



# Fit of Magist as an LSP for Eniac

Magist delivers - but are they delivering the right thing?



# Agenda

1. Meeting Objectives
2. Magist & Eniac – Strategic Fit
3. Conclusion & Next Steps

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# Shared understanding of situation and open question

Strategy and potential are clear - a logistic service provider (LSP) decision is still required



Eniac's **objective**:

**Expand business** by **selling** mainly **high-end tech products** to a **broader customer base**



**Brazilian market as enabler:**

Total **revenue of consumer electronics via e-commerce** expected to **exceed €15B by 2030** <sup>1)</sup>



**Required decision:**

Is **Magist** the **right LSP** to **leverage** given **potential** by **meeting** (local) **requirements**?



<sup>1)</sup> Sources: [Statista](#), [eCommerce Institut Köln](#).

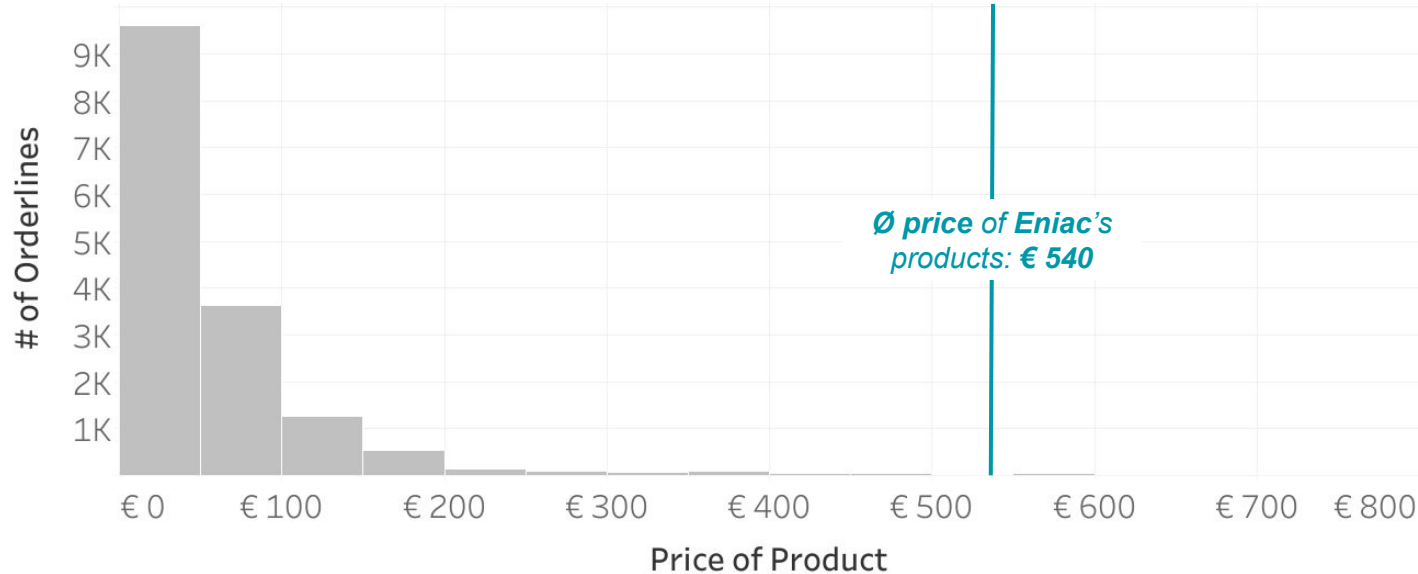
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# Products sold via Magist not matching Eniac's scope

Risk of failing to meet key requirements for high-end tech sales, shipping and returns

Pricing-structure of Magist's tech-related products <sup>1)</sup>:



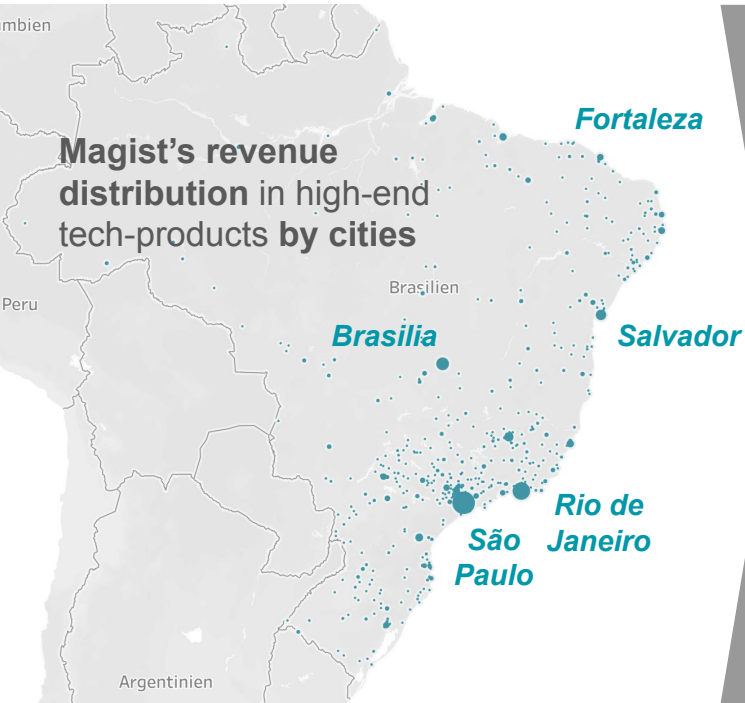
Ø Only 1  
orderline  
per day of  
high-end  
tech  
products  
over 2 years at  
Magist <sup>2)</sup>

