Study on Analyzing Critical Challenges faced by LSL

Challenges of working in a Shipping and logistic company

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2016
Letter of transmittal

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BRAC University  
66, Mohakhali, Dhaka.  

Subject: Submission of Internship Report

Sir,  

It is my great honor to submit the report of my Internship Program at Lutful CNF in Banani. In addition, it is a great pleasure that I have been able to submit the internship report on—challenges face while working with local and international clients in Lutful CNF in due time. The whole experience of this internship program enabled me to get an insight into the real life Situation. I have tried my best with my knowledge to make a full-fledge report by analyzing all the requirements you have asked for. Besides this, there may be shortcomings. I would be grateful if you consider those from excusable manner.  

I would like to express my sincere gratitude to you for your guidance and suggestions in preparing the report. I will be happy to provide any further explanation regarding this research report if necessary.  

Sincerely yours,  
Arvid Asghar Kabir  
ID- 10204019
Acknowledgement

First of all, I extend my profound gratitude to the Almighty Allah, the omnipresent and omnipotent, who helped me accomplish this task on time. I feel satisfied and glad that I have completed this study within specific duration. This internship report might never have been completed without the necessary practical knowledge, assistance of many books, articles, websites, and primary data. It enhanced my knowledge on employee job satisfaction. Thanks to all those persons, who have assisted me, providing me cooperation, books and articles, I would like to express my special gratitude to my supervisor Mr, Tamzidul Islam, Lecturer of BRAC Business school of BRAC University, for his motivating inspiration, kind direction, valuable suggestions & advices during my internship period and to prepare this report.

I was placed in Lutful Seaways Limited to work as an intern from November 15, 2015 to February 15, 2016. The members and management of Lutful Seaways Limited was very co-operative and helpful. They helped me through providing various data, guidance and direction. I am grateful to Mr. Bazlul Karim Lutful Managing Director of Lutful Seaways Limited for his cooperation and necessary support.

Finally I want to express my special thanks to Executive Oprators Mr. Babul Hossain in banani branch, under whom I have completed my three months internship program. I am also grateful to all other employees of operation Unit of this branch and Chittagong office.
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Executive summary

This study is the result of my internship program ran for the past three months placed at the Lutful Seaways Limited branch. The purpose of this study is to understand the level of challenges I face and my company faces while working with local and international clients. I was appointed in this organization as an Executive Marketing and Sales. For this reason I had to gain the practical area of responsibilities of the employees so that I could interact with them directly to understand their views and their relation with their organization.

The first chapter illustrates the introduction, history, service offering, and methods of payment, hierarchy and vision for the future.

The second chapter is on Job which describes the job, specific responsibilities of the job, different aspects of the job and critical observations and recommendations.

The third chapter is on Business development where I have prepared a project on what challenges I face and my company faces. In this chapter I had collected data from our company’s client database.
CHAPTER 1

1. ORGANIZATION

1.1. INTRODUCTION:

Lutful Seaways Limited (LSL) is one of the leading custom’s clearing & forwarding agents in Bangladesh with over 39 years of experience. With updated customs regulations and procedures LSL handle clearance of import and export consignments by sea, air and road more efficiently and easily. LSL’s main services in custom clearing services include advice to the clients in preparing documents related to import and export, completion of appraisement and examination procedures and payments. After the custom formalities are completed LSL deliver the consignments to the said destination as per client’s needs.

Dhaka Office

Lutful Seaways Limited
1st Floor, Apt # B 1
House # 09, Road # 2/1
Banani C/A
Dhaka – 1213

Chittagong Office

Lutful Seaways Limited
‘R.B. Court’, 3rd Floor
54, Agrabab C/A
Chittagong – 4100
1.2. HISTORY OF LSL

It is a private limited company with 100% owning by the members of LUTFUL directors and established in the year 1973 and duly registered with the government of Bangladesh in the year 1977.

Your good selves are aware of the liberation war we had with Pakistanis and the war started form the night of 25th March 1971. During this time, our founder & chairman, Mr. Lutful Haque Chowdhury was serving in the insurance industry as an expert in marine insurance.

Mr. Chowdhurys insurance career started in the year 1955 by joining the world famous Eagle Star Insurance Company Ltd (Head Office - London) at their Dhaka branch, as an assistant in the marine insurance depts., under the direct control of the branch manager Mr. William Allen Smith.

He was kind enough to suggest Mr. Chowdhury to take special interest in the marine insurance and the virtue of his help/guidance and training at Karachi, Bombay (Mumbai), Calcutta (Kolkata), Colombo, Mr. Chowdhury became a successful officer of Eagle Star in South East Asia by holding different important posts.

However, at the end of the war, it happened with him, as it happens with others in any war torn country, Mr. Chowdhury decided to establish LUTFUL SEAWAYS by virtue of his marine insurance knowledge and experience.

