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Report on the Warehousing
and Distribution System of
The Uganda Cooperative
Central Union, Ltd.

William H. Stonefield

Under

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by

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(edited by ACDI)

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- B: Assessment of Physical and Human Resources

I. FOREWORD:

This report has been assembled in the following manner. The job description for the assignment in Kampala has been used as the outline for accomplishments and recommendations. The job description has been left as originally written. An attempt has been made to discuss each area of responsibility and to give a broad overview of warehousing and distribution.

Included in the report are memoranda relating to each subject covered during this assignment. These are contained in the Appendices each of which relate to an area contained in the scope of work, and are compiled according to date and subject in each Appendix.

Training for the Union stores managers will be designed by Mr. George Muhuruzi and myself following his training in the United States. These training sessions are scheduled to take place in Kampala next fall.

The management and staff of the Uganda Cooperative Central Union have been very responsive, sincere and hard working. We have had an excellent rapport, and good progress was made during this assignment. Almost every suggestion made has been discussed, and either implemented or plans have been made to implement them.

I would like to thank you for allowing me to be of assistance to this project. It has been an unforgettable experience, and one that I hope will have far reaching results.

William H. Stonefield

II. SCOPE OF WORK:

- a) Assist in an overall assessment of the cooperative distribution and warehousing systems.
- b) Assist in reviewing all procurement, handling, storing and merchandising and the transporting of all goods handled in the cooperative movement.
- c) Assist in assessing the physical and human resources involved in the above process.
- d) Assist in analysing and planning the best use of capital and resources in stocking and distribution.
- e) Assist in analysing and forecasting timely availability of stocks for peak demand.
- f) Assist in developing action plans with alternatives and contingencies.
- g) Assist in data formation for justification of securing operational capital.
- h) Assist in the development and implementation of training programs for personnel as required.

III. UGANDA COOPERATIVE CENTRAL UNION (UCCU):

The UCCU was established in 1961 by member district unions as an apex or national organization, charged with the responsibility of acting as a wholesale supplier of agricultural production inputs for the small farmer. Fertilizers, pesticides, herbicides, tractor spares, hoes, gunny bags, ginnery spares, coffee factory spares were among the items imported by the UCCU, making it one of the largest importers of agricultural supplies in Uganda.

The UCCU followed a normal growth pattern through the mid-1970's when changing economic conditions and inflation created a situation in which normal business operation became impossible. Despite this, the UCCU's distribution chain through the district unions and primary cooperative societies to the small farmers remained in place. Following the war of liberation, the UCCU was one of only two cooperative organizations in the country with a current audit.

The distribution network of the UCCU was used to ensure that the hoes, bicycles, etc., provided under the USAID financed Commodities Import Program reached the small farmer. Despite the fact the foreign exchange for the importation of needed agricultural inputs has become increasingly hard to obtain and that government has increased its role in importing these supplies, it has become apparent that more and more agricultural inputs will be distributed through the UCCU chain, rather than through government ministries or departments.

Given this situation, the warehouse and storage systems of the UCCU needed to be reassessed and modernized and ACDI was requested to provide a consultant to do so. In addition, ACDI provided the services of a consultant in sales management, ensuring an examination of all aspects of UCCU's operations.

IV. FINDINGS:

A) Overall assessment of the cooperative distribution and warehousing system:

This objective is extremely broad, making brief comment impossible. The memos attached in Appendix A provide an overall assessment, and they should be read in their entirety.

B) Review of all procurement, handling, storing and merchandising, and transportation of all goods handled by the cooperative movement:

i) It was recommended that UCCU be placed on the list of companies to receive motorcycles, when they become available from USAID, in order to facilitate communications between head office and the distribution center center at Kawempe. Mr. Barigye agreed that better communications were a necessity and decided to procure a motorcycle from UCCU funds immediately.

ii) A simpler way to install washers on the shaft that separates the seed from the lint at the ginneries was devised and recommended. A UCCU engineer immediately began working on this.

iii) The Vee Belt inventory occupies too much valuable warehouse space. Wall racks on which to hang them were suggested, as well as the scrapping of those belts with no sales on them in the past three years. The salvage committee is studying this recommendation, and bids to build the wall racks are have been solicited.

iv) The loss of diesel fuel and petrol has always been a problem at the warehouse. It was advised that the electric power to the pumps be shut off after working hours and on weekends. For security purposes new man hole covers with locks to cover the valves also need to be installed. Both of these recommendations have been adopted, and the tanks are now being measured on a daily basis to ensure that the receipts and the sales match what is actually in the tanks. Control has been gained of the fuel leakage.

v) The UCCU has been losing money whenever unused spare parts from the unions are returned. A procedure to inspect these spares to assure that they are saleable as new was suggested. A handling charge on returns was also suggested. These suggestions were accepted and expanded upon. The unions are

now going to be charged a commission for buying petrol or diesel from the UCCU.

vi) The suggestion was made that the UCCU put together a parts catalog to make the unions more aware of the complete line of spares and inputs available, as well their prices. This idea was discussed during a staff meeting on January 21, 1983, and a team was being put together to publish such a catalog.

C) **Assessment of the Physical and Human Resources involved in the above process:**

i) The stores area is in desperate need of two wheel loading carts (dollies). The warehousemen are currently transporting heavy items by hand from one location to another. This is very time consuming and the leaves the UCCU open to serious injury to both their employees and their product. Mr. Barigye, the General Manager of the UCCU, has agreed with this, and as a new facility is under construction the plans are being modified to include loading ramps from one warehouse to another to permit the use of dollies. I was able to sketch some ideas on how this should be accomplished, and since construction was not very far advanced there was time to change the plans to include excavation of the site to permit the dock to be level with the height of the lorry beds, allowing more ease in loading and unloading. The construction engineers will include these alterations in their plan and are working out the costs.

D) **Assist in analysing and planning the best use of capital and resources in stocking and distribution:**

I do not feel qualified to be of help in this area. This was discussed with Mr. Barigye, and it was agreed that under existing circumstances it would be difficult to get involved.

E) **Assist in analysing and forecasting timely availability of stocks for peak demand:**

i) The UCCU's monthly inventory form has been redesigned to include a sales history for the past three years. This information will be an asset when pre-season orders are placed, and it will be of great benefit for spot ordering during the heavy shipping period. At the same time, a suggestion to pre-print model numbers and descriptions on the same form was also implemented in order to save time filling the forms out, and to keep the information consistent and assuring no omissions.

ii) The bin cards presently used by the UCCU have been redesigned to include a past sales history so that the information will be readily available and easily transformed to the new monthly inventory form. Both these new forms are being

processed now.

iii) It was suggested that UCCU survey all the processing plants to find out how many are operational and which ones are down due to lack of spares. Also included in this survey is a list of which spares are needed and whether the intent is to have the machinery repaired if spares are available and in what time frame. This information will assist the UCCU analyze their current inventory and will assist them in deciding which spares to re-stock. A team started this project the week of January 24, 1983.

iv) In an effort to control leakage and to assure that inventory records are accurate it was suggested that a physical count be taken regularly on a random list of high value items, and reconcile it with the bin card count. This idea was effected immediately.

v) There is currently no easy way to cross reference purchase orders and shipments with billing procedures. A uniform system is needed to enable different departments to check on the progress of each shipment and to see if an order has been filled or remains outstanding. The use of a purchase order number system and a ledger at the main office to log in purchase orders and reconcile them when the shipment has been made was suggested. With this method a central system can be established. This system is now being studied, and plans are being made to implement it.

vi) A plan was drawn up to switch the procurement department from the main office to the stores department for a variety of reasons. Mainly, because the sales department does not have the time or interest to do it properly, and because the distribution department normally has a better understanding of what is required. More study will be done on the idea. The earliest this concept could be implemented would be after the stores department has received thorough training in this area, probably after one year.

vii) Since a number of unions have outstanding debts with the UCCU for spares, it was suggested that one way to recover part of that debt would be to allow the unions to return some of their excess inventory for credit (after prior approval of the UCCU) less a handling charge. This program was to go into effect January 24, 1983.

