

Internship Report on

“Minimizing Lead Time as a Strategy to enhance KPI performance at
Kuehne Nagel BD.”

By

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ID-18304003

An internship report submitted to the Brac Business School in partial fulfilment
of the requirements for the degree of
Bachelor of Business Administration

BRAC Business School

BRAC University

May 2024

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Declaration

Hereby, it is declared that,

1. The internship report that I submitted as my/our degree program at Brac University is my/our own original work.
2. The report does not include any contain that has already been published or authored by a third party, unless it is referenced properly with complete and precise detail.
3. The report does not include any contain which has been approved, or submitted for credit toward any previous degree or certificate from a university or any other institution.
4. I/We have given credit to all primary sources of assistance.

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Senior Lecturer, Brac Business School

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Letter of Transmittal

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Senior Lecturer

BRAC Business School, BRAC University

66 Mohakhali, Dhaka-1212

Subject: Submission of the Internship Report on “Minimizing Lead Time as a Strategy to Enhance KPI Performance at Kuehne Nagel BD.

Dear Sir,

This is to inform you that I have completed the internship report that was required in order to graduate from BBA program of the Brac University. It was titled as “Minimizing Lead time as a Strategy to Enhance KPI performance at Kuehne Nagel BD.” I am fortunate enough to have gained experience and connect with a vibrant group of individuals within the company. I have had the opportunity to work with them in different departments, which has given me a full grasp of their operational procedure.

I did my best to cover what I have acquired from this experience. Finally, I just want to let you know that I am always available for answering any question and provide further information if it is necessary. Thank you in advance for your kind support. I really hope you will pardon my mistakes; I had a great time working on the report.

Sincerely Yours,

Chowdhury Arafat Jahan Sultana

ID-18304003

BRAC Business School

BRAC University

Date:

Non-Disclosure Agreement

This agreement is established and entered into to prevent unlawful exposure of the organization's confidential data by and between Kuehne Nagel Ltd and the undersigned student of Brac University, Chowdhury Arafat Jahan Sultana.

Acknowledgement

Firstly, I want to express my deepest gratitude to my supervisor, Shihab Kabir Shuvo (Senior Lecturer, BRAC Business School, BRAC University), for all the advice and assistance with the final internship report.

Additionally, I want to convey heartfelt thanks to the Air Freight department of Kuehne Nagel Limited who has provided me sufficient data and a wealth of knowledge to complete the report successfully. Special thanks to Shamim Hossain (Customer Care Manager) and my colleagues for their guidance and support to complete my internship report. Without them, it would have been difficult for me to complete the task.

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Executive Summary

Kuehne Nagel BD, a renowned logistics company that provides complete supply chain solutions to different companies of Bangladesh. Lead time is one of the most significant key performance indicators (KPIs) used by Kuehne Nagel, as is the case with most logistics' firms.

An overview of KN BD and its operations in Bangladesh are provided at the beginning of the study, which introduces the idea of lead time – the duration of time that requires to deliver a product from a supplier to the client. It also emphasizes how important logistics and supply chain management are to the success of businesses. Following that, the report reviews that KPIs used to assess the effectiveness of logistics operation, including order cycle time, inventory turnover and on-time delivery.

In this study, the logistics operations of Kuehne Nagel bd are examined thoroughly specially focusing on lead time and KPIs that are most impacted by it. As part of the research, the company's current lead time and KPIs are evaluated and compared to industry standards and best practices. The study shows that several areas need to be improved, such as supplier management, technology adoption and process optimization.

The analysis suggests Kuehne Nagel BD as to how it can improve KPIs and reduce lead times by developing these areas. The suggestions are based on a thorough analysis of the company's operations and consider the unique challenges and possibilities given by the Bangladesh market. The possible advantage of implementing these suggestions is also discussed in the report, such as customer satisfaction, improved operational efficiency and profitability. Kuehne+Nagel Bangladesh may boost its KPI value, profitability and operational efficiency while raising customer satisfaction by putting the researcher's recommendations into practices.

Keywords: Lead time, KPI, Supply Chain, Logistics

List of Acronyms

CBM- Cubic Metre

AWB-Air WayBill

HAWB-House Air WayBill

MAWB-Master Air WayBill

ETA- Estimated Time of Arrival

ETD- Estimated Time of Departure

Incoterms- International Commercial Terms

KN- Kuehne+Nagel

KN BD- Kuehne+Nagel Limited Bangladesh

Chapter 1



Overview of The Internship

Chapter 1: Overview of Internship

1.1 Student Information

Name: Chowdhury Arafat Jahan Sultana

ID:18304003

Program: Bachelor of Business Administration

Major/Specialization: Computer Information Management

Minor/Secondary Specialization: Human Resource Management

1.2 Internship Information

1.2.1 Period, Name, Department, Address

Period: 01-08-2023 till 31-01-2024

Company Name: Kuehne Nagel Limited

Department/Function: Air Freight

Address: SKS Tower, Mohakhali, Dhaka-1208.

1.2.2 Line Manager

Name of Supervisor: Shamim Hossain

Designation: National Air Logistics Customer Care Manager

1.2.3 Job Description

As of August 2023, I began working as an intern in Air Freight department of Kuehne Nagel Ltd. The first week was all about learning the company's policies, code of conduct, details of possible buyers and clients. In between, the HR manager gave me two booklets; one was the address book, which contained all the details of the office and the other had the information related to business. After the training session, I was given a task. There are two sub departments under the Air Logistics department, one is Operational team and the other is Customer Care team. I have worked under the operational team. In operational team, we are supposed to make Air Waybill (AWB), which is the main legal document in the air transportation. An Air Waybill is a transport document which contains details about the goods that are being shipped, issued by a carrier or agent. Together with other information, it also provides details about the sender and the receiver, terms and conditions and the contents of the shipment.

1.3 Internship Outcome

1.3.1 Contribution of Student

Various of important and pressing tasks were given to complete by the time of the internship program. Additionally, I completed the most crucial part—the cost entry for the sea-air shipment—and generated the AWB. In addition, I completed every task assigned to me on schedule and with high quality. Given the heavy workload, their primary goal was to execute the orders on time. I did assist them in that, then.

1.3.2 Benefits to the Student

Working as an intern at Kuehne Nagel gave me the chance to gain practical experience and expand my knowledge in different fields, especially in logistics. I did learn a great deal about logistics. I have learned to articulate career opportunities advancements in my academic and professional standing in addition to chances within a company, industry, or area. I interned with Kuehne Nagel Limited in Bangladesh, where I gained experience in communicating with a variety of employers. Throughout my internship, I also acquired knowledge on having a positive outlook as a part of my professional moral practice. I have also grown more independent, handled difficult situations, and formed fascinating friendships. I believe that taking part in this internship will allow me to build my resume in order to be ready for any future job openings.

