operating from Bangladesh and Novo cargo offers competitive sea freight rates from Bangladesh to all destinations in the world. To meet the needs of the exporters and buyers who have a deadline of the shipment but cannot afford air freight cost, a category of special service is offered to them as Air-Sea combination.

Novo Cargo offers a complete range of ocean freight solutions for both import and export freight. Their skilled team can service clients' requirements for all facets of international shipping. As an independent operator, Novo Cargo can offer a full range of options best suited to their client's requirements. By utilising various shipping lines, Novo Cargo can offer the most efficient and cost-effective option to best facilitate clients' transport requirements.

3. Surface Service

Novo is a reliable name in offering surface cargo services. Understanding the importance of the faith that the clients invest upon them, they make sure that the cargo is safely delivered from one place to another. They are supported by extensive cargo movement facilities and freight carriers which help them in scheduling inter-city deliveries of the consignments. Also, they have large fleet of trucks for handling perishable and sensitive goods.

As order sizes become smaller, surface services are an essential aspect of logistics strategy. Novo provides extensive surface services in North America, Europe and on a selective basis in Asia Pacific. Time definite services enable the clients to select the service option that best fits their manufacturing or distribution requirements and budget.



Novo can also be the choice for carrier management in North America or Europe, whether inbound, outbound, full load or less than full load. They make surface transportation an effective component of worldwide logistic strategy.

The customer benefits provided by Novo surface service are:

- Cargo marking facility round the clock.
- Transport of goods from port of discharge to hinterland destinations.
- Door-to-door delivery of cargo.
- Warehousing and storage facilities are also available on request.
- Hassle-free documentation job for all movements from and to any destination in Bangladesh.

4. Customs Brokerage

Customs brokerage is a profession that involves the "clearing" of goods through customs barriers for importers and exporters (usually businesses). This involves the preparation of documents and/or electronic submissions, the calculation and payment of taxes, duties and excises, and facilitating communication between government authorities and importers and exporters.

Custom brokers may be employed by or affiliated with freight forwarders, independent businesses, or shipping lines, importers, exporters, trade authorities, and customs brokerage firms.

Novo is a Government approved customs agent in Bangladesh and it has license to work in all customs station of the country. The customs brokerage professionals leverage local expertise, and Novo Cargo's information systems ensure that valuable cargo is released quickly and accurately. Proper and correct documentation always saves time and that is why Novo provides consultancy services to prepare customs documents to its valued clients. The program is tailor made to clients' needs and provides a cost-effective solution that is both real and deliverable. This service can be provided through Off-Dock facility at various ports.

Services include: global clearance (in most major markets), transmission of commercial invoices, valuable assistance and compliance reviews.

Novo Customs Brokerage Facilities:

- Air Freight Unit: Kurmitola, Dhaka.
- Inland Container Depot: Kamapur, Dhaka.
- Export Processing Zone: Savar, Dhaka.
- Chittagong Port: Chittagong.
- Export Processing Zone: Chittagong.
- Export processing Zone: Comilla
- Export Processing Zone: Adamjee, Narayangonj.
- Mongla Port: Khulna.
- Benapole Land Customs: Jessore (Bangladesh - India Border).



- Burimari Land Customs: Lalmonirhat (Bangladesh - Bhutan).
- Banglabandh : Tetulia (Bangladesh-Nepal Border).
- Teknaf (Bangladesh- Myanmar Border).

5. Cargo Management

Novo can offer cargo management through their Off-Dock facility at port. This System helps to manage the Cargo business. It provides the functionality to enter consignment information, enter packing/loading detail, enter unpacking/unloading detail, and the delivery information. The cargo manager of Novo transfers items between its internal storage and a cart. The cargo manager allows passing carts to load and unload items. Cargo management system can be maintained through software and this software can keep record of bulk operation of a cargo terminal.

This application software integrates all the core functions of terminal vessel operations such as registration, berthing and pilotage, general cargo operations like load, discharge, internal movements and delivery, tracking of cargo, stuffing and de-stuffing of cargo and related invoicing. This software also helps in warehouse management, cargo inventory control, timely and accurate cargo accounting and automatic invoice generation.

Novo Cargo's effective cargo management accelerates Port operations, resulting in:

- ❖ Faster vessel turnaround times.
- ❖ Effective planning and optimal utilization of yard, quay, equipment and personnel.
- ❖ Improved availability of information.
- ❖ Streamlined procedures and ensures consistency and integrity of data.
- ❖ Effective communication, coordination and control.

6. Novo Network

Novo integrated networking system provides smooth service globally. The network is proven and crucial to achieving worldwide control and logistics performance. With over 7,000 employees and more than 1,000 service centres, Novo blankets Asia/Pacific, Europe, the Middle East, Africa, North America, and Latin America.