Lutful Seaways 1973:

To carry out the business of:

- Stevedoring in the port of Chittagong
- Custom’s clearing & forwarding
- Supervision at the bulk- cargo load/discharge
- Pre-Shipment inspection/Insurance Survey/ Marine Survey
Lutful Seaways Limited 1977:

The company has been converted into Private Limited Company from its proprietorship status with large activities: -

- Ship’s agents at Chittagong & Mongla (Khalna) port
- Owners protecting agency
- Stevedoring
- Lighterage Operation
- Custom’s clearing & forwarding
- Scrap/demo ship handling
- Survey & inspection
- Inland transportation
- Multi Transport
1.3. SERVICE OFFERING

Here is the list of services provided by Lutfful Limited:

1) Ship Brokering
2) Shipping Agency
3) Liner Agency
4) Off Shore Support Agency
5) Stevedoring & Berth Operations
6) Barge & Lighterage Support
7) Tug Operations
8) Chartering Brokers
9) Container Handling
10) Cargo Booking Agency
11) Transshipment of Cargo
12) Transit Cargo Operations
13) Inspection & Survey
14) Port Captain / Supper Cargo Arrangement
15) Multinational Transport Operator
16) Customs Brokerage
17) Global Preflight Forwarding
18) Project Consultancy
19) Air Sea Combination Transportation
20) Removal
21) Project Consultancy
22) Inland & River Transportation
23) Marine officer Recruitment
24) Salvage Operations
25) Aid Cargo Heading
26) Bunker & Store Supply
27) Sale / Purchase and Delivery of vessel
28) Warehousing & Distribution
29) Marine Insurance & Claim recovery
30) Air Ticketing
31) Project & heavy Lift Cargo handling
1.3.1. CUSTOM’S CLEARING AND FORWARDING:

LSL as a custom’s clearing & forwarding agents offer wide variety of services in order to help the clients for import and export customs clearances. For import consignments LSL require documents such as original invoice, packing list, bill of landing/airway, bill endorsed by the importer or bank, insurance certificate, purchase order or letter of credit, import license and catalogue or literature if the goods are chemical for customs clearance services. Whereas for export clearance, export license or permit and sale contracts are required along with Invoice, Packing list and shipping instruction.

As LSL receive the said documents to qualified professionals provide the best possible benefit to the clients with reference to the custom notifications and exemptions. This helps in avoiding the delay in clearance and other detention charges such as heavy demurrage etc. LSL normally try to clear both import and export shipments within two to three days after the receipt of the documents.

As a clearing agent well versed with updated customs regulations and procedures and backed by the experience of over 39 years, LSL handle clearance of Import/Export
shipments with ease and efficiency. LSL have experience of handling all sorts of imports whether temporary or on permanent basis cleared on payment of duty and taxes or under various exemption notifications.

1.3.2. SHIPPING AGENCY:

Lutful Seaways Limited knows the land; we know the smells of our ports, the way of its people. And this knowledge increases profits for charterers and ship owner. Our agency service is guided not only by our knowledge of the local ports, but also by our experiences as managing agents for vessel operator, our experiences in the port s of Chittagong and Mongla guide us to more efficient ways to handle cargos. The proof is our written cost estimates presented in advance of your ships arrival. We know firsthand how proactive agency representation can save owners time and money. While other agents may present routine husbandry services, we have the knowledge and desire to ensure that all port services are provided with maximum efficiency and minimum cost. We understand round the clock shore side attention is essential to smooth operations. In port, we attend to our ships and cargo in your best interests, and furnish quality documentation and accounting. Of particular importance to owners and operators, our computerized accounting provides accurate port estimates and expedites of excessive funds is avoided.

We handle all types of cargo such as wheat, rice, dun, peas, white peas, mustard seed, sugar, salt, fertilizers, coal, chemicals, copra, molasses, manganese, ore cement clinker, steel coils, steel scrap, steel billets, wood pulp, log, timber, petroleum products, urea, reefer cargo, container, projects etc.

This company also handles UN peace keeping cargoes and also works as shipping agents for chartered vessels of food AID cargo operated by various relief agencies.” Lutful’ agency department is capable of handling all kinds of oversized & over weighted
cargoes, floating objects and military goods, equipments. We provide 24 hours discharging and loading operation at all time 365 days a year.

We pride ourselves to introduce us as one of the leading shipping agencies of Bangladesh, having branches and business associates all over Bangladesh.

1.3.3. LINER AGENCY:

In today’s fast moving global economy, containerization is the logical and efficient way to reach all markets. Changes in technology and customer requirement demand adaptability and a capacity for rapid response. Lutful has both the experience and the technology to play a pivotal role in the demanding shipping environment of today in the future. We have been representing many shipping lines in Bangladesh ports and are interested in becoming agent for selected transportation companies, which services match with Lutful services. Such co-operation can give both the companies a competitive advantage through strong marketing position and cost efficiency.

