MAKERERE UNIVERSITY

EXAMINING THE LOGISTICS MANAGEMENT FUNCTION IN UGANDA TELECOM LTD

BY

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PLAN B

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DECLARATION

I Mukangoga Justine, hereby declare that this copy is the original of my report. I further declare that it is being presented to Makerere University for the first time and that no other party has ever presented it in any other institution for whatsoever reasons.

Signed: ……..

Date ……..

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APPROVAL

This research report has been submitted with my approval as a University supervisor.

Signed: ……..

Dr. LEVI KABAGAMBE

Date ……..

DEDICATION

I dedicate this work to the Almighty God, and my guardians Mr. and Mrs. Kava Jimm who supported me in the best way possible during the course of my studies.

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I thank God for blessing me in all my undertakings. I also thank my family for putting up with me throughout the time required to work and study.

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ABSTRACT

This study aimed at examining logistics management amongst telecommunication industry in Uganda. The study population comprised 40 employees who are responsible for logistics planning, ware house management, freight management. Given the small nature of the population all the 40 staff was studied. The respondents were selected using simple random sampling. Self-administered questionnaires were used to collect responses and measurements were done, subjected to vigorous data processing and analysis using statistical package for social scientists (SPSS). The results revealed that the majority of the respondents agreed about the average use of logistics planning and ware house management and few disagree about Freight management practices applied by Uganda Telecom Ltd in the management of logistics. It was recommended that Logistics management focuses on the organization as a whole and not on individual units and departments while deciding about the allocation of resources. The resources may be in the form of men, machines, materials, money and time. Logistics management helps in the efficient use and deployment of the scarce resources. In absence of effective logistics management, there will be a depletion of various meager resources.

CHAPTER ONE

INTRODUCTION

1.1 Background to the study

Logistics management is the process of planning, organizing and controlling the efficient and effective flow and storage of goods, services and related information from point of origin to the point of consumption for the purpose of conforming to customer requirement (Ballou, 2004; council of logistics management, 1998; Svenson, 2003). It involves mobilizing the necessary resources required for efficient flow of goods and services from the point of origin to the point of consumption. The planning and scheduling of the transport operations and storage of goods and services before, during and after transit. This means that logistics management involves logistics planning, freight management and warehouse management.

Uganda Telecom Ltd is a communication service provider in Uganda founded in 1998 and its based in Kampala Uganda (Uganda telecom, 2010). For a long period UTL has been operating under a number of constraints such as increase in logistics waste, unnecessary inventories and related high costs of logistics operations. There is over and under production of inventories like airtime and phones, which come as a result of poor demand forecast leading to high costs of inventory management. The materials handling staff uses obsolete equipment for loading and offloading of materials, which leads to late deliveries and poor customer service. UTL does not use automated material requirement planning method and the use of manual methods for predicting stock and reorder levels Leeds to poor projected demand and production that is not arranged along the ordered schedules.

Although UTL has succeeded in providing several services, there is a frequent customer complaint about their quality (Uganda Communication Commission, 2006). Some of the complaints registered by UTL customer include poor service delivery, supply of substandard equipments, delayed restoration of services, unreliable services, poor net work quality, low coverage levels among others (Tusubira, 2009). For example in Tusubira study UTL coverage was rated at 68.1% compared to MTN at 70.4% and Warid at 69.0% yet these came into the industry after UTL. Another indicator of low service delivery with UTL services is that the

proportion of customers who subscribed for the company's services in 2009 was 17% compared to MTN at 65%. These complaints statistics indicate clearly that there is limited customer dissatisfaction. UTL has also experienced logistics management problem in its logistics customer service, which has contributed to loss of customers to competing telecommunication companies. These include lack of unified transparent process with in the supply chain, bureaucratic controls, stock outs, longer lead-time, lack of vendor performance measurement process (UTL supply chain process Improvement Draft report, 2004).

1.2 Statement of the problem

Despite the effort by UTL to improve its services, customers are still dissatisfied with the company's services. This is evidenced from the complaints on service quality which include poor service delivery, supply of substandard equipment delayed restoration of services, unreliable service providers, poor network quality, low coverage levels (Tusubira, 2009). For example according to UTL call center (2010), statistics indicate that there were 13489 tune complaints, 194 failure to receive SMS' complaints, 693 unsubscribe from content complaints, 1748 no dialing tone complaints, 45 badly scratched cards complaints and 81 dropped calls complaints. This has coursed UTL to lose its customers to its competitors and this has lead to loss of revenues hence leading to closure of business if problems are not addressed. Logistics management could be a factor to explain dissatisfaction of the customers with services from UTL. This includes lack of planning for stock control levels that results into over and under stocking causing increased costs of logistics operations.

1.3 Purpose of the study

This study aimed at examining logistics management amongst telecommunication industry in Uganda.

1.4 Research objectives

(i) To examine the level of logistics management at Uganda Telecom Ltd.

(ii) To examine the challenges associated with logistics management at Uganda Telecom.

(iii) To design strategies to improve logistics management at Uganda Telecom Ltd.

1.5 Research Questions

(i) What is the level of logistics management at Uganda Telecom Ltd?

(ii) What are the challenges associated with logistics management at Uganda Telecom Ltd?

(iii) What strategies should be adopted to improve logistics management at Uganda Telecom Ltd?

1.6 Scope of the study

This covered the geographical scope and content scope

1.6.1 Geographical Scope

This study was carried out in Uganda telecom specifically in Kampala. This was due to high concentration of the demand for the services. Kampala has a high demand for telecommunication services

1.6.2 Content Scope

This study specifically covered measures of logistics management, challenges associated with logistics management, strategies to improve logistics management and performance measures of logistics management in Uganda telecom Ltd.