<sup>1)</sup> Tech-products categories: *computers, audio, computers\_accessories, telephony, electronics, tablets\_printing\_image, pc\_gamer*; Prices adjusted to compensate approx. 50% higher price level in BR to EU [\[1\]](#), [\[2\]](#), [\[3\]](#).

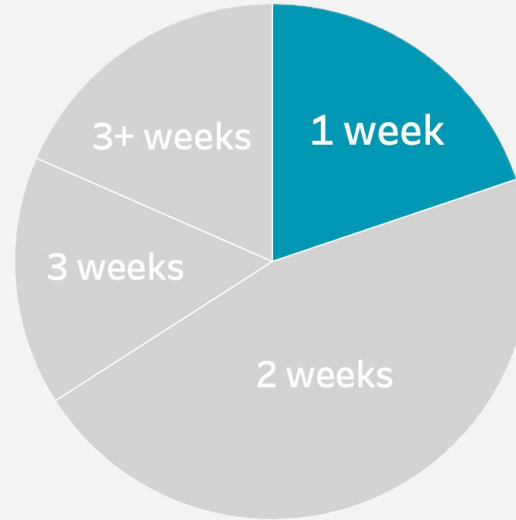
<sup>2)</sup> Average value; Pricing-threshold for definition of high-end products: €200 resulting in approx. 750 orderlines in 2 years covered by received dataset.

# Slow delivery: 80% of high-tech orders in capitals

Magist's service levels can not compete with benchmark in top 5 capitals as key markets <sup>1)</sup>



Share of e2e order delivery of Magist's high-end tech-products within...



➤ **Industry benchmark: 1-week delivery <sup>2)</sup>** for high-end tech in Brazilian capitals only met in **20 % vs. target of 95+ % <sup>3)</sup>**

<sup>1)</sup> Selected top 5 capitals / major cities with highest population: 1. São Paulo 2. Rio de Janeiro 3. Brasília 4. Fortaleza 5. Salvador.

<sup>2)</sup> Sources: [Amazon](#) 2 (EX) - 4 (STD) workdays, [Mercadolibre](#) 2 (EX) - 3 (STD) workdays, [Kabum](#) 2 (EX) - 5 (STD) workdays [top online shops in BR]; [TNT](#) 2+ workdays (EX), [FedEx](#) 5-6 workdays (STD) [major carriers].

<sup>3)</sup> Source: [Amazon Supply Chain](#).

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# Recommendation: Don't sign & tender required service

For an informed decision on the LSP selection, Eniac should consider a strategic approach



## Recommended decision:

**No signing of a 3 year contract with Magist due to lack of product & service fit**



## Additional finding:

**No aligned requirements available to measure the fit of an LSP against or include in SLA <sup>1)</sup>**



## Recommended next steps:

- 1. Align relevant requirements and metrics** in categories: *Must-, Should-, Could-, Won't-Have*
- 2. Create RFI and RFQ documents <sup>2)</sup>**, tailored specifically to those requirements
- 3. Conduct a proper tender process <sup>3)</sup>**, including *Magist* as well as major competitors such as *Novatrade Brasil, DHL Fulfillment, FedEx/TNT, UPS, Yusen Logistics* etc.
- 4. Compare service offered** in quotations and select best fitting LSP

**Alternative (not recommended):** Shorter (1-year) contract with defined SLAs incl. KPIs (target delivery times etc.) to allow exit if requirements aren't met

<sup>1)</sup> SLA - Service Level Agreement. Usually part of a contract that specifies the expected service quality, performance metrics, and responsibilities. <sup>2)</sup> RFI - Request for Information; RFQ - Request for Quotation.

<sup>3)</sup> Typically consisting of the following steps: 1. Creation of LSP longlist 2. RFI 3. Shortlisting 4. RFQ 5. Assessment 6. Negotiations 7. Awarding.