This network can keep track of Off-Dock services like handling the temporary empty/laden container storage, loading/unloading general export/import goods, and containers under custom clearance provided etc. Novo Cargo's extensive network of worldwide agents allows them to provide their customers with a complete National and International Logistics Package. They have a fresh approach to freight forwarding and pride themselves on their unique high level of service.

Strategic warehouse management centres are located in Singapore, Malaysia, Los Angeles, Ohio, Miami, Amsterdam and the UK. Tying it all together is one information system for global shipment management from origin to delivery, including inventory information.



7. Chartering

The transporting of cargo or people who have contracted to have exclusive use of a vehicle, aircraft, or vessel at a fixed rate, under one contract, for a specified itinerary. Jointly with overseas offices and worldwide integrated network Novo has the best available and the most experienced persons to handle all types of cargo activities from documentation, quoting, rate tariff, containerizing, monitoring storage, loading and control of shipment up to destination through chartering. It may be done by both air and sea. Novo can issue airway bills for all the major airlines.

8. Consolidation

Cargo consolidation service provided by a freight forwarder in which several smaller shipments are assembled and shipped together to avail of better freight rates and security of cargo. It is also called assembly service or freight consolidation. This includes sea, air and road freight. Consolidation service typically involves the cargo transportation to the stuffing point, stuffing of cargo in container, custom process of shipping documents, and finally re-packing if necessary for delivery. Consolidation can significantly reduce the cost of moving smaller volumes of goods by moving the goods together. The client enjoys the low shipment saving cost.

Novo offers consolidation services at port of Chittagong and ICD, Kamlapur, Dhaka. Depending on the client's schedule, they will consolidate their cargo or group container anywhere in Bangladesh for maximum cost savings. They offer highly competitive rate for shipment because of vast linkage with agents worldwide.

They offer consolidation service for part container load cargo from and to most major ports, and in conjunction with their offices and networks all around the world. Clients with full container loads can wish to take advantage of contract rates they negotiate with carriers to and from most main ports.

4.17: Competitive advantage of Novo Cargo

Novo is a first ranked air freight forwarder and one of the top forwarders by volume in Bangladesh having unrivalled facilities including Chittagong Off-Dock facility, Dhaka warehouse, covered trucks and prime movers/trailers. The key staffs of forwarding department have been working for 10-15 years and other workers have been working together as a team in the same company. Novo has been dealing with Sears, K-Mart, Dillard, Nike, Wal-Mart and other top organizations successfully over the years. Novo can guarantee 24 hours response to all enquiries.

It has successfully accomplished many of the household goods packing and moving activities in corporate levels and embassy activity. All the logistics support services have established them in the logistics world as unparalleled service provider and given them distinctive competitive advantage over others.



Chapter 5: Findings and Analysis

5.1: SWOT Analysis

The acronym for SWOT stands for:

- ✓ Strengths
- ✓ Weaknesses
- ✓ Opportunities
- ✓ Threats

SWOT analysis involves the collection and portrayal of information about internal and external factors that have, or may have, an impact on the evolution of an organization or business. The SWOT analysis comprises of organization's internal strengths and weaknesses and external opportunities and threats. It provides a list of an organization's Strengths and Weaknesses as indicated by an analysis of its resources and capabilities, plus a list of the Threats and Opportunities identified by an analysis of its environment. Strategic logic requires that the future pattern of actions to be taken should match strengths with opportunities to ward off threats and seek to overcome weaknesses. SWOT analysis gives an organization like Novo Cargo an insight of what they can do in future and how they can compete with their existing competitors using strengths. This tool is very significant to identify the current position of Novo Cargo relative to others. It helps Novo Cargo to build competitive advantages based on their strengths and opportunities and remove threats posed by others through competitive strategies. The details of SWOT analysis of Novo Cargo is noted below:

a) Strengths

- ✓ Since Novo Cargo's inception in 1989 with an aim to provide total comprehensive services to the freight industry, it has grown to become one of the market leaders in freight and logistics service industry with unmatched service patterns.
- ✓ With a commitment to quality service Novo cargo's motto is to serve the total transportation needs of the transportation world and they have been successfully doing it through their various transportation modes and supporting equipments.
- ✓ Novo Cargo is totally committed to provide a total transportation services to their clients irrespective of the size of consignment. They plan, coordinate, supervise, document and monitor the entire movement system of consignment. For services, Novo Cargo provides a group of 350 trained, efficient, service oriented and motivated personnel in its 8 offices in Bangladesh.
- ✓ Novo Cargo is in a remarkable position in both air and sea freight in the country. No matter whether anyone requires shipping by land, sea or air, incoming or outgoing, whether it is garments, electronics, machineries, Inland transportation, Project handling, consolidation and logistics support, warehousing, chartering, customs brokerages, transhipments, Off-Dock services, household removal, sea/air combination and so on, they just name it, Novo can handle it.
- ✓ Novo Cargo has successfully completed many public and private projects to build nations' various important sectors to help people consume the ultimate benefits.