Lutful Seaways Ltd is one of the oldest and most respected agency house in Bangladesh. Having represented the premium and the most reputed lines, we have the expertise and the professional edge over out competitors by being innovative and having a customer friendly approach.

The liner Agency is one of the core activities of “Lutful”. The division is associated with reputed worldwide shipping companies and with a strong office infrastructure across the country has given “Lutful” the edge in bringing reliable services of international standards to customers. The liner agency has been successful in expanding its activities to reach a wider market and to source traffic from far hinterland.
1.3.4. BARGE & LIGHTERAGE OPERATION:

Lighterage operation is an important part of our agency services. The deep draft vessel can be lightered as the outer anchorage. "Lutful" has the knowledge and the expertise of 36 years of transporting grain, general cargo & project cargo over water through lighter vessel from the mother vessel. The lightering of crude oil from mother tanker normally occurs at Kutubdia. Cargo discharged into lighters at outer anchorage may also be directly transported to inland river ports and also for Mongla sea port, with prior permission of the port and custom authorities.

Lutful is also deeply involved with barge operation as Chittagong port jetty berth has got a weight restriction on discharging heavy lift cargoes. The heaviest pieces are discharged directly on barges at over side of the vessel by using vessel’s own gear.

The barges then sail to the designated project destination sites. Barges are often used for the transportation of cargo, equipment to remote areas with little infrastructure.

1.3.5. STEVEDORING & BERTH OPERATION:

Lutful strives for the highest quality of performance. Our diverse equipment as well as superior personnel assures that the job will be performed with exceeding expectation. Our stevedoring experience is extremely diverse and of great depth. Our success in providing safe and efficient turn times is primarily due to an outstanding team of managers that can properly plan your project and direct our skill work force. Flexibility has always been the key to success in Bangladeshi ports. At Lutful our managers are given the authority to make important decision on site and our staff is continually trained in industry procedures and safety issues. Good training and responsive custom service means every project is handled cost efficiently and effectively.
1.4. HIERARCHY OF LSL

FIGURE 1.2
1.5. VISION FOR THE FUTURE

The opportunity lies in the challenge. Ultimately, we aim to achieve our vision of becoming the best logistics & maritime company in Bangladesh. The LSL vision is to establish this company as the best logistics service provider by garnering the respect of our shippers and developing successful and satisfied customers and employees by focusing on our niche: re-engineering the approach to solving our client’s logistics processes and freight management needs.

1.6. MISSION

To bring the world together as one through solid and honest global trade, to deliver top-quality services at the most reasonable rate as possible. To make sure that our clients are completely and absolutely satisfied with each our services. The surest path to success is one where others walk with you. Let’s depend on one another to make the world a better place. We are dedicated professionals who strive to build long-term relationships with our clients. Ultimately giving full service and bring any goods in Bangladesh at ease without any problem.
2.1. DESCRIPTION/ NATURE OF THE JOB:

Executive sales and marketing of LSL is services deal with clients that include individuals, businesses and government organizations and this may be domestic (within the Bangladesh) or international, or a combination of both. As well as approaching potential customers with the aim of winning new business. Sales executives work to maintain good relationships with existing clients, gaining repeat business wherever possible. The shipping and logistic sales department is target driven and as a consequence the work can sometimes be demanding and pressurized.

B2B sales involve selling services from one business to another. This is a typical avenue for graduates in a hard way. For example, a company that manufactures fast moving consumer goods (FMCG), e.g. soft drinks, will import the raw material from the foreign client to make FMCG and may be involved in making a strong argument on how to bring the products in time with no troubles. Activities important for success include:

- relationship building;
- researching the market and related products;
- Presenting the service favorably and in a structured professional way face-to-face.

The skills needed to excel in this position include:

- Strong communication and IT fluency
- Creative talents and the ability to solve tough problems
- In-depth knowledge of the industry and its current events
- The ability to handle pressure and meet deadlines
• Skill in prioritizing and triaging obligations
• Attention to detail
• Excellent time management and organization

The nature of the job deliverables varies according to the client’s needs. Some may be limited to customs clearance only, while others may be involved in areas such as projects, finance or accounting or operations for the documents. I have to be continuously aware about the current principal and be professional on what papers should be collected or assessed by banking, insurance, information technology, telecommunications and marketing – since the essential skills and business knowledge required for success in any of these fields can facilitate understanding of clients’ needs.

