

# An Investigation into the Effects of Globalization on the Zimbabwean Freight forwarding Industry

**Marian Tukuta**

*Programme Coordinator, International Purchasing Logistics and Transport, Chinhoyi University of Technology, Zimbabwe*

## ABSTRACT

The study was conducted within the Zimbabwean Freight Forwarding Industry. The study sought to investigate the effects of globalization on Zimbabwean Freight Forwarding Companies. The main objective of the study was to make an investigation into the effects of globalization within the freight forwarding industry and find possible ways of manipulating the resultant opportunities and mitigating the negative effects of globalization to the industry. The study was motivated by; an increase in the amount of cross border trade in goods and services thereby allowing an increased flow of foreign currency, a rise in corruption activities due to increased trade relationships within the world economy, exploitation of labour, increased competition which led local industries to be taken over by foreign multinationals thereby posing serious threats on the Zimbabwean political environment and moreover the need to create the concept of out sourcing, customer support and insurance.

The study used only registered local freight forwarding agencies and a few of foreign-owned freight forwarders since their efforts are influenced by changes brought by globalisation. A descriptive research design was used for this study; convenience sampling was used to acquire respondents for this study. Questionnaires, field visits, documentary analysis and in-depth interviews were used for collecting data. The study found out that, globalization has resulted in; increased competition, high demand of goods from customers, increased need for capital investments to improve operations, insurmountable requirements by the government such as tracking devices for trucks and also congestion at ports and borders due to high traffic volumes. On the other hand, the study also found out that globalisation has led to creation of partnerships in trade, increased business activities, foreign investments in local exploration increase export forwarding, increased technological advancement, for example, Chirundu One- Stop Border Post and the advent of the Asycuda World for all customs operations. Moreover the study suggests measures that can be taken by freight forwarders in order to capitalise on or mitigate the effects of globalisation. The study also recommended that, in order to operate sustainably and to survive in a global village, the Zimbabwean Freight Forwarders should move along with the shift in trend in the freight forwarding industry, maintain and improve the company market position through differentiation.

**Keywords:** Freight forwarding, Globalization, E-Commerce.

## 1. INTRODUCTION

Worldwide trade, investment liberalization and technological progress are presenting new opportunities for countries to harness global markets for growth and poverty reduction. The advent of global supply chain, a new premium phenomenon with consciousness is being applied, to move shipments from source to destination rapidly, reliably and affordably. Globalization is an on-going process of greater interdependency among countries

and their citizens. It is reflected by increasing amount of cross border trade in goods and services, the increased volume of international financial flows and increasing flows of labour, Fischer (2003). The nineteenth century witnessed the advent of globalization approaching its modern form. In this period, globalization was decisively shaped by the nineteenth century imperialism. It was this period that areas of Sub-Sahara Africa and the Pacific Islands were incorporated into the world system. The first phase of modern globalization began in the twentieth

century with World War I, but resurfaced due to planning by politicians who sought to facilitate trade after World War II. Globalization was also driven by the global expansion of American and European Multinational Companies. This was followed by the advancements in technology and the reduction of trade costs. Globalization can be measured in terms of:

- Goods and services flows
- Inward or outward direct investments (capital)
- International research and development flows (technology)

Freight forwarding consists of organizing the transportation of goods by land, sea, air or intermodal, between their places of origin and their places of destination. It also includes the preparation of documentation for the purpose of customs clearance. The movement of goods involve the organizing of the appropriate contracts of carriage with suitable carriers in the name of the consignor or consignee.

## 2. PROBLEM AND PURPOSE OF THE STUDY

Globalization has brought with it many factors creating a competitive global environment in freight forwarding such as efficient and low cost transportation; and logistics from source to destination. Customer needs are fast changing as evidenced by the growing demand for consolidated shipments, rapid penetration of information and communication technologies and the harmonization

of trade legislation within regions to facilitate, “a must” participation of individual countries’ freight forwarding sectors in the volatile global village. Globalization has had notable positive and negative impacts on the supply chains of economies particularly the Zimbabwean Freight Forwarding Sector. This research study, thus sought to bring out challenges, opportunities and developments brought about by the globalization vehicle as the sector integrates into the global logistical flows.

**Key Concepts:** freight forwarding is the process of is the process of organizing the transportation of goods by land, sea, air, or intermodal between their places of origin and their places of destination. It includes what can be referred to as ancillary services of document preparation for customs clearance and insurance. It involves negotiating the best possible price to move a shipment along the most economical route balancing speed, cost and reliability on behalf of the principal (consignor or consignee).

## 3. Theoretical framework

### The Four Forces Framework (FFF)

FFF model is also referred to as the four forces of Globalization. It tries to explain the global and international environment in which logistical decisions are made through the analysis of the major forces behind global logistics. Each of the forces affects different products, services, countries and regions to varying degrees. Figure 1.1 below depicts the FFF.