- ✓ Novo Cargo's packing teams are highly experienced and specially trained. They ensure full protection and safe arrival of household goods as well as economical shipping and transportation costs.
- ✓ Novo Cargo's Off-Dock services offers entire item-wise package of service activities for handling the temporary empty/laden container storage, loading/unloading general export/import goods, and containers under custom clearance. All the activities related to clearance of goods for home use, warehousing, temporary admissions, re-export, temporary storage for onward transit and outright export, transshipment of cargo can also take place from such stations.
- ✓ Novo Cargo has years of experience dealing with similar accounts with tried and tested processes and procedures based on service delivery, continuous improvement and cost minimization regarding household services. They can provide independent benchmarking and compare market costs.
- ✓ Strong financial position and considerate amount of market share of Novo Cargo gives the advantage to expand its operation and include new service features.
- ✓ Strong goodwill and collaboration with many local and international agencies helps to establish themselves in the new emerging country or region.

b) Weaknesses

- ✚ Novo Cargo has lack of concentration points for long distance cargoes and its unitization.
- ✚ Less integrity and lack of communication between logistics and its support services are often evident during distribution and handling of tasks.
- ✚ Not being able to improve corporate relations and use various mass media to build relations and convey newer services details to their clients is another drawback.
- ✚ Novo Cargo does not use full feature integrated software in cargo management to cover all the core functions of terminal vessel operations such as registration, general cargo operations like load, discharge, internal movements and delivery, tracking of cargo, stuffing and de-stuffing of cargo and related invoicing.
- ✚ Novo Cargo lacks having organized and complete website with all features and details of all of their activities to view their operation for users and clients as well.

c) Opportunities

- As the demand of freight forwarding and logistics support services are increasing day by day both nationally and internationally, so with the international trade being widespread Novo Cargo has the perfect opportunity to introduce new and unique services to its clients to step ahead of its rivals.
- The flexibility of freedom of action comes from being privately owned. It is the independence which gives them the opportunity to provide a variety of offers customized to specific needs.
- Novo Cargo is able to offer their clients a competitive rate structure and a wide choice of services. Jointly with their overseas offices and network of agents, they operate a wide range of cargo services to and for Dhaka airport to most major cities around the world which paves the way for their operation in new areas.



- There is very little substitution of services offered and high bargaining power of Novo Cargo gives them the ultimate opportunity to expand and exploit scope of operation.
- To enter into new markets and regions, to serve additional clients, to expand courses to meet broader range of customer needs and to diversify operations can be the ideal opportunity for Novo Cargo to flourish its business.
- Novo is a Government approved customs agent in Bangladesh and it has license to work in all customs station of the country. Novo Cargo's customs brokerage facilities in different ports, ICDs and EPZs help them provide different customs related valuable services and assistances and thus they enlarge their Off-Dock facilities for further prospects.

d) Threats

- The rapid expansion of logistics and freight forwarding companies poses potential threats to Novo Cargo.
- Aggressive competition from traditional rivals and many equal size players in the market with all new features of services can attract more clients.
- Economic downturn, instable political situation and less supportive Government tactics can hinder free movement of goods and international trade which in turn will affect Novo Cargo to continue its business activities.
- Fluctuating oil price, less differentiation and wide choice of service providers often put pressure on Novo Cargo's service offerings and making profits.
- Faster clearing and forwarding services, more warehousing and storage facilities on request, effective communication, coordination and control in Off-Dock activities, improved integrated networking system, low cost and timely transportation, provision of moving schedule in terms of household removal etc of other key competitors can pose strong challenge to Novo Cargo to sustain in the market. So Novo Cargo should get updated on a consistent basis.
- Changes in regulation in various countries regarding export-import and international trade barriers often pose threat to smooth operation of services.



5.2: PEST Analysis

The acronym for PEST stands for:

- Political
- Economic
- Socio-Cultural
- Technological

The PEST analysis (Political, Economic, Socio-Cultural and Technological analysis) describes a framework of macro-environmental factors used in the environmental scanning component of strategic management. It is a part of the external analysis when conducting a strategic analysis or doing market research, and gives an overview of the different macro environmental factors that the company has to take into consideration. It is a useful strategic tool for understanding market growth or decline, business position, potential and direction for operations. This helps Novo Cargo understand the "big picture" forces of change that they are exposed to, and, from this, take advantage of the opportunities that these factors present. Novo Cargo's external environment includes all relevant factors and influences outside the company's boundaries; by relevant, means important enough to have a bearing on the decisions the company ultimately makes about its direction, objectives, strategy and business model and that's why analysis and study of PEST analysis is important.

