

**THE FEASIBILITY OF AN MCC MODEL FOR
FAR EAST–EUROPE/USA TRADE LANES OF
GLOBAL RETAILERS BY TAKING SRI LANKA
AS THE HUB COUNTRY**

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ABSTRACT

Sri Lanka is a country which is uniquely and strategically located in the maritime silk route, and known as the pearl of the Indian Ocean. However, no any government or private entity in the recorded history from 1948 has understood the real value of this natural heritage and act upon it to utilize the resources and to bring out the true benefit to the nation. When considered the size of geography, population, and the technological advancements in Sri Lanka one can clearly identify and accept that the country can hardly compete with the developed and industrialized nations who have achieved superiority in production capacities and export generation. Production and export generation are the only means of economic development and wellbeing for a country. Countries like Singapore has already shown the answers for this question by utilizing the limited resources of their country in to a fortune by establishing manufacturing units, managing millions of TEU's of transshipments by means of bonding, value addition and Multi Country Consolidation (MCC).

The Far East – Europe/USA trade lane passes Sri Lanka in close proximity to the port of Hambantota carrying 2/3 of containerized cargo volume destined to the giant retail stores in Europe and USA. But unfortunately around 90% of such cargo bypasses our country as non-value added merchandize directly exported from Far East and South East Asia to Europe and Americas. The value addition processes of these imports are carried out at the destinations with high expenditure of service charges and unnecessary lead time. In this thesis proposes a Multi Country Consolidation model for this trade lane by taking Sri Lanka as the hub country to implement consolidations, relevant value additions and finally the transshipment of merchandize. And also, the further research is conducted to validate this model by proving the feasibility of improving the overall cost efficiency and reducing the total average lead time. A thorough comparison is presented between the existing direct trade lane process and the proposed MCC hub model to prove the advantages of the proposed process.

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LIST OF ACRONYMS

CFS – Container Freight Station

MCC – Multi Country Consolidation

GTL – Global Transportation and Logistics (PVT) Ltd

MAC SC – MAC Supply Chain Solutions (PVT) Ltd

GRN – Goods Received Note

GDN – Goods Dispatched Note

CDN – Cargo Dispatch note

SLPA – Sri Lanka Ports Authority

CUSDEC – Customs Declaration

VAS – Value Addition Services

LIST OF FIGURES

Figure 1: The current business model of international retail chains.

Figure 2: MCC process

Figure 3: Basic structure of buyer driven commodity chains

Figure 4: Far East – USA imports distribution by ports of entry

Figure 5: Far East – USA Furniture imports distribution by ports of entry

Figure 6: Far East – USA Toys/Games/Sports Equipment imports distribution by ports of entry

Figure 7: Far East – USA Auto parts/Motor Cycles imports distribution by ports of entry