**Figure 1.1** The four forces framework



### a. Technological Source:

The fast penetration of technology in operations leading to the seamless and real time customs clearing, tracking and handling of shipments is believed to have drove globalization. The global north is the innovator while the global south are laggards hence the global divide in terms of technology. Zimbabwe lies in the global south and as such technology penetration in the freight forwarding industry is slow, hence the dominance of multinational companies in the local sector.

### b. Political and Macro-economic factors

Exchange rate fluctuations, the development of regional trade agreements and groupings like SADC and NAFTA has led to the increased regional trade hence increased market growth potential for the local freight forwarding sector.

### c. Global cost forces

These has led to the growth of capital intensity production facilities that result in economies of large scale production and toll manufacturing where Multinational companies are setting up plants in low cost production and logistics countries.

### d. Global market forces

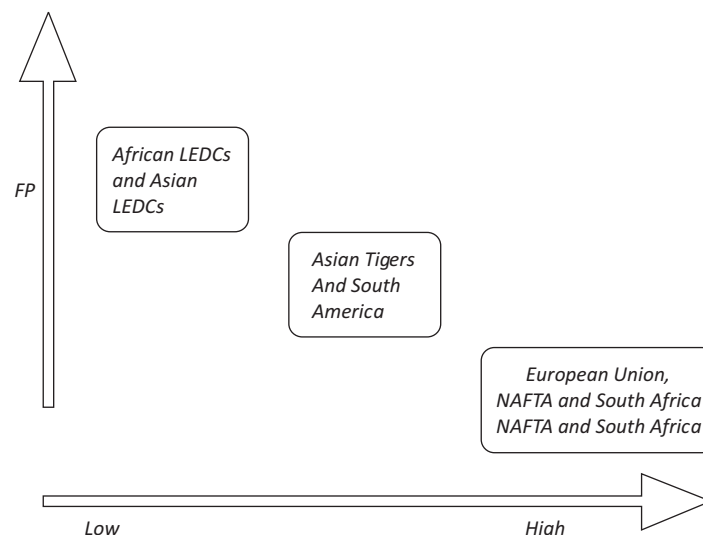
The global market situation is characterized by inequitable marketing where the global south is generally a price taker with the global north having disproportionate influence on the pricing and product decisions in the global market. However the FFF model has limited view on the factors impacting on global logistics such as legal and geo-

ecological factors and moreover macro level firm specific factors that materially affect freight forwarding industry such as internal personnel skills level are not considered. On the other hand, this model brings out the major drivers of global logistics flows and trends. The model has great relevance to the research as the forces outlined have a direct impact to the freight forwarding fraternity. Global cost forces attract or push away transiting logistical flows, the cost of transport and relevant ancillary services is a major determinant of business opportunities for the Zimbabwean sector. Efficiency in freight forwarding is also fairly driven by technological level of the local sector and the economic and political policies on harmonization of procedures and standards in transport systems within the region.

### Strategic group analysis (SGA) or Mapping

In support of the above theory the Strategic group analysis theory ,Hunt(1972) specify forces of globalization which impact evenly within regions which fall in the same strategic group. SGA is a technique for displaying the different market/competitive positions that rival firms occupy in an industry. Hunt (1972) coined the term strategic group while conducting an analysis of the appliance industry. Groups of firms that are similar are identified to form strategic groups. A strategic group is a cluster of industry rivals that have similar competitive approaches and market positions. With the globe becoming borderless and forming one competitive market, the SGA can be used taking global freight forwarding as one competitive industry and the different regions as logistics service providers as depicted by figure1. 2

**Figure 1. 2** Regional Strategic group mapping



Source: Policy and infrastructure compatibility with modern freight forwarding (2006)

KEY: FP refers to the level of freight forwarding rates. Logistical efficiency and the level of integration of less economically developed countries (LEDCs) specifically Zimbabwe and the Asian LEDCs are almost similar and thus the effects of globalization to these regions are almost the same. Consequently strategies to improve freight forwarding services are also the same. This is supported by an analysis of the challenges faced by Bangladesh in comparison to the challenges encountered in Zimbabwe. Bangladesh logistical challenges is characterized with rent seeking corrupt officials and clearance delays with an average consignment clearing time of 4 days.(source).

Physical inspection delays arise due to 100% inspection and this is compounded by inadequate inspection equipment in the form of scanners and non-intrusive detection equipment. Information technology facilities are also limited. The solutions to the Bangladesh challenges above recommended are full use of IT and introduction of new technologies for physical inspections like X-ray and Gamma ray machines.