PEST Analysis is useful for five main reasons:

- ❖ It helps a company to spot business opportunities and it gives advanced warning of significant threats.
- ❖ It reveals the direction of change within business environment. This helps to shape what a company is doing, so that the company works with change, rather than against it.
- ❖ It helps an organization avoid starting projects that are likely to fail, for reasons beyond control.
- ❖ It can help a company break free of unconscious assumptions when it enters a new country, region, or market because it helps develop an objective view of this new environment.
- ❖ It indicates an organization's apprehension of different factors that could badly affect its business operations and shape strategy to overcome them.

The details of Novo Cargo's PEST analysis are described below:

1) Political Analysis/Factors

Political factors are basically to what degree the government intervenes in the economy. Specifically, political factors include areas such as tax policy, labour law, environmental law, global issues, trade restrictions, tariffs, government policy, political stability etc which may have impact on Novo Cargo's business. Political factors may also include goods and services which the government wants to provide or be provided (merit goods) and those that the government does not want to be provided (demerit goods). Furthermore, governments have great influences on the health, education, and infrastructure of a nation.



Environmental dreadful conditions and depletion of natural resources are often observed in Bangladesh due to poverty, over-population and lack of awareness on the subject. It is manifested by deforestation, destruction of wetlands, depletion of soil nutrients etc. Natural calamities like floods, cyclones and tidal-bores also result in severe socio-economic and environmental damage. Tax policy and labour law often create pressure on functioning of daily operation of Novo Cargo. The existing Bangladeshi legislations which are Patent and Design Act of 1911, Patent and Design Rule of 1933, Trademark Act of 2009, Copyright Act of 2000(Amended in 2005) etc can have impacts on business operations. The stated policy of the government of Bangladesh is to pursue foreign investment actively, and it has enacted a number of policies to this end. There are no distinctions between foreign and domestic private investors regarding investment incentives or export and import policies. Incentives for investors include: 100% ownership in most sectors, tax holiday, reduced import duties on capital machinery and spares, duty-free imports for 100% exporters and tax exemptions. These incentives can attract more foreign investors to establish their business and intensify competition within market players which can badly affect Novo Cargo. Trade restrictions, tariffs and political instability could pose potential threat to spreading of business operations.

2) Economic Analysis /Factors

These factors are determinants of an economy's performance that directly impacts a company and have resonating long term effects. For example, a rise in the inflation rate of any economy would affect the way Novo Cargo price their products and services. Adding to that, it would affect the purchasing power of a consumer and change demand/supply models for that economy. Economic factors include inflation rate, interest rates, foreign exchange rates, economic growth patterns, currency exchange rate, unemployment levels, disposable income and personal savings rates etc. These factors have major impacts on how Novo Cargo operates and makes decisions about certain business policy. Interest rates can affect Novo Cargo's cost of capital and therefore to what extent a business segment grows and expands. Exchange rates affect the costs of Off-Dock services and household removal. As a developing economy we have not been quite remarkable on developing our nationwide sound transport system. We still depend on a wide network of water based public transportation which hinders safe and quick transport of goods domestically.

In 2012, inflation in Bangladesh rose to 11.58%, so depending on varied inflation rate business policy of Novo Cargo also differs. 6% GDP has been consistent over some years in Bangladesh which indicates consistent production domestically. Unemployment levels focusing on labour rates, disposable income and saving trends of consumers can influence Novo Cargo's service patterns. Even the financial crisis when severely hit countries around the world, which brought recession to most country lasted through 2008 and made financial institution very cautious in loaning money and companies had gone through tough cost cutting measure to survive. This also badly affects Novo Cargo's worldwide services in terms of freight forwarding.



3) Socio-Cultural Analysis/Factors

These factors scrutinize the social environment of the market, and gauge determinants like cultural trends, demographics, workforce diversity, women in the workforce, work life quality, health consciousness, population growth rate, age distribution etc. Trends in social factors affect the demand for a company's products and services and how that company operates. For example, an aging population may imply a smaller and less-willing workforce (thus increasing the cost of labour). Furthermore, companies may change various management strategies to adapt to these social trends (such as recruiting older workers). Demographics, workforce diversity, women employment, work life quality and population growth rate can be ideal analysis for Novo Cargo to shuffle their workforce and assign them with right jobs in the right position. Change in consumer lifestyle and buying trends can force the companies like Novo Cargo to include variety of features in their service and let the clients explore them to choose the best one for them.