The consequences can be delays in the delivery to the beneficiaries or financial with costs such as storage fees accruing and demurrage. Within a short period of time, large amounts money accumulate and the receiver is held accountable.
2.2. SPECIFIC RESPONSIBILITIES OF THE JOB

Typical my general activities for sales & marketing executives include:

- listening to clients requirements and presenting appropriately to collect document;
- maintaining and developing relationships with existing clients in person and via telephone calls and emails;
- cold calling to arrange meetings with potential clients to prospect for new business;
- responding to incoming email and phone enquiries;
- acting as a contact between a company and its existing and potential markets;
- negotiating the terms of an agreement and closing document;
- gathering market and clients information;
- negotiating on rate, delivery and specifications with clients and principles;
- challenging any objections with a view to getting the clients;
- advising on forthcoming product developments and discussing special promotions;
- creating detailed proposal documents, often as part of a formal bidding process which is largely dictated by the prospective customer;
- liaising with suppliers to check the progress of existing orders;
- checking the quantities of goods on display/catalogue and in stock;
- recording documents and order information and sending copies to the head office (Chittagong), or entering figures into a computer system;
- reviewing me own performance, aiming to meet or exceed targets
- gaining a clear understanding of clients’ businesses and requirements;
- making accurate, rapid cost calculations and providing clients with quotations
- attending team meetings and sharing best practice with colleagues
2.3. CRITICAL ASPECTS OF JOB PERFORMANCE

To keep healthy relationships with clients, this mostly requires socialization. So from simple chats on the phone to lunches and events or conferences business development managers must be sure to keep their customers happy. Of course, as with all office jobs, documentation is also a big part of the work. Business development professionals are also obligated to write reports and provide feedback to upper management about what is and is not working.

Though there are rarely formal qualifications, LSL require a degree from their applicants. For those hoping to eventually attain this position, business or math's degrees are extremely beneficial, and may even help students acquire work through a graduate training program.

Many entrants, however, begin working as salespeople or marketers before being promoted, and there are also many apprenticeships available in the sector. For those in junior roles, additional higher position requires qualifications from a renowned university with a BBA degree can help young professionals advance their careers much more rapidly than they otherwise would. Professionals in LSL can also boost their career by obtaining more clients and attracting business. After gaining experience and familiarity with the sector, professionals can also boost their resumes.

The skills you need to excel in this position include:

- Strong communication and IT fluency
- Creative talents and the ability to solve tough problems
- In-depth knowledge of the industry and its current events
- The ability to handle pressure and meet deadlines
- Skill in prioritizing and triaging obligations
- Attention to detail
- Excellent time management and organization
2.4. CRITICAL OBSERVATIONS AND RECOMMENDATIONS

**Mobility:** As networking is critical in this position, executives must often travel to conferences, and business meetings. So, company cars are a standard bonus amongst sales and marketing executives, and business trips around the country or even around the world are an occasional necessity LSL.

**Freedom:** Sales & marketing executives occupy major roles in this organization. We typically work according to my own initiative and I should have few superiors to answer to. In LSL, if the executive can deliver new clients and high sales volumes consistently, my day-to-day methods and schedules should be left largely up to me.

**Flexibility:** In the vast majority of cases, sales & marketing development executives such as me work in traditional office environments. We are expected to dress in professional business attire and work 9 am to 5 pm, occasionally putting in overtime hours to meet deadlines or make quotations.
CHAPTER 3

3. STUDY ON ANALYYSING CRITICAL CHALLENGES FACED BY LSL

3.1. SUMMARY

The assigned project and research and survey are done in this chapter. An effective analyzes and the most important part is focused on is Business Development specifically on the challenges I faced and my company faces. The challenge has been presented in this chapter by conducting investigation, research, survey and inquiry.

The first part describes the project where there is the explanation of the objective. In other words pointing out the challenges I face while developing new business or existing business for LSL and pointing what challenges LSL faces. As a sales and marketing executive the challenges are endless but it is narrowed down to a specific problem. To extract the right problem and the right solution methodology is used to conduct this report is presented with full details and the best possible methods that is thought the most suitable is explained and presented.

Even with all the hard work and effort there are still limitation for conducting this research and survey. The limitations are mentioned and I tried my level best to counter my limitation. Therefore while explaining the challenges I have also put its limitation for each data. This limitation can be minimized or eliminated if LSL can change its policy but it might sometime have drawbacks. As well as a recommendation for each challenge for each data is also explained with which LSL can focus to reduces its problem business development.

The challenges can be described by how to peruse companies to be enlisted and how the content of an individual/company can reflect on obtaining or completing a job/consignment. The more companies we get enlisted, the more we overcome our challenges. The other challenges are the quotation, the more economical quotation we provide to our existing clients, the more changes we have to obtain the consignment or
winning the bids. This study shows that how largely companies like us depend on networking, commissions, involvement in decision making process, political support, cost analysis, feedback from supervisor, forecasting costs fluctuation, forecasting demand, relationship with senior management, flexibility to balance between work and home, etc. The samples for these studies were obtained from the current client database of LSL. Printed questionnaires were made and distributed/asked among our respondents and all the questionnaires have been collected and taken as the data for the study. The data has been analyzed by MS Excel. In this study, I have gathered all the data and information I could to make this study on analyzing critical challenges faced by LSL for marketing and operations.
3.2. DESCRIPTION OF THE PROJECT

In other words pointing out the challenges I face while developing new business or existing business for LSL and pointing what challenges LSL faces. As a sales and marketing executive the challenges are endless but it is narrowed down to a specific problem. Some suitable methodology is used to conduct this report and is presented with full details and the best possible methods that I thought is the most suitable is explained and presented.