F. Assist in data formation for justification of securing operating capital:

The new monthly inventory form will be a valuable aid when the UCCU attempts to secure additional operating capital. This form shows past sales history, current inventory level, plus the value of current inventory. It will be an accurate report of their past and present activity.

- G. Assist in the development and implementation of training of personnel as required:

An overseas training program for Mr. George Muhuruzi, UCCU, Stores Manager, has been proposed. I hope to be personally involved with this training when he arrives in the United States. The proposal has been sent to ACDI for approval. With the implementation next fall of the training sessions for Stores Managers and UCCU Store Keepers this objective will be accomplished.

APPENDIX A

Overall Assessment of UCCU Warehouse and Distribution System

MEMORANDA:

December 6, 1982	Safari Report
December 6, 1982	Warehousing Project Request
December 10, 1982	First Impressions & General Observations of UCCU
December 15, 1982	Safety & Security Problems
December 15, 1982	Leakage of Four Bales of Bags at Kawempe
December 16, 1982	Profit Structure for UCCU
February 1, 1983	Overview of the UCCU

DATE: December 6, 1982

FROM: Bill Stonefield

TO: Roger Newburn - Team Leader, ACDI

Subject: Safari Report - November 26 to December 2, 1982

Our safari took us to ten cooperative unions, three cooperative societies, and three cooperative offices. The experience we incurred on this extensive safari is one of the most interesting situations of my career. Uganda can be proud of its rich fertile soil and ability to raise crops.

We were warmly received at all the interviews. Most of the interviews went over the time allotted and the information obtained will be more than helpful in my understanding of rural problems in Uganda in general.

I traveled with my wife, Margo and Mr. and Mrs. Dale Bonde. Dale has a good knowledge of Uganda which made the interviews very effective. Also on the safari was Mr. Denis Odongoping, Operations Manager for the Transport Union in Kampala. Mr. Odongoping is also very knowledgeable of Uganda, including rural problems and problems concerning the transport union. The success of the safari can be credited largely to the presence of Mr. Odongoping.

We traveled to cooperatives and societies in Pakwach, Gulu, Lira, Soroti, Mbale, Tororo, and Jinja. I found the problems at the cooperatives and societies to be very similar. I will list them below and go into further detail later. This report will be finalized with my recommendations.

The problems are as follows:

- 1.) Availability of spares
- 2.) Communications with Uganda Central Cooperative Union
- 3.) Stocking spares at UCCU
- 4.) Lack of standardized procedures
- 5.) Pricing
- 6.) Training

1.) AVAILABILITY OF SPARES - At all the locations that we visited, this is the number one problem, whether it was for ginneries, coffee processing plants, and an even larger problem is spares for the lorries. We found that out of every fleet of lorries, 35 to 40% were not operating due to a lack of spare parts. Most prominent shortages that kept lorries from operating is, number one, spares, then number two, tyres. Fuel is a problem at some locations but not at others. It seems to be more of a local problem. Almost all lorries are old and have served their purpose, which causes all unions extra expense due to excessive breakdown and cost of spares. Of all the ginneries we visited only one was operating, and they could not complete the process due to the shortage of bale hoops. The cotton processed will have to be stored, which will be costly to the union because when it is stored it changes color and the quality goes down, consequently the Lint Marketing Board reduces the price paid to the union. Lack of bags, cloth, hoops and miscellaneous spares keeps the other ginneries from starting their operations. Even with the spare shortage problem, the unions are looking for a good cotton crop and feel it will all be processed and baled for marketing. They are very optimistic.

2.) COMMUNICATIONS WITH UCCU - This problem involves many things, number one loss of profit that cannot be made up. The added expenses come from man hours and travel expense incurred from traveling to the UCCU and finding the spares order is not ready and in most cases the order cannot be completely filled. Consequently, another trip to the UCCU will have to be made. Another expense to the union because of an unfilled order is that when the product cannot be processed when the farmer brings it to the union, it goes down in grade and has to be sold for less money.

3.) STOCKING SPARES AT UCCU. - A general feeling from all the unions is that spares arrive at UCCU either right before processing season or after the processing season has started. This causes the cooperative unions problems and expenses caused from rushing the processing that usually results in machinery breakdowns and the lesser grading of the finished processed product. The farmer is paid immediately when he delivers his product to the union for processing and a general feeling from all unions is that after complete processing has been finished and it has been sold to the Lint Marketing Board, it takes up to four weeks to receive payment. In summary, the combination of delay in processing due to lack of spares which creates a lower price received due to lower quality, plus the slow payment from the Lint Marketing Board results in the necessity to borrow money at a high rate of interest. The end result is another large union expense that cannot be made up.

4.) LACK OF STANDARDIZED PROCEDURES - All unions do not handle their stores in a similar manner. Ordering systems, forms, advanced ordering, warehousing and inventory control are done differently at all locations. This is a problem causing confusion between unions and the UCCU.

5.) SPARES PRICING - Unions are finding in some instances when they shop locally they can procure spares at a lesser price than the UCCU. They feel the UCCU should always be priced lower or at least the same as stores selling to the general public. Another pricing procedure that they noticed UCCU will do is that when a local shop raises the price of spares, UCCU will move quickly to adjust their prices upward even though the spares have been in the warehouse a long time and procured at a lower price.

6.) TRAINING - All unions visited agreed that the absence of stores training has created a problem and expense. Often too many or too few spares are ordered before seasonal processing. Either error in ordering will create expenses to the union that result in a profit loss. Another loss that cannot be made up.

RECOMMENDATIONS:

Uganda has excellent farmers along with good climate and fertile soil. Therefore the unions that are in existence should take advantage of this situation. Now is the time for all the unions to expand their services and train their people so that when farming production rises, the unions will not lose the business to someone more aggressive.

Work should be considered to improve service items listed below:

1.) SPARES

- a) Unions should send their orders to UCCU six months ahead of season for their requirements. This will aid UCCU in their pre-season ordering.
- b) UCCU should order spares at least six months before the processing season.
- c) Pricing should be competitive and published for the unions.
- d) Price changes should be kept updated, published and unions advised.

- e) When a cooperative union orders a spare that is not available, UCCU should advise them immediately that it cannot be provided. The union can then start looking elsewhere for the needed spares.
- f) When a union orders a spare that will not be available for a long period of time, UCCU should advise the union immediately so that if it is needed right away the union can cancel the order and procure locally. If the waiting period is acceptable, the spare order can be procured by UCCU. This means when the spare arrives the union will have to accept it. This procedure will aid the union and UCCU by insuring a sale for UCCU and better service for the union.
- g) Unions need to have a system to advise each other of excess spares, either by mail or if possible, meetings at an accessible point. Both methods of exchanging their spares inventory would be excellent. Also, at the meetings other problems can be discussed concerning the stores.

2.) STANDARDIZE PROCEDURES

- a) The unions should all use the same forms for ordering spares and inputs. They should also have standardized forms for inventory control. This will eliminate confusion between the UCCU and the unions. Also, unions will be able to communicate better with each other in exchanging spares when they have a breakdown and UCCU does not have stock.
- b) Continue to update systems and procedures for cost savings and accuracy of inventory control.

3.) DECENTRALIZE WAREHOUSE FOR SPARES

- a) Cost saving for unions, travel expense and man hour expense will be reduced.
- b) Quicker service during processing season by warehousing items that breakdown frequently.
- c) Assuring UCCU more sales by eliminating unions from acquiring spares locally from UCCU's competitors.

4.) HOUSEKEEPING

- a) Housekeeping is a definite problem that we encountered on the safari. Poor housekeeping promotes a hazardous safety situation, attracts rodents that are destructive

to the stored product and cause a disease problem

- b) Better housekeeping should be promoted. A neat and clean facility creates better job results and more pride.