Companies are facing the challenges of adapting effectively to the changing environment in the context of globalization and in particular in the export sector in Bangladesh. Although Consumer Rights Movement, enforcement of government regulations and a structured view regarding the economic importance of Social responsibility are not yet so widespread in the corporate world in Bangladesh, companies like Novo Cargo are gradually attaching more importance to Social responsibility in the local market as well and focusing on different cultural aspects of different countries by engaging in business activities in different countries. They are increasingly aware that Social responsibility can be of direct economic value. Companies can contribute to social and environmental objectives, through integrating Social responsibility as a strategic investment into their core business strategy, management instruments and operations. This is an investment, not a cost, much like quality management. So, Novo Cargo is trying to have an inclusive financial, commercial and social approach, leading to a long term strategy minimizing risks linked to uncertainty.

4) Technological Analysis/Factors

These factors pertain to innovations in technology that may affect the operations of the industry, company and the market favourably or unfavourably. This is mostly based on automation, research and development and the amount of technological awareness that a market possesses. Technological factors include innovations, licensing and patents, global communications, research and development activity, automation, technology incentives and the rate of technological change. They can determine barriers to entry, efficient production and distribution level. Furthermore, technological shifts can affect costs, quality, and lead to innovation. The need for faster technological development is increasingly felt in Bangladesh. Development plans of Bangladesh have emphasized science and technological research to develop technologies through adoption of imported technology as well as development of indigenous technologies. As the country is heavily dependent on imported technologies, proper planning is required for its effective transfer through acquisition, assimilation and adoption.



Novo Cargo sometimes feel the heat of not being able to focus more on innovation and automation through quality improvement and newer packages of offerings based on clients' requirements. But they are now going through these processes slowly to include variety of service offerings with focus on quality and promptness. They are trying to incorporate the pace of technological change as quickly as possible to sustain the market. The inventions of the computer, and subsequently Internet have prompt endless expansion of electronic and telecommunication innovation during the past decades which makes the use of whole system of service of Novo Cargo easier by handling it through a software system. The wide usage of Internet around the globe eased more customize web address to suit different languages used around the world to attract clients all over the world. Intranet and extranet have also made things easy to develop and retain corporate communications and quickened day to day operations for Novo Cargo.

5.3: STP Analysis

The acronym for STP stands for:

- ❖ Segmentation
- ❖ Targeting
- ❖ Positioning

The formula of segmentation, targeting and positioning is the base for strategic marketing. Companies realize that they cannot appeal to all customers but have to identify the customers they are able to serve best and profitably. A company can divide markets into groups of consumers or segments with distinct needs and wants. A company must identify the parts of the market that it can serve best and most profitably. The details of STP analysis are analyzed below:

1) Segmentation

A market segment consists of a group of customers who share a similar set of needs and wants. In a market segment, the marketer's task is to identify customers and decide which customers to target. Market segmentation offers key benefits over mass marketing. The company like Novo Cargo can provide better service packages and deliver them quickly and timely using effective marketing program to tackle competitor's strategy. A company can also apply niche marketing, local marketing and individual marketing. A niche is narrowly defined customer group seeking a distinctive mix of benefits. Marketers usually identify niches by dividing a segment into sub segments. When marketing program tailored to the needs and wants of local customer groups in trading areas, neighbourhoods and even individual stores is called local marketing. On the other hand, the ultimate level of segmentation leads to segments of one, customized marketing or one-to-one marketing because today's customers are taking more individual initiatives in determining what and how to buy. A company is customerized when it is able respond to individual customers by customizing its products and services and messages on a one-to-one basis.



The main activities of segmentation consist of four sub activities. These are:

- Determining who the actual and potential customers are.
- Identifying segments.
- Analyzing the intensity of competitors in the market.
- Selecting the attractive customer segments.

All of the above activities fall under market segmentation. When different segments are identified, it is not necessary that all the segments are attractive to target. A company is almost never alone in a market; competitors have a great influence on the attractiveness of entering a certain market. When there is a high intensity of competitors, it is hard to obtain a profitable market share and a company may decide not to enter a certain market. The major segmentation is based on geographic, demographic, psychographic and behavioural segmentation.

a. Geographic Segmentation

It calls for dividing the market into different geographical units such as nations, states, regions, cities or neighbourhoods. Novo Cargo often seen to use this demographic segmentation because of selecting a customer groups based on geographic units like Asia, North America, Middle East, Europe etc. Their key customer groups scattered in different regions or countries use their freight forwarding services in air-sea and their international household removal offers this service in different parts of the world. Quality, cost effective and speedy service makes Novo Cargo's logistics support and Off-Dock operation a trademark in logistic industry.

