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TRANSPORT EVENTS

15th Intermodal Africa 2016 Exhibition and Conference

6th - 8th April, 2016

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Importers and Exporters Perspectives on West Africa's Supply Chain Network: Efficiency and Productivity

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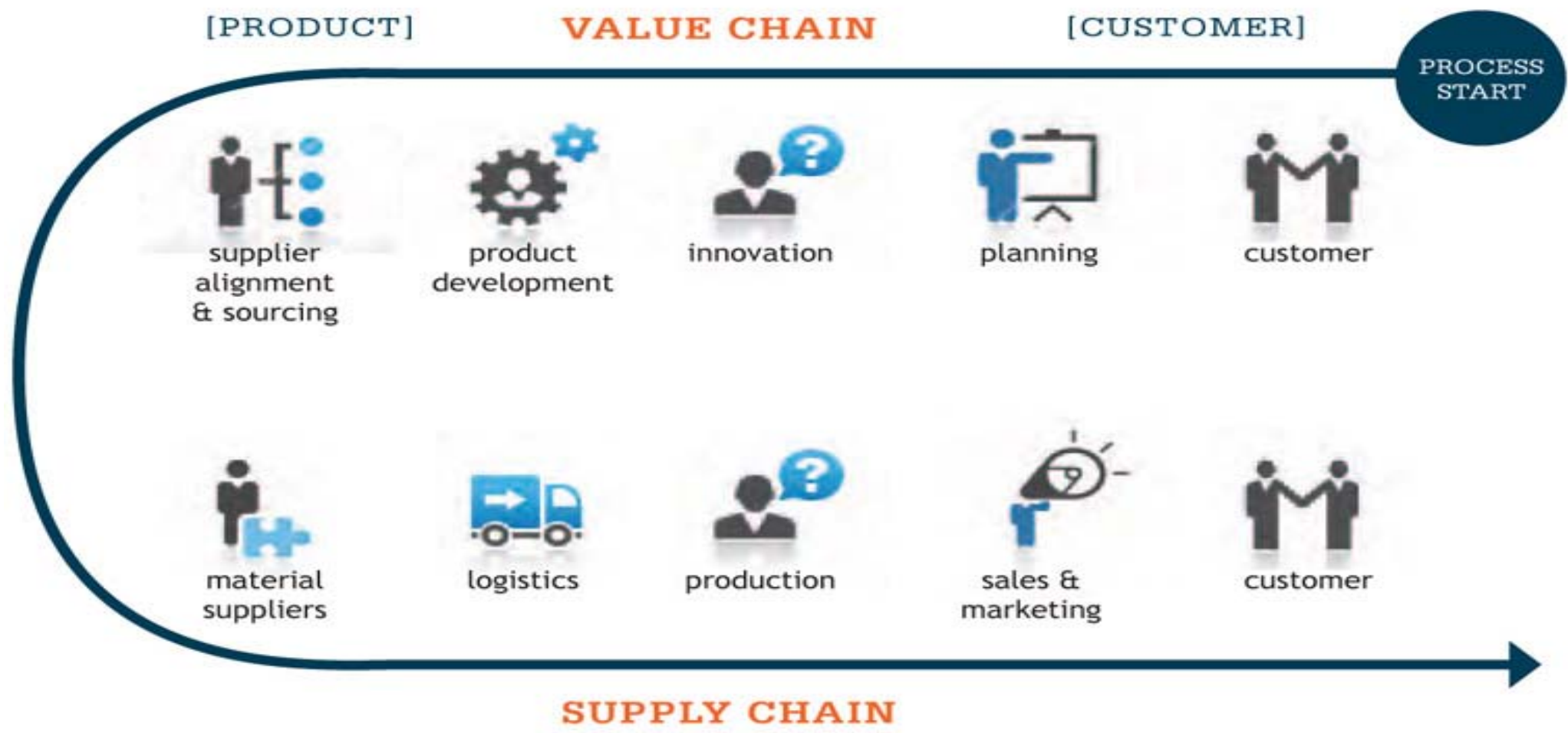
Outline



- ❖ Overview Supply Chain Management, Processes & Network
- ❖ Challenges in West African Supply Chain Network
- ❖ Relevance & Benefits of Efficient Supply Chain Network
- ❖ Conclusion



Overview of Supply Chain Processes & Network





Definition of Supply Chain Management (SCM)



