

Report On
Challenges and Opportunities of Freight Forwarding Industry in
Bangladesh- An In-depth Study of KUEHNE + NAGEL
Bangladesh Ltd. (Sea-Export)

By

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18104098

An internship report submitted to the BRAC Business School in partial fulfillment of the
requirements for the degree of
Bachelors of Business Administration

BRAC Business School
BRAC University
June 2022

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Declaration

It is hereby declared that I

1. The internship report that I am presenting was created while I was completing a degree at BRAC University.
2. The report does not contain any previously published or written material by a third party, except it is appropriately cited with proper and correct referencing.
3. The report does not contain any information that has been previously accepted, or submitted, for any other degree or certificate from another university or institution.
4. I have acknowledged all main sources of help.

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Letter of Transmittal

Jubairul Islam Shaown

Lecturer

BRAC Business School

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66 Mohakhali, Dhaka-1212

Subject: Submission of my Internship Report

Dear Sir,

It is a matter great pleasure for me to be able to submit this internship report that I have solely prepared from my experience of working with KUEHNE+NAGEL Bangladesh Ltd. under the Sea freight department (export).

It was a huge privilege for me to be a part of an internationally renowned MNC like KUEHNE+NAGEL Bangladesh Ltd. for the dedicated three months (January 16th– April 16th) as I have been able to gather valuable experience from the professional life. Under your valuable guidance, I completed the BUS-400 course and prepared this entire internship report as a requirement of the BBA program. The report seeks to describe the observations, learnings and analysis during my tenure of internship in KUEHNE+NAGEL Bangladesh Ltd.

I would like to convey my sincere gratitude for your continuous cooperation and guidance while preparing my internship report. I have tried my hardest to complete this report with proper and meaningful information. I hope it fits the requirements that was asked.

Sincerely yours,

Bushra Tasnim

ID: 18104098

BRAC Business School

BRAC University

9th June, Thursday, 2022

Non-Disclosure Agreement

[This page is for Non-Disclosure Agreement between the Company and The Student]

This agreement is made and signed by the company KUEHNE+NAGEL Bangladesh Ltd and the assigned student (Bushra Tasnim, ID: 18104098) at BRAC University

Acknowledgement

It was a great honor working as an intern in an eminent MNC and submitting my internship report according to the requirements for Bachelors of Business Administration degree. I would like pass my utter gratefulness to Almighty Allah for giving me the strength and audacity to complete my report on due time.

To Begin with, I would like to convey my sincere gratitude to Mr. Jubairul Islam Shaown, my respected faculty and internship report supervisor, for his remarkable supervision. His guidance and suggestions on the related topic gave me the solution to each problems while writing my internship report. He always made sure I can communicate with him anytime whenever there was an enquiry.

In addition, I would like to express my gratitude to my organizational supervisor, Mr. Masud Karim, Manager, (Operational care, Sea freight) for providing his continuous support and guiding me to learn in the best way possible. Moreover, I would like express my sincere gratitude to Mr. Sumon Sarkar, Manager, (Customer care, Sea freight) for teaching me aspects of compliance and resilience in the workplace and motivating me every time I needed it. Also, I would like to thank my amazing colleagues in the workplace for supporting me and assisting me throughout their busy schedules by providing me with vital instructions as needed. Because of them, my internship period was so meaningful and fun loving.

Last but not the least, I would like to pour my heartfelt gratitude to BRAC University and the most valuable faculties for making me who I am today. I am capable of keeping my head high with confidence and smile only because my faculties helped me shape myself.

Executive Summary

Over the last few years, the freight forwarding industry in Bangladesh has become an important role player in the economy of Bangladesh. Huge export and import are taking place through Air way and water way making the shipping industry and freight forwarding industry to thrive for more profit. With the increase in shipping companies, it gave rise to an opportunity for expanding or building business in the freight forwarding sector. Kuehne + Nagel Bangladesh Limited is the no. 1 freight forwarder in Bangladesh in terms of sea logistics and no. 2 in terms of Air Logistics. They are at the top of the market in this industry.

My internship report was based on the challenges and opportunities of freight forwarding industries in Bangladesh in the light of Kuehne + Nagel Bangladesh Limited. The report solely focuses on these criteria in a purpose to enlighten the new forwarders about the industry. The internship report is constructed into three parts. Each part has sub- chapter that broadly explains that area. To begin with, the first chapter, namely, Overview of the Internship constitutes my information such as my name, student ID, department, program etc. It also covers which organization I did my internship in, the department, my responsibilities in the company, challenges, benefits, contributions that I have made and earned and ends with recommendation towards the company's future internships.

Later, in chapter two, namely, Organization Part, I have broadly discussed about the company, as a conglomerate, its history, its subsidiary in Bangladesh. Along with that I have analyzed its organizational practices which includes Management, Financial, Marketing, Operational & Information system practices. I did industrial and competitive analysis of Kuehne + Nagel Bangladesh Limited with Porter's five force theory and SWOT Analysis. At the end, I concluded chapter with some recommendations for the company's organizational practices.

Lastly, the most important and challenging part of the report was chapter Three, namely, Project Part, where I have presented an elaborated discussion on my research topic. In order to complete the report, I used both primary and secondary sources. I have vast discussions with my colleagues and important interviews with the department heads and the national manager who helped me understand the real picture that I tried to portray in this report. The last chapter talks about the challenges and opportunities of freight forwarding industry in Bangladesh with an in-depth analysis on the company Kuehne + Nagel Bangladesh limited. I presented the introduction followed by the literature review, objectives and significance of my research. I have given my methodology and my findings & analysis on the topic. I concluded my entire report with a recommendation on the basis of my research subject for the company and a conclusion. My report end with the references I have used and an appendix section which has the interview questions I have made while taking interviews.

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List of Acronyms

B/L	Bill of Lading
OCC	Operational Care Center/ Operational Care Unit
CCL	Customer Care Location/ Customer Care Unit
CFS	Cargo Freight Station
CLP	Container Loading plan
ETA	Estimated Date of Arrival
ETD	Estimated Date of Departure

Chapter 1

Overview of the Internship

Chapter 1: Overview of the Internship

1.1 Student Information:

My name is Bushra Tasnim. I am currently an undergrad student at BRAC University in the program BRAC Business School, pursuing the degree of Bachelors of Business Administration. My student ID is 18104098. I have double major in Finance and Human Resource Management.

1.2 Internship Information:

1.2.1 Period, Company, Department and Address:

Internship Period: My internship period is three month long. It started from January 16th, 2022 and ended on April 16th, 2022. However, the period was later extended till June, 2022.

Company Name: The name of the company I did my internship in is Kuehne + Nagel Bangladesh Limited. It is a German multinational company specialized in Freight forwarding and logistics solution. Kuehne + Nagel Ltd. stands in no. 1 position in the freight forwarding business in the whole world and in Bangladesh it has an excellent office environment which made me enjoy my entire internship period and develop myself professionally.

