

**WEDNESDAY: 23 April 2025. Morning Paper.**

**Time Allowed: 3 hours.**

**Read the case study below and answer the questions that follow. Marks allocated to each question are shown at the end of the question. Do NOT write anything on this paper.**

**GLOBAL HAULIERS LIMITED (GHL)**

Global Hauliers Limited (GHL) is a prominent international logistics company headquartered in Europe, operating across 50 countries worldwide. Over the years, it has expanded its footprint through a vast network of 1,000 warehouses, with 500 located in Europe, 300 in the Americas, 100 in Asia and 100 in Africa. With a workforce of 100,000 employees, GHL manages an extensive range of logistical functions, including procurement, inventory management, warehousing, transportation, distribution, order processing, packaging and reverse logistics.

GHL has invested significantly in facility management, technology and innovation to meet the ever-changing demands of global commerce. It has established a highly integrated supply chain that leverages air, sea, rail and road transport, ensuring efficiency and reliability while adhering to Incoterms. A cornerstone of GHL's competitive edge is its advanced supply chain information system, which has played a pivotal role in enhancing operational efficiency and maintaining its market leadership.

One of GHL's most notable innovations is the implementation of a Just-in-Time (JIT) logistics model. This strategy has significantly reduced inventory handling costs, minimised waste and improved customer responsiveness through shortened delivery lead times. These technological advancements have enabled the company to remain a leading provider of logistics solutions on a global scale.

Despite these strengths, GHL has encountered several challenges threatening its profitability and slowing business momentum. The most pressing issues include supply chain disruptions, rising transportation costs and regulatory complexities. The company has had to navigate unpredictable global events, from pandemics to geopolitical tensions, which have disrupted supply chains and increased operational costs. Additionally, fluctuating fuel prices and stringent trade regulations have further strained its ability to maintain cost efficiency. Sustainability concerns have also emerged as a key challenge, requiring GHL to realign its operations with global environmental standards.

The challenges in Africa have been particularly pronounced. GHL's Africa Division has struggled with infrastructural deficiencies, regulatory inconsistencies and logistical bottlenecks that have hindered operational efficiency. Additionally, the emergence of the African Continental Free Trade Area (AfCFTA) presents both significant opportunities and challenges. AfCFTA, the largest free trade area by number of member states, aims to promote economic integration and enhance Africa's global trade competitiveness. While this initiative presents vast opportunities for logistics growth, GHL must carefully navigate the evolving regulatory framework, trade policies and political dynamics shaping the continent.

In response, the GHL Global Management Board has initiated a strategic overhaul aimed at ensuring long-term sustainability. The company recognises the need to transition from a traditional linear supply chain model centred on extraction, transformation, distribution and consumption to a circular economic model. This shift is designed to extend product life cycles, optimise resource utilisation and promote sustainable logistics practices.

As GHL navigates this complex landscape, its ability to embrace sustainable practices, overcome regional challenges and leverage technological innovations will determine its long-term success. With a well-executed strategic realignment, the company is poised to restore profitability and solidify its position as a global leader in logistics.

*(Disclaimer: This case study is solely for educational and examination purposes and does not reflect the position of KISEB)*

### QUESTION ONE

- (a) Examine **FIVE** ways GHL has leveraged its global warehouse network to enhance logistics efficiency and competitiveness. (10 marks)
  - (b) Suggest **FIVE** approaches GHL can adopt to enhance customer service in its global market. (5 marks)
  - (c) Assess **FIVE** ways in which the implementation of Just-in-Time (JIT) logistics has contributed to GHL's operational success and cost reduction. (10 marks)
- (Total: 25 marks)**

### QUESTION TWO

- (a) Appraise **FIVE** cost-reduction strategies that GHL could implement to mitigate the impact of rising global transportation costs on its profitability. (10 marks)
  - (b) Explain **FIVE** strategies GHL can employ to navigate regulatory challenges across multiple jurisdictions in its global logistics operations. (10 marks)
  - (c) Discuss **FIVE** ways GHL can leverage the African Continental Free Trade Area (AfCFTA) to expand its logistics operations in Africa. (5 marks)
- (Total: 25 marks)**

### QUESTION THREE

- (a) Evaluate **FIVE** measures GHL could implement to enhance warehouse security across its global network. (10 marks)
  - (b) Analyse **FIVE** roles digital integration has played in strengthening GHL's supply chain and enhancing efficiency. (10 marks)
  - (c) Describe **FIVE** attributes of an efficient distribution system that GHL should exhibit in a global logistics context. (5 marks)
- (Total: 25 marks)**

### QUESTION FOUR

- (a) Propose **FIVE** key strategic initiatives that GHL should undertake to ensure the successful implementation of its sustainable logistics strategy. (10 marks)
  - (b) Suggest **FIVE** key performance metrics that GHL should track to measure efficiency, cost-effectiveness and customer satisfaction. (10 marks)
  - (c) Recommend **FIVE** contingency planning measures GHL should adopt to ensure business continuity in the event of global transportation disruptions. (5 marks)
- (Total: 25 marks)**
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