3.3. OBJECTIVES OF THE STUDY

Objective of the study is to analyzing critical challenges faced by LSL, while working as an executive sales and marketing and also related knowledge that I have gained working in that company, University education and various document of the LSL branch. All of this has contributed me in studying about the critical challenges faced by LSL and preparing report on this topic.

Primary Objectives:

The primary objective of the study is to analyze the critical challenges faced by LSL. It is most important to identify the barrier or critical challenges and to overcome this report has been prepared from the company’s own database which is obtained from BIA, BCA, PERSONAL, FOREIGN CLIENT and which is based on the experience and study on the critical challenges that the LSL faced and I faced during work.

Secondary objectives:

The report identifies the limitation of LSL and the relative importance of documentation and the organization’s documentation for recording. The report also gives an idea about working with other organization and with our principal companies as well. This requires full knowledge of the document assessment
process. So I have also evaluated the documentation process which is my secondary objective of this report.

3.4. METHODOLOGY OF THE STUDY

In general, Methodology is the efficient explanation of sequence of activates required. In this internship report, both the descriptive and exploratory method has been used. To get internship report elements and to implement the report I worked in some steps. Those steps are sampling methods, and data collection, data analysis.

**Exploratory report** - An exploratory research project is an attempt to lay the ground work that will read to future studies, or to determine if what is being observed might be explained by a currently existing theory. Most often, exploratory research lays the initial ground work for future research.

**Data Collection** - Collecting data from database was used for the study. Information collected to deliver this report is both from primary and secondary sources.
Primary Data:

The primary data are collected from database of the LSL I have done some face to face discussion with executive and officer from different division which is consider being another source of primary data. Most helpful information was received from the managing director, as he personally guided me in this job. I also collected some interesting and important data through my observation during of my internship period. And my survey database was the best from all the other methods. It helps me to get specified data which is essential for my internship report.

Secondary Data:

The secondary data are collected from the manual of export and import procedures of LSL. Procedure manual published by LSL, are also a source of a secondary data. And data regarding the operations and analysis statement were collected from secondary sources like Broachers and company website.
3.5. LIMITATIONS

There were certain limitations while conducting the study. These are summarized below:

The main obstacle while preparing this report was time. As the tenure of the internship program was sudden and in an inconvenient time, it was not possible to highlight everything deeply.

Work pressure in the office was another major limitation. We had our two foreign principals working with us in our Dhaka office one after another.

Inadequate information of data was another barrier for the study. It was quite tough to work with the limited data from the database. Besides this If LSL is a small company. There is not enough information in the internet. That is why it was very difficult to find its news/articles and other necessary information related to the report.

Confidentiality of the company was another problem. Being a sincere employee I had to maintain it as well.

Sample size is collected from a population in random and there might be slight variation as the selection is totally arbitrary.

The results can’t give 100% accurate responds and as it uses fragmented results from the observation. So the feedbacks and recommendations made might be exaggerating. This is because I took the initial responds of the approached association to study on this subject. Their responds some time changes on the time of the study but the amends are not made in this study.

The responds were not all accurate as it depends on advertising, promoting and convincing. So other factors might have given little diverse result.
3.6. FINDINGS AND ANALYSIS

Total number of findings was from the LSL Client Database. I have personally contributed with over 400 new information of which I took the sample of 50 from 4 different types of clients. There were four types I have deal with, they are

- Bangladesh Cotton Association
- Bangladesh Indenting Agents’ Association
- Website (Online)
- Personal & selective

A minimum of 50 responds were used as sample of the study on critical analysis of the challenges faced by LSL marketers. I personally have reached to each of the clients for their responds. There were many methods used to pursue for their responds. I used phone calls to contact them and promoted them about LSL. In many other cases I went to their offices for promoting and convening.

The population size and the sample size are shown below for each area:

For BCA Data
   Sample size: 50 Clients
   Population size: 104 clients

For BIAA Data
   Sample size: 50 Clients
   Population size: 92 clients

For Online Data
   Sample size: 50 Clients
   Population size: 125 Clients

For Personal Data
   Sample size: 50 Clients
   Population size: 69 Clients
<table>
<thead>
<tr>
<th>Different Contacts</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh Cotton Association (BCA)</td>
<td>50</td>
</tr>
<tr>
<td>Bangladesh Indenting Agent Association (BIAA)</td>
<td>50</td>
</tr>
<tr>
<td>Foreign (Mainly through online)</td>
<td>50</td>
</tr>
<tr>
<td>Personal</td>
<td>50</td>
</tr>
</tbody>
</table>

After collecting the Sample, a Pie chart and Bar Diagram has been prepared which shows the reflection of the client’s response.