Department: The department I was assigned in is Sea Freight department in operational care unit. To be more specific, my part is to manage the export in the operational care unit. Since I have majored in Finance and HRM, the factors that seemed more related to my major and my work was the international finance part. I worked in sea freight export, therefore, I was able to relate the influence of international finance in export operations. I was able to build a bridge between my theoretical knowledge and my practical work.

Address: In Bangladesh there are many 2 offices of .Kuehne + Nagel Bangladesh Ltd One in Chittagong, and the main Office is in Mohakhali, Dhaka. The detailed address is stated - SKS Tower, 7 VIP Road, Mohakhali, Dhaka-1206, Bangladesh. . Kuehne + Nagel Bangladesh Ltd.

has another office in Uttara, Dhaka which is utilized for the warehouse purposes of the air freight unit in Bangladesh.

1.2.2 Internship Company Supervisors: Name, Position:

Name: Mr. Masud Karim

Designation: Manager, Operation Care Unit,

Department: Sea Freight Department

Email: masud.karim@kuehne-nagel.com

Contact No. : 01714015981

1.2.3 Job Scope & Job Responsibilities:

I as an intern at Kuehne + Nagel Bangladesh Ltd. under the supervision of the Operational care unit of the sea freight department (export). At the very beginning of my internship, my first task was to learn about the freight forwarding business of Kuehne + Nagel Bangladesh Ltd. Then I received a one month training on the entire operational activity of my department. This includes warehouse visits, training with other departments like finance, IT and HR department. My key responsibilities were sea freight customer service and operation (export).

The job responsibilities that I was assigned to carry out are-

- Facilitating the transportation activities by executing bookings, entering orders and generating all required export documentation.
- Issue and release of Bill of Lading specimen as per financial guidelines and working instructions.
- Sharing departure confirmations, monitoring the operational performance of carriers, managing data with different tools like CIEL, SALOG, OPS, ESP etc.
- Escalating problems, operation disputes or discrepancies to more senior roles as relevant.
- Arranging shipment documentation and oversee the scheduling and dispatching of goods.
- Gathering of claim documents and facts if claims is involved.
- Giving proactive responses to any service related issues.

- Maintain vessel KPI.
- Ensuring data entry and data quality.

1.3 Internship Outcome:

1.3.1 Contributions toward the Company:

Being an intern in Kuehne + Nagel Bangladesh Ltd I have worked under the guidelines and supervision of my operational care supervisor. Kuehne + Nagel Bangladesh Ltd is a logistic service provider company which requires high performance in time management and communication. While working as an intern in Kuehne + Nagel Bangladesh Ltd, I have learned many things and contributed my level best to the company. My contributions helped me grow and develop myself in a professional level in the corporate environment.

There were several contributions I made during my internship period. Some are as follows-

- 1.** Making extra effort in properly delivering my service to the company. For example: Right before Eid vacation I had to work under huge pressure because most of our client's offices were closing due to the Eid holiday. I had to make sure that I could deliver the correct documents to my customers before the Eid vacation starts. If I had failed to do so, our clients would also fall short to submit their documents in the bank timely and will fail to provide salaries to their respective employees. This would hamper the entire service that we plan on delivering from this organization. Therefore, I was able to work under pressure and put extra effort in delivering the documents properly in time to the clients.
- 2.** Communication with clients/customer is also an important responsibility in this job. I maintained communications with more than 200 clients of the company. According to my supervisor, I was able to face and solve issues that were beyond my capabilities in a very short time. Different clients came up with different issues every day and before releasing any document I had to properly communicate with them to know their requirements accordingly.
- 3.** I contributed to Kuehne + Nagel Bangladesh Ltd. in organizing several events which also helped me feel more engaged to the company.

4. I assisted in providing feedbacks on the software, called meetings with CFS (cargo freight station) and provided solutions to overcome each problem my team was facing. This helped my team to overcome issues and work more efficiently.

5. Maintained good rapport with the external stakeholders

Even if my contributions were not very broad in this short period of time, I believe with these contributions Kuehne + Nagel Bangladesh Limited has shaped me up in building professional skills that will help me in my future endeavors.



Figure 1: SALOG Implementation event



Figure 2: SALOG Implementation event



Figure 3: Women's day celebration



Figure 4: Women's day gifts



Figure 5: 25 years of Kuehne + Nagel Bangladesh Limited

1.3.2 Benefits to the student:

The Internship program prepares students for the real-life jobs. It is a platform that allow students to apply all the knowledge gathered in four years of undergrad life into real time work experience. This program is very important because it show students the practical scenario in any workplace.

While working as an intern in Kuehne + Nagel Bangladesh Ltd., I have learned to work in a new environment with diversified people. I acquired knowledge about the freight forwarding business and supply-chain management and how this business is interrelated with international finance. Having a Finance and HRM background, I could connect strings of the overall export business with freight forwarding. I was able to gain valuable work experience and develop new skills. For example: I learned using different software like CIEL, SALOG which strengthened my technical skills. I have become more proficient in using MS Excel, MS Word, and MS Teams.

Communication is an important for any smooth operation. This program helped me to be more communicative and punctual at the same time. I became more responsible and committed towards my work. Moreover, I managed to work under pressure with accuracy in work.

Furthermore, I was able to network with professionals in this field and attend sessions/workshops arranged by them. This not only helped me shape myself better for the future but also increased my overall confidence as an individual.

On a whole, working as an intern in Kuehne + Nagel Bangladesh Ltd. has helped me sharpen my skills, gain more confidence in communication, be punctual and have the ability to think professionally at critical situations.

1.3.3 Difficulties/ problems faced during internship tenure:

While doing my internship, I came across several challenges at my workplace. Some of them are listed below:

1. My work mostly revolved around processing B/L documents and communicating with more than 100 customers daily. I had to keep track of different issues that came up on a daily basis and provide solutions to it. Dealing with many issues at a time was something I never did previously. At the beginning it was very challenging for me to provide solutions to continuous problems but eventually I taught myself to manage in those situations.
2. Besides that, the entire Ramadan month, the work pressure remained very high. The office time was reduced from 8 hours to 5.5 hours. The work for which we needed 8 hours or more to finish, we had to finish it within 5/6 hours. This was very challenging.
3. Furthermore, right before Eid vacation, the work became much more hectic because if I was not able to finish processing the documents and give it to our customers timely, they wouldn't have been able to submit their documents to the bank and provide salaries or festival bonus for their employees. This was a challenge for both me and my team mates during the Ramadan time.
4. At times, working as an intern was challenging because I had less access to a lot of information which would have helped me during my work but interns are not allowed to access all the region.
5. At the beginning of my internship, the entire supply chain process in the freight forwarding business was hard to understand. It had many steps and phases of understanding. I had to watch videos and take online trainings to completely understand the entire process and work accordingly.