1.3.3 Difficulties

I had a great time working at Kuehne Nagel. But there was no opportunity for an in-depth analysis of the data and due to company's confidentiality, some material could not be shared.

1.3.4 Recommendations

- ⇒ If KN BD hires individuals with expertise in supply chain management, logistics and related fields, they will be able to work more productively.
- ⇒ The software must be update since it is the foundation for all activities.
- ⇒ Every company requires a powerful brand. The amount of money the company spent on marketing and branding might affect on an organization's revenue. According to the company policy, Kuehne Nagel cannot spend so much money on branding. I believe that, the growth might be considerably greater, if they simply increase their branding and other promotional expenses.

Chapter 2

Organizational Overview

Chapter 2: Organizational Overview

2. Introduction

The head office of the international logistics company, Kuehne Nagel is situated in Schindellegi, Switzerland. In 1890, August Kuehne and Friedrich Nagel founded the company. The company has grown to become one of the global leaders in the logistics sectors. For companies across numerous industries, Kuehne Nagel provides a vast range of logistics services. Kuehne Nagel employs over 83,000 individual and works in more than 100 countries. (Niemi et al., 2020). The company got its success because of the commitment of giving excellent services to its customers. The services that are provided by the company are air and sea freight, rail and road transportation, supply chain management and contractual logistics. To increase supply chain efficiency and optimize workflow, Kuehne Nagel has invested greatly in technical side of the company (Hasan,2018).

Kuehne Nagel is also renowned for innovative approached to sustainability and corporate social responsibility. Moreover, they have made plans to low greenhouse gas emissions and taken measures to encourage sustainable practices through its operations. The success of the business came because of the constant commitment to innovation, sustainability and customer service. By staying one step ahead of the competition and adaptability to change according to the market condition, Kuehne Nagel has been able to hold onto the leadership position in the logistics industry. The company's extensive operating network and highly qualified staffs have allowed it to keep providing first-rate logistics services to businesses. (Storgard,2021).

2.1 History of Kuehne Nagel

Kuehne Nagel's journey has not always been easy from the start. They initially concentrated on providing shipping solutions for coffee, shipments from Bremen to New York. Even then, the company grew quickly and started to add more goods and different modes of transportation. By 1920s, the company had set up offices in the continents of Europe, America and Asia. (Alfalla-Luque et al.,2019). The company faced many different challenges because of the World War II invasion. The soldiers demolished some of the offices of the company. Despite all that, the company was able to manage recover all its asset after the end of the war. Through the decades of World War II, the company expanded the range of its operations, which includes airfreight and customs brokerage. (Liu and Wang,2018).

Between the 1980s and 1990s, Kuehne Nagel made several remarkable acquisitions, most notably the acquisitions of CMI logistics of US and RH freight of UK. The company was able to increase capabilities because of these transactions, particularly in the area of air and sea freight.

Kuehne Nagel employs over 83,000 individuals and works in more than 100 countries. The company provides not only logistics services but also broad range of supply chain management, warehousing and transportation services (Kumar et al. 2021). The company got its success as a leader in the logistics area because of its commitment to sustainability and innovation.

2.2 Kuehne Nagel in Bangladesh

Kuehne Nagel is a well-known company in Bangladesh, which offers other companies a wide range of logistics and transport services. The company started its operation in Bangladesh in the year 1995. Since then, the company has built quite a reputation as being the leader of the local logistics industry. The company provides air and sea freight, rail and road transportation, contractual logistics and customs brokerage. (Storgard, 2021). The modern facilities and highly qualified employees of the company provides excellent services to companies across multiple sectors, Kuehne Nagel Bangladesh has made several efforts to reduce its environmental effects. (Niemi et al., 2020). A part of its commitment is to give back to the community, which is why the company has started a number of initiatives to increase the standard of healthcare and education in the country.

Overall, Kuehne Nagel's presence in Bangladesh is a indication of its commitment to provide excellent logistics services, also promoting social and environmental responsible business practices to companies worldwide.

2.3 The major milestones of Kuehne Nagel in Bangladesh

Kuehne Nagel in Bangladesh has made large infrastructure investments, such as developing modern facilities for distribution and warehousing. As committed to provide sustainable logistics solutions in Bangladesh, the company has made several efforts to reduce environmental effects. (Hasan,2018) which includes using waste reduction techniques and utilizing energy-efficient equipment. The company has also been actively promoting health and education in the neighbourhood of Bangladesh. Ultimately, the dedication to providing first-rate logistics services and promoting social and environmental responsibility is the hallmark of Kuehne Nagel's operations in Bangladesh. (Kumar et al.,2021).

2.4 Business Principles

KN is an international logistics company which offers a variety of services, that includes warehousing, shipping and supply chain management. The fundamental values that direct Kuehne Nagel's global operations also apply to its operations in Bangladesh. These are:

Focus on the customer: Customer satisfaction is the company's top priority in all aspects of business operations to Kuehne Nagel. In order to satisfy its customers evolving needs, the company is dedicated to offer each customers a special solution and regularly enhancing services.

Operational excellence: To achieve the highest degree of dependability and reliability in services, the company integrates best practices, efficient procedures and progressive technology.

Sustainability: The company is dedicated to ethical business methods that minimize environmental impact and encourage social responsibility. In addition to assisting the communities in which it operates, the company seeks to reduce its carbon footprint.

Integrity: Kuehne Nagel maintains the moral standards necessary for ethical behaviour in all of its commercial transactions. In its dealings with customers, vendors, and other interested parties, the company observes legal and regulatory standards and maintains openness.

Kuehne Nagel Bangladesh usually adheres to the parent company's corporate values, including a strong emphasis on innovation, sustainability, operational excellence, and customer satisfaction.

2.4.1 Vision

Kuehne Nagel desire is to continue being the centre of the business and provide sustainable, cost-effective, and responsible services.

2.4.2 Mission

The company's most valued asset is its huge global logistics network. The organization's guiding principles are innovation, integration, and dedication. They put their clients' needs first and offer complete logistical solutions that are very effective and of the best quality.

2.4.3 Goals

1. Kuehne Nagel's aim is to continuously improve the quality, such as data, procedures, and services.
2. Minimize employee's wellbeing and security concerns.
3. Boosting expert and capable skills based on ability, individual goals and organizational needs.