Risk profiling using MODSELA system to channel shipments to different routes and adoption of WCO recommended Authorized Economic Operator programs for traders (AEO) in which less risk shipments benefit from minimum inspection and simplified procedures. The above challenges in Bangladesh are almost identical to the challenges being faced by Zimbabwe hence the two countries are found in the same strategic group. Data adapted from: [The World Customs Journal, The role of customs and other agencies in trade facilitation in Bangladesh: Hindrances and Ways forward by Uzzaman and Yusuf (2011)]

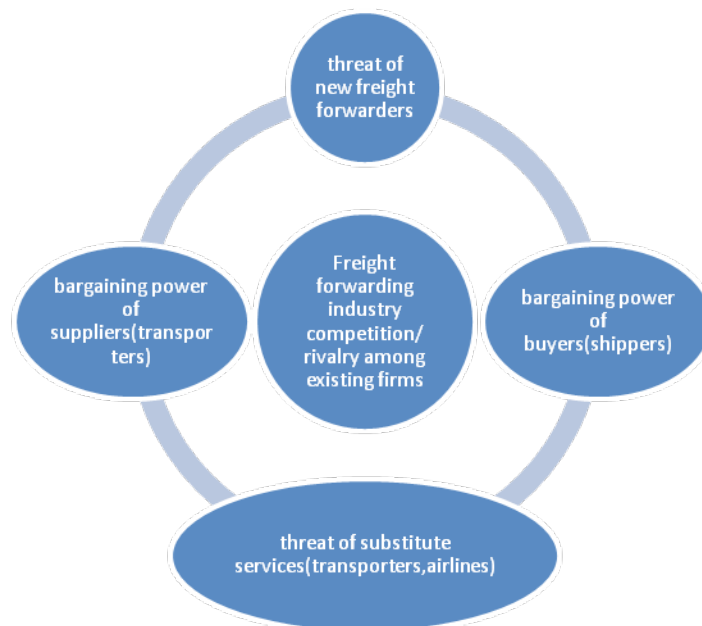
### Sustainable Competitive Advantages (SCA)

In contrast to the above models, the study was underpinned by the Sustainable Competitive Advantage theory which focuses on company competitiveness and undertakes that a corporate ability to provide a unique service gives it a survival ticket in the globalised world. Coyne (1986) reveals that sustainable competitive advantage (SCA) is the ability of a corporate to provide irreplaceable products that others cannot. This aspect of being irreplaceable serves as the SCA that comes from internal resources and capability. Lai (2004) reveals that logistics dimension and differentiation is crucial to a firm's competitive advantage and performance. It is the firm's logistical framework that helps the firm to earn profits and sustain a viable position against competitors. From a sustainable competitive advantage resource based view; offering a wide range of logistical services should enable freight forwarders to differentiate themselves and thus attain SCA. The theory addresses that logistics has a positive effect on the SCA of international freight forwarders. The Zimbabwean Freight Forwarding Sector should therefore devise strategies to make their services competitive. This theory is relevant to the study and outlines that the sector has to come up with strategies in view of the forces or impact of globalization. However a limitation comes in the inability to implement strategies due to incompetence, poor policies and regulatory environment and the current challenge of limited investment to the sector.

### Porter's Five Forces Model

Michael Porter (YEAR) developed the Five Forces Model. This model helps to analyze the competitive environment of an industry in terms of five forces as shown by Figure 1. 3.

Figure 1.3 Porter's Five Forces Model



*Source:* Stokes (2000:57)

In respect to this study, the industry under review was the freight forwarding sector. The industry structure is characterized by many suppliers and buyers. Globalization resulted in intense competition as the world market is becoming a one globalised village with high demanding customers and free movement on factors of production across borders. This results in high bargaining power of shippers as they will have plenty of suppliers to choose from, hence the need to differentiate service provision. Industry competition is rife due to the existence of many players and the threat of new forwarders is also high. The threat posed by shipping lines, airlines and truckers as providers of alternative services is great as shippers seek to minimize costs of shipping by going direct to transporters. However the differentiating ability of freight forwarders by offering ancillary services like consulting services, packaging and customs clearing and document processing has given an edge to the forwarders. This has resulted in shipping lines and truckers seeking to partner freight forwarders thus offering co-ordinated services with the forwarders becoming principals in contracts of goods movement.

The model's essence to the research is that it helps the local forwarders to analyze the industry in this globalized context where intense competition is present with many players entering the sector and the inevitable rapid penetration of technology and growth and survival strategies are developed to meet the high demanding customer needs.

