

CASE STUDY

Kargo

Connecting businesses to truck owners for logistics services in Myanmar



FOUNDING YEAR
2016


FOUNDING TEAM
Alex Wicks | Founder and CEO

TWEET PITCH
Kargo runs an online platform that allows businesses to book trucks for logistics services.

WEBSITE
www.kargo.com.mm

GEOGRAPHY
Myanmar

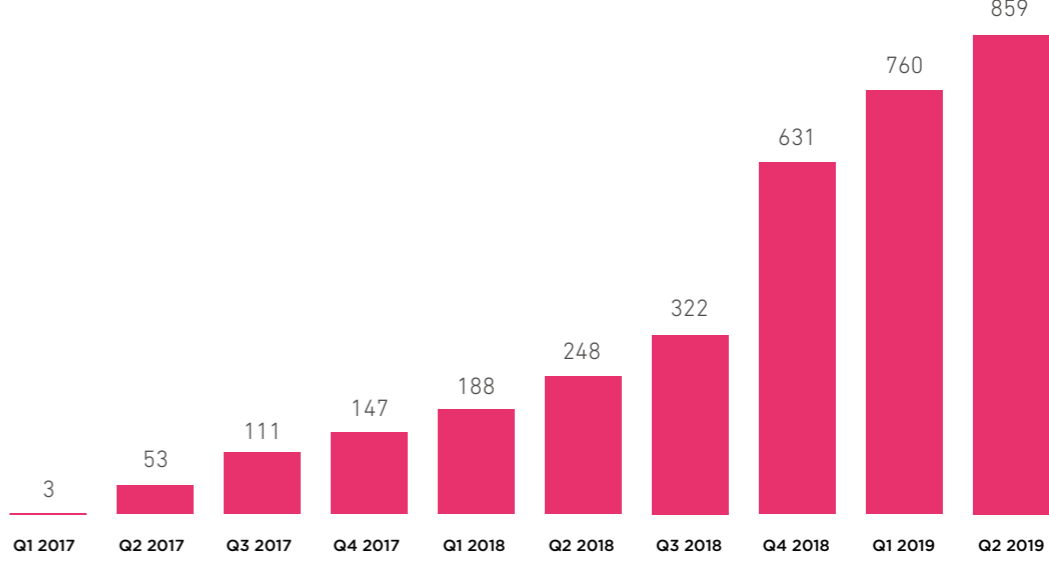





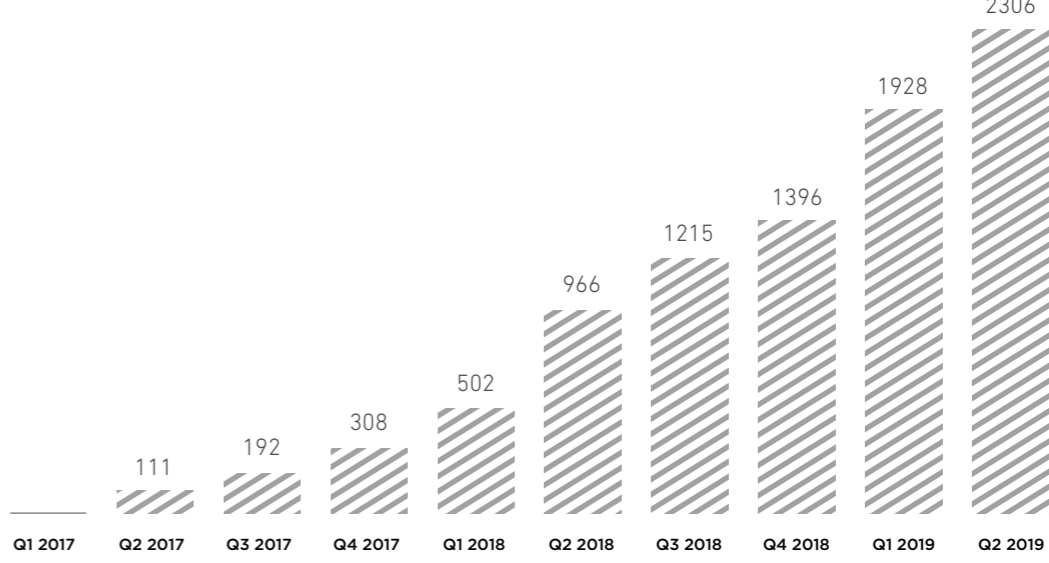
Myanmar has a highly fragmented logistics and transportation industry that is not conducive to small logistics companies and independent truck owners. Although over 4,000 small companies operate in the transportation and storage sector, small logistics companies and independent truck owners are losing money every day from underutilised trucks and an inefficient marketplace. Meanwhile, as scooters and motorbikes are prohibited in Yangon, small businesses and individuals have no reliable, cost-efficient or trackable way to manage logistics and facilitate deliveries. On the other hand, SMEs lack the supporting infrastructure for small-scale logistics.