2.4.4 Tagline

The tagline of Kuehne Nagel Ltd. Is **“We seek to make a difference today, for the people of tomorrow”**.

2.5 Conduct Guidelines for Kuehne Nagel Bangladesh Limited

1. **Compliance with the law and ethic:** The employees must follow the company's moral standards, act honourably, and cooperate with any relevant laws and regulations.
2. **Prejudice and Intimidation:** Prejudice and intimidation based on any protected characteristics, including age, gender identity, sexual preference, ethnicity, disability are prohibited in the business.
3. **Health and safety:** The company provides a safe working environment and appreciates the health and safety of its employees. Employees are expected to follow safety procedures and report any problems or dangers.
4. **Conflict of interest:** It is mandatory for employees to disclose and abstain from any potential conflict of interest.
5. **Confidentiality and privacy:** Employees are expected to secure the sensitive data of the company and to protect the privacy of clients, business partners, and coworkers.

2.6 Quality Policy

To ensure that Kuehne + Nagel's entire quality management system is still operating efficiently and in accordance with the company's goals, it is regularly assessed and audited. This helps the company uphold its quality policy.

KNBD consistently prioritizes meeting the needs and goals of its clients. They put a lot of effort into maintaining a strong focus on sustainability, safety, and quality in all aspect of our operations. Furthermore, they continuously improve their systems, methods, and processes in order to minimize their adverse environmental consequences and increase customer satisfaction. in order to promote open and honest communication with clients, partners, and other stakeholders as well as long-term partnerships.

2.7 Some frequently used important terms of KN Ltd.

AWB (Air Waybill): The receipt that the airline carrier provides when shipping by air is known as an air waybill, or AWB. It is an agreement between the carrier company and the company or person shipping. Air waybills are one of the most important documents for all parties involved, including the shipper, the carrier, and the consignee. They are specifically made for air freight. The two primary categories of AWB are,

- HAWB is issued by freight forwarder, in this case Kuehne Nagel issues House AWB.
- MAWB which is issued by carrier.

Packing list: A document that is created by the shipper or supplier which includes information about the contents, weight, volume and packing of every export package or shipment is known as packing list. It also describes the colour and quantity of the product.

CBM (Cubic Meter): One meter wide by one meter long by one meter height is known as a cubic meter. A unit of measurement for volume is a cubic meter or CBM. Shippers utilize CBM to calculate chargeable weight. To find the total CBM (in meters), multiply the shipment's length, width, and height.

S/O (Shipping Order): Once the schedule has been created, the carrier is chosen and the shipment date is set. After KN gives the packing list, commercial invoice and VGM, the C&F agent receives the shipping order from KN to deliver the cargo to CFS for warehousing and stuffing. Thus, a shipping order effectively authorizes CFS to accept the merchandise. In Airfreight department, this is use for Sea-Air shipments.

2.8 Product Description

Kuehne + Nagel, a global logistics provider, offers businesses of all sizes and across all industries a wide range of logistical services. Additionally, the logistics services offered by Kuehne + Nagel are meant to help businesses improve their overall logistical performance, save expenses, and streamline their supply chain procedures. Because of its large global network, state-of-the-art technology, and skilled team of logistics specialists, the company is trustworthy associate for business globally.

2.8.1 Product Classification

Kuehne Nagel Bangladesh is one of the top IT-driven forwarding company in Bangladesh with 138 people. In Dhaka, the capital city, and Chittagong, the largest port in the country, KN offers two branches. Furthermore, KN is considering to set up a third office in Khulna. The Asia Pacific region includes Kuehne & Nagel Bangladesh Limited, and the primary services provided by KN BD are as follows.

- Sea Freight
- Air Freight
- International freight forwarding
- Logistics and Consolidation
- Off-Dock services
- Warehousing and transportation
- Project cargo forwarding
- Sometime C&F service

2.9 Practices of Supply Chain Management at Kuehne Nagel

Kuehne + Nagel is the leader of global logistics. It is mainly known for its smart and effective supply chain management techniques. In order to guarantee that products are delivered from the point of origin to the point of consumption in the most economical and efficient way possible, the company invented a thorough supply chain management.

Kuehne + Nagel places utmost importance on customer centricity which is a crucial aspect of supply chain management. The company's commitment is to under the customers need, develop the logistics solutions that precisely meets their objectives. In order for Kuehne + Nagel to do this, first the company conducts thorough analysis of clients' supply chain operations before developing solutions that are specially designed to increase output, reduce costs and improve customer satisfaction. Another essential component of the company's supply chain strategy is to use modern technology. The company's advanced logistics solutions, such as the KN Login and KN Freight Net platforms, the customers can track and manage their shipments in real-time. Kuehne + Nagel uses latest data analytics technologies to analyze supply chain data and identify opportunities for improvement.

Along with these procedures, the supply chain management of Kuehne+Nagel prioritizes highly on sustainability. The company has established a thorough sustainability strategy to minimize carbon footprint and promote sustainable practices within its supply chain. Initiatives, such as converting to environment friendly methods of transportation and improving the logistics process. Essentially, Kuehne + Nagel's supply chain management method concentrated on increasing value for its clients while promoting sustainable practices and reducing costs. The company has become a globally trusted logistics associate for corporation because of its focus on sustainability, using modern technology, and customer-centric attitude.

2.9.1 Order taking Process

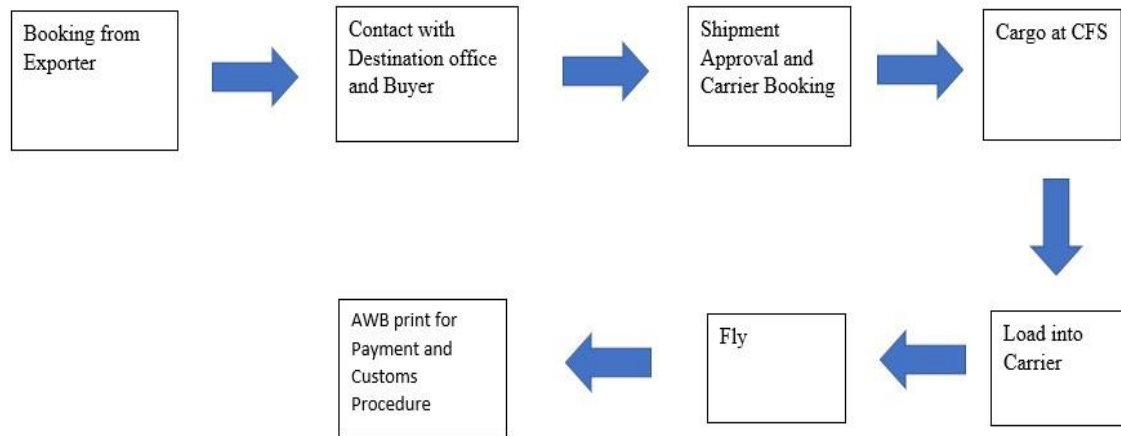


Figure 1: Order Process

Kuehne + Nagel ensures that it offers its clients the best logistics solutions by setting up a clearly defined order taking system. The entire process includes the following steps:

1. **Consultation:** The initial phase in taking order is having a consultation with the client. The company's logistics experts work closely with clients to understand their requirements. The product they sell, the frequency of their shipments, and the timing of their deliveries are the detailed analysis of the client's supply chain operations.
2. **Proposal:** After fully comprehending the needs of the customer, Kuehne + Nagel creates an extensive proposal describing the logistics solutions it proposes. Contract logistics, road or rail logistics, sea or air freight, and customs brokerage services are the solutions that might be included. One might also include an estimated time frame and estimated budget in the proposal.
3. **Negotiation:** Kuehne + Nagel negotiates to settle on the logistics options and price after the customer has reviewed the proposal.

4. **Confirmation:** Following agreement on the logistical options and cost. KN confirms the order with the customer, which includes signing of a formal agreement, such as a contract.
5. **Implementation:** The logistics solutions are implemented by Kuehne + Nagel in accordance with the established timeframe following order confirmation. The logistics experts of the company collaborate closely with the client to guarantee an easy execution of the solutions and quick resolution of any problems.
6. **Tracking and Monitoring:** Kuehne + Nagel makes use of modern technology for real-time cargo tracking and monitoring during order taking process. This makes it possible for the business to give clients accurate and current details regarding the progress of their cargo.

Kuehne+Nagel is a dependable respected logistics partner for companies all over the world, because of its customer-centric approach, use of advanced technology and skilled logistics employees.

Once the sales team receives an order, the customer service department handle the order. They send the invoices once it is cleared by the account department.

2.9.2 Route

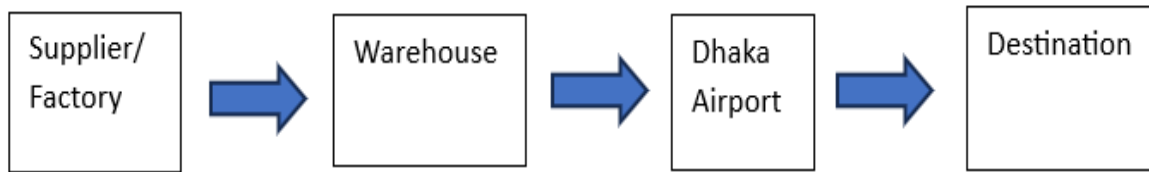


Figure 2: Route

2.10 Industry and Competitive Analysis

2.10.1 Porter's Five Forces Analysis

Porter's Five Forces is a conceptual framework for evaluating a company's competitive environment.

For KN BD, the examples of Porter's Five Forces are as follows:

Threat of New Participants > Low: There is a low to medium risk of new competitors entering the logistics market. Although there aren't many major obstacles to entrance, the logistics sector requires a large initial investment in both infrastructure and technology for beginners to do competition with more established firms like Kuehne + Nagel.

Supplier's Bargaining Power > Low: The bargaining power of suppliers for Kuehne+Nagel Bangladesh is low to medium. The logistics sector includes a wide range of suppliers, and the organization maintains a broad network of them. Nevertheless, providers of essential services, like transportation companies, might have some negotiating power.

Buyer's Bargaining Power > High: Buyer's Bargaining power for Kuehne + Nagel Bangladesh is significantly high. Customers have a wide range of options, and if they're not happy with Kuehne + Nagel's services, they can quickly move to another logistics provider. These customers include manufacturers, merchants, and other logistics firms. This puts pressure on the business to offer premium services at competitive prices.

Threat of Alternative Goods or Services > Low: Substitute goods or services provide no risk to Kuehne + Nagel Bangladesh. There aren't many alternatives to the company's broad range of logistics and transportation services. The decision made by certain clients to manage their logistical requirements internally, however, may have an impact on the demand for Kuehne + Nagel's services.

Intensity of Competitive Rivalry > High: There are several intense rivalries in Bangladesh's logistics area. International and local competitors like UPS, FedEx, and DHL pose a serious threat to Kuehne + Nagel Bangladesh. Kuehne + Nagel needs to constantly innovate and set itself apart from its rivals in order to be competitive.

At the end we can say that, Kuehne + Nagel Bangladesh competes in a market that is dominated by strong buyer negotiation and competitors. Still, company has a competitive advantage thanks to its well-known brand, extensive service offering, and cutting-edge technology.

Porter's five forces analysis can help in understanding the nature, intensity and management capacity of well-known company which has been offering logistics and transportation solutions for decades after decades.

2.10.2 SWOT analysis

A SWOT analysis is a strategic planning technique that assists a business in identifying its opportunities, threats, weaknesses, and strengths. The SWOT analysis of Kuehne + Nagel Bangladesh is covered below:

Strengths

1. Kuehne + Nagel is a well-known global business that has been providing transportation and logistics services for many years.
2. Kuehne + Nagel Bangladesh has an extensive range of logistics and transportation services for its clients, which includes air freight and sea freight.
3. The company made investments in modern technology to maximize its operations and increase the effectiveness and reliability of services.
4. The team of the company are highly skilled who manages the complex work of the logistics sectors.

Weaknesses

1. Kuehne + Nagel Bangladesh would find it hard to keep up with other reputed logistics companies in Bangladesh considering its modest market share.
2. The company's business strategies primary relies on overseas trade, that is impacted by the development of worldwide trade policies and the economy.

Opportunities

1. The country's logistics sector has been expanding rapidly, therefore there are numerous possibilities for the company to expand its operations.
2. As a result of Bangladesh's growing e-commerce sector expansion, Kuehne + Nagel Bangladesh and other logistics companies are providing transportation and logistics services to e-commerce businesses.

