COMPETITIVENESS IN THE SUPPLY CHAIN OF SELECTED LOGISTICS PROVIDERS IN NAGA CITY, PHILIPPINES

Abad, Francis Gladys B.
Osma, Arvy N.
Palacio, Maria Hazel O.
(Mariners’ Polytechnic Colleges, Philippines)

Presented during the 14th World Customs Organization PICARD Conference 2019 at Skopje, North Macedonia
Logistics is such a complex word since it undergo different processes.

In August 1, 2017, the Department of Trade and Industry in partnership with the World Bank Group-International Finance Corporation revealed the result of their survey. The survey was able to assess the key performance indicators of the logistics company’s efficiency, this are **cost, time and reliability**.
This study discusses the:

1. Factors that makes logistics providers in Naga City competitive in the supply chain.
2. Leading issues in the supply chain
3. Logistic provider’s current practices
4. Performances of logistics company
STATEMENT OF THE PROBLEM

This study is aimed to determine the competitiveness in the supply chain of logistics providers in Naga City. Specifically it answered the following questions:

1) What are the current practices of the Logistic Services Providers in terms of:
   a) acceptance of goods to transport
   b) Determination of logistic costs
2) What are the common issues encountered by the Logistic Services Providers?
3) What are the common issues encountered by the clients?
4) What is the level of competitiveness of the LSPs along:
   a) Price
   b) Quality of Service
   c) Compliance to international trade policies and standards
METHODS

This study utilizes both quantitative and qualitative method. A self-survey was employed targeting 50 clients of the logistic supply providers. Questionnaire was provided to the respondents and was immediately retrieved right after. The 1st portion of the questionnaire consisted of the demographic information of the respondents, 2nd portion is composed of parameters determining the common issues encountered both by the client and the provider. The 3rd part of the survey tool consists an open ended questions to generate comments, suggestions and recommendations from the respondents that is deemed important in justifying the implications of this study.
RESULTS AND DISCUSSION

1. CURRENT PRACTICES OF LOGISTIC SERVICES PROVIDERS (LSPS)

- **ACCEPTANCE OF GOODS**
  - Small-scale companies in the Bicol Region such as Rosam Daily Express, Daily Overland and Prieto Cargo Forwarders transactions are done manually.
  - Multi-national companies on the other hand such as LBC Express, Wide Wide World Express, 2G0 Express and A Best Express made use of logistic automation system.

- **LOGISTIC COSTS**
  - The provincial rate specifically in Naga City, Camarines Sur, usually cost less than $2 per kilogram including the insurance of goods.
COMMON ISSUES ENCOUNTERED BY
LOGISTIC SERVICES PROVIDERS (LSP)

1. Mechanical Failure
2. Heavy Traffic
3. Bad Weather
4. Labor Shortages
5. Oil Price Hike
6. Incomplete or Incorrect Shipping Documents
3

COMMON ISSUES ENCOUNTERED BY THE CLIENTS

DELAYED DELIVERY

BUSINESS PROCESS

CUSTOMER SERVICE
### Table 1. LSPs Competitiveness in the Supply Chain

<table>
<thead>
<tr>
<th>Variable</th>
<th>LBC</th>
<th>2Go</th>
<th>AIR21</th>
<th>Daily Overland</th>
<th>J&amp;T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price (Automated Service, Data Collection and Cost of Services)</td>
<td>WM 3.8 HC 1</td>
<td>WM 3.4 HC 2</td>
<td>WM 2.7 MC 4</td>
<td>WM 3.2 MC 3</td>
<td>WM 2.5 FC 5</td>
</tr>
<tr>
<td>Quality of Service (Volume of Shipment, Time, Reliability and Tangibility)</td>
<td>WM 4 HC 1</td>
<td>WM 3.4 HC 2</td>
<td>WM 2.5 MC 4</td>
<td>WM 3.0 MC 3</td>
<td>WM 2.3 FC 5</td>
</tr>
<tr>
<td>Compliance to International Trade Policies and Standards</td>
<td>WM 3.5 HC 2</td>
<td>WM 2.8 MC 3</td>
<td>WM 3.6 HC 1</td>
<td>WM 2.4 FC 4</td>
<td>WM 2.2 FC 5</td>
</tr>
</tbody>
</table>

**Legend:**
- Not Competitive: 1.0 - 1.75
- Fairly Competitive: 1.76 - 2.50
- Moderately Competitive: 2.51 - 3.25
- Highly Competitive: 3.26 - 4.0
CONCLUSION AND RECOMMENDATIONS

Supply chain is vital for LSPs to be competitive in the market and information technology is pivotal in achieving a sustainable logistic industry.

- Continue to create external bonds with its partners in the supply chain
- Building relationship with the consumer
- Delivery tracking system
- Efficient and competent staff
THANK YOU.
COMPETITIVENESS IN THE SUPPLY CHAIN OF SELECTED LOGISTICS PROVIDERS IN NAGA CITY, PHILIPPINES

Abad, Francis Gladys B.
Osma, Arvy N.
Palacio, Maria Hazel O.
(Mariners’ Polytechnic Colleges, Philippines)

Presented during the 14th World Customs Organization PICARD Conference 2019 at Skopje, North Macedonia