1.3.4 Recommendations:

From my experience, I found Kuehne + Nagel Bangladesh Ltd. very organized and smooth in terms of operations. Moreover, I had valuable guidelines from my supervisor throughout the entire internship period. But there are certain scopes of improvement that I found would enhance the future internship experience. These are mentioned below:

- 1.** Rotating duties of the interns within the department for interns to learn more about other works except for just processing B/L. There are other works like managing data in ILS, ESP, and OPS. These are important software to work in to know how this business runs very smooth.
- 2.** Usually interns get a very short time to learn about the freight forwarding business. The organization gives one month training to the interns which includes a short introduction to the business process at first and then a long training on the use of software. It would have been more impactful, if in-depth knowledge about the business and its terminologies are taught extensively with more time before focusing on the software learning part.
- 3.** Rush hour activities is something that can be improved in this organization. For example: If the work is given step by step at the beginning, interns will organize them in priority basis and try to finish them within time. But if a lot of work is given during the late hours of the day, an intern will either fail to deliver it or make inaccurate documents due to the rush hour pressures. This leads to low productivity. Thus rush hours activities must be avoided.

Chapter 2

Organization Part

Chapter 2: Organization Part

2.1 Introduction:

The internship program focuses on preparing a student for real life work. This program enhances the capability and skills of a student and sharpens it for the future endeavors. I have completed my internship from a German Multinational company “KUEHNE+NAGEL Limited” which provides logistics services and solution worldwide. The report is based on the internship period of three months under KUEHNE+NAGEL Limited.

I was an intern in the operational care unit (OCC) in the sea freight department where I learned how to be communicative and a team player. My major work was documentation of bill of lading which required accuracy and on time communication.

This chapter will solely focus on the analysis of the organization’s operations. Based on the information that I was provided during my internship, analysis of the organizational practices will be discussed extensively.

In addition, I will also analyze Kuehne + Nagel Bangladesh Ltd.’s SWOT analysis which will provide a meaningful explanation of the Strength, Weakness, Opportunities and Threats factors of the company. Furthermore, I will analyze the Porter’s 5 forces theory in the light of Kuehne + Nagel Bangladesh Ltd.

2.2 Overview of the company:

2.2.1 KUEHNE+NAGEL & its History:

KUEHNE + NAGEL Limited is the leading worldwide forwarder and logistics service provider being in the freight forwarding business for over 130 years. For these many years KUEHNE + NAGEL Limited evolved from a conventional shipping company to a worldwide logistics company which provides highly specialized logistics solutions for industries globally. Today, the company stands head strong with over 40000 customers to serve, 106 countries connected and 78000 professionals who puts their best effort in giving out the best logistics solution globally. With all these, KUEHNE + NAGEL Limited is the No. 1 in sea freight with a revenue of 25,787 million US \$ and second in air freight forwarder worldwide.

KUEHNE + NAGEL Limited was founded in 1890, in Bremen, Germany, by August Kühne and Friedrich Nagel. KUEHNE + NAGEL Limited was the leading global freight forwarder, accounting for nearly 15% of the world's air and sea freight business by revenue, ahead of DHL Global Forwarding, DB Schenker Logistics, and Panalpina. The company's headquarter is based in Schindellegi, Switzerland. KUEHNE + NAGEL Limited provides Sea freight and Air freight forwarding services, contract logistics and overland business with a focus on providing IT based logistics solution to their customers.

KUEHNE+NAGEL originated in the 1890s, when August Kühne and Friedrich Nagel started their new venture in Bremen, Germany. They set up a sending commission association in Bremen. Their venture first focused on cotton and merged cargo. Eventually in 1902, they expanded their business to the German sea port of Hamburg. In 1907, the prime supporter Friedrich Nagel terminated and August Kühne accepted control over his offers in the association. The legacy of Nagel still lives on, in the association's name KUEHNE+NAGEL (KN).

2.2.2 Company History and Origin

Company Name: KUEHNE + NAGEL Ltd.

Tagline: The Global Logistics Network.

Founding members: August Kuehne and Friedrich Nagel.

Founding Year: 1890

Company Type: Service oriented.

Nationality: Germany, Bremen.

Type of Business: Logistics support provider

Website: www.kuehne+nagel.com

KUEHNE + NAGEL Ltd. operates in 6 regional areas. They are as follows:

1. Asia Pacific
2. Middle East
3. Europe
4. North America
5. South America
6. Africa

2.2.3 KUEHNE + NAGEL Ltd. Operating Segments and Mediums:

- 1. Sea Freight:** Provides LCL and FCL shipments, Reefer logistics, and Project logistics. Provides flexible container shipping solutions.
- 2. Air Freight:** Provides Charter services, time critical solutions, Sea-Air product and Airside services. Shipments are delivered very fast and safely.
- 3. Road Logistics:** Provides Road Freight Services, LTL eCommerce Logistics and KN PharmaChain Road. Road transportation services are mostly provided in North America. It offer the most fitting logistics solution for truck transport needs.
- 4. Contract Logistics:** Provides Aftermarket logistics, Production logistics, Packaging, processes and solutions, Distribution and Innovation. Handles specific storage and distribution services needs with care and efficiency.
- 5. Rail Logistics:** Reliable and fast rail freight service that connects greater China with Europe and Russia.



Figure 6: Operating Segments of Kuehne + Nagel Limited

2.2.4 History of KUEHNE+NAGEL Bangladesh Limited:

KUEHNE+NAGEL Bangladesh Ltd. started its journey in Bangladesh in the year 1997. From then till now, it has been in the no. 1 position in the freight forwarding industry. In Bangladesh, it has two corporate office which is situated in Dhaka and Chittagong. KUEHNE+NAGEL has another office in Uttara, Dhaka which is utilized for the warehouse purposes of the air freight unit in Bangladesh. The distribution center of KUEHNE+NAGEL Bangladesh Dhaka office is situated in Gazipur. The company is a market leader in the industry with project handling, storage, customer clearance, and a quality control system worth its hundreds of millions of shareholders.

Only two type of services are provided in Bangladesh whereas other countries provide more than 4 type of services. Bangladesh provides only Sea freight and Air freight services.

2.2.5 Vision of KUEHNE+NAGEL Limited:

KUEHNE+NAGEL’s vision is to keep holding leadership position and KUEHNE+NAGEL fulfills vision for a cost effective, environmentally and responsible solution.

2.2.6 Mission of KUEHNE+NAGEL Limited:

The global logistics network is our strongest asset. Dedication, integration and innovation are at the heart of our business philosophy. Focused on our customers' needs we provide integrated logistics solutions of outstanding quality and operational excellence – we are the extension of your business.

2.2.7 Logo:



Figure 7: Logo of Kuehne + Nagel Limited

2.2.8 Objectives of KUEHNE+NAGEL Limited:

The primary goal for this report is to get insights on how Kuehne + Nagel Bangladesh limited runs such enormous business operations successfully. The company follows three main objectives in order to keep the business go strong. These are:

- 1. Achieve high level customer service:** Ensuring customer service by providing high quality service is integrated with their daily objective. Among all the activities, Kuehne Nagel makes sure that high quality service is being provided and improve its process on a continuous motion.
- 2. Globally increase business volume which will lead to increased profit:** Kuehne Nagel wants to increase their volumes. By this they not only increase profit where they started their business but also in a global scenario.
- 3. Maintain the schedule of delivery:** Proper delivery of shipment must be ensured by the company. Kuehne + Nagel must set up and keep the schedule of delivery.