1.7 Significance/Justification of the study

(i) The study findings will offer the company shareholders an opportunity to understand the management constraint relating to logistics operations and how it can be improved to achieve the desired service delivery. This will lead to increased share capital.

(ii) It will provide the firm's management team information about logistics management, which will enable them to have a competitive advantage over competitors and create a bigger market share.

(iii) It will help the logistics team to point out the challenges and constraints encountered in the logistics operation.

(iv) It will offer logistics providers with an opportunity to understand their role in meeting supply chain demands and achieve good service delivery.

(v) It will help the academic groups to add on the exiting knowledge by filling the knowledge gaps in logistics management.

CHAPTER TWO

LITERATURE REVIEW: INTRODUCTION

2.1 Logistics Management

Logistics management is that part of the supply chain which plans, implements and controls the efficient and effective forward and reverse flow and storage of goods, services and related information between the points of origin to point of consumption in order to meet the customer's requirements (Biji, 2003). This involves logistics planning, warehouse management, freight management to ensure efficient and effective flow of services.

Globally logistics management has shown a higher growth rate since the mid-2000s and this trend is expected to continue. Goods can now be moved all over the world. Logistics management excellence has become a powerful source of competitive differentiation (Mentzer*el al*, 2001). In 2000s companies began to view logistics as more than supply source of cost savings and recognize it as a source of enhancing product or service offerings as part of the broader supply chain process to create competitive advantage (Mc.Duffie*el al*, 2001). Logistics efficiency determines the needs of the customer. This ensures operational quality at each stage of production up to consumption in an organization as quality of the product and service is ensured for efficient and effective flow of services.

Logistics management has played an important role to the functional areas such as marketing and production. Logistics has become more prominent and recognized as a critical factor of an organization's performance (Green et al, 2008). The growing importance of logistics is coming from companies going global to access new markets, realize greater production efficiencies and tap technological competencies beyond their own geographical borders in an effort to increase customer satisfaction. The present scope of logistics in relation to customer satisfaction has extended to cover purchasing, distribution, inventory management, packaging, manufacturing and even customer service (Titone, 2006; Bowersox &Closs, 2006).

2.1.1 Logistics planning

In order for an organization to meet its customer needs, Jaecques (2002) suggests the following during logistics planning. Developing logistics plan and planning for growth. According to Jaecques (2002) developing an efficient and effective logistics plan involves what is called best practice solution and defining the detailed future planning requirements. Developing a logistics plan is a critical step in logistics management.

Casey and Marrow (2007) highlight the importance of logistics planning for data and factors. They observed that these could be used at strategic, operational and tactical levels to estimate the amount and the type of the effort and resources required for a given operation. Korpela &Valoaho (1998) explain factors an organization should consider in logistics planning in relation to service delivery. They observed that the key to provide effective customer service is determining the customer needs accurately and meeting and exceeding the needs in a constant way. They added that companies should adapt a strategic proactive focus on customer service based on understanding customer's own logistics process and designing a logistics system to meet their needs. The main objective is to create value for the customers by enabling them to achieve their own objective more efficiently.

Demand forecasting is essentially a linear process of translating input assumptions into a forecast of expected sales. Virtually every industry, companies are challenged by ever high customer expectations, changing market dynamics and the ongoing impact on technology all of which are compelling them to remain and refine how they forecast and manage demand. Today successful demand management requires a multi-channel, multilevel approach that exploits every link in the supply chain, which for most enterprises represents a complex group of constituent (Jaeqcques, 2002).

Accurate demand forecasting can improve service delivery by increasing customer satisfaction. Not having the right part in stock at the right time, stocking out can be costly especially when the item curries a higher margin, when the customer is a frequent purchaser. Owusu, Shahand (2009) concur that accurate demand forecasting ensures that organizations have full visibility of customer requests. Such proactive visibility of demand in service organizations enables the right

resources to be deployed at the right place and t the right time. Under estimating demand leads to unsatisfied customers who will turn back to organization's competitors.

Distribution requirement planning, which is also called resource planning, is a technique to ensure that inventories both coming in and going out are managed effectively (Tompkins and Harmelink, 2004). It is used with in business administration function to efficiently plan orders with in the supply chain. It provides inventory and distribution plans to meet product demand forecast. Organizations can manage the process of matching their inventory to customer orders so that they never have to worry about having wrong inventory in the wrong place at the wrong time. Distribution Requirement Plan ensures the perfect coordination between production, marketing and distribution management. Mukheriee, 2006: Coyle, Bardi and Langley (2003) emphasized that it improves the performance and motivates the managers to think about and implement demand management by modifying the customers' behavior while forecasting the demand for a product, product range or individual item. Distribution Requirement Plan implements the scheduled distribution specifying closely the condition specifically the timing with in which deliveries must be made (Mukherjee, 2006; Tompkins & Harmelink, 2004). It's important to create the time and place utility for a particular product and service. The most important feature of Distribution Requirement Plan is the coordination of the provision services and distribution functions of the company to maximize quality services.

2.1.2. Freight Management

Due to the need to increase customer quality services delivery, economic pressure has increased awareness of saving opportunities and the complex nature of freight management. Organizations are raping up their freight management activities often through the use of a third party logistics company (3PL) or out sourcing freight management services (Akridge, 2009). Organizations have come on board in understanding the impact of reducing overall transportation and logistics costs. There is increased interest in providers waiting to take control of their freight expenses to maintain and even increase service quality. Providers are expecting more transparency into freight costs and look at freight as a component of a total cost of a product.

