**Mzigo**

**INTRODUCTION**

In essence, Mzigo is a platform for connecting carriers and shippers in real-time. Mzigo seeks to exploit idle trucks and empty or partially laden return trips to provide a convenient, cost-effective, and reliable alternative to freight brokerage.

**BACKGROUND**

Moving freight in Kenya can be a cumbersome and frustrating experience for both SMEs as well as large corporations. Especially, when moving less than truckload (LTL) freight and/or when freight movements are unpredictable. In such cases, shippers often resort to freight brokers, who tirelessly work to connect them with suitable carriers. For these efforts, freight brokers normally charge a commission (e.g. 10-20% of the rate payable). However, resorting to freight brokerage when moving freight is still a cost-effective alternative to contracting carriers, who prefer large quantities on a regular basis.

On the other hand, freight brokerage is also inconvenient and unreliable. Most often, a shipper will need to engage several freight brokers to locate a carrier to move a single load of freight, which takes up time and effort. Furthermore, freight brokers will typically engage a truck driver, rather than the owner of the truck, which ultimately results in disputes.

**MZIGO, THE SOLUTION**

Through the Mzigo platform, carriers gain access to unused capacity provided by shippers. This creates a symbiotic relationship that benefits both parties. The Mzigo platform itself allows coordination between carriers and shippers in real-time, eliminating freight brokers and the required time and effort necessary to engage with them. In addition, the Mzigo platform streamlines the entire process by ensuring prompt deliveries and payments are made consistently.

The Mzigo platform is primarily a web-based computer application supported by an Android application, which is accessible through smartphones and tablets. Google Maps are integrated to provide a real-time location, tracking, and navigation function. M-Pesa is integrated to provide financial transactions in real-time (i.e. to and from M-Pesa or bank accounts).

Shippers are registered onto the Mzigo platform directly, once Mzigo has assessed and established their suitability. Since shippers with high-quality service are key to Mzigo’s long-term success, strict guidelines must be met and maintained. Once approved, truck owners and/or fleet managers are granted access to the Mzigo web-based computer application as well as the Android application. They then grant access to appointed vehicles (via tablets) or drivers (via smartphones) for support functions.

Carriers register themselves online and Mzigo assesses and establishes their suitability. Once approved, access is granted to the Mzigo web-based computer application as well as the Android application.

**MZIGO, HOW IT WORKS**

The Mzigo platform is organized to be simple and easy to use. Once carriers and shippers are registered, they can interact seamlessly:

1. REGISTRATION

Registration of carriers and shippers is intended to both qualify and classify them, which reduces risks and ensures smooth operations.

* 1. *SHIPPER REGISTRATION*

Shippers would meet the following requirements in order to register on the Mzigo platform:

* + 1. High standards of professionalism and service delivery.
		2. Commercial transport insurance covers (e.g. UAP TruckSure).
		3. Truck(s) that are clean and well maintained (i.e. YOM < 10 years).
		4. Android smartphones (i.e. driver-based) or tablets (i.e. vehicle-based).
		5. Comprehensive truck details as follows:
			1. Truck Registration (i.e. license, logbook, and certificate)
			2. Truck Classification (e.g. pickup, light rigid, semi-trailer)
			3. Truck Construction (e.g. flatbed, dropsided, enclosed)
			4. Truck Make & Model (e.g. Mercedes-Benz / Actros)
			5. Truck Payload Capacity (e.g. 1,000kg to 34,000kg)
			6. Truck Loading Area Capacity (i.e. L x W x H)
		6. Comprehensive truck owner details as follows:
			1. Company/Individual Name
			2. Company/Individual ID Number
			3. Company/Individual PIN Number
			4. Company/Individual Contact Person(s)
			5. Company/Individual Contact Number(s)
			6. Company/Individual Physical Address
			7. Company/Individual Postal Address
			8. Company/Individual Bank Account
		7. Signed acceptance of Mzigo’s operating terms and conditions.
	1. *CARRIER REGISTRATION*

Carriers would meet the following requirements in order to register on the Mzigo platform:

* + 1. Comprehensive personal details as follows:
			1. Company/Individual Name
			2. Company/Individual ID Number
			3. Company/Individual PIN Number
			4. Company/Individual Contact Person(s)
			5. Company/Individual Contact Number(s)
			6. Company/Individual Physical Address
			7. Company/Individual Postal Address
			8. Company/Individual Bank Account
		2. Recognized acceptance of Mzigo’s operating terms and conditions.
1. OPERATION

After carriers and shippers are registered, they interact with the Mzigo platform. All interactions are initiated by carriers, who post their current needs (i.e. the tender). Subsequently, all suitable shippers are informed and express their interest (i.e. the offer). Carriers receive these offers and select the most suitable shipper (i.e. the contract). Successful shippers collect and deliver freight then receive the payment (i.e. the execution). Finally, both shippers and carriers rate each other on the experience (i.e. the conclusion).

* 1. *THE TENDER*

A shipper arranging to move freight logs onto the Mzigo web-based computer application or the Android application. Using a simple procedure, the shipper defines the freight, collection and delivery points, and schedule. The steps are as follows:

* + 1. Type of Freight (i.e. description)
		2. Weight of Freight (i.e. total in KG)
		3. Dimensions of Freight (i.e. L x W x H)
		4. Number of Freight Units (e.g. 600 bags)
		5. Truck(s) Required (e.g. 1 x flatbed semi-trailer)
		6. Collection Point (via Google Maps)
		7. Delivery Point (via Google Maps)
		8. Date of Collection (i.e. earliest)
		9. Date of Delivery (i.e. latest)

Once a shipper posts the details, Mzigo evaluates it for clarity. Thereafter, Mzigo determines suitable carriers based on this criterion and notifies them simultaneously.

* 1. *THE OFFER*

Carriers (i.e. truck owner, fleet manager, or truck drivers) are notified of freight availabilities in real-time via the Mzigo web-based computer application or the Android application. They can also receive notifications via text message or e-mail. However, carriers are free to ignore notifications of freight availabilities if their trucks are already committed.

Willing carriers can open notifications to view freight details, then post their rate and attach trucks for that particular movement, which are sent to the shipper. The steps are as follows:

* + 1. Rate Payable (i.e. in KES and including 16% VAT)
		2. Truck(s) Available (i.e. directly linked to response)

The shipper receives this response and determines if the rate is competitive and if the trucks meet their standards (i.e. license number, current location, and recent images are available).

* 1. *THE CONTRACT*

If a shipper is pleased with the rate and the trucks offered by the carrier, they make a formal commitment by providing additional collection/delivery information and making a payment for the rate payable to Mzigo. The steps are as follows:

* + 1. Contact Person at Collection Point
		2. Contact Number at Collection Point
		3. Contact Person at Delivery Point
		4. Contact Number at Delivery Point
		5. Rate Payable Sent to Mzigo (via M-Pesa Paybill)

When the payment has been received by Mzigo (within 24 hours of the offer), the shipper is directed to collect and deliver the freight by Mzigo. A contract is automatically generated by Mzigo and sent to both the carrier and the shipper. Should a party request to terminate the contract 24 hours before the collection date, a penalty of 20% of the rate payable is charged (i.e. 10% to Mzigo and 10% to the shipper or carrier).

* 1. *THE EXECUTION*

On the date of collection, the driver is directed to the collection point via Google Maps. The shipper can track the truck’s progress in real-time and is immediately notified once it arrives at the collection point. After the truck is loaded, the driver receives any documents required to confirm delivery and starts the trip. The driver is directed to the delivery point via Google Maps and the shipper can track the truck’s progress in real-time and is immediately notified once it arrives at the delivery point.

After the truck is unloaded, the documents are signed and stamped. The driver takes photos of these documents with the Android smartphone or tablet and uploads them to Mzigo. The photos are submitted to both the carrier and the shipper as proof of delivery. Subsequently, Mzigo evaluates the delivery and initiates payment to the shipper within 24 hours.

* 1. *THE CONCLUSION*

Once both the carrier and shipper receive a delivery confirmation, they are required to rate one another. Shippers rate carriers highly if collection and deliveries are made on schedule, while carriers rate shippers highly if freight is loaded and unloaded without delay. This helps carriers and shippers with higher standards obtain more business through Mzigo.