Kargo launched in 2016 to improve logistics in Myanmar through greater accessibility, ease of administration, traceability, transparency and autonomy. Kargo is an online platform connecting truck owners to businesses for efficient and reliable logistics services. Drivers can sign up to the platform and fulfil logistics for small retail and wholesale businesses. As of June 2019, Kargo had registered 2,306 drivers on its platform and a total of 859 SMEs and small businesses were using the Kargo platform to source drivers and fleets.

KARGO
CUMULATIVE NUMBER OF SMES ON THE PLATFORM



KARGO
CUMULATIVE NUMBER OF DRIVERS ON THE PLATFORM



How the service works

Kargo enables its customers to deliver goods in Myanmar by using mobile technology to connect businesses directly to a large network of independent and commercial trucks.

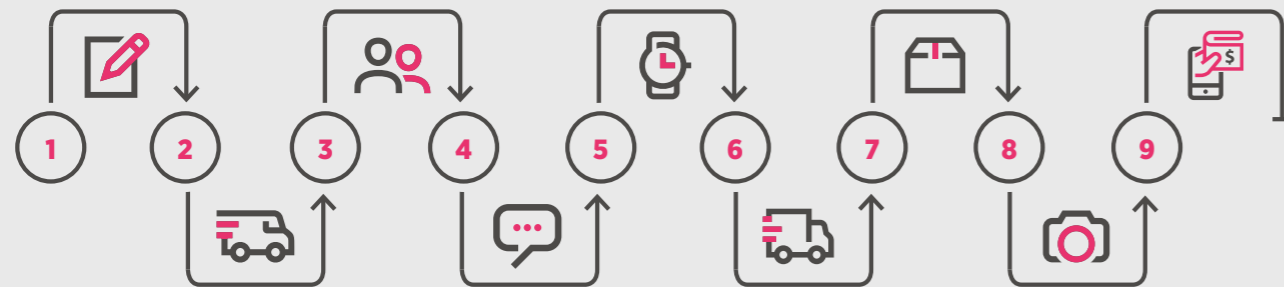
The individual or SME client registers with **Kargo** through the **website** or mobile app. (The clients then have access to a dedicated customer dashboard.)

Available drivers can bid for the order. Jobs are awarded to drivers based on cost, geographical and vehicle suitability, and driver rating.¹⁸

The driver arrives with their truck, and labour if requested, at the arranged time and location.

The driver arrives at the drop-off location and the goods are unloaded.

Once the order is completed, with supporting proof of delivery, the driver is paid by **Kargo** via mobile money, bank transfer or cash. (Customers can access a comprehensive history of orders, order routes and prices.)



A client places an order for a truck through **Kargo's** website or mobile app. They select the type of truck required as well as optional add-on services, such as extra labour.

The order is confirmed with the client who receives notifications through email, SMS or push notification.

Once the truck is loaded, the driver commences the order by selecting "Running" on the driver mobile app. The truck's location is then trackable on the customer's mobile app or online profile, allowing clients to follow the order and prepare for delivery.