Kotler, Armstrong, Saunders and wrong (2005) observed that it's an unmanaged expense line for some organizations. They emphasized that these organizations do not have resources for their

internal processes or expertise to manage freight. They noted that it is not just about making contact with vendors and telling them to transport and bill it to some organization. The real key is the ongoing management of the vendor compliance and then managing the next level of complexity in terms of improving and optimizing the logistics process.

Dramatic increase in the amount of information has increased its importance in the business today. Emphasizing this importance Liechti (2002) argued that the use of information technology can improve the dynamic characteristics of the supply chain facilitate business and make the corresponding fluctuations in the timely and the effective response. This increase customer satisfaction relying on the network and database as the core information system ensures the integrity of information, accuracy and timeliness about the organization's freight transportation client. Cargo information system enables information transfer from the linear structure into a network structure. The entire supply chain achieving real time sharing of information, which eliminates delays and reduces the length of the supply chain.

Sigh (1996) discussed the importance of information flow within the relatively complex supply chain of Communication Company with criticized European production centers, national sales and service organization. He analyzed the activities within the supply chain and illustrated the importance of the relationship between goods movement and the exchange of freight information. He argued that freight information needs to be managed before a sale is made while satisfying the sales order during and after sales and illustrated the importance of the relationship between goods movement and the exchange of freight information. He argued that freight information needs to be managed before a sale is made while satisfying the sales order during and after sale's maintenance. He concluded that responsiveness to customer demands and overall customer satisfaction cannot be achieved without proper management of both goods movement and freight information flow throughout the supply chain.

Distribution refers to how an organization delivers its services to the customer (Regan, 2010). If the organization is in the service business it may be the way it delivers its self to the customer to perform the service. An organization can use two major forms of distribution methods. Direct and indirect or a combination of two distribution methods and additionally different services

from the same company may need different methods. Direct distribution involves the organization distributing services through a third party to the customer. Regan (2010) argued that direct distribution can help organizations avoid extra costs on their services that rise with the use of the third parties and this may positively influence customer satisfaction. He however cautioned that each of the two distribution approaches has its merits and demerits to customer satisfaction.

2.1.3. Warehouse management

According to Jaeques (2002) space, labor are the variables in measuring statistics in distribution center planning. Jaeques (2002) emphasized that warehouse managers constantly ask the questions "is the space inside facility being used efficiently? How can labor costs be reduced? How can throughput be increased?" for any organization the importance of managing an efficient distribution center is to satisfy its customers. Warehouse management is a technique of supervising the receiving, handling, storing, moving, packing and distribution of materials in and around the warehouse. On the other hand there are other tasks such as allocation of the goods transfer in process, safety of the stock acquiring statistics by location and safety of stock also maneuvered by the warehouse management (Bailey, 2003). Amongst all the responsibilities, distribution of necessary stock to required places at accurate times is the most important task of the warehouse manager (Jaecques, 2002). In order to maintain or improve customer satisfaction warehouse managers must have appropriate knowledge of inventory measures and control, warehouse systems, material storage, unloading and loading techniques and mathematical knowledge.

The Aberden group (2009) in its report the "fine key steps to optimizing warehouse management" suggests that organizations should adopt warehouse management systems examines how successful companies have leveraged this technology to achieve superior performance and thus increasing customer satisfaction. They found out that top pressure pushing business to take action around adoption of warehouse management systems technology is the need to support increased sales without increasing staffing or space. High spoilage losses indicate poor storage procedures and over buying and both need immediate attention. Poor storage capacity planning raises storage inventory turnover rate and lower customer satisfaction. Applying inventory management principals to storage capacity management and free space

should be central in any organization's operations because it provides important insight into storage shops efficiency (Bailey, 2003).

Jaecques (2002) emphasized that storage managers have to control an immense number of variables when planning storage purchases. He argued that the first step in using the turnover rates in storage is to find a method to determine the rate of consumption and cautioned that most storage resource management tools are in adequate in this respect. On the positive side he noted that tracking the gross growth rates is surprisingly simple and can be done in a spread sheet. He advised that organizations should keep a daily, weekly, or monthly tally of utilizing capacity for each pool of storage and use the excel trend function to get the growth rates. Inventory handling is primarily about specifying the size and placement of stocked goods. Inventory handling is required at different locations within a facility or within a multiple locations of a supply network to protect the regular and planned course of provision of services against the random disturbance of running out of goods (Ganczarski, 2009). The scope of the inventory handling also concerns the fine lines between replenishment, lead time, currying costs of inventory, asset management, inventory forecasting, inventory valuation, inventory visibility, future inventory price forecasting, physical inventory available, physical space for inventory, quality management replenishment returns and defective goods and demand forecasting.

Kimball and Margy (2002) observed that the value of a manger to a marketing and supply business depends on her ability to manage inventories effectively. The total cost of maintaining the desired inventory level must be held down to a reasonable figure, but the inventory must also be large enough to permit the company to effectively merchandise the product and services it sales. If the manager doesn't control his inventories to accomplish both of these objectives the business may not be able to satisfy its customers.

2.2. Challenges associated with logistics management

Basheka (2009) argued that there is an issue facing logistics performance in a global scale. The costs of logistics are not getting lower but higher and the levels of services are also getting lower. In addition, Burt (1996) argued that majority of economic development is stunted because of

custom laws bad boarder management, transport regulations, and global transportation infrastructure.

Knudson (1999) argued that the first thing to consider in logistics is cost. He argued that any businessman is more concerned about the overhead expenses to be included before he tries to reach for global markets. Daugla (2001) argued that it's an economical to transport items to another location if actual costs of activities are not going to be retrieved by the expected profit. Another thing to consider is time that it will take for goods and services to be delivered to their destinations (Mulanzi, 2000).