### Supply Chain Management Theory

In contrast to all above theories, The Supply Chain Management (SCM) Theory brings out the growing need and importance of international traders as the scope of Freight Forwarding is changing due to globalization. Hines (2004) defines SCM as supply chain strategies requiring total systems views of the linkages in the chain that work together efficiently to create customer satisfaction. Costs must be lowered across the chain by driving out unnecessary costs and focusing attention on adding value. International freight forwarders can esteem SCM to address problems in distribution network configurations, distribution strategies, tradeoffs in logistics activities, information and in cash flows and payments transactions. SCM entails supply chain execution, with managing and

coordinating movement of materials, information and funds across the supply chain. The purpose of SCM is to improve trust and collaboration among supply chain partners, thus improving velocity of inventory movement, responsiveness and adaptability. Due to globalization and the proliferation of multinational companies and business partnerships, organizations increasingly find that they must rely on effective supply chains or networks to compete as a global and networked economy and therefore a strong demand for freight forwarding services. The theory brings out the essence of freight forwarders as key members of the supply chain hence the need for the sector to upgrade its operations to augment effective sustainable supply chain management for traders.

### Effects of globalization on Zimbabwean Freight Forwarding Industry

Globalization has resulted in transportation costs decreasing further, delivery times and reliability continue to improve, production is becoming more dispersed. Most land-locked developing countries, for instance Zimbabwe, is failing to fully realise the opportunities brought by globalization because their services are below the expected standard as compared to the global standards. According to Nyakuna in the Shipping and Forwarding Bulletin issue number 4 (2011), Nyamapanda boarder post has been experiencing traffic log jams due to delays in physical examination on trucks coming in and out of Zimbabwe, and called for the introduction of scanners to speed up inspection processes and clearance.

The trend towards globalization has steadily increased with the effect that supply chains have become longer and more complex, Christopher (2005). Competition has increased due to the fact that barriers to trade have been gradually reduced. As a result, globalisation has led to many new competitors entering the market. In addition, customer expectations have steadily increased as they now demand quicker response times and more convenient services. Customers can now easily compare prices, quality and services via the Internet and other media.

The global shift in trade dominance from the global north to the global south being led by China, and the weakening of the dollar has been affecting Zimbabwean Freight Forwarders as the United States dollar is the adopted currency. Exchange rate has been affecting the Zimbabwean Freight Industry as most of Zimbabwe's Freight moves

via South Africa hence some services are bought from South African suppliers. Moreover the strengthening of Rand against U.S. Dollar and manipulation of the exchange rate has resulted in Zimbabwean exports being uncompetitive. According to Coyle (2002) the exchange rate of U.S. dollar to other international currencies affects both the volume and direction of global trade. While the assertion that a weak currency would result in increase in exports holds, the Zimbabwean Manufacturing Industry operating capacity level nullifies all possible businesses for forwarders in the form of exports.

Globalization entails that many players exist within the industry, multinationals spread tapping on business opportunities, with lack of capital and credit crunch in Zimbabwe Investment in new technologies and expansion is certainly a big challenge.

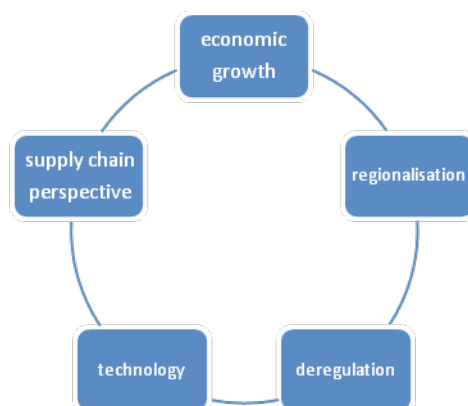
However globalisation has positively impacted on the performance of the Zimbabwean Freight Forwarding Industry in such a way that, firms are now being engaged in partnerships with other foreign traders. This has led to increased business activities and economies of scale. Globalisation has also led to regional harmonisation of customs and transport systems for instance, the advent of Chirundu One- Stop Border Post and the introduction of Asycuda World in processing all customs data. Technological improvements have made it necessary for freight forwarders to fully implement better and less costly ways of moving cargo.

### Problems Relating to the Cost Effective Integration of the Zimbabwean Freight

### Forwarding Sector into Regional and Global Logistics Flow

- There are five forces that drive logistics which are economic growth, supply chain perspective, regionalization, deregulation and technology and as depicted by figure 4 below:
- Economic growth refers to the search for growth and profit by Multinational companies in foreign countries.
- Supply chain perspective refers to the growing need for less costly logistics services.
- Regionalization which results in countries beginning to formalize partnerships through treaties, this is in growth sustainability. An example of a regional grouping is SADC.
- Technology refers to the increased ability to exchange information facilitated by widespread availability of computer and communication networks, this reflects a shift to e-logistics, e-commerce and e-purchasing with the world becoming r time oriented.
- Deregulation comes in two forms which are financial and transportation;
- Financial deregulation refers to the formation of the multi-government sponsored credit institutions such as the International Monetary Market (IMM) in 1972. The elimination of the Gold Standard in the early 1970s as support for individual currencies allowing floating exchange rates thus fuelling trade.
- Transportation deregulation - which refers to the acceptance of multimodalism.