Threats

1. Kuehne + Nagel Bangladesh have to deal with both local as well as global rivals due to the fiercely competitive logistics sector in Bangladesh.
2. Due to the unstable economic conditions of Bangladesh, there might have an influence on the demand for logistics services.
3. Especially when it comes to international trade and transportations, the company's operations might be affected by the political unrest in the region.

2.11 Summary and Conclusion

At the end, Kuhne + Nagel Ltd. is a globally reputed logistics company which is one of the greatest in the history of logistics industry. The company has proved that it has the ability to meet customers needs and adapt to changing market conditions because of its broad global reach, vast range of services provided and consistent revenue growth. The company's profitability, however could be affected by the pressure from other competitions and rising operating costs, highlighting the importance of regular evaluation and development of its order fulfillment process.

Kuehne + Nagel Ltd. demonstrated commitment to innovation and digitalization, enhancing the ability to fulfill customer needs and optimize processes. As the company recognizes the importance of striking a balance between social and environmental issues and economic success, the company emphasis on sustainability and corporate responsibility is also commendable.

The company is in a well-position to maintain leadership and continue expanding in the logistics sector. The company can efficiently meet the evolving needs of its customers while making a profit for its investors by leveraging its broad global network, diverse offering and commitment to sustainability and innovation.

2.12 Recommendation

Based on the analysis, for helping Kuehne + Nagel Bangladesh to maintain its position as the leader in the logistics sector, a number of recommendations can be made. These are:

Putting focus on digitalization: The company can further improve on digitalization to fulfill customer demands and maximize work process by continuing investment in digitalization, such as developing mobile applications to enhance customer experiences or establishing modern analytics and machine learning to improve its supply chain.

Investing in sustainability: For Kuehne + Nagel Ltd, corporate responsibility and sustainability should continue to be its highest priority. There are two potential methods for reducing the company's environmental effect. These are to invest more in renewable energy sources or developing more eco-friendly transportation.

Expanding into developing countries: Kuehne + Nagel Ltd. ought to continue expanding into developing countries for the purpose of capitalizing on the growing demand for logistics services. This could involve building new distribution centers or obtaining local logistics businesses.

Developing strategic collaborations: For the purpose of expanding service offering and accelerate growth, Kuehne + Nagel Ltd might consider establishing strategic alliances with other companies. This might involve partnering with IT firms to provide innovative logistics solutions or with other logistics providers to offer extra services.

Improving staff development and training: To guarantee that the workforce is well equipped with the necessary skills to meet the evolving needs of its clients, Kuehne+Nagel ought to focus on improving its employee training and development program, which might involve developing new and unique training programs or offering staff members a chance to grow their careers.

By following the above suggestions, KN BD can maintain its position as the leader of the logistics sectors.

Chapter 3

Minimizing Lead Time to enhance KPI performance of Kuehne Nagel BD

3.1 Project

3.1.1 Background

As lead time has a direct impact on a freight forwarding company's Key Performance Indicators (KPIs), such as on-time delivery, customer satisfaction, and cost effectiveness. It is the crucial part of a company's performance. (Hasan, 2018). The period of time required for the completion of a cargo the point it gets picked up until it is delivered to the destination is known as lead time. Freight forwarding companies should focus on minimizing lead times for adapting to changing consumer demands and to remain competitive in the market. (Niemi et al., 2020). An increase in the percentage of on time deliveries is one of the key benefits of cutting lead time. Any delays may significantly affect on how the business operates as customers solely depends on these shipments to arrive on time. If a freight forwarding company consistently delivers shipment on time, it will have higher customer satisfaction rate, a greater probability of getting recommendations and repeated business. So, in terms of customer satisfaction and engagement, a shorter lead times might improve a freight forwarding company's Key Performance Indicators. (Graham, 2015).

Reducing lead times may also help a freight forwarding company became cheaper to run. The faster an item is delivered, the lower the transport costs will be. By streamlining their processes and improving their routes, freight forwarding companies can reduce the duration needed to complete a cargo and the associated costs. By lowering their pricing, businesses can attract more customers and maintain their competitiveness in the market. (Bhatti et al, 2013). Finally, cutting lead times could help freight forwarding companies increase output. If they accelerate their workflow and minimize the amount of time needed to finish a shipment, they can manage more shipments in the same period of time. This could improve KPIs like delivery times, client satisfaction, and cost effectiveness as well as increase sales and profit margins. (Setijono & Dahlgaard. 2007).

In short, lead time plays a critical role in the operation of freight forwarding companies. Reducing lead times can have a big impact on a company's KPIs, like productivity, cost effectiveness, customer satisfaction, and on-time delivery. Therefore, freight forwarding companies need to focus on optimizing their workflows in order to reduce lead times and keep their leading positions in the industry.

3.2 Problem Statement

Kuehne + Nagel, the main factors contributing to Bangladesh's success in the logistics sector are its focus on GDP or Good Distribution Practices in the ready-made clothing and pharmaceutical industries, as well as its high turnover rate. The company handled 80,000 tons of pharmaceutical products in 2020, showing its proficiency in this domain. In 2020, KNBD had sales of BDT 4.5 billion, or almost 52 million, a 14.6% increase from the previous year. It shows, while maintaining a strong commitment to sustainability and corporate responsibility, the company can take advantage of new business opportunities and is committed to giving its clients top-notch logistical services. (Storgard,2021) Although KNBD is clearly expanding daily, their work performance has recently declined, particularly starting in 2022. The operations team's slowness in preparing Air WayBill is the cause of this. This is the reason why the payment process becomes blocked even after an order has been shipped. The consumer cannot receive the purchase on time because orders become stuck in the airport for this reason. The entire supply chain process collapses as a result. In addition, perishable goods can occasionally get bad. As customer dissatisfaction rises, KPI is consequently continuously declining. All these things are happening because of insufficient monitoring. (Hasan, 2018).

3.3 Objective of the Report

The study has conducted with the following goal in mind-

- Finding the causes for which KPI is declining.
- Understanding the relationship between the KPI and lead time
- Proposing some idea for increasing the KPI

3.3.1 Scope of the study

In the economic development of Bangladesh, Kuehne + Nagel BD has been playing a significant role. This report includes an overview of Kuehne Nagel Bangladesh Limited's supply chain management procedure, key performance indicators, and areas that might use improvement if the company wants to continue leading the logistics business.