Near (2004) argued that perishable goods do not reach their destination in fresh condition. This poses a risk to any businessman since the products will not be sold anymore. Sometimes, the product does not reach the destination or reach late and these products have a few shelf days remaining. In a very short span of time, the product will perish and they will no longer be fit for purpose. This means that it takes more days to transport the goods than the days they spend on display. This forces the business owners to refuse to ship items since they lose money instead of earning it.

According to Byamugisha (2000) many organizations face a number of problems ranging from operational to financial. He particularly cited poor procurement practices that are often overridden by members in the organization. Margrave (1999) further more asserts that one of the greatest problems faced by organizations today is the inadequate system of internal controls over the procurement processes.

Othieno (2001) cites the inadequate specialized and incompetent personnel to handle procurement assignment. East Africa has very few chartered procurement professionals and this inadequacy of professionals has partly contributed to the underdevelopment of the procurement function. This is also shared by Karen (2002) that flows in the procurement process in many organizations is fluctuated by the fact that in most cases the persons implementing the procurement are not well qualified procurement professionals. However, Baxter (2005) states that employing chartered procurement professionals are quite expensive for most of the small and medium enterprises.

More so, Carlyle (2004) argues that among the core problems faced by institutions in the twenty first century is the poor implementation of systems of internal controls over areas such as purchasing of materials especially when it comes to awarding of the contract. There are a number of corporations, which collapse due to breach of procurement functions that are highlighted to contribute to the troubles of the corporation. In developing countries, great deals of organizations do not have procurement sections and the core procurement duties are taken over by the accountants. Tamest (2000) on the other hand he argues that one of the limiting factors to the development of procurement in many entities is the limited finances to operate a fully procurement unit. Many organizations cannot afford to operate a procurement unit independent of finance due to limited resources and this still remains a challenge.

2.3. Strategies of improving logistics management

Companies should involve suppliers in logistics decisions. This is because the suppliers of raw materials may have a better idea on how to supply the product. The leverage of larger volumes or transportation market networking may give the suppler an edge in identifying the best of the transit or carrier in that mode (Burt, 1996).

Companies should involve carriers and most third parties in generating ideas to improve logistics management. The exposure that these pros have to other success stories in the market place can often be successfully applied to your company's situation. These folks can help to identify the date needed to develop a meaningful request for a proposal bid package (Lindsay, 2004). The companies should build a database to handle logistics activities. The database provides the historical data on the movement of materials and finished products out and in available in the company files that are essential for the business to be managed. The average size and nature of the shipment curried must be employed (Baxter, 2005). Average class of freight is important in negotiating with carriers for price, profit and packages. High value fright will be exposed to loss and damage limitations if released rates are released to the shipment. The organization should find out what the historical files show to be the experience of the shipments (Poister, 2003).

Companies should use the database to sort options. Companies should be in position to qualify the types of transportation providers needed to suit their needs (Othieno, 2001). Providing meaningful data to those carries to help them cost the service on which the company wishes them to quote. Companies should be consistence but encouraging innovations as one approach can be used over time and need not reject all other methods (Olupot, 2008).

Contracting an ongoing relationship with providers. Companies should be in position to create longer-term relationship with providers. In case of any mistake or risk element created will be held responsible by both parties to be committed to the success of the relationship. However, both sides should be genuinely interested in continuous improvement to eliminate cots and enhance value (Ogen, 20002).

The companies should continue monitoring their performance. Logistics management is never a once for and for all exercise. In today's market and opportunities are too dynamic. It is there for important to study the process continuously in a never-ending research for the better analysis. The control of the company's destiny lies on the competitive advantage discovered through logistics management (Poister, 2003).

2.4. Logistics performance measures

Logistics performance measures can be grouped into six categories. However certain organizations may develop their own categories depending on the organization's mission. These could include effectiveness, efficiency, quality, timeliness, the value added, the overall health of the organization (Poister, 2003; Jagger, 2006). The logistics function in the competitive markets can be appreciated when organizational goals are achieved at the sacrifice of the organizations resources (Burt, 1996)

Logistics performance can only be realized by comparing the actual target to the planned performance in terms of price, quality of materials, lead-time and from the right suppliers (Sebastian, 1997). In the someway efficiency and effectiveness can be determined basing on quality of the product produced, time of delivery, and defection rate basing of order specifications. According to (Ovum, 2005) proper logistics management in a competitive

industry ensures that they buy the right products, at the right price, from the right place. This implies that a strategic plan for acquiring goods and services must be in place, operating procedures have to be drafted customs need to adhered to in time and the supply markets need to be surveyed in advance (Walsh, 2005).

Newman (2001) asserted that well laid down logistics processes and accompanied with proper implementation procedures lead to cost saving. The reverse was however those organizations that have poor logistics systems. These incur high costs resulting from increased cost of operation that leads to poor performance of the organization. In addition to that well-balanced and knowledgeable staff and leaders make a better service oriented company. The most important factors that organizations should consider when employing a logistics management service provider that will best benefit your company (Cristobel, 2003)

CHAPTER THREE

METHODOLOGY

3.1 Research Design

This study used across-sectional research design. This was done by collecting data from each individual once.

3.2 Study population

The study population comprised 40 employees who were responsible for logistics planning, ware house management and freight management. Given the small nature of the population, all the 40 staffs were studied.

3.3 Research instrument

A self-administered questionnaire was developed and used at the data collection stage. This questionnaire was developed in standardized order of questioning and was supplemented by probing; this was thought to generate substantial information on the research problem.

3.4 Data sources

The researcher used primary data sources. This data was obtained from employees of Uganda telecom Ltd. The information was obtained using self-administered questionnaire and interviews.