b. Demographic Segmentation

In demographic segmentation, the company divides the market into groups on the basis of variables such as age, family size, family life cycle, gender, income, occupation, education, religion, race, generation, nationality and social class. One reason, demographic variables are so popular with marketers is that they are often associated with consumer needs and wants and another is that they are easy to measure. Novo Cargo does not divide market based on all of the above variables but there are some significant variables like family size, income, occupation and social class they take into consideration when they face deals with their clients regarding household goods packing and removal which demands measuring of every household items to be packed and transported by air or ship to reach to destination safely. Family size, income and occupation differs person to person and social class has a strong influence on preferences of specific services and based on which Novo Cargo can satisfy them by providing exactly what they want.



c. Psychographic Segmentation

It is the science of using psychology and demographics to better understand clients. In psychographic segmentation, clients are divided into different groups on the basis of psychological/personality traits, lifestyles, values etc. People within the same demographic group can exhibit very different psychographic profiles. Novo Cargo normally avoids segmenting their market based on personality traits, lifestyles and values of different clients.

As Novo Cargo deals mainly with freight forwarding and logistics support services, so there is little chance of serving customers with a specific customized product demand rather the services they offer can be customized based on clients choice and it requires smooth functioning of international trade having no trade barriers, flexible government regulation, stable political situation and so on.

d. Behavioural Segmentation

In behavioural segmentation, marketers divide buyers into groups on the basis of their knowledge of, attitude toward, use of or response to a product. Many marketers believe behavioural variables like occasions, benefits, user status, usage rate, loyalty status and attitude are the best starting points for constructing market segments.

Novo Cargo takes benefits, user status, usage rate and loyalty status into consideration. Because distinguishing buyers on the basis of different time frames: when they develop a need, purchase a product and use a product- do not usually go with Novo Cargo's policy. Even attitude of customers has nothing to do with Novo Cargo's offerings. Rather every products and services have its nonusers, ex-users and potential users. So Novo Cargo tries to retain current clients with building relationships and seeks to attract potential clients with a variety of offerings. Clients usage rates of services whether by a small percentage or a high percentage constitute major portion of Novo Cargo's profits. Loyal clients are often treated by special care as they repeat uses most of the time. Novo Cargo usually segments business market which requires freight forwarding, transportation and logistics services and after that they categorize different customer groups of their chosen market segment according to different variables mentioned above.

Market segmentation must be:

- **Measureable**
The size, purchasing power and characteristics of the segments must be measured.
- **Substantial**
The segments should be large and profitable enough to serve.
- **Accessible**
The segments should be effectively reached and served.
- **Differentiable**
The segments must be conceptually distinguishable and respond differently to different marketing programs and business policies.
- **Actionable**
Effective programs must be formulated for attracting and serving the segments.



2) Targeting

When all of these market segments are known and identified, it is important to decide on which market to target. Not every market is an attractive market to enter. A target market tends to focus on selling a product or service to a current market and a target market also can be the potential market segment with potential consumers as well. Companies do best when they choose their target market carefully and prepare tailored marketing programs.

After the most attractive segments are selected, a company should not directly start targeting all these segments, other important factors come into play in defining a target market. Four sub activities for deciding on which segments will actually be targeted are:

- Defining the abilities of the company and resources needed to enter a market.
- Analyzing competitors on their resources and skills.
- Considering the company's abilities compared to the competitors' abilities.
- Deciding on the actual target markets.

The results of this analysis lead to a list of segments which are most attractive to target and have a good chance of leading to a profitable market share. Novo Cargo like this analysis selects segmentation on different variables and decides which market to target and before that it runs a comprehensive analysis whether the target market will be attractive and profitable enough to start spending on it through different strategies and campaigns. Obviously, targeting can only be done when segments have been defined, as these segments allow Novo Cargo to analyze the competitors in this market. To decide on the actual marketing strategy, knowledge of the differential advantages of each segment is needed. Novo Cargo focuses mainly on the services they provide such as freight forwarding, customs brokerage, Off-Dock facilities, household removal, chartering, logistics, consolidation, warehouse and distribution and inland transportation and based on these they try to target market to serve current and new additional client groups after they segment them according to those services.

3) Positioning

When the list of target markets is made, a company might want to start on deciding on a good marketing strategy directly. But an important step before developing the marketing program is deciding on how to create an identity or image of the product/service in the mind of the customers. Every segment is different from the others, so different customers with different ideas of what they expect from the product. In the process of positioning the company does the following:

- ✚ Identifies the differential advantages in each segment.
- ✚ Decides on a different positioning concept for each of these segments.

