DIGILOGIC INSIGHTS #11: IN THE LOOP – SEAMLESS COMMUNICATIONS FOR SUPPLY CHAIN STAKEHOLDERS

The DIGILOGIC Team talks to KWAKU TABIRI, CEO of Swoove 360, about improving communications, building capacity and saving costs.

Kwaku Tabiri explains how the technology will contribute to the sustainability and growth of the African logistics industry.

The start-up solution

The Ghana-based company, Swoove 360, enables logistics companies to expand their capabilities by reducing delivery times, streamlining fleet costs and generating data. “I've been working with logistics software for the past few years and we understand the true needs of our customers,” sums up Kwaku Tabiri. With a background in aerospace engineering, Tabiri has been passionate about software since he was a teenager. “We are a developing economy so our supply chains and industries are quite far behind. We need to take advantage of digital technology to build more complex supply chains that boost manufacturing. A developed economy needs technology to thrive.”

Swoove started off as a mobile application through which customers could request a rider to pick up a package. “We would give our customers a recommendation for three of the closest, most affordable and highly-rated drivers from other companies,” Tabiri recalls. Although the business grew well, Tabiri and the team realised that they could not control the quality of the service to the extent they wanted and Swoove 360 evolved to tackle the root of the problem: although there are several platforms offering customers access to a range of logistics companies, the issue is these logistics companies themselves often do not work efficiently.

Swoove can support companies across the logistics sector: from small-scale operations with a few drivers and three to five vehicles to extremely large companies that tend to have: “hundreds of customers but require hundreds of employees to satisfy their customers,” Tabiri explains. “Swoove’s technology allows you to be significantly more effective in how you receive and dispatch orders; how you update customers and manage the whole supply chain.”

Using Swoove’s streamlined processes, for example, only one or two customer support agents are required to process up to 500 orders a day. The algorithms make routing far more efficient, helping companies dispatch large numbers of orders. “If you have 200 orders in the morning, our system creates batches enabling you to dispatch them very effectively. Your drivers will take the shortest route and are super-efficient.”

Tabiri also recognised that: “logistics is mostly about communication.” Everyone from suppliers and logistics managers, through to drivers and customers all need timely information that builds confidence and efficiency. Delivering a package on time is obviously important, but good communication, a major factor in any successful supply chain, is frequently ignored.

For example, Swoove 360 can directly connect a cake-maker who wants her products moved across the city to a logistics service. The logistics service can check their dashboard and assigns orders to available drivers. The driver is notified on their Swoove app, collects the cakes and notifies everybody when proof-of-delivery is completed and payment is made. “Everyone is kept in the loop. You don’t have a situation where any stakeholder is misinformed,” Tabiri says.

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Swoove has developed a suite of tools including mobile applications, chatbots and web apps. It is building plugins with systems like Shopify. Its application programming interface (API) allows customers to integrate with or connect to existing customer relationship management (CRM) systems or legacy applications.

The development challenges

The fundamental challenge from the outset, recalls Tabiri, was that there were not enough trusted high-quality suppliers delivering products at a low cost. SMEs, he observed, had to figure out the logistics by themselves. Tabiri illustrates: “I'm a student in Kenya trying to sell something to someone in Accra. I have to go to the bus station, give the package and a phone number to the driver. When my package arrives, and if my timing is right, I call the driver to ask if he's arrived. I then get another driver or someone else to pick up the package from the bus station. It's very complicated and the alternatives very expensive.” It was not a question of poor infrastructure, notes Tabiri, so much as disconnected services which were not supported by technology.

Tabiri realised too that logistics challenges extended beyond e-commerce into other key sectors including oil, gas, agricultural and pharmaceutical supplies. Swoove is handling and building an operating system for all logistics needs to support businesses across all sectors to expand. “We are running pilots with stakeholders in other countries including applications in emergency health response for ambulances and helicopters,” says Tabiri.

Another challenge that Tabiri quickly spotted is that producing a simple product does not mean a simple supply chain follows. “Take a pencil. You must think about where the wood, lead, paint and eraser all come from. Manufacturing a pencil could have a very complicated supply chain with more than seven countries involved.” Tabiri firmly believes a significant longer-term challenge for Ghana is a lack of home-produced goods. “The logistics space would be significantly larger if we improved manufacturing,” he points out, although he appreciates that this is more of an economic challenge than a logistics one.

Looking to the future

Electric vehicles (EVs) are making deliveries much more cost-effective. Swoove has experimented with a range of sustainable solutions including swappable batteries, charge-direct rentals, bicycle-based and motorcycle-based models. However, there is not yet “enough interest from a governmental perspective to push it forward.” Tabiri reckons this is a missed opportunity especially as governments in Kenya and across East Africa are digitising and electrifying most of their supply fleets. He agrees that there are challenges in running a reliable power grid to sustain the changeover, but Swoove’s own experiments showed that operating an electric bike, or a specific electric bike, costs 30% less than an internal combustion engine. “That kind of a cost reduction for a smaller logistics company could take it from being barely sustainable to being significantly more appreciable.”

Creating better margins for logistics would encourage new entrants, Tabiri argues. “We should explore solutions to make it easier for people to reduce costs and software can help a lot.” While Swoove software already ensures that each driver has the maximum number of packages per kilometre, the company is working on sourcing the best hardware to lower operational costs and move the entire industry forwards.

On a broader scale, Tabiri sees the world shifting towards more localised production. “In Africa we have an opportunity to support far more cross-border trade where most of the significant growth will come from. Countries will have to work together and the African Continental Free Trade Agreement is a step in the right direction.”

Countries will increasingly specialise in certain products, he says. Ghana and the Ivory Coast, in agriculture; Nigeria is focused on oil production and fertilisers, while Kenya becomes more

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technological and service-based. “When there are advanced applications within an economy, more cross-border trade will follow and each country’s economy will advance and become far less fragmented.”

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