Figure 1.4 Forces that drive Logistics



Source: International logistics management handbook (2005)

The model in figure 1.4 is well supported by Meyer (2003) who reveals that; regionalization is related to the development of regional corridors to facilitate trade. Deregulation is related to policy formulation with respect to trade promotion and technology supported by embracing advanced technology. According to Ambassador Mathias Meyer (2003), there are a number of areas that call for improvement to facilitate swift integration into the global economy. These include;

- Regional transport corridors to facilitate swift transit transport but require consensus between countries on common rules and standards.
- Infrastructure constructs missing links affecting global logistical flows.
- Policies should promote integration of local forwarders into global freight forwarding systems allowing them to fully embrace advanced technologies and operating practices.
- Partnership

Above all, globalization effects are characterized mainly by the advent of regional integration, technology penetration, infrastructure development, partnership, intense competition and increased global trade volumes.

### **Survival and sustainable operations in a globalized world**

Logistics service providers are no longer reactive in their business, but actively strive for ways to gain market share and defend their market position. In fact, the logistics service market is shifting from a demand-driven market to a supply-driven market. According to Soosay and Hyland (2004), issues such as R&D and innovation management attain more attention from logistics service providers in recent times. Freight forwarders must increase marketing efforts and resources to enhance their level of competitiveness so as to survive in this globalized environment. Moreover firms are deemed to provide training and skills development programmes so as to have the most qualified personnel who can easily understand and adopt rising changes within this globalised village for the benefit of the employer (freight forwarding firm) and the country as a whole. Formation of partnerships has led to shared risks and costs amongst emerged freight forwarding firms, thereby realising the opportunities brought by globalisation.

## **4. RESEARCH METHODOLOGY**

The study made use of convenience sampling as a method of choosing respondents based on the closeness of the sampling elements to the research under study. Thus, the study used convenience sampling to select freight forwarding companies to represent the sample size. Data was collected using designed questionnaires and in-depth interviews with freight forwarding companies based in Harare metropolitan province. The major advantage of using convenience sampling for the purpose of the study was that; it is less costly in terms of time, resources and travelling expenses since the research variables are known and accessible.

However, using convenience sampling, there is a chance of slight misrepresentation of the population and bias, as convenience will be the pre-determining factor in choosing the units. The results can be skewed and inference of the data to the entire population would affect data integrity as it is not rare that results from the sample and the theoretical results from the entire population can differ. Moreover, the study has to make use of judgemental sampling as an alternative sampling means to check the relevance of collected data under convenience sampling. Respondents were chosen basing on the researcher's view or judgment on the essence of a given element in a case where the population comprised of suiting and non-suiting inseparable elements. Judgmental sampling was also used to select freight forwarders from the pool of Shipping and Freight Forwarding Agents Association of Zimbabwe members (SFAAZ), only active forwarders were drawn to make a sample. This was justified and done to ensure data integrity as dormant freight forwarders would affect data reliability.

The advantage being that; It allows the study to choose respondents who suite the research under study, in this case the researcher judgmentally chose to take active freight forwarders leaving out dormant ones. However, there is a slight room for researcher bias since the sampling technique failed to provide an equal chance for all the respondents to be selected.

## **5. DATA PRESENTATION AND RESEARCH FINDINGS**

Data was collected and presented in such a way to answer the following research questions;

## What are the effects of globalisation on the Zimbabwean freight forwarding industry?

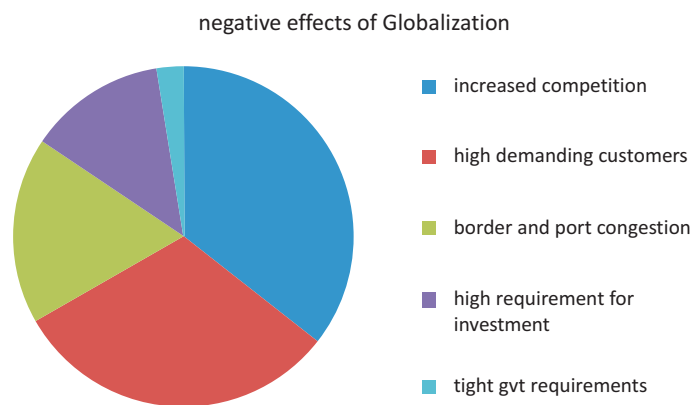
Negative effects were indicated as being;

- i. Increased competition
- ii. High demanding customers
- iii. The need for capital investment to improve operations
- iv. Insurmountable requirements by the government like tracking devices for trucks.