Positioning the offerings in the minds of target customer requires developing products and services that deliver some central benefits. Novo Cargo also tries to position their services in the minds of target clients by tailoring them and making the clients' realize about core benefits from a service. Novo Cargo like other companies, after segmenting and targeting the specific markets tries to develop better offerings at a cost effective transportation and commitment to quality to attract clients.



5.4: Prospects and Challenges of Off-Dock services of Novo Cargo

As the freight forwarding and logistics industry is rapidly growing in our country and globally as well, all the organizations related to these services have definite prospects to flourish their operations and they are also facing more or less challenging situations in the current market. More clients are demanding their services and to sustain in the competitive market, each and every organizations like Novo Cargo needs to develop their existing services and deliver those as and when required. The prospects and challenges of Novo Cargo's Off-Dock services are noted below:

- i. With a commitment to quality services, Novo Cargo's Off-Dock facilities have grown to become one of the quick service solutions with unmatched service patterns.
- ii. With a motto to serve the total transportation needs of the transportation world, its skilled manpower, variety of transport vehicles and advanced equipments make its total organized transportation system a challenging task to beat by competitors.
- iii. Transit facility and customs clearance facilities available near Off-Dock location provides future earning source for Novo Cargo.
- iv. The rapid expansion of logistics and freight forwarding services by many companies poses potential challenge to Novo Cargo.
- v. Inland container depot and container freight stations which combine Off-Dock services and facilities should be expanded by Novo Cargo to make it a potential for future earnings and if they stick to the same services and facilities over time, other rivals will give it a tough task to sustain in the market.
- vi. Competitive transport cost, inventory cost and increasing trade flows gives Off-Dock the upper hand over other services to emphasize on and Novo Cargo can gain much advantage from theses services.
- vii. The activity of rail siding, container yard, warehouse and gate complex makes the operations of Off-Dock easier and convenient for both the service providers and clients which create lots of business opportunities for Novo Cargo.
- viii. Effective communication, coordination and control in Off-Dock activities, improved integrated networking system of all Off-Dock operations can ensure smooth functioning of each activity which creates opportunities for Novo Cargo to exploit current market and can face any further challenge posed by competitors.
- ix. Having strong financial background, Novo cargo can also look include other related services as a part of Off-Dock operations which can open enough opportunity for the company to flourish and strive in future.



5.5: Prospects and Challenges faced by Novo Cargo's household removal

Novo Cargo has the expertise, experience and reputation within the corporate removals industry and embassy activity to provide with an unparalleled worldwide service. It provides sincere service for household goods packing and removals by making sure that the packing, removals, transport and arrivals of goods are handled smoothly and with great care. As comprehensive services are required by today's globally operating companies, so Novo Cargo is trying to provide exactly what today's customers want, when they want it and where they want it but for this reason, they face some challenges which they can overcome by arranging their core resources to gain competitive advantages and include new service details on regular basis which can transform the opportunities to prospects for expansion. The prospects and challenges of Novo Cargo's household goods packing and removal are:

- i. The pre-move survey of goods, packing of household goods, cost effective transportation, customs clearance, storage, unpacking and delivery of household goods are among key services that Novo Cargo provide as household removal which give it a competitive edge over its rivals.
- ii. Competition from traditional rivals in the household removal services with all new features of services can attract more clients which can pose challenge to Novo Cargo.
- iii. Jointly with overseas offices and network of agents, Novo Cargo operates a wide range of household removal services nationally and internationally which paves the way for their operation in new areas and that creates new business opportunities.
- iv. Novo Cargo has years of experience dealing with similar accounts with tried and tested processes and procedures based on service delivery, continuous improvement and cost minimization regarding household services including embassy activities which can provide them perfect combination of offering new packages to clients.
- v. Novo Cargo's packing teams are highly experienced and specially trained to ensure full protection and safe arrival of household goods to destinations to satisfy clients' needs.
- vi. The advanced logistics techniques used by local and multinational companies to offer a variety of services to clients can give Novo Cargo a challenging task to handle in order to survive in the market.
- vii. Dealing with countries or regions having no agents can make them spread out their operations in terms of household goods packing and removal in new areas to uphold their goodwill by providing committed quality service and it can eventually open new horizon for business.
- viii. Having good service oriented culture and highly competent personnel make the way to foster relationships with clients through personalized services especially in embassy services and thereby reducing the rate of customer loss which builds on further expansion and development.
- ix. With the changing pace of globalization, Novo Cargo is trying consistently to adapt to changes and bring the latest household service offers to its clients to create a distinct position in the market that will serve them for long period.