Figure 8: Far East – USA Machinery imports distribution by ports of entry

Figure 9: Far East – USA Electronic imports distribution by ports of entry

Figure 10: Comparative illustration of trade flows

Figure 11: The existing direct export model of Far East – Europe/USA trade lane

Figure 12: The proposed MCC model for Far East – Europe/USA trade lane

Figure 13: Flowchart presentation of the Basic Process

Figure 14: Variations in lead time saving among different suppliers

Figure 15: Lead time contributions for SC segments

Figure 16: fluctuation of SC cost between country wise different suppliers

Figure 17: Fluctuations in SC cost between SC elements

LIST OF TABLES

Table 1: Top USA retail chain importers ranked as per TEU volume

Table 2: Rankings of Chinese ports as per handled TEU volume

Table 3: World Rankings of Retail Giants as per revenue and net profit

Table 4: Risk Analysis table for US and UK Retailers

Table 5: Suppliers of Matalan in Far East and South East Asia

Table 6: Sequential steps and relevant costs of the existing process

Table 7: Sequential steps and relevant costs of the proposed process

Table 8: Sequential steps and relevant lead times of the existing process

Table 9: Lead time analysis, comparison

Table 10: SC cost analysis and comparison of the existing and proposed models

TABLE OF CONTENTS

DECLARATION OF ORIGINALITY	2
COPY RIGHT STATEMENT	3
STATEMENT OF THE SUPERVISOR.....	4
ABSTRACT	5
ACKNOWLEDGEMENTS	6
LIST OF ACRONYMS.....	6
LIST OF FIGURES.....	7
LIST OF TABLES	8
1 CHAPTER - INTRODUCTION	13
1.1. Background of the research.....	13
1.2. International Retail Chains.....	13
1.3. Prevailing Business Model.....	14
1.4. Research Problem.....	15
1.5. Multi Country Consolidation(MCC).....	17
1.6. Research Questions	20
1.7. Research Objectives	20
1.8 Research Limitations.....	20
1.9. Analyzing the cost structure and overall lead time comparing before	21
<u>1.10</u> Time Schedule	21
2 CHAPTER - LITERATURE REVIEW	22
2.1 Current trade lane activities and the growth of retail giants from Far East to Europe/USA	22
2.2 Determinants of International Retail Involvement the Case of Large U.S. and UK Retail Chains	24
2.3 Analysis on volumes and other aspects of Far East – USA trade lane.....	25
2.4 Top USA importers from Far East.....	28

2.5	Far East container ports – TEU volumes	29
2.6	Growth potential in Far East- Europe/USA trade lane.....	29
2.7	Sourcing from Asian countries	32
2.8	A challenge for the suppliers in developing countries	33
2.9	New trends of retail industry in Indian market	33
2.10	The position of global retailers by means of wealth, trade volume and other rankings.....	34
2.11	Risk Analysis Table	36
2.12	Key findings of a research based on online retailing and connected customers.	41
2.13	The rise of E Commerce and the Retailers adaptability to change	42
2.14	Eliminating run way to retail gap.....	43
2.15	Increased competition between retailers in grocery and apparel industries....	43
2.16	Labor issues faced by UK and USA retailers	44
2.17	Digital tools to enhance customer service of retailers	45
2.18	Retail Stores closing and consolidating	46
2.19	Enhancing shopping experience in retails	46
2.20	Challenges faced by retailers in the dynamic business environment	46
2.21	Matalan retails (PVT) ltd.....	47
2.22	Challenges faced by retailers in the dynamic business environment.	50
2.23	Repositioning in the global apparel value chain in the post-MFA era: Strategic issues and evidence from Sri Lanka	51
2.24	Industrial upgrading in the apparel value chain and the role of designer in the transition: Comparative analysis of Sri Lanka and Hong Kong (from CMT/OEM to ODM/OBM)	52
2.25	Sri Lanka’s strategic location in Indian Ocean – potential as a hub	53
2.26	Sri Lanka’s Strategic Role in the Indian Ocean	<u>54</u>
2.27	Multi country consolidations (MCC) explained	55

2.28	Evaluating key factors influencing the development of multi-country consolidation for ocean freight forwarders in Taiwan	56
3	CHAPTER - RESEARCH METHODOLOGY	57
3.1	Identification of the research idea	54
3.2	Geographical presentation of the existing model	56
3.3	Geographical presentation of the proposed MCC model	56
3.4	The process comparison between the existing direct trade lane model and the proposed Sri Lankan MCC hub model.....	57
3.5	Proposed process for the entire hub operation	59
3.6	Proposed SOP for the floor operation inside GTL.....	59
3.8	Operational feasibility of the proposed model	66
3.9	Acceptable lead time of the entire process.....	67
3.10	Total lead time formula for the existing direct trade lane process	67
3.11	Total lead time formula for the proposed hub operation process.....	67
3.12	Financial feasibility of the proposed model	69
3.13	Total cost formula for the existing direct trade lane process	70
3.14	Total cost formula for the proposed MCC hub model	71
3.15	Survey design	71
3.16	The questionnaire format	73
3.17	Sampling plan.....	73
4	CHAPTER – DATA ANALYSIS AND RESULTS.....	77
4.1	Transfer of questionnaire inputs to the data analysis table	79
4.2	Data Analysis Table	80
4.3	The comparison of existing model and proposed model.....	80
4.4	Lead time analysis for the existing and proposed models.....	80
4.5	Fluctuations in lead time saving for suppliers.....	81

4.6	Lead time contributions of segments in the proposed model.....	81
4.5	Supply chain cost analysis for the existing and proposed models	82
4.6	Fluctuations in SC cost saving for suppliers	84
5	CONCLUSIONS AND FUTURE RESEARCH DIRECTIONS	86
5.1	Introduction	86
5.2	Summary of Research Findings and conclusions.....	86
5.3	Conclusions	87
6	REFERENCE.....	88
6.2	Questionnaire.....	89-92
7	External Annexure.....	92-95