- v. Congestion at ports and borders due to high traffic volumes.

The major effect of globalization was cited as to increased competition, this was followed by high demanding clients which were noted by 14 of the respondents, a considerable number of 8 respondents cited congestion at borders and ports, 6 cited the challenge of capital investment and only one cited government requirements as a challenge.

**Figure 5** Pie Chart Showing the Share Distribution of Globalization Negative effects on freight forwarding Industry



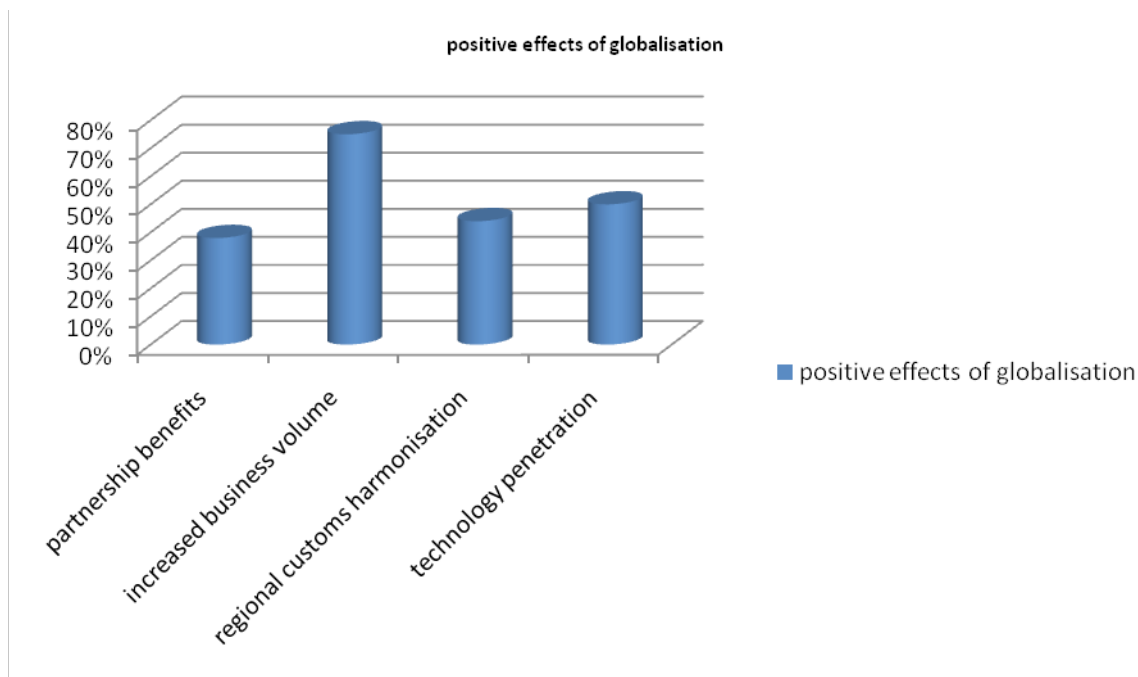
The advent of globalization entails that many players exist within the industry, multinationals spread tapping on business opportunities with the lack of capital and credit crunch in Zimbabwe investment in new technologies and expansion will certainly be a challenge. This explains why a sizeable number cited capital investment as a challenge, the concept of one global village and free movement of factors of production validates high competition as the major challenge in the face of globalization and consequently perfect knowledge of global activities result in high demanding customers who increasingly seek best services which they make a differentiating tool. Customers were also seeking services in one package that is a door to door service.

Whilst positive effects of globalisation were cited as being;

- i. Partnership benefits

- ii. Increased volume of business
- iii. Foreign investment in local exploration increasing export forwarding
- iv. Regional harmonization of customs and transport systems, example given Chirundu OSBP.
- v. Technologies which expedites traffic movement

The main benefit brought by globalization cited by respondents was the potential for high business with 75% of the respondents, technological spread was also a common benefit cited by 50% of the respondents, 38% of the respondents identified benefits of partnerships with international agents, liners and truckers. 44% of the respondents cited harmonization of customs and transport systems as another benefit of globalization on the Zimbabwean freight forwarding industry.

**Figure 6** Bar Chart Showing Positive Effects of Globalization

The growth of global trade, expansion of multinational manufacturing and exploratory companies like Sino Zimbabwe and Impala Platinum group consequently resulted in improved business for the local Freight Forwarding sector.