The responses are categorized in:

- **“Yes”** means approved; where the challenging part is over and is ready to work with us.
- **“Enlisted”** means I need to provide services time to time to keep up with the other competitors
- **“Maybe”** where I need to pursue the company for an opening of vendor
- **“No”** where I need to stay alert for any mistake done by our competitor
- **“No Response”** if there is not response for long time then it will be hard to convince the superior, this might result a bad reputation.
3.6.1. THE DEGREE OF RESPONSE FROM BCA

<table>
<thead>
<tr>
<th>Responses</th>
<th>BCA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>2</td>
</tr>
<tr>
<td>Enlisted</td>
<td>9</td>
</tr>
<tr>
<td>Skeptical</td>
<td>11</td>
</tr>
<tr>
<td>No</td>
<td>12</td>
</tr>
<tr>
<td>No response</td>
<td>16</td>
</tr>
</tbody>
</table>

The above diagram represents the companies/organizations of Bangladesh Cotton Association and illustration from the figure shows that out of 50 respondents only four percent of the respondent are willing to associate with LSL, eighteen percent are enlisted, twenty two percent are skeptical, twenty four percent are says no and thirty two percent has no responds at all.

FIGURE 3.1
The reason behind the variation is BCA have no tariff & taxes for import or export and are mainly self dependent this is also known as in-house custom clearing. To overcome this barrier BCA should account for the degree of maintaining a department for in-house is feasible for the company or should they include external company to handle their goods.
3.6.2. THE DEGREE OF RESPONSE FROM BIAA

<table>
<thead>
<tr>
<th>Responses</th>
<th>BIAA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>7</td>
</tr>
<tr>
<td>Enlisted</td>
<td>9</td>
</tr>
<tr>
<td>Skeptical</td>
<td>21</td>
</tr>
<tr>
<td>No</td>
<td>7</td>
</tr>
<tr>
<td>No response</td>
<td>6</td>
</tr>
</tbody>
</table>

The figure 3.2 illustration from the figure shows that out of 50 respondents only fourteen percent of the respondents are willing to associate with LSL, fourteen percent are
enlisted, forty two percent are skeptical, fourteen four percent are says no and twelve percent has no responds at all.
The indenting association is always active and has documents thought out the year. This is why it has lower level of negative responds. From the surface it looks like the cream for business but in practical BIAA is clustered with competition from other CNF companies. CNF agents how acquire less knowledge and experience destroys the reputation of this industry with their bad service. In other words giving under quotation to their clients to win the bids, changing quotation after winning the consignment and not delivering in time is a huge problem for the reputation of the CNF companies. So most of the BIAA stays skeptical or just asks for quotation to many CNF companies which get very challenging to convince.
3.6.3. THE DEGREE OF RESPONSE FROM ONLINE

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Online</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>6</td>
</tr>
<tr>
<td>Enlisted</td>
<td>18</td>
</tr>
<tr>
<td>Skeptical</td>
<td>7</td>
</tr>
<tr>
<td>No</td>
<td>10</td>
</tr>
<tr>
<td>No response</td>
<td>9</td>
</tr>
</tbody>
</table>

The above figure illustration from the figure shows that out of 50 respondents twelve percent of the respondent are willing to associate with LSL, thirty six percent are enlisted, fourteen percent are skeptical, twenty percent are says no and eighteen percent has no responds at all.

Going to China’s freight forwarding association website and other forwarding companies and sending emails to those companies is a long shot.
The reason for no responds is because the email address has been changed or that company’s domain has not been renewed. Some reply no as they already have a branch or agent representing them in Bangladesh.

Most will enlist or give a positive response so that in the future if they get any consignee in Bangladesh then they will contact us or other agents from Bangladesh. There is not much competition if there is any work.
3.6.4. THE DEGREE OF RESPONSE FROM PERSONAL

<table>
<thead>
<tr>
<th>Response</th>
<th>Personal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>11</td>
</tr>
<tr>
<td>Enlisted</td>
<td>20</td>
</tr>
<tr>
<td>Skeptical</td>
<td>8</td>
</tr>
<tr>
<td>No</td>
<td>6</td>
</tr>
<tr>
<td>No response</td>
<td>5</td>
</tr>
</tbody>
</table>

The figure 3.4 illustrates the clients whom I reached out through my personal contacts or reference from any acquaintance, etc. Their responses are presented in this pie chart which contributes twenty-two percent yes, forty percent has enlisted us into their company, sixteen percent are skeptical, twelve percent says no and only ten percent is without any response.
Going through personal contacts is the best way to get documents. If someone knows you from before he/she can rely on you. I have used this advantage to attract more clients into our business.