3.5 Measurement of logistics management

Logistics management in Uganda Telecom was measured in line with logistics management dimensions of logistics planning, warehouse management and freight management (Basheka, 2009).The questionnaire was developed and accompanied with measurement, which categorizes and ranks the variables. Thus, a likert scale was used to collect opinion data on the study variable using the five scale; 5=strongly disagree, 4= disagree, 3=neutral 2=strongly agree, 1=agree.

3.6 Validity and reliability test

The validity of the instrument was checked by talking to experts both academicians and practitioners in the field of procurement. These were required to comment on the relevance of the questions in the instrument using the content validity index.

Reliability; the reliability of the instrument was tested through pre-testing of pilot samples both from the field and staff. This enabled rephrasing of some questionnaire. The reliability of the scale was achieved by using Cronbach alpha coefficient for the computations so as to check for internal consistence of the scale.

3.7 Data processing, analysis and presentation

The data collected from the field was checked to a certain the response rate. Editing, coding, and data entry into the computer using statistical computer package called SPSS. This was compiled into a report form for presentation.

CHAPTER FOUR

PRESENTATION AND INTERPRETATION OF FINDINGS

4.1 Introduction

This chapter presents the results of the study and interpretation of findings. The chapter comprised of four sections. Section one presents the sample characteristic showing, Gender category, highest education qualification, the period you have been with UTL, What is your position in UTL and the presentation begins with a description of the sample characteristic using frequencies. Section two, three and four of the chapter presents statistics that explain the study variables under study using the item means. The presentation of this chapter was guided by the following research objectives;-

(i) To examine the level of logistics management at Uganda Telecom Ltd.
(ii) To examine the challenges associated with logistics management at Uganda Telecom.
(iii) To design strategies to improve logistics management at Uganda Telecom Ltd.

4.2 Sample Characteristics

This provides general characteristics in regard to Uganda telecom staffs', Clients and suppliers specifically in Kampala basic information like gender category, highest education qualification, and period you have been with UTL and what is your position in UTL. The sample characteristics were presented basing on the responses from the respondents.

4.2.1 Gender category of the respondents

The results in table 4.1 show that majority of the Uganda telecom staffs', clients and suppliers respondents were male 61.1% as compared to the female respondents who comprised of 38.9%.

Table 4.1: Gender category of respondents

Gender category					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	22	61.1	61.1	61.1
	Female	14	38.9	38.9	100.0
	Total	36	100.0	100.0	

Source: Primary data

4.2.2 Highest Education qualification of the respondents.

The results in table 4.2 indicate that most of Uganda telecom staffs', clients and suppliers respondents who participated in the study, had bachelors' degree with 52.8%, these were followed by Diplomas with 25.0% respondents, and Professionals were presented by 13.9% and Masters only with 8.3%.

Table 4.2: Level of education of the respondents

Highest Education qualification					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diplomas	9	25.0	25.0	25.0
	Bachelors	19	52.8	52.8	77.8
	Masters	3	8.3	8.3	86.1
	Professionals	5	13.9	13.9	100.0
	Total	36	100.0	100.0	

Source: Primary data

4.2.3 Work experience of the respondents

Table 4.3 show that majority of the respondents worked for the Uganda telecom staffs', clients and suppliers for 5-10 years with 41.7%, followed by Less than 5 years with 27.8%, then employees who worked for the organization for 10-15 years with 19.4% and finally 15 and above with only 11.1%.

Table 4.3: Work experience of the respondents

The period spent at UTL					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 5 years	10	27.8	27.8	27.8
	5--10 years	15	41.7	41.7	69.4
	10-15 years	7	19.4	19.4	88.9
	15 and above	4	11.1	11.1	100.0
	Total	36	100.0	100.0	

Source: Primary data

4.2.4 Position held in UTL of the respondents

From Table 4.4, majority of the respondents were Uganda telecom employees with 55.6%, then followed by clients 25.0% and the suppliers with only 19.4%.

Table 4.4: Position held in UTL of the respondents

What is your position in UTL					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Clients	9	25.0	25.0	25.0
	Uganda telecom Employees	20	55.6	55.6	80.6
	Suppliers	7	19.4	19.4	100.0
	Total	36	100.0	100.0	

4.3 The level of logistics management at Uganda Telecom Ltd

The descriptive statistics on the level of logistics management were conducted. The items were rated on a five point likert scale ranging from strongly disagree (1), disagree (2), Neutral (3), agree (4) and to strongly agree (5).

Table 4.5: Descriptive statistics of level of logistics management at Uganda Telecom Ltd

Descriptive Statistics of level of logistics management					
Logistics Planning	**N**	**Min**	**Max**	**Mean**	**Std. Dev**
In this organization it's a policy to have logistics plans.	36	1	5	4.28	1.162
In this organization we plan for growth.	36	1	5	4.11	1.116
Am sure resources are always planned for at UTL.	36	1	5	2.97	1.276
I am confident that at UTL there is planning for material movement.	36	1	5	2.58	1.461
UTL has always curried out demand forecasts for inventories.	36	1	5	3.31	.920
In this organization inventories are planned for.	36	1	5	2.72	1.323
Mean				**3.32**	
Freight management	**N**	**Min**	**Max**	**Mean**	**Std. Dev**
In this organization we ensure that there is a relationship between the movement of materials and freight information.	36	1	5	2.81	1.451
This organization has effective information flow.	36	1	5	2.28	1.365
This organization involves 3rd party logistics for efficiency.	36	1	5	2.56	1.252
Management in UTL allocates resources for internal processes and expertise.	36	1	5	3.83	.775
This organization uses information technology to improve the supply chain.	36	1	5	3.17	1.363
UTL's distribution is efficient.	36	1	5	3.28	1.162

Mean				**2.98**	
Ware house management	**N**	**Min**	**Max**	**Mean**	**Std. Dev**
UTL has always taken actions on adoption of warehouse management systems technology.	36	1	5	3.81	1.037
In UTL there is application of inventory management principals.	36	1	5	2.56	1.463
In UTL we keep daily, weekly, monthly tally for utilizing capacity.	36	1	5	4.28	.779
In UTL we curry out inventory specification and placement of materials.	36	1	5	2.31	1.167
In UTL there is proper management and control of inventory.	36	1	5	3.06	1.433
Mean				**3.20**	
Grand Mean				**3.17**	

Source: Primary data.