2.2.9 Goals of KUEHNE+NAGEL Limited:

1. Rigorously optimize process, data and service quality, across the entire organization.
2. Develop professional skills and leadership ability, personal goals and KUEHNE+NAGEL's requirements
3. Protect the environment and ensuring the sustainability for future.
4. To ensure shipments are delivered timely and smoothly.
5. Stay on top of the market with efficiency in work.
6. Reduce the risk of employee's safety.

2.2.10 Values of KUEHNE+NAGEL Limited:

KUEHNE+NAGEL Limited stands its business based on four core values. They implement these values in their day to day business activities while serving their customers. These are –

1. **Foster Innovation:** Kuehne + Nagel limited focuses on developing best in class solutions. The employees work in a multicultural environment as the company believes that with diverse team, more creativity can be produced. The company develops more customer oriented solutions and improve processes continuously.
2. **Connect and Develop People:** Kuehne + Nagel Limited strongly believes in teamwork. Maintaining positive rapport with both internal and external stakeholders and creating strong network across countries is their main target. Employees learn and grow with each other through their personal career opportunities.
3. **Enable Entrepreneurship:** Kuehne + Nagel Limited always encourage their employees in taking ownership of their development, for process and solutions. They encourage people around to maximize the full potential.
4. **Deliver Quality and Excellence:** Find new ways to do things or make things better for customers is one of their very significant core values. Kuehne + Nagel constantly improves their service and provides customer with high service quality and efficiently.



Figure 8: Core Values of Kuehne + Nagel Limited

2.3 Management Practices:

KUEHNE+NAGEL Bangladesh LTD. is a subsidiary of the mother company KUEHNE+NAGEL Limited which is situated in Bangladesh. Here, the management style is centralized. Decision is always given from the headquarters. The management of KUEHNE+NAGEL Bangladesh office does not have the authority to take any decisions on their own for the company. At first they have to communicate it with the regional headquarter and take their permission before beginning any step. It is a multinational company with strict policies in such matter. For example: If there is a need for recruitment in the Operational care unit of sea freight department, the head of the sea freight department and HR department communicates it within themselves at the beginning and then informs the regional headquarter. If the regional headquarter permits them to hire, the management then takes step to publish the recruitment circular. As this company follows the centralized management, they also use the autocratic leadership style in operating their company. The mother company dictates policies and procedures, decides what goals are to be achieved, and directs and controls all activities without any meaningful participation by the subordinates. In KUEHNE+NAGEL Bangladesh Limited, the Human resources department carries out tasks that include staffing and administration, Training and development, compensation and benefit. The recruitment only takes place when there is permission from the headquarters. Otherwise, they cannot recruit any employee. KUEHNE+NAGEL LTD Department of Human Resources has four implementing processes. These following processes are as follows-

2.3.1 Recruitment & Selection:

If allowed by the headquarters, recruitment posts are made online only through Linked in. No excessive publicity is done while publishing a recruitment circular. Instead, CVs are collected through internal channels which prevents the organization from enormous sorting. As KUEHNE+NAGEL train their interns, most of the time recruitment is done internally within the organization.

2.3.2 Staffing & Management:

During this period, the newly employed members learn about the company business, its policies and regulations, duties, responsibilities, behavioral ethics etc.

2.3.3 Training and development:

At the beginning, the HR department gives an induction training and slowly all the departments are introduced to the new employee. The new employee acquires an overall knowledge about the work of each department. A training schedule is designed for the new employee where he/she learns about other departments, visits Gazipur warehouse, learns counter duties, gets IT briefings etc. At the end the training, the employee gets introduced to the software that he/she will be working with. Eventually with time and practice, the employee learns about the work and starts working. This training generally take 15 days to 1 month.

On the other hand, if a new software is introduced in the office, training is provided in phases to each and every employee.

2.3.4 The compensation System:

The HR Department provides profit-sharing, annual vacation, accidents and sick benefit, group health service, life insurance, training insurance, and of well-being to the staff. The base salary is generally fixed by the regional headquarters.

2.3.5 Performance Appraisal System:

Employees are evaluated through PPR. Here, the employee first evaluates himself and later the supervisor evaluates the employee. A whole account of one year performance of an employee is evaluated. Based on the result, promotions and increments are given to the employees.

2.4 Marketing Practices:

A product or service does not sell itself. For it to sell it requires the product or service to be attractive enough to catch attention. The goal of marketing is for the clients to know and understand the product or services so that they fit and sell by themselves. KUEHNE+NAGEL Limited is a multinational freight forwarding service provider. Their main product is their service. Therefore, the way by which KUEHNE+NAGEL makes their service stand out and lead the company to No.1 leading sea and air freight forwarder worldwide is by creating differentiated marketing strategy, positioning strategy, innovating new product, and targeting the right target audience.

2.4.1 Marketing strategy:

The main strategy of the company is that they do a Background vs. Scope of work research. They find out their previous performance lacking and figure out new scopes to prevent such lacking. This improves the service continuously. Therefore, with extensive research, they know where to put more importance while running the business.

In KUEHNE+NAGEL Bangladesh Limited, there is limited scope for marketing due to compliance issues and limited opportunity. For example: Most of the Bangladeshi clients do not maintain the credit terms or provides on time payment. This is why the company does 95% FOB shipments and only 2-5% shipments locally. Considering the business process, it is less profitable as it gives rises to such compliance issues.

For this reason, KUEHNE+NAGEL Bangladesh Limited does mouth to mouth marketing. The local suppliers and buying houses give information about their FOB export business and the

sales man of the destination office communicates with them for the company. The sales team corresponds with current clients and to the potential local or global customers.

The Kuehne + Nagel sales process has three parts. The processes are interdependent. They are

–

1. Working platform
2. Market Platform
3. Buying Platform

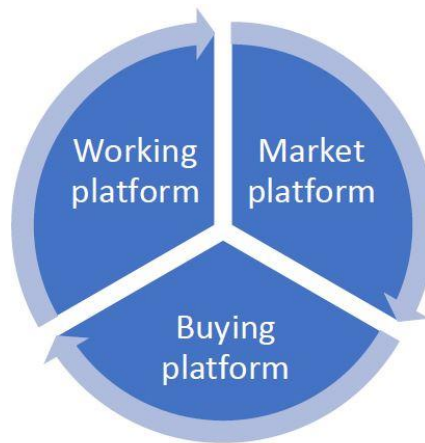


Figure 9: Sales process

2.4.2 Target customers:

The target customers are the local suppliers, direct buyers and buying house. Some of the important K+N customer are –

REGATA, NEXT, KIK, HUGO BOSS, SAINSBERRY, ERICSON etc.

These are the most important and big clients who has more than 200 shipments on a daily basis. Kuehne Nagel Bangladesh Limited is not authorized to reach customers directly, therefore, they target local suppliers, direct buyers and buying houses who are then communicated by the regional office.

