

DIGILOGIC INSIGHTS #10

ENTREPRENEURIAL JOURNEY TO AN EFFICIENT LOGISTICS ECOSYSTEM

STEPHEN MURAGA, Co-Founder and CEO, Nyamula Logistics, Zambia, tells DIGILOGIC how he identified a gap in the market in Southern Africa

The start-up solution

Nyamula Logistics is a user-friendly platform that connects cargo owners with transporters to drive a more efficient logistics ecosystem across Southern Africa. Transporters use Nyamula's site to search for available loads to fill their trucks; while cargo owners publish details of their load requirements directly to Nyamula's network of vetted, experienced and reliable transporters.

Stephen Muraga spotted this key gap in the logistics market after he left formal employment to set up his own business. He started as a one-man importer by driving from Zimbabwe to Zambia to buy supplies, mainly groceries, which he would then sell to tuckshops: the vital local retail outlets found across Zimbabwe. Muraga soon realised that the business could develop further when his suppliers in Zambia expressed interest in hardware products from Zimbabwe. Muraga was asked if he could source a cement producer.

"I found a cement manufacturer and organised quotations and payment systems," Muraga recalls, "I was now at the stage where I needed to find truck operators who could facilitate the movement of regular cement loads from Zimbabwe." Soon after, Muraga also started getting calls from the truck operators looking for goods in Zambia they could transport back to Zimbabwe. Muraga quickly learnt that Zambia had been exporting corn to Zimbabwe for years. Having suffered from a continuous drought, Zimbabwe needed to supplement its post-harvest crops to meet demand. Muraga then started to organise grain transportation logistics from Zambia to Zimbabwe, co-founding Nyamula Logistics along the way to bring supplier and transporter together on the same platform. In effect a bridging service between small-scale truck operators wanting to maximize capacity on the one hand, and cargo owners seeking efficient logistics solutions on the other.

The development challenges

The pandemic saw a massive reduction in the amount of goods moving across borders; and were mainly limited to basic foodstuffs and medicine. Demand slumped for logistics services to move bulk minerals or even basic construction materials like cement. Meanwhile, as Muraga observes, the established transportation companies, running fleets of 500 trucks or more, pushed hard to take over all the available business by offering their clients favourable payment terms. "That period was very difficult for us because although we had the capacity to move the cargo, there was very little of it. The big fleets have vast resources and I wanted to level the playing field for the small-scale players, so they can enjoy the same opportunities."

During Covid, Nyamula continued to organise logistics in the traditional way by using Excel to update truck movements while communicating on the phone with customers and partners. "We



soon realised that we needed to be more innovative with technology to automate whatever we were doing manually,” Muraga explains. These technological advances give increasing numbers of small-scale truck operators access to information about available jobs in real-time, while assuring cargo owners that their goods will be carried by experienced, reliable and vetted transporters.

“I see more opportunities than I do challenges,” Muraga sums up. However, there is, he suggests, a long-term challenge around attitudes towards adopting technologies in the first place. Most people are sceptical, he says, and therefore reluctant to try any technological solutions. “We need to work at shifting that mindset among our populations and the players in the logistics industry.” A key step in that process, he emphasises, is to really listen to people’s fears.

Looking to the future

Muraga is particularly interested in the potential impact of blockchain technology on the logistics sector in terms of data gathering. This information will help with other interventions including, for example, a much more accurate tracking of goods being moved between borders where delays can be notoriously long and checking processes laborious.

In the next five to ten years, Muraga is keen that Nyamula plays an important role in the development of a much more seamless logistics sector in Southern Africa. “Trucks should not get stuck at a border for five days. I would like to see technology introduced that automates all the basic formalities, particularly customs checks, so that the paperwork is always completed in advance and the truck is already expected at the border check.” Delays are extremely costly to everyone from suppliers through to transporters and consumers. Technological advances will see “a remarkable reduction in costs,” Muraga predicts.

He is also concerned the logistics industry remains a major contributor to high carbon emissions. Muraga wants to encourage many more conversations about sustainable practices with key logistics stakeholders in Africa such as The Southern Africa Development Community (SADC). Change can move faster than many believe it can, he points out. “Even if we use fossil fuels for the foreseeable future, we can still come up with interventions that will at least contribute to lowering carbon emissions.” For example, helpful moves in the right direction would be reducing the number of empty trucks on the road by making sure they are always carrying goods or introducing a clean and economical charcoal fuel for the thousands of truck drivers who cook for themselves.

It would help logistics in Africa, if the sector followed the EU example of different countries working together to tackle the big issues, suggests Muraga. Regional governments should co-operate and collectively adopt policies that promote the easier movement of goods. Similarly, while the African Continental Free Trade Area (AfCFTA) agreement is, without doubt, “an awesome development,” it is, realistically, an agreement on paper only. The real challenge, he believes, will be in the agreement’s successful implementation. It is vital, therefore, Muraga urges, that no disagreements delay AfCFTA’s progress.

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