2.3.2 Limitations:

1. Since most of the data was confidential, so it was not easy to gather them.

3.4 Significance of the research

In order to ensure that the KPI never drops again, this research will give KNBD insight on how they should continue their efforts. KPIs are the primary objective of a freight forwarding company since they offer a measurable means of evaluating the organization's performance and highlighting areas in need of development. Key Performance Indicators (KPIs) offer a way to monitor the performance of each process in the intricate process of freight forwarding, shipping to clearing customs. To identify inefficiencies and make data-driven decisions to enhance operations, KN BD should be focusing on KPIs, such as cost per shipment, customer satisfaction, transit time, and on-time delivery. By tracking Key Performance Indicators (KPIs) related to travelling time may be helpful in locating obstacles in the supply chain helping companies to plan the routes more efficiently and speed up delivery. Companies that are better equipped always focus on KPIs to remain competitive in the market by comparing their performance to other companies and identifying areas where they can increase profit and decrease cost.

In conclusion, for purpose of evaluating performance, identifying errors and make data-driven decisions that can increase profit and improve services, a freight forwarding company must set priorities in KPIs.

3.5 Literature Review

In the field of logistics and supply chain management, attention of numerous researchers and professionals was caused by lead time minimization as it can improve KPIs. There has been research on the relationship between higher KPIs and shorter lead time that has been done in freight forwarding. Many research has been carried to figure out how minimizing lead time affects the effectiveness of delivery and cost of transportation. A 10% reduction in lead time resulted in a 3.1% improvement in delivery performance found by a study. It can be indicated by the authors' findings that reducing lead time can directly result in lower expenses and higher KPIs. (Liu and Wang,2018).

A study further looked into how shorter lead time in the automotive industry can affect key performance indicators (KPIs). Minimizing lead time possesses an important beneficial factor for key performance indicators was found by a study. For example, delivery time, order fulfillment, and inventory turnover. (Alfalla-Luque et al.,2019). Minimizing lead time might result in decrease expenses and increase customer satisfaction. Lead time reduction can also improv key performance indicators (KPIs) for customer satisfaction, order fulfillment and delivery dependability. (Siddiqi et al.,2019). Authors also addressed how lead time reduction might increase the flexibility and agility

of supply chain, which will allow companies to adjust to ongoing changes of consumer expectations. The impact of lead time minimize on KPIs in the e-commerce industry was recently studied by Kumar et al. (2021), which shows that key performance indicators (KPIs) such as satisfaction among customers, transit time, and on-time delivery were increased by lead time minimization. Moreover, shorter lead times could possibly increase repeat business and encourage consumer loyalty, mentioned by the author.

At the end, reducing lead time is a successful strategy for raising KPIs for variety sectors, for example freight forwarding. Research has indicated that reducing lead time can improve various department of a company. It can improve supply chain efficiency overall, fulfill orders more efficiently, minimize transportation costs, and maximize customer satisfaction. By improving their logistics procedures, improving their operations using technology and improving the procedures of customs clearance, freight forwarding business can cut their lead times.

3.6 Methodology

For the research, information was collected by different ways

Primary Information: Most of the primary information was collected through -

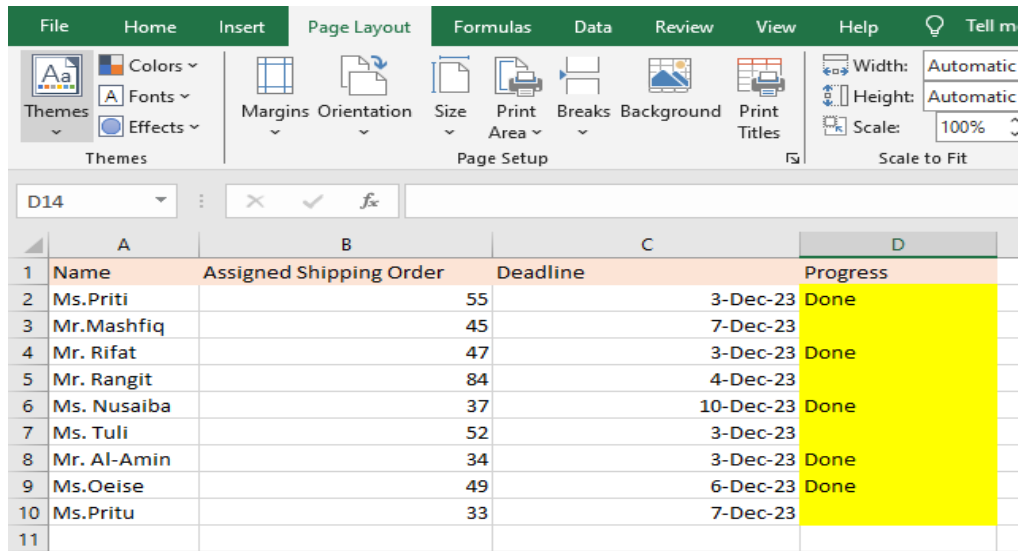
In person conversation with my Line manager, exporters and the other stuff of KN BD

Secondary Information: Secondary information was gathered from research papers that are previously published, various publications published about Kuehne Nagel Limited, books relating to various terminologies, and Kuehne Nagel Bangladesh Limited's official website.

3.7 Proposed Solution

After conducting an analysis, it has been found out that the KPI for KN BD continues to decline as a result of lack of accountability and supervision. A primary solution was required to handle this circumstance. A live excel sheet was created as a solution, which is accessible to everyone. The sheet has a record of each person's allocated tasks, due dates, and other details. The manager will find it easier to maintain track of everyone's completed and unfinished work as a result. It will therefore be simple for the management to find out

if someone is not completing their work on time. There won't be any BL pending as a result.



	A	B	C	D
	Name	Assigned Shipping Order	Deadline	Progress
1	Ms.Priti	55	3-Dec-23	Done
2	Mr.Mashfiq	45	7-Dec-23	Done
3	Mr. Rifat	47	3-Dec-23	Done
4	Mr. Rangit	84	4-Dec-23	Done
5	Ms. Nusaiba	37	10-Dec-23	Done
6	Ms. Tuli	52	3-Dec-23	Done
7	Mr. Al-Amin	34	3-Dec-23	Done
8	Ms.Oeise	49	6-Dec-23	Done
9	Ms.Pritu	33	7-Dec-23	Done
10				
11				