2.4.3 Targeting and positioning strategy:

KUEHNE+NAGEL Bangladesh Limited positioned itself as the no. 1 leading freight forwarder in Sea freight in Bangladesh. The sea freight service and IT solutions along with it helps the company to position itself in the top. With this focus, they compete in the market against the other giants in this industry and is leading today. Kuehne + Nagel has a very strong network in

sea export. They use it as a competitive advantage. They positioned themselves in providing the best sea freight services making them no. 1 in sea freight forwarding.

2.4.4 Marketing Channels:

K+N has digital online platform. Namely, KN freight Net with which non-LCL shipments can be booked directly. Moreover, other marketing channels used by K+N are through virtual media, face to face communication and telesales.

2.4.5 New product development and competitive practices:

New product development are generally done by regional office or headquarters. OPS and ESP are both new products of K+N that manages data.

2.4.6 Branding activities:

Kuehne + Nagel Bangladesh limited is not authorized to do any branding activities. These are mostly done by the regional office or the headquarters via Linked In.

2.4.7 Advertising and promotion strategies:

Generally promotional activities or advertising are done by the regional office or headquarters through Linked In.

2.5 Financial Practices and Accounting Practices:

KUEHNE+NAGEL Bangladesh Limited's financial and accounting department keeps the financial statements and employee salary record for all K+N BD local and overseas transactions. The main functions of the Department of Finance & Accounts are as follows:

1. Records all K+N financial transactions and maintains them.
2. Make all payable payments and receive all claimable payments
3. The financial statements are prepared annually.

4. Prepare for the purpose of clearing monthly profit and loss declaration and other reports
5. Prepare payroll for staff.
6. Monitors the monthly clearing of intercompany with K+N offices abroad
7. The software ACON shall be maintained and updated as required.
8. Prepare Customer Return Report.

Evaluating the financial performance of Kuehne Nagel Bangladesh Limited was not possible as the company did not provide me any financial information. Due to confidential issues, The Company does not provide the financial data. Kuehne + Nagel Limited has its annual financial data as a conglomerate but not specifically for Kuehne Nagel Bangladesh. For this reason I could not show any financial performance of the company.

2.6 Operations Management and Information System Practices:

KUEHNE+NAGEL Bangladesh Limited provides freight forwarding services that is entirely based on operations. The key to any smooth operation is to have an organized operations management and information system. Freight forwarding itself is a huge process which requires a lot of documentation done accurately. This documentation system calls for certain steps and procedures and workflows that enable the freight transport services in Bangladesh and throughout the world to be operated and continued, such as Sea Freight of KUEHNE&NAGEL LTD.

The company operates in CIEL (Computer Integrated External Logistics) which is a unified, disciplined and efficient system for the operational and documentation process all over the world. The software helps collect, store, process data and organize documents prepared on a daily basis.

2.6.1 The Sea freight (export) operation in brief:

Firstly, the customer care unit of sea freight department (CCL) communicates with the shippers (People who want to export their goods to overseas) and buyers (People who are importing in the overseas). After the contract is made, the entire documentation part is taken

over by the Operational care unit of the sea freight department (OCC). The entire process and documentation is supported by CIEL which is continuously monitored by System Implementation team and IT department. With the joint collaboration of these three units, operation is carried smoothly and shipments are made successful.

The documentation process that are done completely in the software namely, CIEL that has several steps. These steps are as follows-

Step 1. The customer care unit (CCL) is in charge of communicating with companies who those are sending the goods (shippers) and those who are receiving the goods in the overseas departments. They take bookings based on the requirements and the fixed rate that the company will charge. Here the first document is the booking paper. Without the booking paper, the booking will not be valid. This paper is generally issued by KUEHNE+NAGEL Limited.

Step 2. The CCL team then communicates with the consignee (bank) and shipping line. The team books the carrier and all these informations are communicated with the destination office at the overseas and the shipping line.

Step 3. The Shippers provide some documents like- commercial invoice, packing list, shipping instruction and VGM and K+N releases the shipping order.

Step 4. After receiving the shipping order the cargo of the shipper is taken to the CFS (Cargo Freight station) at Chittagong where the cargo waits till they are boarded on the ship. Now another document is made namely “Arrival Notice” which is issued by the forwarder to the consignee about arrival of the shipment, in this arrival notice some information must be provided. These informations are –

- B/L number
- Shipper/consignee details
- Feeder vessel and Mother Vessel name and related information
- Sea cargo transporter's discharge charges.
- ETA (Estimated Date of Arrival) & ETD (Estimated Date of Departure)
- Location address of cargo and phone number of the concern.

Step 5. At this phase the stuffing starts. Stuffing is cargo being loaded in the container before the ship sails. After stuffing, the containers are loaded in the vessel and the vessel sails.

Step 6: After vessel sails Bill of lading is issued by KUEHNE+NAGEL. This is one of the most important documents. It is the document where all the information about shipper, consignee, product details, and container details are given. The shippers come to the office to collect the B/L document and submit it to the consignee (bank). The Bank then gives them the money for the goods they exported to the overseas. The entire documentation of the Bill of lading is done in CIEL by the Operational care unit (OCC) of the sea freight department.



Figure 10: Bill of Lading (B/L) Specimen

The IT team and system implementation team helps in –

1. Monitoring of IT equipment
2. Support for CIEL
3. Support for ACON
4. Monitoring of the server operation
5. Management of the server
6. Ultimately e-filing
7. Training of users
8. Support for ISP locally and abroad
9. Update and monitor fax service, address book etc. Support all users in case of problems related to IT.

2.7 Industry and Competitive Analysis:

Industry competitiveness is very essential for a company to sustain in the market. Without capturing the market share, it is not possible for a company to sustain longer. Therefore, Industry and competitive analysis is very important for a company. With porter's five forces model, the key sources of competitive pressure within an industry can be determined. The forces are explained below in the light of KUEHNE+NAGEL Limited-

2.7.1 Porter's Five Forces:



Figure 11: Porter's Five Forces

1. Competitive Rivalry:

This source looks at the number and strength of the competitors. It evaluates the company's competition with its rival companies on the basis of product/service, quality etc. KUEHNE+NAGEL Bangladesh Limited has some industry giants as rivals. Namely, Maersk, DHL, FedX etc. KUEHNE+NAGEL is the no. 1 company in Bangladesh in terms of sea freight logistics. Their most tough rival is Maersk who provides similar services like logistic solutions. KUEHNE+NAGEL is on the top because in terms of sea freight services, their service quality and customer service is unbeatable. They have better grasp of the sea freight sector more than anyone in the

market. As the shipping industry is booming, there will be more freight forwarders in the field.

2. Supplier Power:

This source determines the power of the suppliers to increase their prices. KUEHNE+NAGEL Limited is a service oriented company that have partnership with different depo (off- doc facility). There are four of them i.e SAPL, Vertex, ESAC Bro and Shafi motors. They each have a fixed rate. This rate mostly remains constant. Therefore, Supplier's do not have too much power in terms of increasing their price because KUEHNE+NAGEL Bangladesh Limited will still have other options.