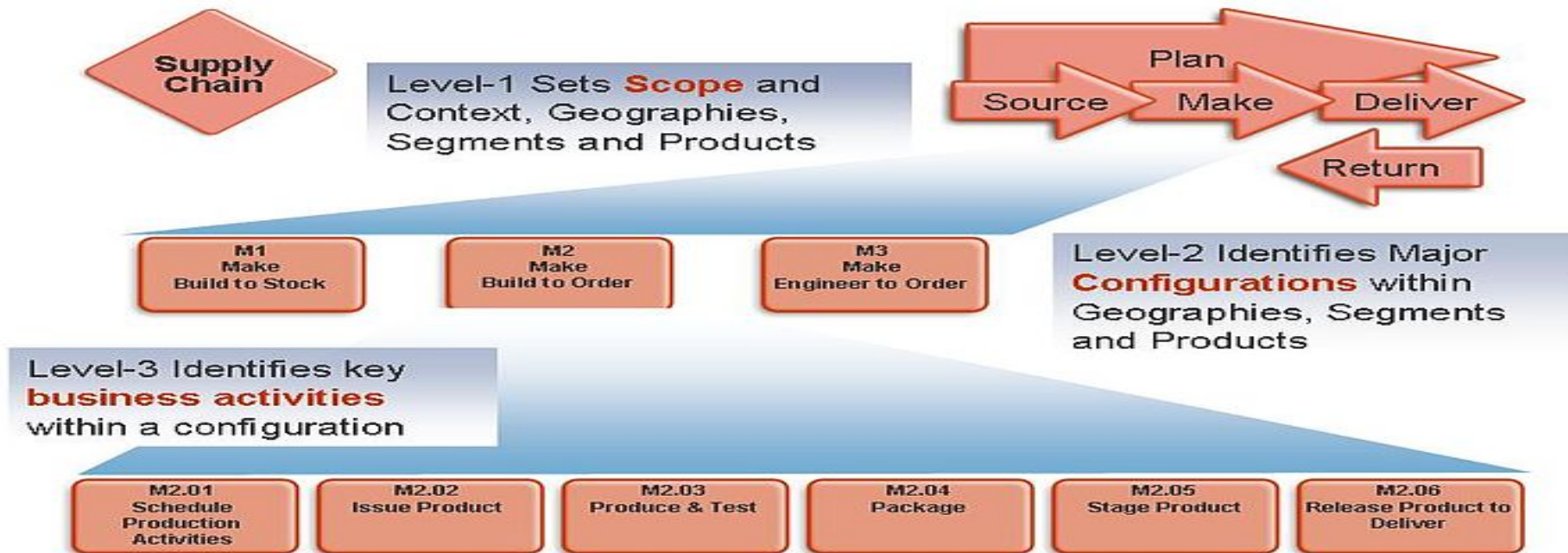
1. **Supply chain management (SCM)** is the **management** of the flow of goods and services. It includes the movement and storage of raw materials, work-in-process inventory, and finished goods from point of origin to point of consumption.

https://en.wikipedia.org/wiki/Supply_chain_management

2. **Supply chain management (SCM)** is the streamlining of a business' supply-side activities to maximize customer value and to gain a [competitive advantage](#) in the marketplace. SCM represents an effort by suppliers to develop and implement supply chains that are as efficient and economical as possible. Supply chains cover everything from production, to product development, to the information systems needed to direct these undertakings.

www.investopedia.com/terms/s/scm.asp

SCOR Framework Levels





Challenges with Supply Chain – Export (23%)



1. Nontariff barrier which are mostly used by large and developed economies to ensure standards are met.
2. Product development – process, package to add value (Eg. MOTI ban on Cashew, Power)
3. Transport: Multimodal?
 - Inland Transport: road network; check points associated with extortion; inadequate rail
 - Freight: Shipping routes and freight within West Africa or Africa is more expensive with fewer options and frequency than to other continents than the reverse.
4. Documentation from regulatory bodies, customs procedures and terminal operations
5. Safety of Life at Sea (SOLAS) convention amendment -Verified Gross Mass effective 1st July 2016