Global reach had become a necessity and thus to facilitate smooth movements of imports and exports to and from overseas markets called for partnership formations and the growth of global networks like the International Freight Forwarding Network. This also helps local freight forwarders to secure import business easily from their international partners who are in need of services from destination port to an inland place of delivery. Technology penetration results as partners share efficient methods of doing freighting. The realization by states and regions to integrate operations into the global economy through facilitating regional trade and intra-Africa trade at large saw the development of corridors like the North South Corridor which reduces the cost of freight movement within the region.

### **What are the problems relating to the cost effective integration of the Zimbabwean freight forwarding sector into regional and global logistics flow?**

Globalization entails trading beyond international boundaries necessitated by technology, specialization,

global co-ordination, cooperation and collaboration hence the need to bring out challenges faced within Zimbabwean freight forwarding sector's integration into regional and global logistical flows.

The problems raised by the respondents were as follows;

- i. Inadequate financing of infrastructure projects
- ii Overregulation (route licensing)
- iii. Cumbersome customs procedures (physical examinations, documentation requirements)
- iv. Poor customs and transport infrastructure

Most respondents believe that Zimbabwean freight forwarding sector has contributed to global logistical flows, this might be due to geographic location of Zimbabwe as it is the main trade route for shipments discharged at Durban port bound for the north (DRC, Zambia, and Malawi). Export of natural resources from Southern Africa has also ensured that Zimbabwe is part of the logistics system however poor logistics infrastructure and practices somehow has reduced its contribution.

### **How can the Zimbabwean freight forwarding industry survive and operate sustainably within the globalized environment?**

Respondents cited four major measures to be taken by freight forwarders to overcome threats posed by

globalization and to fully utilise the opportunities brought by globalization as being;

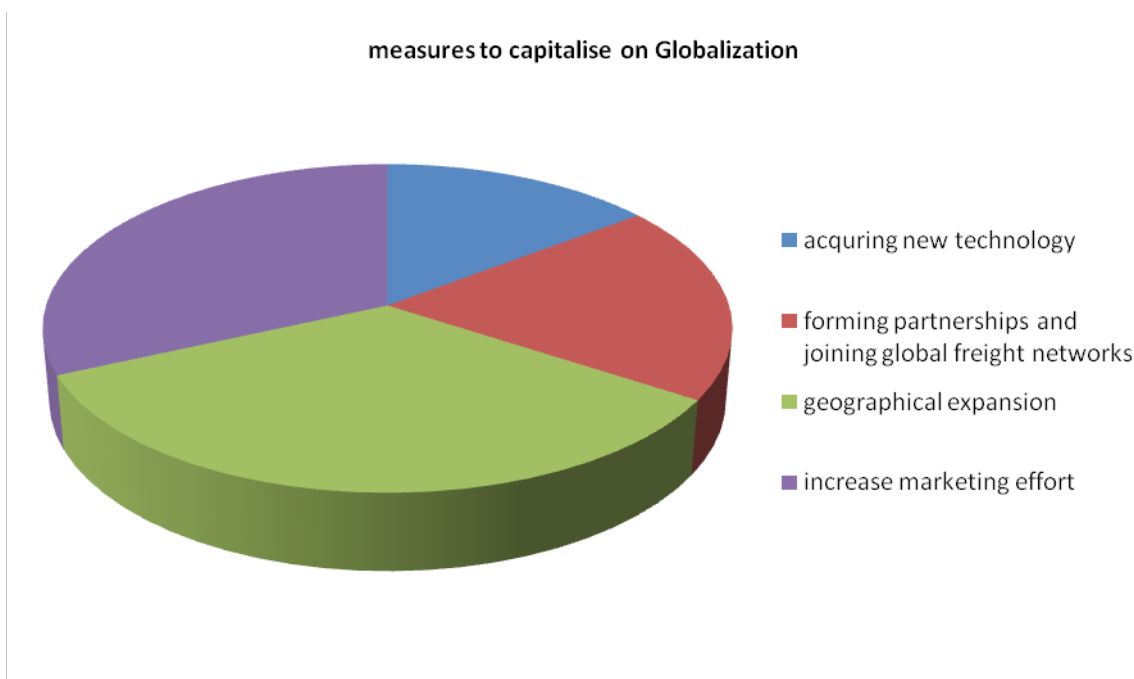
i. Acquiring new technology

ii. Forming partnership and joining global networks

iii. Geographical expansion

iv. Increase marketing effort

**Figure 7** Pie Chart Showing Measures to Capitalize on Globalization



The above pie chart shows that geographical expansion was the major measure freight forwarders undertook in order to capitalize on globalization with a 34% share of the total, this was followed by increasing marketing efforts with 32%, 20% share of measures was in the form of forming partnerships and 15% acquiring new technology.