The results in table 4.5 indicate that the level of logistics planning in logistics management was moderate with mean of 3.32 and as well freight management was a little low with m=2.98 as the average mean which was caused by low levels of relationships, limited information flow.

Results also show that ware house management was only average (m=3.20). It is there for not surprising that the level of logistics management was just above average (Grand mean=3.17)

4.4 Challenges faced in the management of logistics at Uganda Telecom Ltd.

Items indicating challenges faced in the management of logistics at Uganda Telecom Ltd were generated and the items were rated on a five point likert scale ranging from strongly disagree (1), disagree (2), Neutral (3), agree (4) and to strongly agree (5). The findings are shown in the table 4.7 below.

Table 4.6: Descriptive Statistics of the challenges of logistics management at Uganda Telecom Ltd

Descriptive Statistics of challenges of logistics management					
	N	**Min**	**Max**	**Mean**	**Std. Dev**
This organization is having limited internal systems control.	36	3	5	4.19	.467
UTL is faced with the challenge of high operational costs.	36	2	5	3.89	.887
UTL lacks professional skills.	36	1	5	3.78	.959
This organization is facing high increase in prices of logistics.	36	2	5	3.75	.841
In UTL we are facing a challenge of late deliveries.	36	1	5	3.72	1.031
UTL has limited storage capacity.	36	1	5	3.72	1.003

Source: Primary data

Results in table 4.6 indicate challenges faced in the management of logistics at Uganda Telecom Ltd mainly; organization had limited internal systems control (Mean=4.19), UTL faced with the challenge of high operational costs (Mean=3.89), UTL lacked professional skills (Mean=3.78), was facing high increase in prices of logistics (Mean=3.75), and challenge of late deliveries and UTL has limited storage capacity (Mean=3.72).

4.5 The strategies of improving logistics management at Uganda Telecom Ltd

The items indicating strategies of improving logistics management at UTL (1), disagree (2), Neutral (3), agree (4) and to strongly agree (5). The findings are shown in the table 4.8 below.

Table 4.7: Descriptive Statistics of strategies of improving logistics management

Descriptive Statistics of strategies of improving logistics management					
	N	**Min**	**Max**	**Mean**	**Std. Dev**
At UTL databases are developed to facilitate historical data.	36	3	5	4.25	.500
We include 3rd party logistics during idea generation.	36	3	5	4.25	.554
At UTL there is continuous monitoring and evaluation of system performance.	36	3	5	4.25	.604
I am confident that the organization has ongoing relationship with its suppliers.	36	3	5	4.11	.523
At UTL our suppliers are involved in decision making.	36	3	5	4.08	.500

Source: Primary data

The results in the table 4.7 indicate strategies of improving logistics management at UTL especially; UTL databases should be developed to facilitate historical data (Mean=4.25), need to include 3rd party logistics during idea generation and to consider continuous monitoring and evaluation of system performance (Mean=4.25), should have ongoing relationship with its suppliers (Mean=4.11) and finally at UTL suppliers should be directly involved in decision making (Mean=4.08)

CHAPTER FIVE

DISCUSSION, CONCLUSION AND RECOMMENDATION

INTRODUCTION

This chapter presents the discussion, conclusion, and recommendation arising out of the research findings in chapter four.

5.1 Discussions

5.1.1 The level of logistics management at Uganda Telecom Ltd.

The study established that the level of logistics management at Uganda Telecom Ltd, resources were always planned for at UTL and effective planning for material movement, UTL curried out demand forecasts for inventories and inventories were planned for to ensure service delivery. This is supported by Tompkins & Harmelink (2004), that distribution requirement planning, which is also called resource planning, is a technique to ensure that inventories both coming in and going out are managed effectively. It is used with in business administration function to efficiently plan orders with in the supply chain. It provides inventory and distribution plans to meet product demand forecast. Organizations can manage the process of matching their inventory to customer orders so that they never have to worry about having wrong inventory in the wrong place at the wrong time. According to Jaecques (2002), developing an efficient and effective logistics plan involves what is called best practice solution and defining the detailed future planning requirements. Developing a logistics plan is a critical step in logistics management. Accurate demand forecasting can improve service delivery by increasing customer satisfaction. Not having the right part in stock the right time, stocking out can be costly especially when the item curries a higher margin, when the customer is a frequent purchaser (Owusu & Shahand 2009).

Furthermore, results about level of logistics management at Uganda Telecom Ltd show about freight management that; the organization had effective information flow and used information technology to improve the supply chain and UTL's distribution is efficient. This supported by Liechti (2002) that the use of information technology can improve the dynamic characteristics of the supply chain facilitate business and make the corresponding fluctuations in the timely and the effective response. This increase customer satisfaction relying on the network and database as

the core information system ensures the integrity of information, accuracy and timeliness about the organization's freight transportation client. According to Regan (2010), suggests that organization can use two major forms of distribution methods. Direct and indirect or a combination of two distribution methods and additionally different services from the same company may need different methods. Direct distribution involves the organization distributing services through a third party to the customer and that direct distribution can help organizations avoid extra costs on their services that rise with the use of the third parties and this may positively influence customer satisfaction.