3. Buyer Power:

This source evaluates the number of buyers a company have, how big are their orders and how much would it cost them to switch from the company's product to its rivals. KUEHNE+NAGEL Bangladesh Limited has a huge number of customers. They have brand loyalty and they find KUEHNE+NAGEL Bangladesh Limited reliable while having their products shipped off. KUEHNE+NAGEL Bangladesh limited provides top quality logistics service and solutions in terms of sea freight which differentiates it with other rivals. Therefore, KUEHNE+NAGEL has some capability in controlling their buyer's power.

4. Threat of Substitution:

This source evaluates how strong the service or the technology is in terms of substitution. If product/s service or the technology used to provide it are easily replicated, then a company might lose its uniqueness. KUEHNE+NAGEL has developed several software like OPS, ESP for managing data in a more effective way. These are designed very unique to match the needs of KUEHNE+NAGEL and are very hard to replicate.

5. Threats to new Entry:

This source determines new entrant's ability to enter the market. How easy is the industry to enter into? Well, as the shipping industry is booming, there will be new freight forwarders in the field which will become a threat to any freight forwarding

company. It requires knowledge and experience to provide services like freight forwarding as it involves a lot of risk. For example: If a ship sinks into the ocean due to tornado or bad weather, carrying goods worth million dollars, a company should have enough financial power or stability to control or take in the damage. Therefore, new entrant's chance of entering the industry is in a medium probability because companies are less likely to take risky ventures like freight forwarding.

From the above discussion, it is found that KUEHNE+NAGEL has better competitive advantage than its rivals in Bangladesh.

2.7.2 SWOT Analysis:

SWOT analysis is the framework that is used to evaluate a company's competitive position and to develop strategic planning. It has two external factors (strength and weakness) and two internal factors (opportunities and threats).



Figure 11: SWOT Analysis

Strengths:

KUEHNE+NAGEL Bangladesh Limited has many strengths due to which they are able to maintain such freight forwarding enterprise like that. KUEHNE+NAGEL Bangladesh Limited

is leading as no. 1 in sea freight and no. 2 in air freight. The strengths of the company is given below:

1. K+N has more than 1200 offices all over the world with 106 countries connected to each other.
2. K+N has more than 70000 employees and around 40000 customers all over the world.
3. It has diversified operations and revenue system
4. In Bangladesh, it is no. 1 freight forwarding company in terms of sea freight logistics and no. 2 in air freight logistics.
5. K+N has remarkable services and has their self-produced software like OPS and ESP
6. K+N has consistency in their work
7. K+N follows strict and structured rules while there arises any issue.

Weaknesses:

No company comes without weaknesses, therefore K+N also have some. They are as follows-

1. KUEHNE+NAGEL Limited, Bangladesh do not have any promotional activities. All are done either from regional office or the headquarters. If they had authorization for advertising, they could have grasped more customers locally.
2. No Festival bonus is provided. Only one month salary is provided at the end of the year.
3. Recruitment circulars are published in Linked in without any publicity. Recruitments are done internally. This prevents them from gaining better and competitive employee outside the organization.

Opportunities:

1. There is huge scope in the freight forwarding business. The shipping business in Bangladesh is blooming. Therefore, more export and import will take place and more opportunities will enter.
2. Innovating new and different software for smooth data management and documentation.
3. Start shipping line along with freight forwarding service.
4. Establish more warehouse in other port areas like Mongla port.

Threats:

1. Freight forwarding industry is blooming along with the shipping business. Therefore, more new entrants might enter the market. Other industry giants are improving their technology and service.
2. Trade rates might increase which can have a bad impact over the company.
3. Any disease or pandemic like corona virus can take place which will put a negative effect over the business.
4. Recent war in Russia lead to loss of many businesses. Therefore, any war would lead to the fall of the business.

2.8 Summary and Conclusions:

Starting from the history to the organizational analysis, it can be said that KUEHNE+NAGEL Limited, Bangladesh has both success and scopes for improvement as the country's leading freight forwarding service. The management practices of the company lacks an effective recruitment and selection procedure whereas, the training and development part is very strong. Furthermore, the marketing practices that are done with mouth to mouth advertising is playing positive for the company. The company's organized operational management helps in successful shipments. Lastly, with the competitive analysis using both porter five forces and SWOT analysis, the company is found to have better competitive advantage than its rivals.

2.9 Recommendations:

KUEHNE+NAGEL Limited, Bangladesh has a lot of scopes for improvement. The recommendations are as follows

1. More publicity in the recruitment process can help the company find excellent pool of candidates. Only internal recruitment prevents them from finding excellent employees.
2. Advertisement authority could be given to the company as it will bring in more worthy customers. Branding activities might increase customers.
3. The company might find more competitive advantages rather than being best at only sea freight.

Chapter 3

Project Part

Chapter 3: Project Part

3.1 Introduction:

Everyday billions of products are being shipped from one point of the world to another without any disruptions or hampered goods. All these have been made possible because of the continuous development in the freight forwarding businesses. Many barriers come across while businesses choose to export or import their items and deliver them in a perfect condition to the clients. All these barriers are managed by the freight forwarders whose sole responsibility is to ensure proper delivery of products in proper time. The subject of my report is “Challenges and opportunities of freight forwarding industries in Bangladesh- An in- depth study of Kuehne+Nagel Bangladesh Ltd. (Sea-Export) as I have realized that opportunities and challenges of the freight forwarding industries of Bangladesh should be explored in order to help the new entrants understand the scopes of opportunities and overcome any barriers in their way. The main focus of the report is to give an overview of the company and figure out the challenges and opportunities of freight forwarding in Bangladesh from the perspective of KUEHNE+NAGEL Bangladesh Limited.

3.1.1 Literature Review:

Kuehne + Nagel stands in the first place in the world as a freight forwarding company in terms of sea logistics. In Bangladesh, Kuehne+ Nagel Limited also stands at the top of the freight forwarding market. Yet it has faced several downfalls and mishaps over the last two years. The year 2020 was the hardest year for the freight forwarders as the pandemic hit hard all over the world. Due to the pandemic, there were limited containers and freight forwarding was on a verge to catastrophe. According to British International Freight Association (BIFA), the global freight forwarding fell by 8.7 % in 2020, and set the record of the worst financial year. The sea freight forwarding fell by 3.8 % whereas the air freight forwarding suffered worse with a decline of 12.3 %. Due to covid-19, the containers got stuck in different locations and thus due to shortage of containers, it became a nightmare for the freight forwarders. Therefore, 2020 was undoubtedly the toughest year for the freight forwarders. Even through those dark hours, opportunities keep manifesting and things started to improve and get better with time. The freight forwarding market was expected to bounce back with a growth of 11.6% in the year

2021. In the year 2021 there were rises in new opportunities where the world of business repositioned systems to bring forward a new digital era. Launch of new systems and software were introduced through which customer could see businesses as digital forwarders. This system rewards customers with online transparency of the business. With challenges comes new opportunities and since the shipping industry, RMG sectors, Machinery Industries, Agro sectors etc. are expanding there are lots of areas to be explored.