5.) EXCESS INVENTORY

- a) A sincere effort should be made to decrease excess inventory at the unions.
- b) All pre-season spare orders should be approved by union management before stores manager sends to the UCCU. Particularly large quantities and spares that are expensive.

6.) OBSOLETE INVENTORY

- a) Obsolete inventory should be advertised for sale to other unions. If that does not work, request through UCCU if they would have a need for the spares. If the above fails, scrapping the spares should be considered as this would free up space in the warehouse.

7.) LEAKAGE

- a) If leakage is a problem, a program should be initiated to reduce and prevent it.
- b) Adequate and secure warehousing should be a high priority. A secure warehouse is obviously a cost saving measure and adequate storage is necessary to prevent leakage and also eliminates spoilage of spares.

In conclusion, the safari was most interesting and I sincerely hope the knowledge gained can be used to help warehousing and distribution for Uganda. The agricultural part of Uganda's economy is very important for the country to have success, and the cooperatives are a very important part of agriculture.

DATE: December 6, 1982

TO: Mr. Eldad Barigye - General Manager UCCU

FROM: Bill Stonefield - ACDI

SUBJECT: Warehousing Project Request

Please supply me with one copy each of the forms listed below. These are the forms that are presently being used by the stores, industrial suppliers, and farm supplies departments. If these departments are using any other forms that I have missed, please add them to the list.

- Bin Cards
- Purchase Orders
- Delivery Notes
- Order forms for procurement of spares.
- Spares return forms used by the unions.
- Spares receiving reports
- Past sales history forms for procuring spares.
- Customer Invoices
- Blank order forms used at the Warehouse when a customer stops there without a purchase order.
- Customer policies for employees
- All other written procedures

Review of the forms listed above will help give me a better understanding of your operation.

Thank you for your help with this matter.

WHS:ms

cc: Roger Newburn

DATE: December 10, 1982

FROM: Bill Stonefield

TO: Roger Newburn - Team Leader, ACDI

SUBJECT: First Impression and General Observation of UCCU

I have been in an interview situation with all the department managers including Mr. Eldad Barigye, General Manager of Uganda Co-operative Central Union. They are all well educated, organized and know their business. This is a very high class operation. Everyone received me warmly and has been extremely helpful in explaining the functions of UCCU.

General observations I have made that will need further study are as follows:

There is a definite communication bottle neck between UCCU and Kawempe. Paper flow of invoices and orders are slow between the two facilities. There is a problem in the fact that the phones don't work between Kawempe and UCCU, there is nothing UCCU can do about it but it is still a definite problem.

UCCU has a lot of money owed to them by the unions. At this time no effort is being made in the collection of these account receivables. The reason being that most of the unions do not have the money to pay their debts. UCCU tries to make all sales cash but there are times that the Ministry will force UCCU to sell to the unions on a credit basis. This puts UCCU in the position that they must borrow money from the banks at a very high rate of interest. A proposal has been made, but not yet approved, to the Cotton Unions that when they take the cotton to the vessals for export, they will pay UCCU first for the old debt and then the unions will be paid for their products.

The UCCU has an engineer and two field technicians whose responsibility is to aid the unions with service problems. My observation is that it should also be part of their job description to advise unions on pre-season spares ordering.

Hqusekeeping at Kawempe is very good. After touring the

godowns and seeing how overstocked they are, the only way they are able to function in their crowded condition is because a sincere effort is being made daily to keep the housekeeping duties up to date.

UCCU shares their complex with the Uganda Transport Co-operative Union. The UTCU has created two problems, safety and security.

In the back lot between the last godown and the fence, the UTCU have left lorrie frames, engines and large spares which are now overgrown with weeds. There is a possibility people could get hurt walking through this and it is a perfect place for rodents and insects to breed.

This junk pile overgrown with weeds would serve as a perfect hiding place for anyone to wait until after dark to break into the warehouses. Also, UTCU parks their lorries so close to the fences that it would be very possible and easy for someone to climb over the fence to perform leakage. Parking regulations should be proposed and enforced.

The Uganda Transport Co-operative Union is now using UCCU's main gate at Kawempe. Another gate away from the godowns is available but is in need of repair. A request has been made by UCCU for UTCU to repair their own gate and move their lorries off UCCU's property. When and if that happens a fence could be put up to keep all unauthorized people away from the godowns. When this is accomplished tighter security will lessen the possibility of leakage.

Safety is a problem with the situation as it is now. UTCU lorries and workers are in and out all day which creates a traffic hazard for UCCU people and their customers. Also, the large lorries are hard on the terrain. The terrain is very rough due to the sharp incline. The rain drains to one corner of the complex which causes large drainage passages. The UTCU lorries absolutely tear UCCU's loading area apart. Grading and smoothing should be done weekly to help eliminate this problem. This would make it easier to move vehicles and if the loading area was kept smooth, two wheel loading carts could be purchased and used in the driveway as the driveway becomes very hard like blacktop when dry.

The UCCU is always looking for ways in which to improve themselves and service to their customers. They are not standing still and are improving constantly. Projects in process at Kawempe now include a new office building to be more efficient and improve working conditions. A pole shed is being replaced by a warehouse with steel walls. This addition will help eliminate part of the storage problems.

In conclusion this assignment is a real challenge but with the high caliber of people at UCCU and with cooperation, the accomplishments should be many and long lasting.

Bill Storejila
WHS:ms

DATE: December 15, 1982

FROM: Bill Stonefield

TO: Roger Newburn - Team Leader ACDI

SUBJECT: Safety and Security Problems Created by UTCU

Reference my memo dated December 10, 1982, subject First Impressions of UCCU. I wrote about security and safety problems caused by UTCU. I believe the matter is serious enough that it should be addressed again in a memo by itself.

- 1.) SAFETY - This problem is caused by UTCU having junk consisting of lorrie frames, engines and other large spares in UCCU's area behind the last godown. The junk is overgrown with weeds that house rodents and insects. The Transport Union has a gate that they should use but cannot because it is in need of repair. Consequently they use UCCU's gate which causes congestion for UCCU and their customers. The lorries parked there are very large, and it is amazing no one has been run over. The lorries are very hard on the lot and cause large ruts which are a hazard to everyone.
- 2.) SECURITY - The possibility of someone hiding in the junk overgrown with weeds is a problem that should not be overlooked. It is a perfect place to hide until after dark and then break into the warehouses. Also the fact that UTCU parks their lorries so close to the fence would help anyone if they decided to climb over it.

Parking regulations should be set and enforced to keep UTCU from parking too close to the fences. UTCU now has lorries in UCCU's complex. It should be requested that UTCU remove their lorries off the UCCU complex and a fence be installed to keep their people and lorries out. Security could then enforce the rule that only customers with orders and UCCU people be allowed in the complex.

WHS:ms

Bill Stonefield

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DATE: December 15, 1982

FROM: Bill Stonefield

TO: Roger Newburn - Team Leader ACDI

SUBJECT: Leakage of four bales of bags at Kawempe

It has been brought to my attention that there has been a leakage of four bales of bags at Kawempe. Management is assuming that they were taken during the night.

Each bale weighs close to 500 pounds. It would take at least four or maybe five people to accomplish the task. The bales are stacked so that each morning the count can be checked within a few minutes of opening. This inventory verification is done daily. This indicates to me that the management at Kawempe is definitely interested in preventing leakage.

Another step that has been added to help prevent leakage is at the close of the day the security guards go with store management to verify the count and then sign a paper stating same. The next morning security and management check the count again to relieve the security department of responsibility.

An added note of interest, management at Kawempe is planning on installing more security lights at the facility.