Finally, about level of logistics management at Uganda Telecom Ltd show about the ware house management that; UTL had always taken actions on adoption of warehouse management systems technology and in UTL there was application of inventory management principals. This is also in line with Aberden group (2009) that the "fine key steps to optimizing warehouse management" suggests that organizations should adopt warehouse management systems examines how successful companies have leveraged this technology to achieve superior performance and thus increasing customer satisfaction.

5.1.2 The challenges associated with logistics management at Uganda Telecom.

The results show that the challenges associated with logistics management at Uganda Telecom were: the organization was having limited internal systems control this is evidenced by Carlyle (2004), that among the core problems faced by institutions in the twenty first century is the poor implementation of systems of internal controls over areas such as purchasing of materials especially when it comes to awarding of the contract. There are a number of corporations, which collapse due to breach of procurement functions that are highlighted to contribute to the troubles of the corporation. In developing countries, great deals of organizations do not have procurement sections and the core procurement duties are taken over by the accountants.

Furthermore, UTL was faced with the challenge of high operation by all costs. This is also supported Knudson (1999), that the first thing to consider in logistics is cost. He argued that any businessman is more concerned about the overhead expenses to be included before he tries to reach for global markets. Daugla (2001) argued that it's an economical to transport items to

another location if actual costs of activities are not going to be retrieved by the expected profit. Another thing to consider is time that it will take for goods and services to be delivered to their destinations (Mulanzi, 2000).

The results further revealed that UTL lacked professional skills. This in line with Othieno (2001) that the inadequate specialized and incompetent personnel to handle procurement assignment. East Africa has very few chartered procurement professionals and this inadequacy of professionals has partly contributed to the underdevelopment of the procurement function. This is also shared by Karen (2002), that flows in the procurement process in many organizations is fluctuated by the fact that in most cases the persons implementing the procurement are not well qualified procurement professionals.

5.1.3 The strategies to improve logistics management at Uganda Telecom Ltd.

The results show strategies to improve logistics management at Uganda Telecom Ltd were; at UTL databases were developed to facilitate historical data. This is supported by Baxter, (2005) that the companies should build a database to handle logistics activities. The database provides the historical data on the movement of materials and finished products out and in available in the company files that are essential for the business to be managed. The average size and nature of the shipment curried must be employed. Average class of freight is important in negotiating with carriers for price, profit and packages. High value fright will be exposed to loss and damage limitations if released rates are released to the shipment. The organization should find out what the historical files show to be the experience of the shipments (Poister, 2003).

The results show that UTL suppliers were involved in decision making and ongoing relationship with suppliers. According to (Burt, 1996), indicate that companies should involve suppliers in logistics decisions. This is because the suppliers of raw materials may have a better idea on how to supply the product. The leverage of larger volumes or transportation market networking may give the suppler an edge in identifying the best of the transit or carrier in that mode.

The results show finally that UTL included 3rd party logistics during idea generation and at UTL there was continuous monitoring and evaluation of system performance. This is supported by

Lindsay, (2004), that companies should involve carriers and most third parties in generating ideas to improve logistics management. The exposure that these pros have to other success stories in the market place con often be successfully applied to your company's situation. These folks can help to identify the date needed to develop a meaningful request for a proposal bid package. The companies should continue monitoring their performance. Logistics management is never a once for and for all exercise. In today's market and opportunities are too dynamic. It is there for important to study the process continuously in a never-ending research for the better analysis. The control of the company's destiny lies on the competitive advantage discovered through logistics management (Poister, 2003).

5.2 Conclusions

5.2.1 The level of logistics management at Uganda Telecom Ltd.

The results indicate that level of logistics management at Uganda Telecom Ltd were based on the; Logistics planning for developing an efficient and effective logistics plan used at strategic, operational and tactical levels to estimate the amount and the type of the effort and resources required for a given operation, Freight Management due to the need to increase customer quality services delivery, economic pressure has increased awareness of saving opportunities and the complex nature of freight management and Warehouse management as a technique of supervising the receiving, handling, storing, moving, packing and distribution of materials in and around the warehouse.

5.2.2 The challenges associated with logistics management at Uganda Telecom.

The results show that challenges associated with logistics management at Uganda Telecom were, inadequate specialized and incompetent personnel to handle procurement assignment, high costs of logistics due to custom laws bad boarder management, poor transport regulations, and global transportation infrastructure, operational to financial constraints and poor implementation of systems of internal controls over areas such as purchasing of materials especially when it comes to awarding of the contract.

5.2.3 The strategies to improve logistics management at Uganda Telecom Ltd

In regards to the strategies to improve logistics management are; Companies should involve suppliers in logistics decisions, should involve carriers and most third parties in generating ideas to improve logistics management, should use the database to sort options, should be in position to create longer-term relationship with providers and should continue monitoring their performance.

5.3 Recommendations

Basing on the results of the study, recommendations are made to level of logistics management at Uganda Telecom Ltd. These recommendations are drawn from the findings of the study. In light to the research of the research findings, the following recommendations are made basing on challenges associated with logistics management at Uganda Telecom and the following should be considered;

From a resource based perspective, the case companies are in terms of static, operational capabilities competing on the basis of a combination of highly efficient and effective logistics operations and well functioning, adjusted, in-house developed IT systems. The logistics operations, such as picking and packing in the warehouse, are characterized as simple, standardized but thought-through routines, and have strong support from top management who emphasize the importance of speed and cost efficiency in the warehouse operations as well as transportation. The IT-systems in turn support the logistics processes and give control to the physical operations. Over the years, logistics operations and IT been developed in symbiosis within each company. IT/IS being integrated in the logistics development, with the purpose of achieving a logistics platform supporting the profitability and growth of the companies.

