

SNAPSHOT OF THE LOGISTICS ECOSYSTEM IN ZIMBABWE

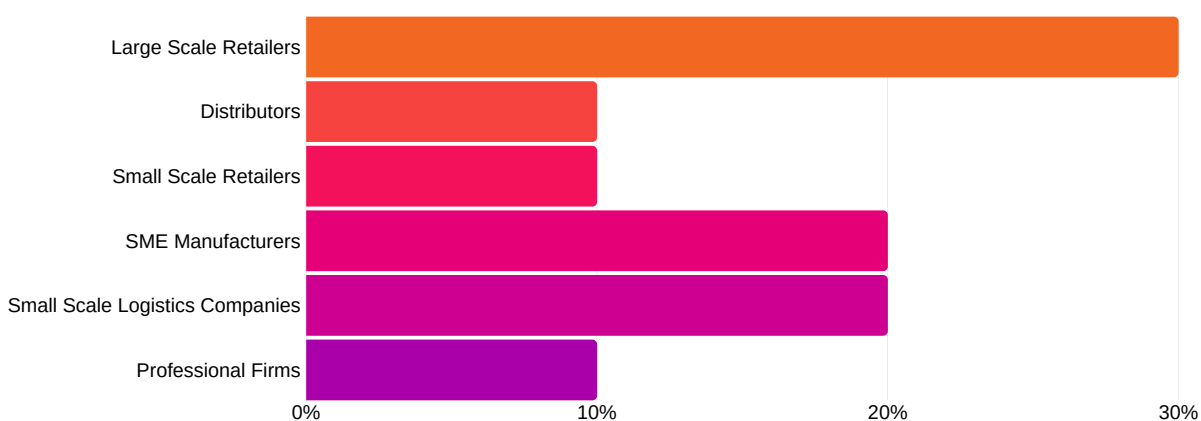
On a day to day basis the logistics value chain contributes over 50% to the cost of the end product.

This is mainly due to inefficiencies within the logistics value chain that contribute to long loading and offloading times, lengthy vehicle queues to load, extended time slots for load consolidation and loss making empty trips caused by a lack of transparency within the logistics ecosystem.

This therefore serves as the Intransit 1st Edition Logistics Ecosystem Report meant to assist companies in optimizing decision making and achieving the best ROI.

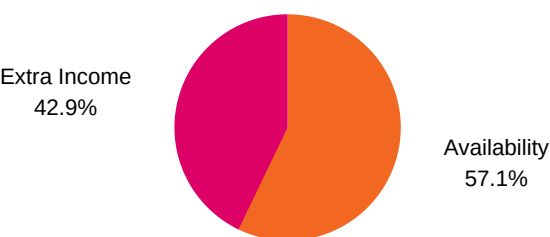
*All data collected and aggregated by Thumeza during a stakeholder engagement tours in Bulawayo and Harare in 2019

Participants



Fleet Ownership

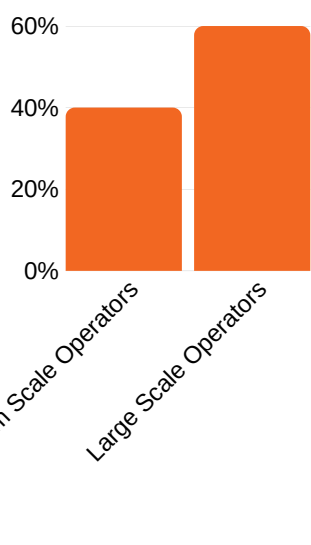
Most participants own their vehicles. This is primarily motivated by these following factors:



Availability. The logistics decision maker would prefer to control the variables on the availability of the vehicles that they need to transport both their inputs and outputs. The sentiment is that the opportunity cost of not having a vehicle available to conduct trips is much higher than the cost of purchasing and managing a vehicle.

Extra Income. The rationale is that when the vehicle is not in use it can then be hired/leased out in order to create additional income stream for the business that was previously unavailable.

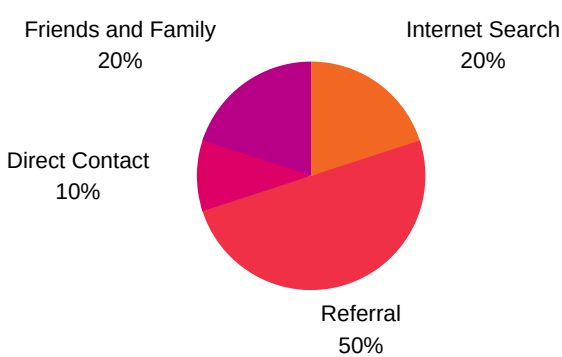
Outsourcing of Transportation



The function is usually given to large scale operators as they have the resources to handle the volumes needed as well as meeting the basic requirements for transporters to be registered as vendors.