Bill Stonefield
WHS:ms

DATE: December 16, 1982

FROM: Bill Stonefield

TO: Roger Newburn - Team Leader, ACDI

SUBJECT: Profit structure for UCCU

In years past the UCCU had a profit margin of up to 30% on all the commodities that they sold. Now under the present government the profit they are allowed to realize ranges anywhere from between five and ten percent.

Pricing spares gets very complicated for UCCU. The union will not know how much the spares will cost until the order is placed. The reason for the pricing confusion being that the profit margin is added to the spare price plus UCCU has had to borrow money at a high rate of interest which fluctuates often. That interest is also added to the price of the spares. This exercise in pricing is not only confusing and subject to error, but also valuable manpower is wasted figuring each order.

A profit structure between thirty and forty percent is necessary for the Central Union to make gains and do a better job of servicing the Unions. That figure might seem excessive but it is necessary because if the UCCU was in better profit health, the unions would benefit through better service and availability of spares. When the ginneries and coffee mills are shut down because of a shortage of spares, that is more costly than the Central Union making an extra percentage of profit.

The Uganda Co-operative Central Union certainly needs a healthy profit to cover their other losses and be able to run a smooth and efficient operation.

Bill Stonefield
WHS:mS

DATE: February 1, 1983

FROM: Bill Stonefield

TO: Roger Newburn
cc: Eldad Barigye

SUBJECT: Overview of Uganda Cooperative Central Union

The projects that have been suggested to the UCCU during my stay in Kampala as noted in Mr. Eldad Barigye's letters have been accepted. Mr. Barigye presently has staff working on these projects so that they can be implemented in the very near future. Due to the fact that the Stores Department has been very recently established, ninety percent of my time was spent at Kawempe, the location of the Stores Department.

On my return trip to Kampala, the three months allocated to me will call for a very tight schedule. There are several things I would like to see accomplished during that time. The way I presently have that schedule set up calls for two five day training seminars which, including planning and follow-up, will consume six weeks. Two weeks to prepare, one week of training, a week to analyse and prepare for the next training session, and a week for reports and analysing what has been accomplished.

After the training sessions are completed, I will need time to assist in projects that have already been recommended during this three months stay and then follow up to assure that they have indeed been implemented.

Mr. Barigye would have liked more time spent at the UCCU main office with the Physical Distribution Department which includes the Farm Supplies and Industrial Supplies Departments. The UCCU also has a retail store which needs ideas. They are anxious and ready to accept any outside advice and recommendations as indicated in my final report and the comments in Mr. Barigye's letters.

When we were on our first safari shortly after our arrival in Uganda, we toured many District Unions and their stores departments between here and Gulu. The people at the local unions were very interested in receiving stores training. They need help in setting up a uniform system of inventory control and order processing so that everyone operates in the

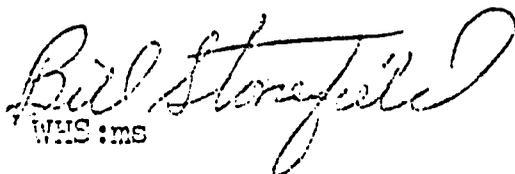
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same manner between the District Unions and the UCCU. It would be helpful to be allowed to spend up to three days at each union to learn how each one operates and how we could assist them. After visiting all the local unions a certain amount of time would be necessary to analyse the various ways the unions are working presently and to put together a uniform way of doing business. Standardization of the local unions is necessary to avoid the misunderstanding and confusion they are currently operating under and ultimately it would be money saving for the entire country.

Assisting at the UCCU main office with their distribution department and giving some help at the retail sales store plus the standardization of the District Unions is a very large order and a job which can not be accomplished in three months. But I believe it is a really necessary and important task that would be of great benefit to the entire cooperative community.

To accomplish the initial training of stores managers and the follow up of earlier recommendations plus assisting at the UCCU main office and the standardization of District Unions, a lot more than three months is needed. Six months would be helpful, a year would allow enough time for a instructional period with real quality.


WHS:ms

APPENDIX B

Review of Procurement, Handling, Storage, Merchandising and Transport of all goods handled by the cooperative movement.

MEMORANDA:

December 23, 1982	Obsolete Vee Belt Inventory
December 27, 1982	Procurement of a Motorcycle by UCCU
December 28, 1982	Tool for Installation of Ginnery Washers at Unions
January 3, 1983	Warehousing Vee Belts
January 7, 1983	Petrol Security at Kawempe
January 12, 1983	Spares Returned from the Unions to Kawempe
January 17, 1983	Parts Catalog

DATE: December 23, 1982

FROM: Bill Stonefield

TO: Mr. Eldad Barigye, General Manager

cc: Roger Newburn - Team Leader ACDI

SUBJECT: Obsolete Vee Belt Inventory at Kawempe

While looking at the inventory cards the other day at Kawempe, I was aware that there are an excessive amount of Vee belts in inventory. This inventory has been inactive for an inordinate amount of time. There has not been a sale on them in over three years. In my opinion that inventory is obsolete.

I believe at this time that Mr. Muwaga in industrial supplies should do a study on these items. When that study is complete he should recommend the following options:

- 1.) Advise the unions of excess inventory and lower the price.
- 2.) Scrap the inventory that does not sell.
- 3.) If the decision is to keep the inventory, warehouse it in bulk somewhere else at Kawempe as these items take up a lot of valuable space and warehouse space is at a premium and badly needed at this location.

Thank you for your attention to this matter. Your thoughts and input will be greatly appreciated.

WHS:ms



DATE: December 27, 1982

FROM: Bill Stonefield

TO: Roger Newburn - Team Leader, ACDI

cc: Eldad Barigye - General Manager, UCCU

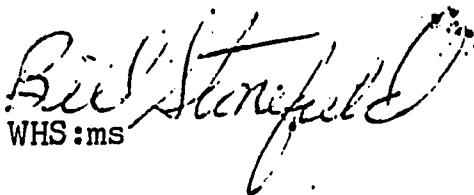
SUBJECT: Procurement of a motorcycle for UCCU

Due to the distance between the Kawempe stores complex and the Central Union and the fact that the telephones do not work between these two points, there is a time lapse that occurs when these two locations are trying to communicate.

Presently one man on a bicycle makes a trip between these locations twice a day to relay messages and the time involved could sometimes be critical.

I would like to recommend that when motorcycles are procured and available for distribution, the UCCU be high on the priority list to receive one.

The benefit of improving communication at UCCU would be felt all the way to the farmers.


WHS:ms

DATE: December 28, 1982

FROM: Bill Stonefield, ACDI

TO: Eldad Barigye, General Manager UCCU

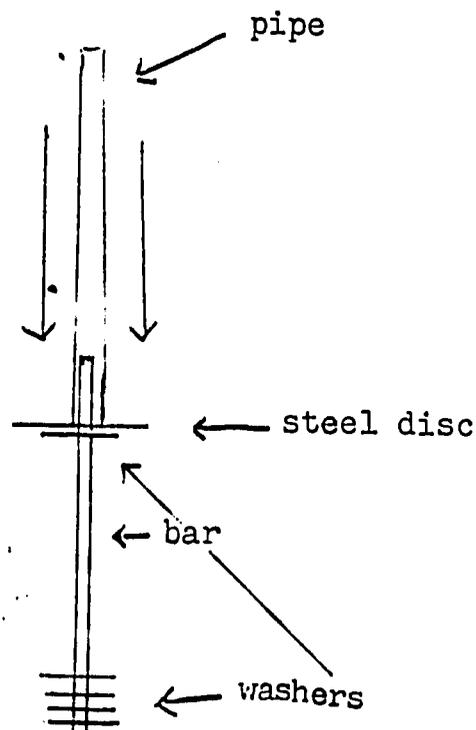
SUBJECT: Tool for Installation of Ginnery Washers at Unions

I realize this is out of my area of expertise but it is something I have been thinking about since we went on safari the last week in November.