An essential ingredient for rapid development of the logistics operations and IT systems is top management's knowledge and presence in the organization concerning these issues. Logistics issues, often by top management labeled "physical flow of goods" or "operational processes" are, together with the IT systems, areas of managerial priority in the case companies. There is in general in-depth operational business knowledge among top managers about these issues and most of the top management members have several years of operational experience from the organizations. This "hands-on knowledge", as stated by Dustins COO, means that there is little

"we and them" feeling between the top management and the employees and that changes and development of the operational business can be performed in a smooth, rapid manner. As such, operations and problem solving around these issues are given high priority in the companies, enabling speed between strategic decisions and implementation, including response to emergent events.

Except for top managers personal knowledge and presence in logistics operations and IT, cross functional communication and teamwork plays a decisive role in order to coordinate and improve operations, for instance to be agile and respond to rapid market changes. In general, top management stresses the importance of "knowing what the other departments are doing". Similar to traditional supply chain management literature, functional silos should be bridged through a continuous evaluation and change of interfaces between functions.

5.4 Area for the further research

.Human resource management in logistics management

The following are anticipated limitations while undertaking the study,

i) The study was limited by use of the questionnaire that only collected data that was not technical and practical. This included biasness.

ii) The study was limited by the scope of the study that specifically looked at the logistics management function, warehouse, planning and freight management without considering other variables that can cause poor business management.

iii) The research was limited by research design that specifically relied on across-sectional research method that did not allow extensive research.

iv) There was limited literature on the topic under investigation.

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December 2006; the commission of UCC adopted the strategy of publication of Compliance results by the commission.

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APPENDIX

QUESTIONNAIRE

MAKERERE UNIVERSITY BUSINESS SCHOOL

Dear respondent,

I am Justine Mukangoga, a student of Makerere University Business School Under taking a study on *"**Examining the Effect of Logistics Management in Telecommunication Industry; A case of Uganda Telecom Ltd".*** The study is part of the requirement leading to the award of a Masters' of Science in Procurement and supply Chain Management, Makerere University. I am requesting you to assist me by filling this questionnaire as required. The information you avail to me will be treated with utmost confidentiality as the study is purely for academic purpose

SECTION A; *Personal Information*

In this section (1-4), please tick the most appropriate option.

1. Gender category

Male	Female
1	2

2. Highest Education qualification of the respondent.

Diploma	Bachelors	Masters	Professional
1	2	3	4

3. The period you have been with UTL.

Less than 5 years	5-10 years	10-15 years	15 and above
1	2	3	4

4. What is your position in UTL?

Client	Employee	Supplier	Others (Specify)
1	2	3	4

SECTION B

This section indicates the measure of agreement or disagreement with the statements raised to the respondents. Kindly express your opinion by ticking the most appropriate rating of the statements raised in your view. 1-SD=Strongly Disagree 2-D=Disagree 3-N=Neutral 4- A=Agree 5- SA=strongly agree.

Logistics Planning	**SD**	**D**	**N**	**A**	**SA**
In this organization it's a policy to have logistics plans.	1	2	3	4	5
In this organization we plan for growth.	1	2	3	4	5
Am sure resources are always planned for at UTL.	1	2	3	4	5
I am confident that at UTL there is planning for material movement.	1	2	3	4	5
UTL has always curried out demand forecasts for inventories.	1	2	3	4	5
In this organization inventories are planned for.	1	2	3	4	5

Freight management	**SD**	**D**	**N**	**A**	**SA**
In this organization we ensure that there is a relationship between the movement of materials and freight information.	1	2	3	4	5
This organization has effective information flow.	1	2	3	4	5
This organization involves 3rd party logistics for efficiency.	1	2	3	4	5
Management in UTL allocates resources for internal processes and expertise.	1	2	3	4	5
This organization uses information technology to improve the supply chain.	1	2	3	4	5
UTL's distribution is efficient.	1	2	3	4	5

Ware house management	**SD**	**D**	**N**	**A**	**SA**
UTL has always taken actions on adoption of warehouse management systems technology.	1	2	3	4	5
In UTL there is application of inventory management principals.	1	2	3	4	5
In UTL we keep daily, weekly, monthly tally for utilizing capacity.	1	2	3	4	5
In UTL we curry out inventory specification and placement of materials.	1	2	3	4	5
In UTL there is proper management and control of inventory.	1	2	3	4	5

SECTION C; please indicate the level of agreement or disagreement in this section.

Challenges of logistics management.	**SD**	**D**	**N**	**A**	**SA**
This organization is facing high increase in prices of logistics.	1	2	3	4	5
UTL has limited storage capacity.	1	2	3	4	5
UTL is faced with the challenge of high operational costs.	1	2	3	4	5
In UTL we are facing a challenge of late deliveries.	1	2	3	4	5
UTL lacks professional skills.	1	2	3	4	5
This organization is having limited internal systems control.	1	2	3	4	5

Strategies of improving logistics management	**SD**	**D**	**N**	**A**	**SA**
At UTL our suppliers are involved in decision making.	1	2	3	4	5
We include 3rd party logistics during idea generation.	1	2	3	4	5
At UTL databases are developed to facilitate historical data.	1	2	3	4	5
I am confident that the organization has ongoing relationship with its suppliers.	1	2	3	4	5
At UTL there is continuous monitoring and evaluation of system performance.	1	2	3	4	5

Thank you very much for your support