The study found out that, the local freight forwarders were not fully embracing the importance of technology and partnership. According to the Four Forces Framework, technology is one of the four drivers of globalization hence; prioritising technology will increase the competitiveness of a company as freight clients demand real time tracking updates.

Other measures cited were;

i. Fleet acquisition

ii. Staff training

Fleet acquisition was one of the two additional measures cited by 4 of the respondents, 9 respondents cited the need to train staff on the modern needs of Freight Forwarding and three did not state any further measures.

Owning a fleet of trucks can have cost reduction implications and thus increase competitiveness of the forwarder however partnership with truckers can result in preferential treatment in terms of rates thus being equally competitive with a fleet owning forwarder.

Equipping staff with skills and knowledge was supported by the call by the Permanent Secretary in the Ministry of Regional Integration and International Co-operation, Prof Tedious Chifamba in the Shipping and Freight Forwarding Bulletin issue number 6 (2011) that there is need for regulation in the freight forwarding industry to make it possible for the firms to be equipped with necessary knowledge and skills to compete in the face of globalization for which most SMEs are not well positioned to face.

## 6. CONCLUSIONS AND RECOMMENDATIONS

The business environment remains volatile as the indigenization drive creates some degree of uncertainty compounded by financing constraints to necessitate sustainability and allow technological penetration in line with global standards.

Globalization has seen the cooperation, co-ordination and collaboration of individual states, bodies and forwarders forming synergies and networks in order to facilitate trade. Zimbabwe is a member to regional blocs like SADC and COMESA and has contributed to regional flow of cargo. Poor policy implementation compounded by poor cooperation, financing and government bureaucracy has been a drawback to regional integration.

Technology is the key driver of globalization and its advancements are directly proportional to the success of freight forwarders. Technology penetration in the Zimbabwean forwarding sector was found to be limited due to lack of investment, skills and knowledge to embrace the new technology. Poor connectivity, inadequate loan facilities, lack of prudent public and private sector partnerships (PPP) has resulted in poor technology penetration and consequently operational inefficiencies.

To operate sustainably and survive in the global village, Zimbabwean forwarders should move along with the shifting trend in the freight forwarding industry, maintaining and improving on its market position through product differentiation. The study came up with recommendations which will help to improve forwarding:

### Acquiring Haulage Trucks and Partnership

To increase competitiveness, Zimbabwean freight forwarders should own a fleet of haulage trucks to become an “integrator.” Nowadays clients are going direct to transport providers and carriers. This should be augmented by establishing relationships, partnerships are recommended in freight forwarding business.

### Global Networking

Global networks assist disadvantaged companies to get access to global business and also benefit from expert advice given by well established global freight forwarders.

### Internal Co-Ordination and Training

There is need to equip all staff with skills and knowledge of modern freight forwarding practices and requirements as the global freight forwarding demands are volatile and fast changing.

## Channelling Resources towards Electronic Marketing

Electronic marketing reaches a wide catchment area of potential clients. Selling forwarding services to already existing clients will also present a great potential for business.

## Infrastructure and Technology Investment

There is great need for investment in infrastructure through prudent upholding of public and private sector partnerships (PPP) and other special purpose vehicles like Built operate transfer (BOT) mechanisms. Technology is the major driver of globalization and as such Zimbabwean forwarders should seek foreign investment through share ownership and also enter buyer-supplier relationships in which buyers of freight services invest in freight service providers.

## REFERENCES

- Coyle JJ, Bardi EJ & Langley CJ, (2003), *The Management of Business Logistics. A Supply Chain Perspective*, 7th edition, Mason: South-Western.
- Coyne. (1986), *Sustainable Competitive Advantage*
- Friedman Thomas L. (2008), *The theory of Conflict Prevention, A Reader*, Boston.
- Jean Francois A. (2007), *Connecting to Compete. Trade logistics in the Global Economy*, World Bank, Washington, USA
- Journal of Transport Geography (2001), *Freight Transport Under Globalisation and its Impact on Africa*, 85-99
- Hyland P.W. & Soosay CA. (2004). *Driving Innovation in Logistics Case Studies in Distribution Centres, Creativity and Innovation Management*.
- Mentzer. (2001), *Supply Chain Management*
- Murphy, Paul R & Daley M J. (1994), *Logistics Issues in International Sourcing Journal of Supply Chain Management*, 30(3), 21-27
- United Nations conference on Trade and Development. (2003), *Efficient Trade and Transport facilitation to Increase participation by developing countries in international trade*
- United Nations Conference on Trade and Development. (2005), *Expert Meeting on Trade Facilitation as an Engine for Development Geneva*
- Uzzaman Almas & Yusuf M. (2011), *The Role of Customs and other Agencies in Trade Facilitation in Bangladesh. Hindrances and Ways Forward*, World Customs Journal.