Presently the unions have employees who replace washers on the shaft that separates the seed from the lint by slipping the washers over the top of the shaft and pounding them down in place with a hammer and chisel. This is a time consuming operation and creates a safety problem. The washer has to fit tightly over the shaft, consequently it takes a lot of turning of the shaft with washer and a lot of pounding with the hammer to get the washer in place. The process takes at least three men, two of whom are in some danger as they turn the shaft while the hammer is flying.

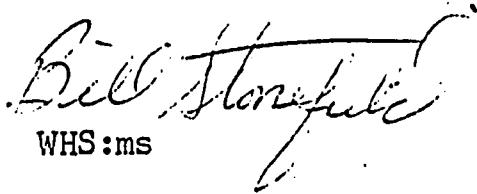
A steel disc or plate should be slipped over the shaft above the washer. A pipe that is larger in diameter than the shaft should then be slipped over the shaft above the disc and washers. The employee could then hammer on the pipe instead of the washers. This would create an even pressure on the disc which would force the washer down in place with greater ease, less time and manpower and a greater degree of safety.

See illustration:



If you feel this idea is feasible, the engineering department of UCCU could find out where such a disc and larger pipe could be purchased and at what cost, or they could build a proto type and experiment with it. If it works (and I believe it will), let the unions know about the idea and ~~start~~ distributing the discs and pipes.

I will be most interested in hearing your thoughts on this matter.


WHS:ms

DATE: January 3, 1983

FROM: Bill Stonefield

TO: Eldad Barigye, General Manager UCCU

SUBJECT: Warehousing Vee Belts at Kawempe

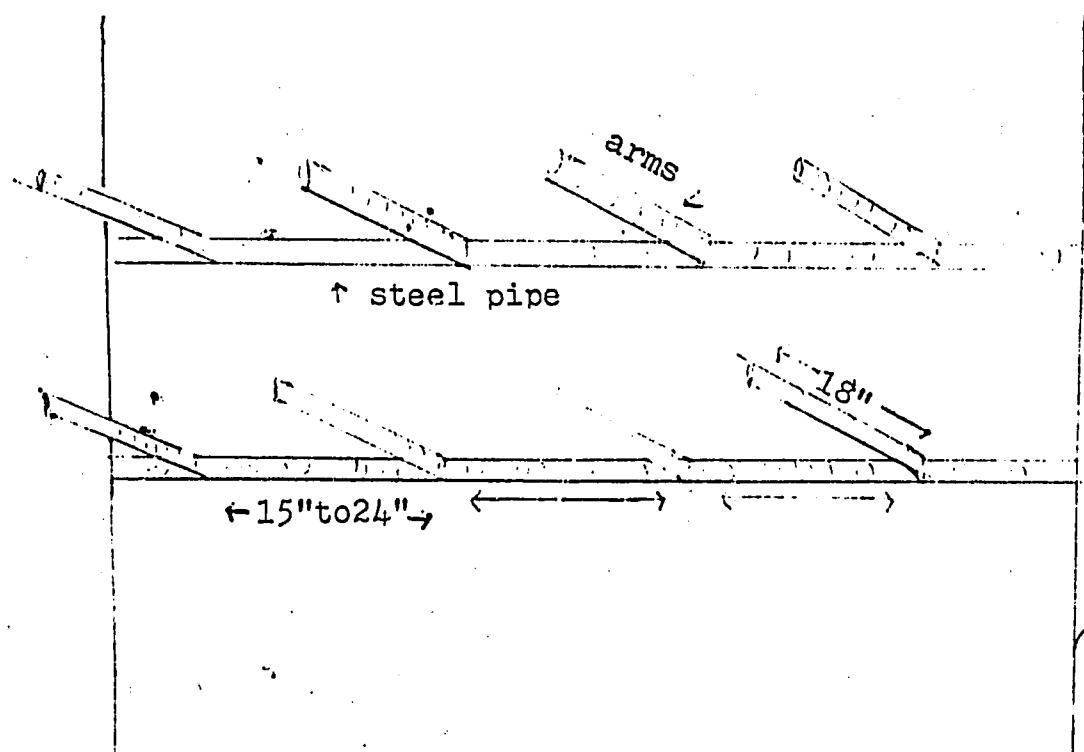
In my memo dated December 23, 1982 regarding obsolete vee belt inventory at Kawempe, I asked you to consider reducing the price or scrapping old and obsolete Vee Belts.

Now I would like you to consider an alternative plan. A different method of warehousing the Vee belts. At this time they consume almost one third of the Industrial Supplies warehouse space. I would like to recommend using the wall space that is available to store the Vee belts.

A wall mounted pipe with arms should be installed and the Vee belts hung there. The longest belts on the bottom row and the shortest on the top row. To remove a belt from the higher row, all that is needed would be a long stick with a hook at one end.

Space between the arms that are to be welded to the pipe should be a minimum of 15 inches and 24 inches maximum. The arms should be 18" long. These measurements will accommodate a large inventory of belts.

See illustration:



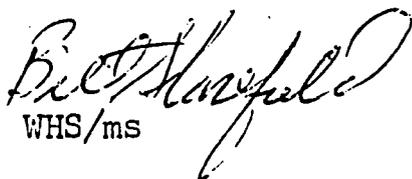
This system will keep your Vee belt inventory stored in an orderly fashion while at the same time free up much needed floor space that could be utilized for the storage of other product.

I would also like to recommend at this time if you do decide to go with the idea of using the available wall space for storage that this would be a good time to initiate a stores location system at Kawempe. A location system is needed and starting with the belts would be a small start but would be good experience for the stores people. The ultimate goal will be to finally end up with the location notated on each and every bin card so that in order to find a spare you simply go to the bin card and it will tell you where that spare is located.

If you implement this project the benefit will be more warehouse space and with the location system more ease in locating a spare.

Whether or not you want to scrap the Vee belts or continue to store them is really immaterial, but you certainly should consider using the wall space for storage.

Thank you for considering these changes. Your comments will be appreciated.


WHS/ms

DATE: January 7, 1983

FROM: Bill Stonefield

TO: Eldad Barigye - General Manager UCCU

cc: George Muhuruzi - Stores Manager

SUBJECT: Petro Security at Kawempe

Petro leakage at Kawempe is a problem. Extra precautions need to be taken to assure that the leakage of petro does not occur. Two small locks on the pumps are all the security that is provided at this time. During working hours the locks are adequate but at night and on weekends these small locks are very vulnerable. I would like to recommend that a policy be set forth to assure better security.

After regular working hours and on the weekends the electric power to the pumps should be turned off. With the power off, unless someone knew where the power came from it would be impossible to get petro from the pumps. The source of power comes from inside a warehouse which means that to steal petro after hours a person would also have to break into the warehouse. This should be deterrent enough to stop the leakage.

Another problem is the underground pipes. They presently are just covered with a piece of tin. Anyone with a hand pump can hook up to the pipes and remove the petro. Better man hole covers with locks need to be procured.

I believe these measures if implemented would make the petro supply at Kawempe more secure and will benefit the UCCU at very little expense.

Bill Stonefield
WHS/ms

DATE: January 12, 1983

FROM: Bill Stonefield

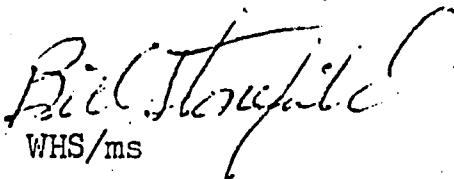
TO: Eldad Barigye, General Manager UCCU

SUBJECT: Spares Returned From the Unions to Kawempe

The service that you are now providing to your customers of allowing spares to be returned to the UCCU is generous to them and costly to the UCCU. Spares returned are now credited full cost to your customers without any consideration given to your handling cost or the condition of the spare upon return.