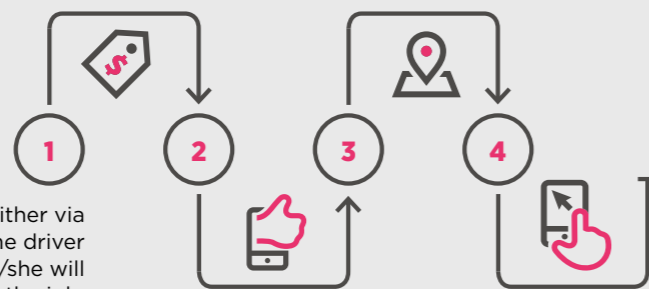
Once goods are delivered, the customer confirms completion of the order using either a unique four-digit code or QR code, which the driver inputs or scans in his own driver app. The driver or customer can take photos through the app for proof of delivery, which will be appended to the customer invoice. This sets the order to "Complete" on the mobile app.

SME APP

Once an order is confirmed with the client, Kargo's operations team identifies suitable drivers for order fulfilment. The team contacts the driver via SMS, call or Viber and requests a quotation for the order, providing details on pick-up and drop-off, loading and unloading time and additional requirements.

The order status changes to "Running" once the driver confirms through the app that the order has been accepted. (The driver is traceable by clients either through the app or the client web browser dashboard.)

The driver accepts and confirms either via the driver app, SMS or Viber. When the driver uses the app to accept the order, he/she will be automatically assigned the job.