3.1.2 Objectives:

The prime objective of the research is to understand how freight forwarding companies come across different type of challenges within the industries and how they can overcome these challenges by focusing on new opportunities and innovations. Kuehne Nagel Bangladesh Limited is the no. 1 position holder in the freight forwarding industry in Bangladesh. Some more objectives was –

- To learn how Kuehne + Nagel Bangladesh Limited managed its business during COVID-19 pandemic
- To learn about the opportunities gathered by Kuehne + Nagel after the pandemic
- To learn how innovations could be an answer to the challenges faced in tracking, transparency in business.
- To explore opportunities that are yet not practiced in Kuehne + Nagel
- To be able to prove that challenges can beget opportunities in Freight forwarding industry.

3.1.3 Significance:

The main aim in preparing this report is to convey to the readers about the scopes of opportunities and challenges of the freight forwarding business in Bangladesh. It is to give insights on how Kuehne + Nagel Bangladesh Limited effectively operates their business in Bangladesh amidst of all the challenges. The findings on the report will contribute to the interest of the new competitors in the freight forwarding industry. New ventures in the freight forwarding business will be able to recognize new scopes in this area. Moreover, I will be

providing my understanding of the situations on how Kuehne + Nagel Bangladesh Limited regularly face these barriers.

3.2 Methodology:

The report that I have prepared is completely based on my practical experience in the job. For getting the exact information about the industry, I used both the primary and the secondary sources. I prepared the whole report based on this sources and from my internship experiences. The methodology part is given below:

Primary Data:

- Experience that I have achieved by working at KUEHNE+NAGEL for 3 months.
- Key Informant Interview (KII) with Executives, Senior Executives, Assistant Manager, Associate Manager and In-depth Interview (IDI) with the Manager of Operational care Unit, Manager of Customer care Unit of the Sea freight department and National Manager (NM) of the organization.

Secondary Data:

- Kuehne + Nagel company Website
- Company profile in Linked In
- Different online journals and articles published by British International Freight Association and RPA LABS
- Annual business report of 2020-2021 of KUEHNE+NAGEL Limited
- Different website
- Different write-up about KUEHNE+NAGEL Limited

3.3 Findings and Analysis:

The report's sole purpose is to convey the readers about the opportunities and challenges of freight forwarding industry in Bangladesh from Kuehne + Nagel Bangladesh Limited's viewpoint.

The findings are discussed below:

3.3.1 Challenges of Freight Forwarding in Bangladesh:

The challenges that I have learned about and faced during my internship days at Kuehne + Nagel Bangladesh limited were real life challenges that almost all the freight forwarders typically face. These are practical examples of what I have experienced during my internship. They are as follows:

1. **Increased competition in freight forwarding industry:** In Bangladesh, the number of companies in the freight forwarding business is increasing. The Shipping industry of Bangladesh is growing rigorously as many ships are now being made directly in Bangladesh. These shipping companies are expanding and thus the first step to their expansion plan is to become a logistic service provider. Now, they are not only focusing on making ships but are also taking part in providing logistics solution to their clients. This situation is bringing more companies into the equation making it difficult for the forwarders to stay profitable.

For Kuehne + Nagel Bangladesh Limited, the toughest competitor is Maersk line. It is a shipping company. They used to provide ships for shipment of goods but now they are also providing integrated transport and logistic solution. This became challenging for Kuehne + Nagel Bangladesh as they do not have ships.

2. **Lack of containers:** One of the biggest downfall in the freight forwarding industry took place in the year 2020, when there was a Covid-19 outbreak. The whole world was shut down and many countries decided to close their sea port areas and airports just for the safety and security of their own country. This had a tremendous bad impact in the forwarding business. It is because most of the ships had already sailed for their destination with huge number of containers loaded in them. There became a container

shortage issue all over the world. Most of the containers got stuck in different places. Some could reach their destination and some could only reach to their transshipment ports. Even after the pandemic, when the world started to run the business in full notion, some companies had to take severe damage for lost goods and some had to face lack of containers.

I joined Kuehne + Nagel Bangladesh in January 16, 2022 and while working there I also had to face this issue of shortage of containers in my second month of internship. A lot of shipments got delayed because of this problem. The management was trying to find ways to manage containers in order to stop the delay of shipments. It took them almost a week and several phone calls to finally manage. This problem is very much unpredictable and can cause severe damage just within a day.

- 3. Change in regulation affects the global trading:** Change in any regulation, might it be the international policy or change in exchange rate, must have an effect on the global trade and thus in freight forwarding. If the currency value of a country increases, people will buy less from that country and export more from other countries in order to get products in a low price. Currency rate can influence a lot in terms of people's buying decisions. The same scenario happens in freight forwarding business.

In Kuehne + Nagel Bangladesh limited, employees are mailed everyday about the dollar exchange rate to aware them while taking shipment orders from the clients. In some countries the container rate might be too high because of the currency rate fluctuations. Therefore, employees are made aware of the so that they can negotiate and settle an equilibrium rate for container costs.

- 4. Less transparency in business:** The most common challenge every freight forwarders face is having poor tracking software. Due to very poor tracking devices, companies cannot properly monitor issues like delayed shipments, disruptions, misplaced cargos or sometimes damaged cargo. This creates a big massacre in this line of work. As this is a supply chain process, every work is linked with another. So if something goes wrong at any time, companies have to go far way back to fix the problem unless it is solved right away. In this case, real time tacking and status update is very important for companies to monitor smooth operations.

In Kuehne + Nagel Bangladesh Limited, I have learned about a similar issue like that. Once an LCL container (used for group shipments) was loaded in a wrong pattern as

the loaders did not follow the CLP (container loading plan) for it. This information was not updated due to poor real time tracking device. The cartoons that were supposed to be out at the first destination was loaded at the back of the container. And the front was loaded with cartoons that were supposed to be out at the end of the journey. Due to such problem, Kuehne + Nagel had to pay almost 12 lac taka for the disruption. At some cases, the entire shipment of the container might get cancelled and get stuck in some random port abroad.

5. **Warehouse Maintenance:** Warehouse Maintenance might be challenging for freight forwarders if not being careful. Warehouse is an important place because most of the cartoons are kept in warehouses that are worth millions of dollars. Hygiene, cartoon measurement, VGM measurement, Dangerous goods awareness etc. all needs to be constantly checked on a daily basis. If there is any dangerous good, safety must be ensured.

In the most recent time, an incident took place where there was an explosion in the BA depot at Shitakundo, Chittagong. The depot had a lot of containers worth millions. The fire service was not informed about the depot having chemicals (dangerous goods) which resulted in a terrible explosion and took so many lives. This is completely a sign of carelessness from the owner of the depot. They could not maintain safety for their products and it resulted as a disaster. So warehouse maintenance is a very challenging and important issue for the freight forwarders.