The Stores Manager should inspect any spares that are returned and if it is damaged or not in the same condition as when it was shipped out, it has lost some of its value. Consequently a reduced price should be credited to the customer. Also a ten percent handling charge should be imposed on all spares returned. The union should be required to request prior approval for the return of the spare and at that time be advised of the handling charge and the reduced credit if the spare is not resaleable as new.

Please consider these suggestions. Your thoughts and comments are appreciated.


WHS/ms

DATE: January 17, 1983

FROM: Bill Stonefield

TO: Eldad Barigye, General Manager UCCU

SUBJECT: Parts Catalog

A spares catalog would be of benefit to the UCCU and it's customers. The initial work involved to prepare the catalog will be lengthy, but after the initial effort only updating prices and adding new spares to the catalog will be necessary. Complete updating shouldn't be required more than once a year. Supplemental sheets can be sent out quarterly to notify customers of price changes and new spares additions.

The UCCU will benefit in that the unions will be made more aware of the complete line of spares and inputs available and also the UCCU price of which too often the unions are not aware and pay too high a price for the same item elsewhere.

Below are some suggestions for putting the catalog together.

- 1.) Section off the catalog by coding spares.
For example:

Ginnery Spares	01-plus spare number
Belts for Ginnery	02-plus spare number
Coffee Spares	03-plus spare number
Belts for Coffee	04-plus spare number
Seeds	05-plus catalog number
Fertilizer	06-plus catalog number
Tools	07-plus spare number
Miscellaneous	08-plus item number

- 2.) List the items numerically by part number and description, next the unit of issue in other words how the spare is sold, either by pieces, carton or bundle and how many in each carton and bundle. Finally list the price.

Example:

01-1264	Pulley	each	\$ 9.02
02-018	Vee Belt	each	\$11.00
03-1111	Seals	Ctn.of 12	\$80.00

This format is only a suggestion, possibly your staff would have better input as to how the catalog should be arranged. The important thing is to get it put together in some kind of a systematic fashion.

Bill Stonefield
WHS/ms

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APPENDIX C

Assessment of Physical and Human Resources involved in all
UCCU processes

MEMORANDA

December 23, 1982
December 28, 1982

Loading Bale Bags & Other Heavy Spares
New Warehouse at Kawempe

DATE: December 23, 1982

FROM: Bill Stonefield

TO: Eldad Barigye - General Manager

cc: Roger Newburn - Team Leader, ACDI

SUBJECT: Loading Bales of Bags and Other Heavy Spares

The manpower cost of loading bales of bags and other heavy spares is costly and also creates a bad safety factor. The way this operation is being accomplished at present necessitates the union to send extra people to help load by hand. At UCCU extra manpower is also required for this task.

I suggest the purchase of a two wheel loading cart. A cart would enable one man to move the bale from the warehouse to the union truck. The unloading of bales when received at UCCU could also be done with more efficiency and safety with the use of this tool.

Another aid to ease the function of loading heavy spares and make the job safer would be to have a survey done on the height of the truck beds belonging to the unions. After this survey is completed a loading dock should be installed to the correct height. The lorries with varying truck bed heights could still be loaded with more ease and by only one man if ramps were used to go either up or down to the truck bed height.

If these ideas are implemented the benefits would be a cost reduction by eliminating extra manpower and loading time. There would also be more safety as the lifting of the bales and other spares by two or more men would not be necessary.

Bill Stonefield
WHS:ms

DATE: December 28, 1982

FROM: Bill Stonefield

TO: Eldad Barigye - General Manager UCCU

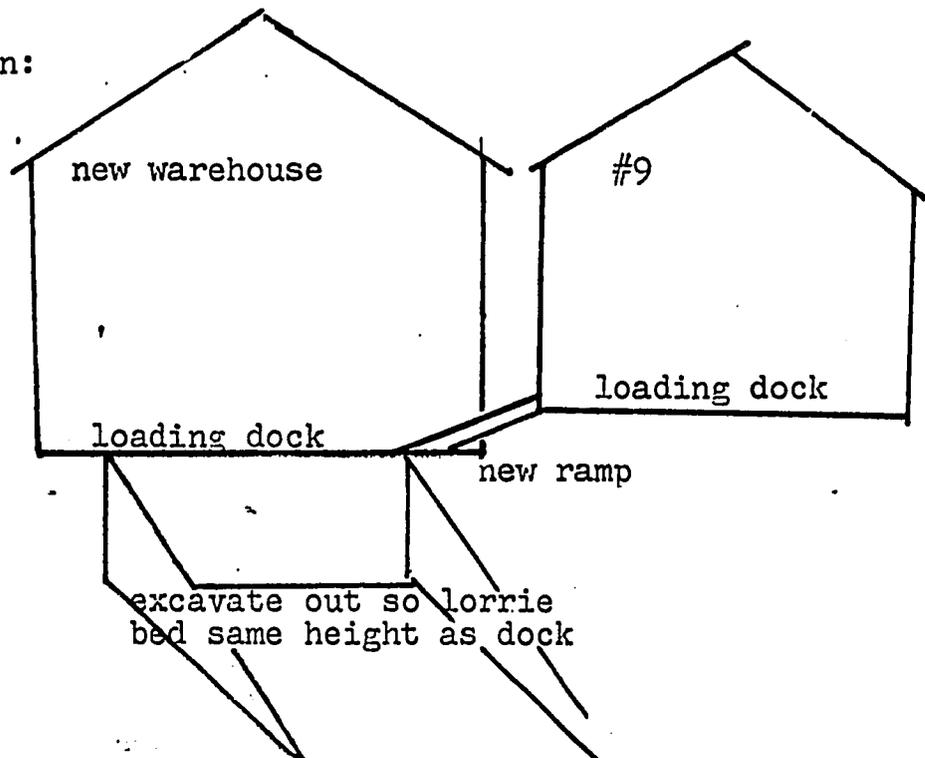
SUBJECT: New Warehouse at Kawempe

I would like to recommend at this time that the engineers working on the new warehouse project at Kawempe be consulted concerning two minor changes in the construction of the warehouse and also the costs of these changes. The cost factor will help decide if the following ideas are feasible.

My first suggestion would be to build a loading ramp down from Warehouse #9 to the new warehouse. This will allow one man with a two wheel loading cart to move the bales from #9 to the new warehouse loading dock with ease and without lifting.

The next suggestion is to dig a pit in front of the new warehouse wide enough and deep enough so that when a lorrie backs up to the loading dock the lorrie bed is the same height as the dock.

See illustration:



These two ideas if implemented will definitely benefit the UCCU in running a smoother operation. One when bales are received they can be unloaded without the lifting and with the aid of a two wheel loading cart one man can take them to either the new warehouse or warehouse number 9 for storage. Manpower and time plus safety will be the savings from these changes. Also customer orders can be handled with greater speed.

WHS/ms

Bill Stonefield

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APPENDIX D

Analysis and Forecast of timely availability of stocks

MEMORANDA

December 31, 1982	Monthly Inventory Form
January 5, 1983	Weekly Inventory Spot Check of Spares, Tools and High Cost Items
January 7, 1983	Bin Cards
January 7, 1983	Survey of Processing Plants
January 7, 1983	Purchase Order Numbers
January 17, 1983	Procurement of Spares
January 18, 1983	Survey Excess Parts at Unions

DATE: December 31, 1982

FROM: Bill Stonefield

TO: Eldad Barigye, General Manager UCCU

SUBJECT: Monthly Inventory Form

The monthly inventory form that you are presently using could be an excellent tool for inventory control, sales history and could also be used for reference when procuring spares.

The inventory form you are using at present would be even more efficient if you would have someone on your staff type in all the spares numbers or descriptions or both if available instead of manually writing them in each month. Then have several (about a years supply or more) pre-printed up. Leave enough blank spaces for manually writing in new spares not currently on the list. You would have to periodically have the form updated to include new spares and eliminate obsolete inventory that is out of stock and will not be replaced.