Figure 3:Sheet for Work Update

3.8 Finding & Analysis

3.8.1 According to the performance & customer satisfaction, recent KPI of Kuehne+Nagel Bangladesh are given below:

Report of previous years

Year	KPI Percentage
2019	86%
2020	93%
2021	80%
2022	74%
2023	65%

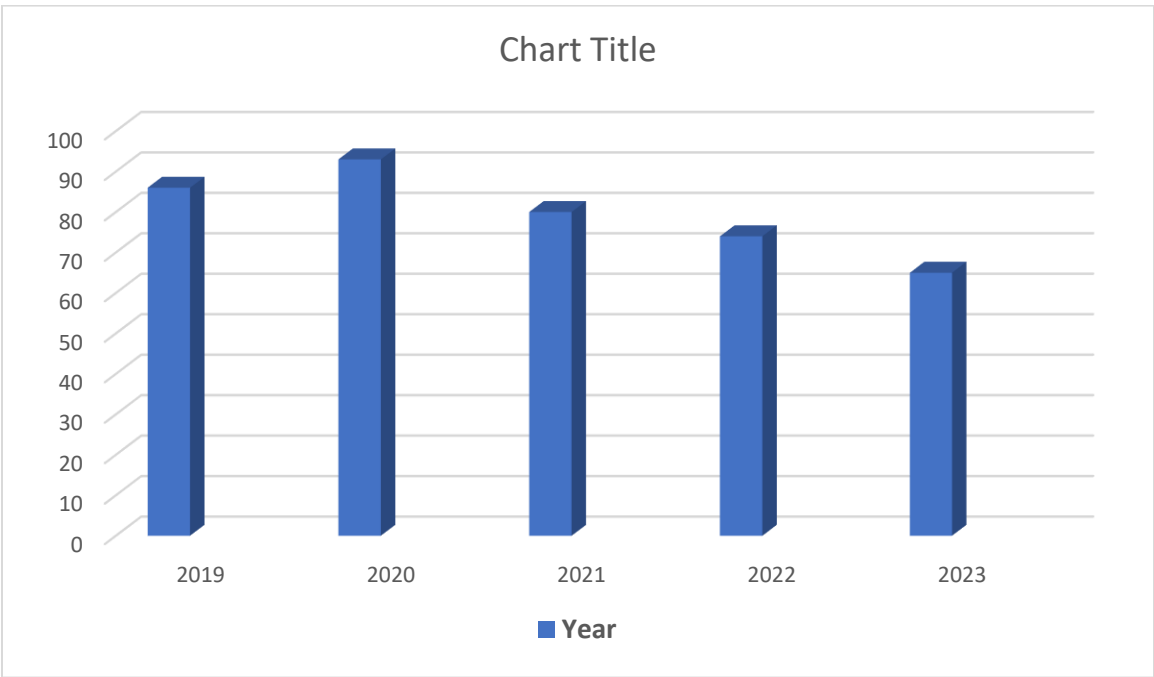
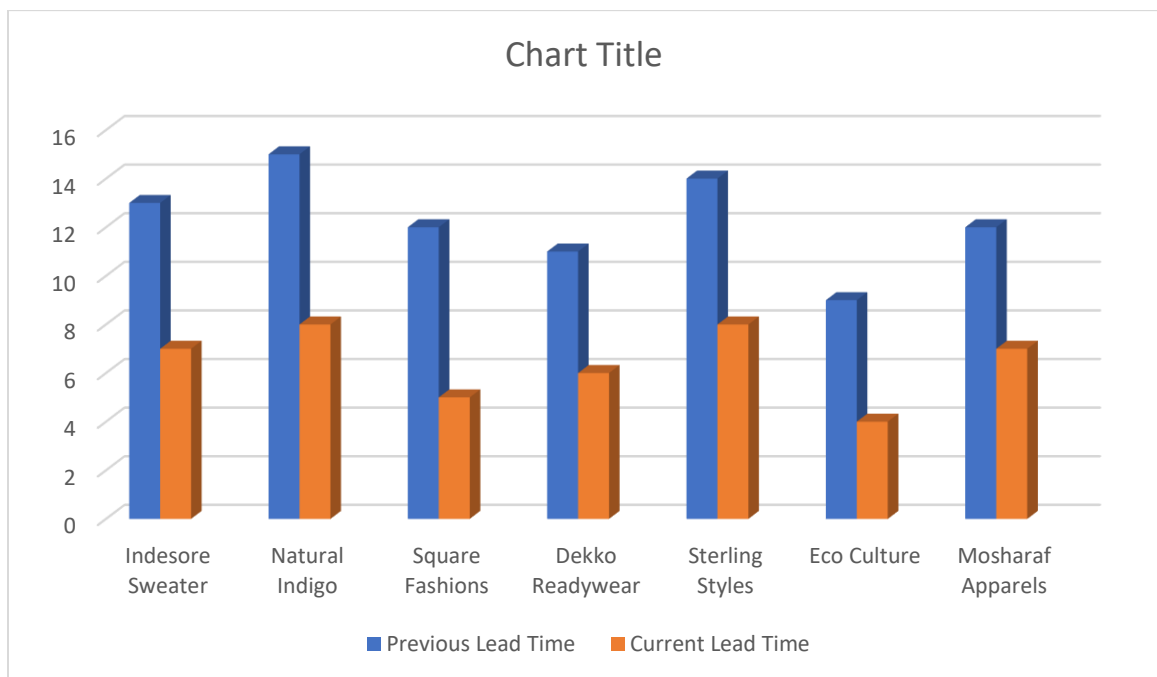


Figure 4: KPI Report of previous years

3.8.2 After introducing the Live Sheet the comparison of Lead Time

Exporters Name	Previous req. avg. time	Current req. avg. time
Indesore Sweater	13	7
Natural Indigo	15	8
Square Fashions	12	5
Dekko Readywear	11	6
Sterling styles	14	8
Eco Culture	9	4
Mosharaf Apparels	12	7



Mathematical Solution

In order to calculate the rising of KPI, we need to specify the KPI that we are measuring. In this situation, the average lead time might be used as our KPI.

We can use the following formula to determine the average lead time before and after the change.