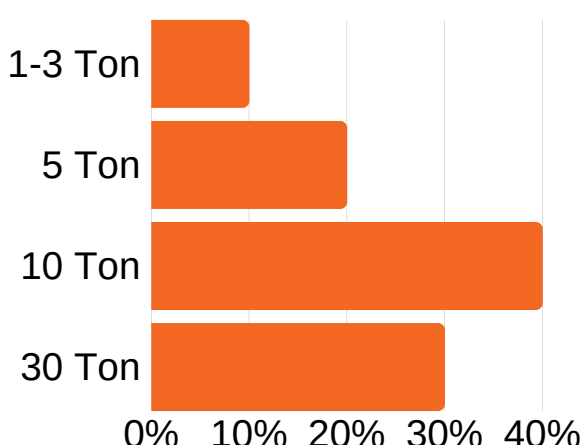
The second choice is given to small owner operators who manage a fleet of usually no more than 3 vehicles. This is because the decision maker would like to form a relationship with a small owner operator as they will be treated with the utmost priority as well as most likely receive negotiable prices.

Contact with Logistics Operators



Most of the participants indicated that when outsourcing the logistics function, finding a reliable partner is difficult. Therefore, they depend mainly on the referral system from their peers and other players within the ecosystem. This signifies that trust and gentlemen's agreements are still very much in play within business relationships between the logistics decision maker and the logistics operator.

Types of Vehicles



The most popular vehicles in usage for the carriage of goods are 10 Ton Trucks, closely followed by 30 Ton Vehicles. This is mainly because volumes of goods being moved are either moderate to large quantities from either a production point or warehouse distribution.

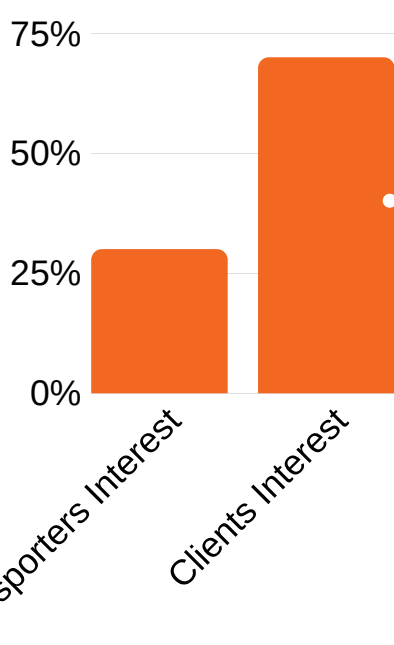
Interestingly enough, these vehicles are either fully loaded or at 75% capacity indicating that the transporter would like to utilize the vehicle to its fullest extent.

Goods in Transit Insurance



Of the participants we spoke with, shippers 90% indicated that they have goods in transit insurance [GIT]. This is a mandatory expense that they incur to ensure that should anything happen to their goods in transit, they have coverage. However as this is a fixed cost it has proven to be expensive should no production or movement of goods take place.

However in direct contrast, 95% of the logistics operators we spoke to indicated that they did not have goods in transit insurance for their vehicles. This then opens up an interesting dynamic on what happens when the client's insurer then tries to claim compensation from the transporter should an incident happen during loading, transit or offloading.



Return Load Usage

Of the participants that have vehicles, it emerged that return trips were not as in demand as they would rather have their vehicles back on the road as soon as possible. This is to maximize the use of the vehicle for the companies own use rather than to earn extra income from the return trip.

However, on the flip side, those without vehicles or outsourced operations were enthusiastic about return loads as they deem them more price negotiable.

Outsourcing of Transportation

The biggest hindrances to efficiencies throughout the logistics exercise were namely:

- Inadequate Bill of Ladings from transporters that either are not filled out correctly, disappear in transit or do not tally at drop off point;
- Inaccurate communication between pick up points and drop off points;
- Lengthy loading times.



Intransit is a service offered by Thumeza Enterprises. Intransit is a next generation logistics platform utilizing data in order to optimize decision making by players within the logistics ecosystem.

Registered in April of 2018, we have grown to a team of 5 people dedicated to ensuring that our values of speed, tenacity, passion and transparency are translated to the best possible service for our clients. To date, in order to ensure that we have an adequate understanding of the market and its needs, we have successfully facilitated over 600 transactions through our platform. Our clients include illustrious companies such as TM Pick 'n' Pay, Brooks Express, Dumi's Hire, Liquor Supplies.

Included in our Intransit service, we offer informative data and access to vehicles with a carrying capacity ranging from 1 ton to 30 tons with these sub-services:

- Load Consignment
- Full Loads
- Return Loads
- Goods In transit Insurance