You should also add four columns to this form. The first one showing total year to date activity, the next three columns showing the previous three years unit sales history. You need at least three years activity to get a good idea of average activity of each unit. With these additions to the form you would have a lot of information at a glance. A current sales history which is necessary when re-ordering spares. This information should be applied to the monthly inventory forms by staff at Kawempe as their records are always current. The year to date information would eliminate the possibility of running short of spares during the busy season if the Industrial and Farm Supplies Managers would check it monthly. The three year sales history will help in their pre-season orders.

This form will now supply all the information needed for procuring spares which can eliminate record keeping of past sales history at the main office.

The accuracy of this report and the additional sales information will certainly outweigh any extra work involved.

Bill Stonefield
WHS/ms

DATE: January 5, 1983

FROM: Bill Stonefield

TO: Eldad Barigye - General Manager UCCU.

cc: George Muhuruzi - Stores Manager

SUBJECT: Weekly Inventory Spot Check of Spares, Tools and High Cost Items

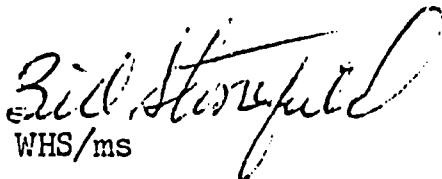
Each week a different list of twenty spares should be made up by the internal auditor and sent to Kawempe for an actual inventory count. That count should then be varified with the bin card total. This inventory spot check should be accomplished by the controller and one person from Industrial supplies and one from Farm supplies.

When this inventory is completed the Stores Manager should meet with the Controller to go over the list again. If there are any discrepancies an investigation should take place to find out whether the difference is an error in the bin card, a paper error, or if there is possible leakage.

The list of spares should be made up at the main office on Monday so Kawempe can receive that day and have it completed and returned to the main office no later than Wednesday. If all counts agree the list can go on file. If a serious shortage occures management should then be made aware of it.

These weekly checks are not very time consuming but are greatly rewarding as the message goes around that this is being done and will be a warning against possible leakage. This exercise also alerts the person who is posting the bin cards of any problems in their count.

Attached is a proposed inventory check form.


WHS/ms

WEEKLY INVENTORY CHECK
FOR THE WEEK OF

SPARE NUMBER	PHYSICAL COUNT	BIN CARD COUNT	VERIFIED BY	REASON FOR DISCREPANCY

SIGNED: _____, Stores Manager

DATE: _____

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DATE: January 7, 1983

FROM: Bill Stonefield

TO: Eldad Barigye - General Manager, UCCU

SUBJECT: Bin Cards

The bin card that you are currently using at Kawempe is acceptable for the information that is being taken from it at this time. But when changes in the ordering procedures and the monthly inventory form are made the bin card should be updated so the necessary data can be taken from it with a minimum of effort.

Instead of only using the customers name for your order reference there should be a column added to include the purchase order number because that should be your most important control number when cross checking orders.

Another change that needs to be made on the bin card you are presently using is that there needs to be room on it for keeping a past sales history. Having this information available and up to date at all times is necessary when placing either your large pre-season orders or when you are doing a monthly check during the busy season to assure you always have an adequate supply of spares when breakdowns occur.

I suggest changing the bin card now so that when changes are made in ordering procedure the card will have all the needed information (see attached example). Even at this time the new bin card could be useful in UCCU's day to day operation.

Bill Stonefield
WHS/ms

DATE: January 7, 1983

FROM: Bill Stonefield

TO: Eldad Barigye - General Manager UCCU

SUBJECT: Survey of Processing Plants

I believe at this time that it would be helpful to your union to have the sales department survey your customers to find out just what model and how many machines are operating presently. The survey should include both the coffee processing plants and the ginneries. At the same time find out how many machines are not running because of lack of spares and find out if they have plans to repair them and when.

If they do plan to repair the down machines, a list of spares should be sent back with the survey plus a firm order for the spares and possibly some money on account.

This survey will add some business now and aid the UCCU in procuring needed spares not in stock at this time..

Bill Stonefield
WHS/ms

42

DATE: January 7, 1983

FROM: Bill Stonefield

TO: Eldad Barigye - General Manager, UCCU

SUBJECT: Purchase Order Numbers

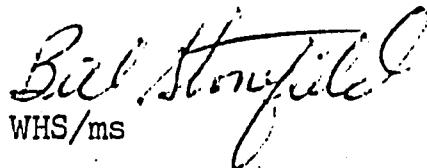
The purchase order with the PO# on it is very important to UCCU to be able to track orders received, billed, the date shipped, and a follow up to check to see if the order has been filled and returned to UCCU. Sales are written on this form and the customer pays for the sales with this same form.

I suggest that a ledger be acquired for use at UCCU and the bin cards be used at the Kawempe warehouse. For the main office use the ledger should show the purchase order number, date issued, customer name, whether spares were paid for, and the date the delivery note was returned to UCCU. The purchase order number applied to the delivery note allows a cross reference.

The delivery note should be compared to the purchase order to alert UCCU to any changes on the order, in other words whether a spare was not in stock or any additional spares were added to the order. The bin cards should have already been updated to reflect the change. Also at this time the customer should be re-billed if any spares were added to the delivery note that were not paid for when the original purchase was written.

The benefit of the ledger will aid the accounting department and UCCU in assuring that all the purchase orders are paid and accounted for. Also the ledger will aid in pin pointing where there might be a paper flow problem by checking returned dates recorded in the ledger.

If you have any questions on this procedure or if I have not made myself clear, please feel free to contact me.


WHS/ms

DATE: January 17, 1983

FROM: Bill Stonefield

TO: Eldad Barigye, General Manager UCCU

SUBJECT: Procurement of Spares

The procedure of spares procurement is currently being accomplished by two separate departments, Industrial Supplies and Farm Supplies. Both departments are first known as Sales Departments. The Sales Departments are busy departments and generally do not have time to devote the proper amount of time and effort to accomplish a thorough job of procurement. Possibly the excess stock of spares at Kawempe that have not sold for a time period of up to four years could have been avoided if procurement had been a function of the stores department. I am not in fact saying that there has been negligence put into procurement by these Sales Departments but know from past experience that this type of ordering procedure can create problems.

I am recommending that some thought and study be given to transferring the responsibility of the procurement of spares and inputs from the present department to the Stores Department. Even though the Stores Department is new they would be capable of this responsibility and the benefits from this procedural change would be numerous.

- 1.) There is always an exact and current inventory count at Kawempe. Once a minimum and maximum inventory level is established, when the monthly report is being filled out for the accounting department, the person responsible for that report can make a note of spares that have reached a minimum level, make out an order list for management approval, then the Stores Manager can expedite the new spare order. This will eliminate shortages of spares during processing seasons.
- 2.) This method would eliminate the double set of bin cards that are now kept. One set at Kawempe which will stay in use and the cards at the main office could be done away with.
- 3.) The Sales Departments can use the inventory totals from the monthly inventory form to be made aware of what is currently in stock at Kawempe.
- 4.) Unions will benefit because they will send their orders to the main office where they will be processed and credit approval be made. Then the order can be

sent to Kawempe. At this time Kawempe will verify that the order can be filled completely or if it can't be Kawempe can advise the union what is out of stock and when the backorders can be expected. The correct inventory information with the new procedure will always be exact and up to date and will make for better service to the unions. This practice will eliminate what happened with a hoe order December 17, 1982. The warehouse had stock in both a new and old type hoe. The main office bin cards said that the old hoes were all sold out which was incorrect. Because of the bin card error the customer was sent to Kawempe and had to wait while someone checked with the main office on what to do with the order. The order then was left for the new hoes which means the UCCU will now have a hard time selling the old type hoe because now customers are aware of the new type of hoe which is a superior product and costs less.

5.) Pre-season ordering can be accomplished with more accuracy. This benefit will be possible with the procurement change to the stores department.