Chapter 6: Recommendation

Being a leading company in Bangladesh, Novo Cargo Services Ltd. is well organized and is able to offer a full range of professional logistics services to its customers as well as overseas partners. It operates with a commitment to the global sea and air freight customers through highly qualified and experienced professional team specializing in all international logistics and customs requirements. Novo Cargo focuses on enhancing long term sustainability in the market by providing quality commitment to its clients. In the project part, the analysis focuses on the basics of Off-Dock services such as significance, functions, facilities and operations of Off-Dock, Off-Dock services for export and import, clearing and forwarding, basics of household removal services, benefits for the clients, benefits for the employees and so on. In the findings and analysis section, this report deals with Novo Cargo's various Off-Dock services and household removal activities including embassy activity. Based on all the analysis and findings, I can provide some suggestions for the improvement of Novo Cargo's Off-Dock services and household removal activities which are noted below:

- ❖ As Novo Cargo has lack of concentration points for long distance cargoes and its unitization, so it should focus more on developing much more concentration points for long distance travels.
- ❖ To provide customs clearance facility available near the centres of production and consumption and quicken the service, Novo Cargo should increase the number of customs brokerage.
- ❖ To move empty and loaded containers as and when required Novo Cargo needs to be fully equipped with more advanced equipments.
- ❖ 20,000 square feet Off-Dock facility of Novo Cargo seems to be less efficient to provide all the services required so Novo should focus on enhancing the area of facility and include more options for clients.
- ❖ Novo Cargo's warehouses located in Dhaka and Chittagong are of less capacity of storage facility and that is why the warehouse facility needs to be enlarged and developed to store more products.
- ❖ Often it is seen that there is less integrity and lack of communication between logistics and its support services, so Novo Cargo should encourage supportive working environment and ensure team work on various assigned tasks.
- ❖ Novo Cargo needs to have updated provision of a moving schedule to the assignee so that the assignee can take decision as per schedule and Novo can provide faster and safer service in terms of household goods packing and moving.
- ❖ With the advent and gradual worldwide demand of Off-Dock services, Novo Cargo should improve corporate relations and use various mass media to build relations and convey newer services details to their clients.
- ❖ Novo Cargo should develop their own depot facility to be used as an inland container depot to handle largest volume of import-export cargoes because they currently use Esack depot as a part of Off-Dock facility.
- ❖ Inland container depot, container freight stations and Off-Dock services should be set in a standard form in a uniform way as they can serve almost same purposes and should be monitored by an integrated software system which can make things easy for them.



- ❖ Though Novo Cargo has a fleet of covered van, truck, trailer, micro bus etc but the formal procedure of transportation of products within country and overseas requires using more vehicles for handling prompt service and huge product load.
- ❖ Novo Cargo normally uses specific sizes of containers from shipping line authority to containerize the products but they should own at few containers to reduce cost of hiring it and earn extra amount by lending it.
- ❖ Novo Cargo should widen their agent networks in those area where still they do not have any agents for carrying out freight forwarding and logistics services because international trade is globally spreading all over the world.
- ❖ Cargo management system can be maintained through software and this software can keep record of bulk operation of a cargo terminal. But Novo Cargo does not use full feature software in cargo management so it should introduce and develop integrated software systems which can cover all the core functions of terminal vessel operations such as registration, general cargo operations like load, discharge, internal movements and delivery, tracking of cargo, stuffing and de-stuffing of cargo and related invoicing. This software also helps in warehouse management, cargo inventory control, timely and accurate cargo accounting and automatic invoice generation.
- ❖ Novo Cargo has got strategic warehouse management centres in Singapore, Malaysia, Los Angeles, Ohio, Miami, Amsterdam and the UK. But they should expand it depending on separate regions like in Africa, South America, Middle East etc to tie those all together for one information system for global shipment management from origin to delivery, including inventory information.



Chapter 7: Conclusion

Novo Cargo Services Ltd. has been in operation since 1989. Within this time they have established themselves as one of the top freight forwarding and logistics support provider. Novo has been an integrated group of companies having operation in aviation, container line and consumer products sector. As they are primarily focused on freight forwarding and logistics, that is why Off-Dock services and household goods removal remain as two of the most important services for them.

As the gradual demand of international trade has been increasing day by day so the demand of export and import activity have caused the necessity to set up Off-Dock facility inside or nearby port area whether it is land, sea or air. Novo Cargo also felt the importance of providing this facility by establishing Off-Dock with fully equipped facilities like skilled manpower, advanced equipment, software system etc to keep record of each stock, document and transaction. Without Off-Dock containers cannot be loaded smoothly and there may have been tremendous problems without clearing and forwarding. All the activities related to clearance of goods for home use, warehousing, temporary admissions, re-export, temporary storage for onward transit and outright export, transshipment of cargo can also take place from such Off-Dock stations. Novo also ensures packing, safe transportation, storage, containerization, customs clearance and delivery of household goods from one place to another at reduced time and cost with professional experiences.



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