Challenges with Supply Chain – Export & Import

OPTIMIZE

Warehouse
&
facility

- ↳ Lease cost
- ↳ Fixed cost
- ↳ Capacity level
- ↳ Location

Inventory

- ↳ Holding level
- ↳ Turns
- ↳ Shelf life

Transportation

- ↳ Routing decision
- ↳ Running costs

Variable
Costs

- ↳ Taxes
- ↳ Labour cost

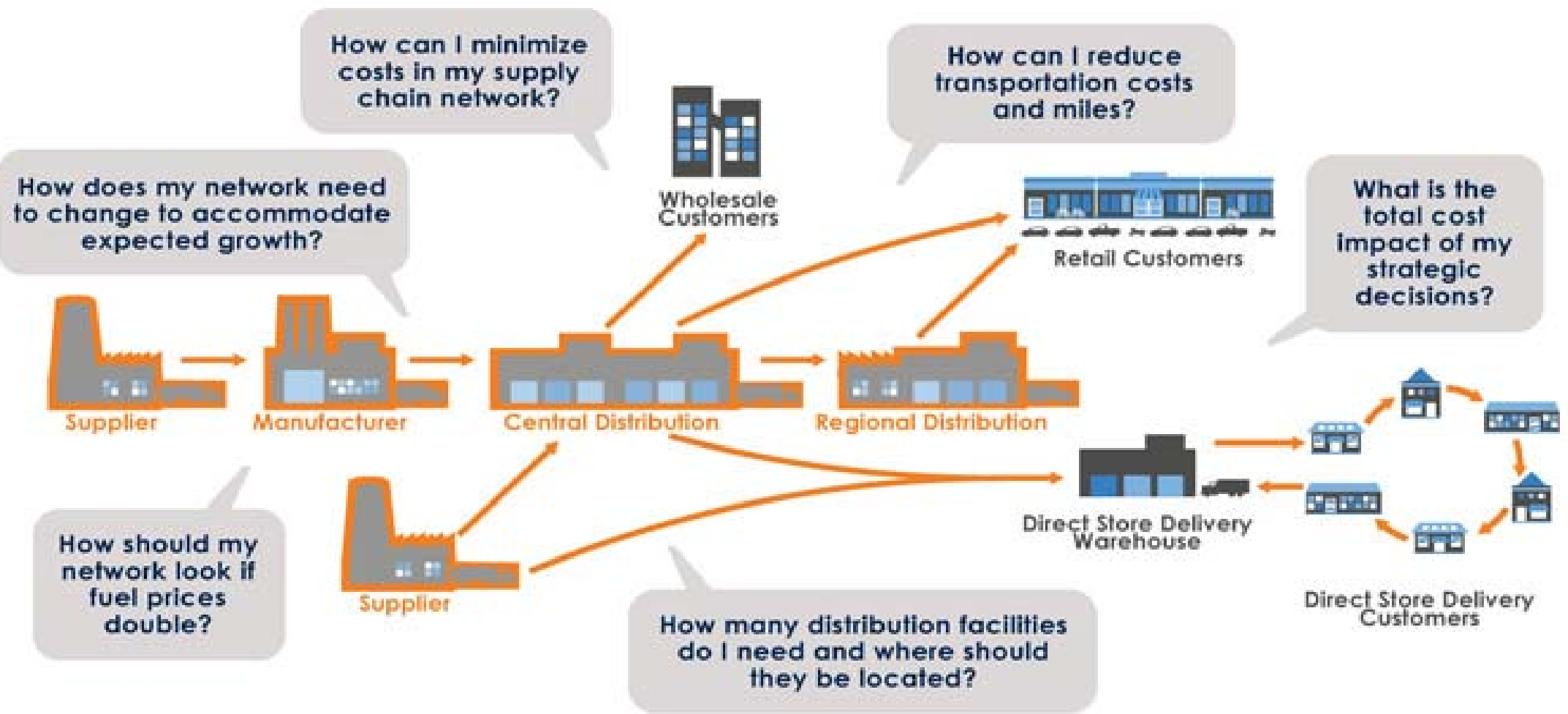


Challenges with Supply Chain – Import (77%)



1. Documentation from suppliers, shippers, regulatory bodies etc.
2. Cumbersome Customs procedures (CCVR-support, idf training, payment at UBA; suspense-warehousing monitoring - re-export)
3. Shipping Line/ Consolidators: Freight , detention & local charges
4. Port/ Terminal operations (congestion, evacuation, dwell time, rent)
5. Multimodal Inland Transport ?: rail; road network; check points; increased cost.
6. Taxes/Levies/Fees : SIL; CCVR; Regional Integration (ECOWAS CET, Nigeria IAT-177, 8 on board); BF Cargo Haulage
7. Utilities – Electricity for manufacturing / Inventory Carrying

Questions Leading to Efficiency in SCN





Relevance & Benefits of Efficient Supply Chain Network



Effective supply chain management is about delivering the right product in the right quantity and in the **right condition** with the **right documentation** to the right place at the **right time** at the **right price**.

1. Enhance business performance (data accuracy, automated systems, operational complexity reduction-warehousing, distribution) = Productivity
2. Lower expenses with timely planning for procurement, manufacturing and retail fulfilment.



Relevance & Benefits of Efficient Supply Chain Network



3. Provides competitive advantage for retailers (shorten lead times)
4. Minimize logistics expenses - consolidating order and shipment, reduce inventory carrying cost/ warehousing. (JIT)
5. Generates Value added products and services (diversity of product mix at reasonable prices)
6. Enhance customer satisfaction if quality is maintained
7. Improves flexibility and allows growth



Conclusion



West African Ports are positioning themselves by investing in expansion of port infrastructure and automation to attract larger vessels and trade. If Shippers would address their supply chain deficiencies while government streamlines procedures, reduce the tax burden on shippers and provide the enabling environment to aid efficiency and growth, all parties will be beneficiaries to the IDEAL SUPPLY CHAIN NETWORK.

(Government revenue, Ports and Terminals throughput and dwell time, Shipping Lines - increased export cargo and access detained container turnaround, Shippers will have choices, reduce cost and pay taxes, Customs brokers, hauliers etc would benefit).

Trade facilitation will then be an experience and not just a statement. It may seem difficult but it is possible

Better if we work towards exporting value added products and industrialize to reduce dependence on imports and help manage and grow our economy because CET has come to stay.



Thank you