To assure that the procurement procedure runs smoothly and without interruption during the transition of the two ordering practices, some preliminary changes will have to be made.

First, an Assistant Controller will have to be hired and trained as the new procedure would put the controller in charge of procurement due to his training and background. There should however be final approval of orders by the Stores Manager before being sent to management.

Secondly, the clearing department should be enlarged to three people, trained and running smoothly. This department should be monitored closely by the Stores Manager. With this department running efficiently, the UCCU will benefit greatly by money saved from demurrage. After upgrading of people and departments, the changeover of procurement should go smoothly.

I sincerely believe that this change in ordering would be an improvement in your system and should be considered by you and your management.


WHS/ms

DATE: January 18, 1983

FROM: Bill Stonefield

TO: Eldad Barigye - General Manager, UCCU

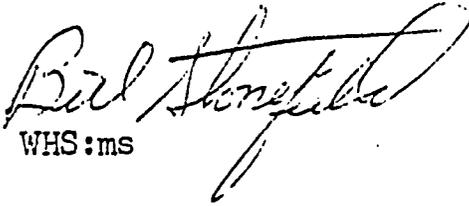
SUBJECT: Survey Excess Parts at Unions

A number of unions have outstanding debts with the UCCU for spares. I would like to recommend a way to recover some of that debt.

A letter should be written and sent to the unions asking them to send a list of excess spares or any spares they would like to return to the UCCU for credit to their spares account less 15% or whatever percentage you think would be fair. Advise them at this time that they will be authorized only to return spares to the UCCU that have had prior approval and are in good condition.

When the lists arrive at UCCU the sales departments should check and see if it is a spare that is not overstocked and most important saleable. When this is completed the list of spares to be returned should be sent back to the unions advising them the spares return has to be completed within thirty days.

Your comments please.


WHS:ms

APPENDIX E

Data formation for justification of securing operation capital

MEMORANDA:

December 31, 1982

Monthly Inventory Forms (See Appendix D)

APPENDIX F

Training of Personnel

MEMORANDA:

December 10, 1982	Overseas Training
December 17, 1982	Overseas Training
December 22, 1982	Overseas Training in Finance and Management
December 31, 1982	Short Term Overseas Training in the U.S. for Warehousing and Physical Distribution

DATE: December 10, 1982

FROM: Bill Stonefield

TO: Roger Newburn - ACDI Team Leader

SUBJECT: Overseas Training

I recommend Mr. George I. Muhuruzi, Stores Manager at Kawempe as the candidate from the Uganda Co-operative Central Union to attend overseas training. Mr. Muhuruzi is new to warehousing and distribution and very interested in physical distribution as a career.

Mr. Muhuruzi has excellent credentials with a strong management background as he was formally Administrative Manager with the UCCU. I believe he would greatly benefit from overseas training.

The UCCU has newly created the stores department as they feel warehousing and distribution are an important part of a complete profit plan. Overseas training for Mr. Muhuruzi would help assure the UCCU of success in their efforts.

Bill Stonefield
WHS:ms

DATE: December 17, 1982

FROM: Bill Stonefield

TO: Eldad Barigye - General Manager, UCCU
cc: Roger Newburn - Team Leader, ACDI

SUBJECT: Overseas Training

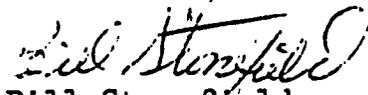
I am requesting, at your earliest convenience, that you formally recommend Mr. George Muhuruzi, Store Manager at Kawempe be sent to the United States for a nine week training program in warehousing and distribution.

Attached is a copy of the overseas training plan. This training would be of great value to the UCCU and also to the country of Uganda.

After your approval and recommendation, Mr. Muhuruzi will depart for the U.S. anytime between three to six months.

Thank you in advance for your immediate attention to this matter.

Sincerely,


Bill Stonefield

DATE: December 22, 1982

FROM: Bill Stonefield

TO: Roger Newburn - Team Leader, ACDI
cc: Mr. Joseph Sebuggwawd

SUBJECT: Overseas Training in Finance and Management

I was discussing our training programs today with Mr. Sebuggwawd, Secretary of UCCU. He was pleased and enthusiastic that the stores manager is to receive warehouse and distribution training overseas.

Mr. Sebuggwawd is also aware that we are providing overseas training in finance and management for different organizations and expressed a concern that someone from UCCU be included in that training. He believes UCCU has a great need for this type of training and would like to be advised if they in fact are to be included.


WHS:ms

DATE: December 31, 1982

FROM: Bill Stonefield

TO: Roger Newburn - Team Leader, ACDI

cc: Mr. George Muhuruzi

SUBJECT: Short Term Overseas Training Program in the United States for Warehousing and Physical Distribution

I am interested at this time in arranging overseas training in the United States for Mr. George Muhuruzi, Stores Manager UCCU.

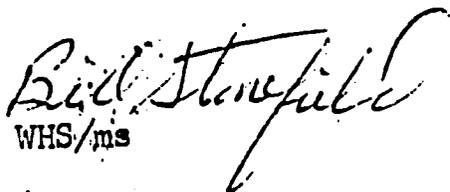
We would arrange and provide accommodations and if necessary transportation.

If this is acceptable to you, when I depart Kampala on February 9, 1983 and after my arrival in Minneapolis, I will immediately go to work to begin making arrangements for Mr. Muhuruzi's warehouse and distribution training program.

Since Mr. Dale Bonde has a connection with the Cooperatives in the U.S., I will need assistance from him for some of the arrangements.

I also have plans at this time to use The Toro Company, Allis Chalmers, and possibly The Ford Motor Corporation to show different techniques in warehousing and physical distribution systems.

I am attaching a copy of the proposed training program for your consideration. Your thoughts and comments on this matter will be welcome.


WHS/ms

Att

III Actual work in a physical distribution department -
(three weeks)

This will give the trainee thorough on the job training in all phases of physical distribution and warehouse procedure.

a) Warehouse phases to be covered:

- 1) Receiving department
- 2) Shipping department
- 3) Packaging department
- 4) Location system
- 5) Bin size determination
- 6) Housekeeping

b) Physical Distribution

- 1) Order processing through complete system
- 2) Traffic Department (routing & rates)
- 3) Accounting (budgets)
- 4) Marketing

IV Work with rural co-operatives - (two weeks)

This will enable the trainee to work with regional cooperative warehouses. He will be able to study various systems on a smaller level, giving him the opportunity to relate to both small and large operations.

V Review training - (one week)

- a) Review all subjects covered during the trainees entire overseas training period and respond to any unanswered questions that he might have.
- b) Evaluation of the training program by both the consultant and the trainee.

TRAINING PROGRAM
SHORT TERM BASIS
FOR
WAREHOUSING AND DISTRIBUTION STORES MANAGER
FOOD PRODUCTION SUPPORT PROJECT

OBJECTIVE:

To train Stores Manager for warehousing and physical distribution to gain a working knowledge of a Farm Supply Distribution Center.

TIME FRAME:

Nine weeks

TIMING OF TRAINING:

The trainee should complete overseas training before September 1, 1983 so that he can return home to get settled again with his family and begin to work with his stores department at the Uganda Co-operative Central Union. Then when the consultant returns to Uganda in October he and the trainee may begin immediately to work together preparing the training seminars for other stores managers from the unions.

PROPOSED TRAINING PROGRAM:

I Indoctrination - (one week)

These days will be spent getting settled, meeting various people and briefly touring facilities.

II Administrative Procedures - (two weeks)

This covers management philosophy of warehouse operations and physical distribution. The points listed below are to be covered regarding the setting up of a warehouse and distribution center.

- a) Objective
- b) Proper staffing
- c) Delegating authority and responsibility
- d) Interaction between departments
- e) Cost and performance standards
- f) Development of forms and reports
- g) Geographical location of facility