Although there are still many who will not say yes right away. The ones who have enlisted us with other CNF companies is because they usually need many CNF companies as they have many different types of documents coming every month. Being said that personal will give you business but is not the same every time.

Many turned me down because they are working with other CNF company for over a decade, so to keep the goodwill they stick up with the current company they are working with.
3.6.5. **FLOW CHAT OF COMPLETING A FULL PROCESS OF A DOCUMENT**

![Flow Chat Diagram](image)

**FIGURE 3.6**

- **Notification of Arrival**
  - Provide a guarantee for the value of the import duties & taxes?
  - Yes: Duties & Taxes exemption
  - No: Paper Work collection
    - Request Submission
      - Exemption approved
      - Exemption denied
        - Yes: Entry Submission
          - Clearance
          - Commodities Release
        - No: Entry Submission
          - Pre-arrival Clearance?
            - Yes: Clearance
            - No: Entry Submission
              - Letter of application
              - Packing List
              - Invoice
              - Copy of the Authorization for Operations
              - Airway bill
              - One Set of Documents to be submitted to the relevant officer in Customs
              - Certificate and reference number also be presented for the Customs Clearance
              - The next steps are dependant on whether the organisation decided to pay the tax or appeal
3.6.5.1. EXPLANATION OF THE FLOWCHART

In the figure 3.6 it shows how a document is processed. In Lutful Seaways Limited when we receive a document (commodities) we collect all the necessary documents for that particular commodity. At its arrival we notify the consignee about its arrival at the port. We also notify the head office and the LSL project and operation department about the arrival.

After arrival we match the HS code of that imported item and its value/rate of the import duties and taxes. There is a common misconception that exempted goods/materials are free from customs formalities. As any other type of cargo, all the relevant operations must be carried out by the persons concerned and by customs in order to comply with the customs law. Every shipment must be documented, and in the case of the exempted goods/material, this includes an additional requirement, which is the certification or proof of its status as exempted.

We then make a quotation to the consignee for amount needed for its release alone with the list of other files needed. Even if the client make an under invoice of the product the price of that product will be available to the customs officer. If the customs office has no record of the price of that product, then for that a survey is done about find its current market price. So the quotation is prepared very carefully, also collecting the right paper is very important. Sometimes the product might fall under the new SRO, which means the document is free from all duties and tax, although it will still have port chargers. Typically garments or govt. project (power, oil, machinery, etc) related import items falls under SRO.

In most cases we collect bill of lading, letter of application, packing list, invoice, copy of the authorized corporation, PO, insurance paper, etc are needed for assessment. One set of original papers are submitted to the customs officer for assessment. If the customs officer has doubts about the packing list or any kind of suspicion then there holds a physical examination of the whole imported goods.
After completing all the customs formalities/duties and payment of the port we wait for its inbound or in other words we wait for the vessel/ship to arrive. At its arrival at the jetty the containers or break bulk is then moved from the vessel to the warehouse. If the assessment of the document is not done then the process of completing the customs formalities must be finished in the step or the warehouse charge will be added.

There is a common misconception that exempted goods/materials are free from customs formalities. As any other type of cargo, all the relevant operations must be carried out by the persons concerned and by customs in order to comply with the customs law. Every shipment must be documented, and in the case of the exempted goods/material, this includes an additional requirement, which is the certification or proof of its status as exempted.

If the importer (or the customs broker acting on his behalf) fails to get the paperwork (including the duties and taxes certificates) ready by the time customs clearance should begin (either before the arrival of the commodities, in the case of pre-arrival clearances, or after, upon arrival), the submission procedure will be delayed and the customs release will just not happen in time or at all.

Finally the document/imported items will be released from port.
CHAPTER 4

4. RECOMMENDATION

4.1. RECOMMENDATION OF THE DOCUMENT PROCESSING:

Introducing New Technology: To cope up with international companies and be distinctive from the local companies LSL needs to computerize the center of every logistics operation. Some of the best logistics IT providers concentrate on a specific branch of logistics, including:

- Warehousing and inventory management
- Supply chain management
- Procurement
- Cargo and Freight Shipping

Thus, rather than viewing documentation as tedious and time-consuming, social service professionals should view it in the light of it being an essential element of professional practice to deliver successful outcomes for clients.

Although, introducing new technology/software to the firm it will take a lot of time to accustom. For some who have never really used a computer for complex purpose will have problem adopting this new method. A new IT department should open to keep the software and the framework of the system on track. They will also handle the security of the information and regulation. This department will also increase the security of the office privacy and hacking of information.