3.3.2 Opportunities of Freight Forwarding in Bangladesh:

With challenges comes opportunities and there is a huge scope of opportunities in the freight forwarding business. Some of the opportunities that manifested while I was working in Kuehne + Nagel Bangladesh limited are discussed below along with some of my own research on the topic:

1. **Merged system:** The freight forwarding business comprises of big operations that daily take place from countries to countries. One big part of the operation is the documentation and status update in the software. Kuehne + Nagel Bangladesh, for the first time has implemented “SALOG” (Sea- Air Log), a software with a suitable interface which can connect all the systems all over the world.

Kuehne + Nagel limited has operations in almost 106 countries and each of the country has SALOG installed and implemented. Kuehne + Nagel Bangladesh Limited implemented SALOG and this software could merge all the systems of Kuehne + Nagel's offices in one. If a status is triggered from Kuehne + Nagel Bangladesh, that will be visible to other regional headquarters and the main headquarters. This solves the transparency problem of the business and many problems get fixed before getting any bigger. Therefore, merged system is a new and very helpful opportunity in this industry.

2. **Innovations in technology:** After the covid-19 pandemic, forwarders are looking forward to bounce back at the business with new innovations that will make the operations smoother. This is why, innovation are made and new digital tracking systems are being introduced. These systems not only does real time tracking but also helps to in easier container load plan.

Kuehne + Nagel Bangladesh Limited has a new software named "ESP" which helps in making container load plan. Kuehne + Nagel has not yet developed any tracking software of their own because most of the tracking is done from carrier's website.

3. **Transparency in Business:** A system has been newly launched that rewards customers with online transparency and interoperability. According to Mr. Mick Morris, the CEO of BuyTasker, he says a company can handle 5% or the whole 100% of the system capabilities depending on the level of transformation the company is able to handle. BuyTasker Client has launched "Cargo Forwarder" which is cloud hosted, provides freight management solutions, multi office and API – first built. It directly gives customers the right to fully track their shipments.
4. **Boost in Shipping Industry in Bangladesh:** In Bangladesh, many shipping companies has evolved. Many ships are being made at Bangladesh. This will give rise to new entrants in the freight forwarding business. The growth of shipping line itself is an opportunity for the freight forwarding industry. In Bangladesh, they do not have big ports for big ships. Because of the lower water level, big ships cannot come to Bangladesh. For this reason, containers are taken in small ships known as feeder vessels to the transshipment ports in Columbia/ Singapore. From there, the containers are loaded in big ships know as mother vessels and sail off to their destination. New port

are being made where big ships can arrive and there will be no need for transshipment ports abroad.

- 5. Focusing on inside sales and creating logistic network:** Freight forwarders should focus on inside sales along with outside sales. It is because remote sales are becoming important. In Keuhne + Nagel Bangladesh limited, they mostly do FOB shipments and 2-3% shipments locally. Locally we can have a huge line of customers who can bring a lot of profit. Due to compliance issue of the company they do not take local shipments. But by finding a way to remove complicacies and taking local shipments can be a big opportunity.

Kuehne + Nagel Bangladesh Limited is already a part of a global logistic network. This helps them gain more business partners all over the world. For new forwarders in the business, it is a big opportunity for them to join any global logistic network which can help them grow in their business and keep up with the industry worldwide.

3.4 Recommendations:

While working on my project part, I did a lot of research and learned so much about the freight forwarding industry. I learned and had practical experience of the challenges that I have faced in the company and analyzed them very well. Moreover, I have explored new opportunities by both experiencing it and researching on it. Therefore, I have some recommendations for Kuehne + Nagel Bangladesh limited and I think if they can improve these sectors, then they can gain more success and manifest more opportunities in this freight forwarding business.

The recommendations are:

1. Kuehne + Nagel Bangladesh limited being in the top in freight forwarding in Bangladesh often faces problems in container space booking. This sometimes leads to situation where they cannot find any container. Lack of container is a serious problem for freight forwarders. Thus employees must be proactive while taking any shipment

bookings from clients so that they can book their containers without delay to avoid such issues.

2. Kuehne + Nagel Limited does not have real time tracking device of their own. They mostly tracks their shipments through the carrier's website. The carrier's website sometimes become down or unavailable. This becomes a problem because employees cannot track the ships. Also, as the company does not have their own tracking software, the customers also do not have that option. Kuehne + Nagel Bangladesh Limited can work on this problem.
3. Kuehne + Nagel Bangladesh limited is not authorized to do any internal sales. They are informed about new clients/ customers from local buying houses and the company then informs the regional office. The regional office reaches those customers. This takes a long time and a lot of communication. Rather if Kuehne + Nagel Bangladesh could start doing inside sales and make local shipments, they could have developed more as a company in Bangladesh. Sales is an important part of growth and development. This lacks in Kuehne + Nagel Bangladesh limited.

3.5 Summary and Conclusions:

This research not only talks about challenges but explores how challenges beget opportunities. The aim for writing this report was to deliver the elements of challenges and opportunities of freight forwarding that influence the business in every way. I concentrated on finding real life examples from key personnel of the organization who have been in this industry for no less than 25 years and sharing real life experiences of my own in the company. I researched more

on opportunities in the internet and tried to bring out some of the best chances of acting in this industry.

Moreover, it was a pleasant honor to be able to work in a No. 1 position holding company in Freight forwarding industry. My internship was very meaningful and has taught me a lot of things which is invaluable. I have experienced the best of corporate life and have gained so much valuable knowledge about the industry. I feel complete as I have managed to learn from my 4 years of undergrad life of theoretical knowledge and finally ending it with this invaluable experience.

To summarize this report, Kuehne + Nagel Bangladesh is already a market leader in the industry. They must ensure excellent customer service as it is their prime goal. The recommendations that I have made, if taken under consideration, will improve the company in the best way. Lastly, I believe, through my research on the topic “Challenges and opportunities of freight forwarding industry in Bangladesh: An in-depth study of Kuehne + Nagel Bangladesh Ltd.” will serve good knowledge to those who are willing to enter the freight forwarding industry.

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Appendix

Key Informant Interview (KII) Questions:

1. What are some incidents that took place in the last few years that needed management attention and how did you solve it? (Probe: Change in operational process, challenges due to covid 19, etc.)
2. When there was a container deficit, how did Kuehne + Nagel manage it within some days/ week? (Probe: Alternative ways, Change in operation, etc.)
3. How are warehouses maintained and what special protocols are followed? (Probe: SOPs, Protocols, etc.)
4. What are the challenges you faced as an employee in terms of work and the organization? (Probe: over work, software, technical, etc.)
5. What opportunities do you think this industry can manifest? (Probe: innovation, expansion, etc.)
6. How far is Kuehne + Nagel Limited from making a tracking system of their own? (Probe: technology, Maerks Line)

In-depth Interview (IDI) Questions:

1. How did Kuehne + Nagel Bangladesh survived the Covid-19 Pandemic, what were the challenges and how did the company overcome them?
2. We are working in operation 2.0 since long time. Please help me get an idea where OCC (operational care center) supposed to be in next 6-12-24 months and any structural challenges and opportunities we should be working on?
3. Being under the Global Logistic System, what opportunities does the company get and how does networking help in developing the business?