Average Lead Time = (Sum of Lead Times) / Number of Exporters

The average lead time before the changes was:

$$(13+15+12+11+14+9+12) / 7 = \mathbf{12.29 \text{ days}}$$

The average lead time after the changes made are:

$$(7+8+5+6+8+4+7) / 7 = \mathbf{6.43 \text{ days}}$$

The percentage difference between the two averages can be used to calculate the improvement in KPI :

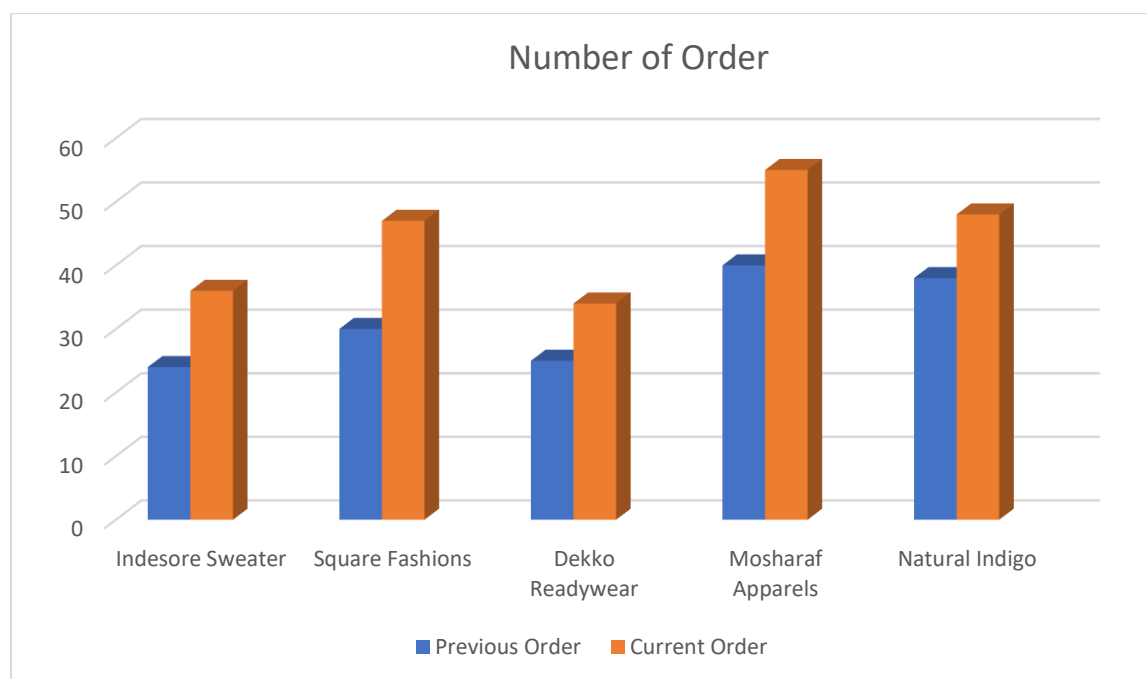
$$\text{Increase in KPI} = ((\text{New KPI} - \text{Old KPI}) / \text{Old KPI}) * 100\%$$

$$\text{Increase in KPI} = ((6.43-12.29) / 12.29) * 100\% = -47.68\%$$

Average lead time decrease which is mean there is improvement in performance and which is shown by the negative value. As a result, KPI went up by **47.68%**.

3.8.3 Customer Satisfaction

Exporter Name	Previous Orders number in a month	Current Order number in a month
Indesore Sweater	24	36
Square Fashions	30	47
Dekko Readywear	25	34
Mosharaf Apparels	40	55
Natural Indigo	38	48



Mathematical Solutions

In order to determine the percentage growth for each exporter within the given month, we need to compare the order figures from November and December.

Let's first measure the gap in orders for every exporter

Indesore Sweater: $34 - 24 = 10$

Square Fashions: $47 - 30 = 17$

Dekko Readywear: $34 - 25 = 9$

Mosharaf Apparels: $55 - 40 = 15$

Natural Indigo: $48 - 38 = 10$

Now, let's measure the percentage growth for every exporter:

Indesore Sweater: $(10/24) \times 100\% = 41.67\%$

Square Fashions: $(17/30) \times 100\% = 56.67\%$

Dekko Readywear: $(9/25) \times 100\% = 36\%$

Mosharaf Apparels: $(15/40) \times 100\% = 37.5\%$

Natural Indigo: $(10/38) \times 100\% = 26.32\%$

Hence, the monthly percentage rise in order for Indesore Sweater is approximately 41.67%, for Square Fashions is approximately 56.67%, for Dekko Readywear is approximately 36%, for Mosharaf Apparels is approximately 37.5% and for Natural Indigo is 26.32%.

Chapter 4: Recommendation and Conclusion

4.1 Recommendation

Kuehne Nagel BD is a supply chain and logistics company which operates in Bangladesh. For satisfying client requests and staying competitive, they have to constantly improve their Key Performance Indicators (KPIs). Minimizing lead time, which means the amount of time needed to execute the procedure from beginning to end, is one method. Some of the suggestions which will help Kuehne Nagel BD to minimize time and increase the KPI are given below:

Streamline Process: To minimize the lead time, KN BD should evaluate their present procedures and identify the areas that can be made more efficient. By decreasing departmental handovers, removal of unnecessary tasks and automation of physical labour whenever it is possible can help to achieve this, which will help increasing the productivity and minimize the time to complete the task.

Technological Investment: To reduce lead times and automate operations, KN BD must make technological investments, such as Electronic Data Interchange (EDI) that enables exchange of data with clients, software which can monitor shipments, and Warehouse Management System (WMS) which can improve inventory control.

Streamline Inventory Management: Lead time can be reduced by streamlining the inventory management process of Kuehne+Nagel Bangladesh. The company can utilize Just-in-time (JIT) inventory system, which can signify to ordering goods only when it is needed rather than maintaining an extensive amount of inventory on hand. Because of this customer satisfaction will go up and ordering process time will go down.

Improving Communication: Lead time minimization requires good and effective communication. All those who are involved in a shipments, for example clients, vendors, and internal members are need to be informed all the time, for this Kuehne+Nagel Bangladesh needs to make sure that the parties are updated time to time. It can be done with frequent status update, automated notifications and open channels of communications.

Continuous Improvement: Kuehne Nagel Bangladesh must promote a culture of constant improvement. For finding areas for improvement, the company must constantly check and evaluate how they operate. They can lower their lead time and increase the KPIs by focusing on continuous improvement.

Kuehne Nagel Bangladesh is a logistics and supply chain company. For this type of company, decreasing lead time is an essential technique to increase KPIs. They may reduce lead time and increase their productivity by streamlining process, investing in technology, maximizing inventory control, enhancing communication and adopting a continuous improvement mindset.

4.2 Conclusion

It was a great opportunity for me to work one of the best organizations in Bangladesh, and I am excited to grow my career by holding onto the position and putting in constant effort. I also learned about the strategy that helped KNBD to get to the Bangladesh's freight forwarding business and I also discovered about how effectively they run one of its most complex management systems, which is supply chain management department. My responsibilities included creating AWBs, producing final HAWB, editing MAWB, working with accounting department, and helping to increase the KPI

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