This whole new process will be a mainstream in the beginning but in the long-run this will be an advantage for LSL
**Systematic Documentation:** With awareness the information should be systematically gathered from client records, government official and agencies then it could be objectively consider the effectiveness of LSL services. Findings from evidence-based documentation could also lead to new perspectives and save LSL from any blame. Achievements could be celebrated and distinguished by seeking from each client and principal company.

**Digitalization of NBR:** Bangladesh government should also improve the framework of the documentation process in a more easy way. Now a day everything is asses through internet and Bangladesh is becoming more digital. To improve the NBR should focus of retrieving data online and assessing it from their computer. This will save time and resources. Losing track of documents or simply not finding the right document will not be a problem.

Introducing new technology/ software will take a lot of time to accustom. For some who have never really used a computer for complex purpose will have problem adopting this new method.

If NBR introduces a full digital system, they might have the same problem as any govt. officials will face, technological barrier. Not all, if anything, most of the govt. officials do not have the proper training for this amends.

If everything is considered to get digitalized then a serious issue should be taken into consideration, cyber protection. In Bangladesh a big new went viral about national fund has been stolen. This type of issues might take place. To counter this problem there should be another department, the IT department. This department will be able to keep track of the software and the framework of the system. They will also handle the security of the information and regulation.
4.2. **RECOMMENDATION OF THE OVERALL RESPONSE OF ALL THE ACQUIRED ORGANIZATIONS**

The above figure is a bar diagram which represents all the outcome/responds of all the clients from the sample in one bar diagram. This diagram will be helpful to for evaluating the overall recommendation of the study.

The figure 3.5 illustrates the responds extracted from each area. By looking at the diagram we can say how competitive this industry is. Although all of the organization represented in this diagram needs a shipping and logistic company but very few acquired for assistance.

**Potential clients:** As we can see in the diagram the highest peaks of responds are “Skeptical” and “Enlisted”. This all of the organization currently are in need of CNF service. Another speculation I can make is they are currently having problem with their existing CNF service provider. Although these are only speculations, LSL needs to continuously focus on perusing for these companies as they are potential clients.

**Networking:** The overall percentage of “Yes” is very low due to the immense competition. To have better responds we should focus on more selective and niche marketing. I healthy relationship with someone can increase the changes of positive respond. So though networking LSL can overcome this problem.
**Liabilities:** On the other hand the diagram representing “No” and “No responds” is also a lot comparatively. The best thing LSL can do is move on to other potential clients. Sticking up and following up to these responds are I think, total waste of time and resources. Our resources can inform us about the how much import and export is done by those companies but it would change the fact that they are working with other CNF companies and are totally satisfied or are not ready to be introduced by new firms. So focusing and using resources on this clients would be a liabilities for LSL.
From the abovementioned report it can be apprehended that Lutful Seaways Limited is one of the leading shipping and logistic company with its developed reputation among the users. As a CNF company it has to deal with import and export oriented clients. Therefore, the LSL has all level of services that can to provide to them. Since my internship program was directed to study on analyzing the critical challenges faced by LSL, I had to gain the practical area of responsibilities, pursuing potential clients and of accountabilities documents so that I could interact with them to assess their views about and relations with the organization. I tried my level best to gather my information.

However, I had a good access to the LSL. My task was designed to pursue potential clients and coordination with the existing clients. For preparing this report I used primary and secondary data. The objective of the report was to study on analyzing the critical challenges faced by LSL.

So, the research was designed to achieve it. The previous studies on this issue practically and empirically learnt that the challenges LSL faced largely depends on the number of interrelated components such as networking, pursuing and convincing, experience and systemization. Despite differences organization on what the study was conducted, what the study finds is that LSL can improve company’s approach to minimize the challenges.
Lutful Client Database

http://www.lutfulgroup.com/

http://www nbr.gov.bd/about.php?lan=eng

http://www.biaa.org.bd/

http://bangladeshcotton.org/


https://www.google.com/search?espv=2&biw=1366&bih=633&q=statistics+of+bangladesh&oq=statistics+of+banglad&gs_l=serp.3..0j0i22i30l7.1356860.1365464.0.1366420.19.17.1.1.1.0.176.1948.0j14.14.0....0...1c.1.64.serp..3.16.1952...35i39j0i67j0i3j0i20j0i131.0MaZL4LoMBA

https://www.google.com/
APPENDIX

CNF – “Custom clearance and forwarding”

LSL – “Lutful Seaway Limited”


Lighterage – Caring goods from mother vessel which is in the outer anchorage to the dock.

BCA – Bangladesh Cotton Association

BIAA – Bangladesh Indenting Agents’ Association

H S Code - Harmonized Commodity Description and Coding System

SRO – STATUTORY RULES AND ORDERS

PO – Purchase order

P/L – Packing list

Principal Company - In legal terminology, the principal might be the party who gives legal authority for another party

NBR – National board of Revenue