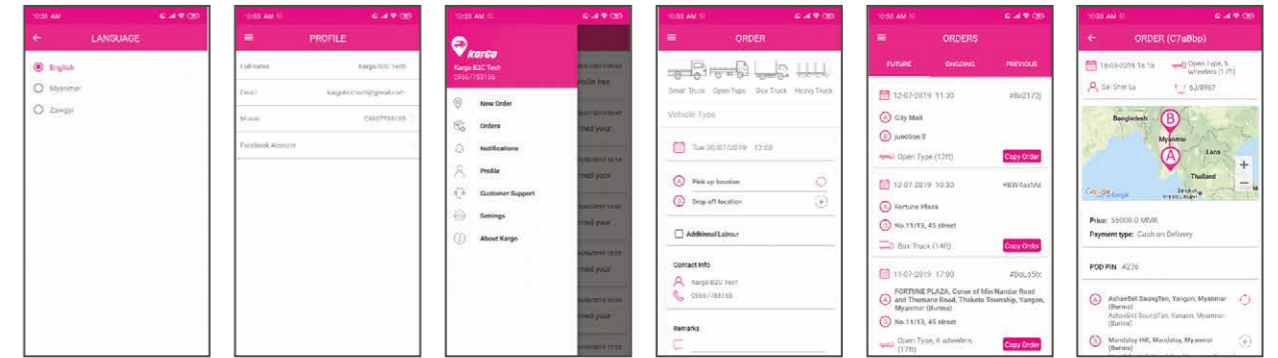


Once the delivery is complete, the driver confirms this through the app.¹⁹

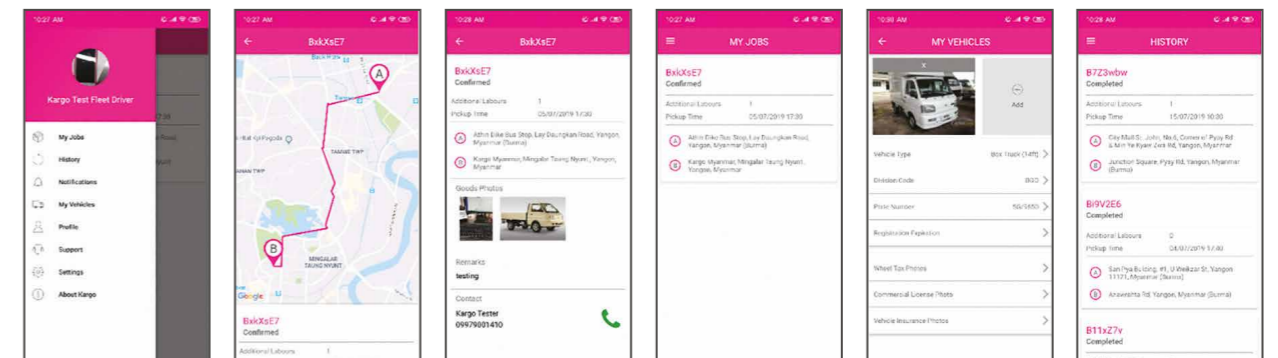
DRIVER APP

18. Technically, drivers receive orders based on tender price, driver suitability (vehicle type, location, etc.) and driver reputation. However, the reality is that price remains the primary dictating factor for clients. Kargo's operations team assigns orders to drivers.
 19. Some business clients will additionally issue a delivery order (DO) note, which the client uploads an image of this via the app (or Viber) which is appended to the order. Additionally, the driver uploads images of the vehicle/off loaded goods/etc. as required.

SME APP



DRIVER APP



Working with mobile operators

In May 2019, Kargo partnered with Telenor Myanmar to provide mobile internet connectivity to its drivers. Through the partnership, Kargo gains access to Telenor's pre-paid SIM IoT, which will provide reliable and cost-efficient traceability on trucks even in the most remote and underserved areas of the country. The partnership

will allow Kargo to scale up its IoT efforts, and in turn increase data usage for the mobile operator partner. In a move away from the traditional prepaid payment model used by network providers in Myanmar, Telenor and Kargo are working with an innovative post-pay monthly plan based on data consumption.

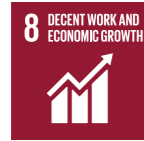


Telenor Myanmar is pleased to offer an effective and cost-efficient solution to Kargo to meet the start-up's business needs. Pre-paid data SIM cards from Telenor Myanmar enables Kargo to connect to its drivers' fleet and run real-time tracking via GPS devices all around the clock. With more than 8,600 network sites nationwide covering over 300 townships, Telenor serves more than 18 million customers in Myanmar through its high quality network supported by 2G/3G/4G technology.

Shwe Yinn Mar Oo, Manager, External Communications, Corporate Affairs Group, Telenor Myanmar



Changing lives



Through mobile technology, Kargo empowers SMEs with a cost-efficient way to fulfil logistics requirements without having to invest in their own truck or fleet. Through its online trucking marketplace, SMEs can book and track trucks at fairer market prices. For drivers, Kargo provides higher income, greater access to more orders and previously unattainable contracts. Kargo's use of data to track orders and order history will in time lead to reliable credit records and build measurable creditworthiness for drivers and greater financial inclusion. Prompt payment also improves financial security for drivers. According to an impact survey conducted by Kargo, intracity drivers on the platform have increased their income by 42 per cent since using the platform while interstate drivers' income grew by 25 per cent due to higher usage rates and faster turnaround times between trips.



I have previously found working with companies a bit troublesome so I didn't used to work with companies earlier. With Kargo though, I know exactly what goods to transport, the exact pickup time and they also provide me with more jobs than I had before. I am very pleased working for Kargo.

Ko Thiha, one of Kargo's first independent truck drivers

Kargo's services provide businesses like Acecook direct access to Myanmar's largest fleet of trucks which impacted our business in two specific ways. Firstly, it saves logistics cost due to transparent pricing offered by open market of truck drivers. Second is time and manpower savings due to use of Kargo's app instead of making calls with drivers for negotiating price, arranging pick-up/drop-off, timings and locations and handling cash.



Thet Hnin, Manager, Purchasing Department, Acecook



Working with the GSMA Ecosystem Accelerator

Kargo received a grant from the [GSMA Ecosystem Accelerator Innovation Fund](#) in February 2018 to improve and expand its local operations by automating most of its key processes. With the expansion of Kargo's platform, SMEs can now aggregate their products into one or more shipments, giving them access to logistics and delivery solutions for shipments across the country for the first time. This benefits SMEs

by improving their access to markets and providing additional jobs for truck drivers.

The grant ended in June 2019. Kargo reached 1,526 users, exceeding its target of 380 users by four times. The GSMA is committed to continuing to support Kargo in strengthening its relationships with local mobile operators in Myanmar.