

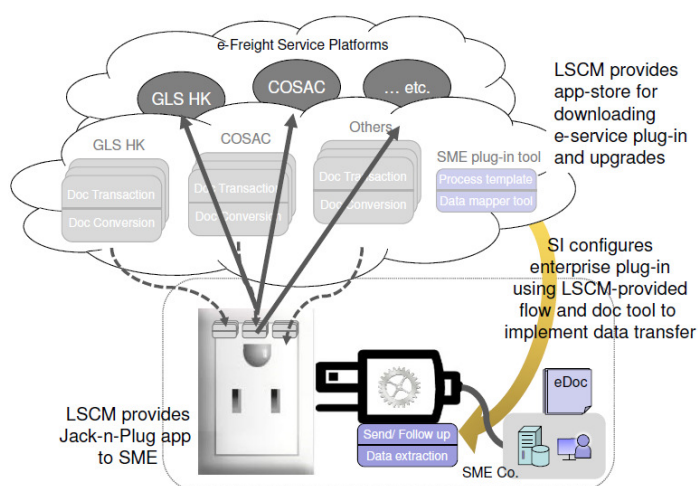
SME DEVELOPMENT SUB-COMMITTEE

Chairman: SIMX PROJECT X & TRADE COOPERATION ASSOCIATED LTD – Mr. Joseph Leung
Vice Chairman: CARGO FREIGHT SERVICES LTD – Mr. Raymond Chan
Members: NAF NORTHERN OCEAN FREIGHT LTD
TRANS GLOBAL LOGISTICS (HONG KONG) LTD

(1) SMe-Plug Jumpstart Program to enable SME for e-Freight Service Platform Connectivity and improved Competitiveness

In November 2013, the Subcommittee on Industry Development (SID) under the Hong Kong Logistics Development Council (LOGSCOUNCIL) endorsed the organization of the Jumpstart Program in collaboration with the Hong Kong R&D Centre for Logistics and Supply Chain Management Enabling Technologies (LSCM) and the Hong Kong Productivity Council (HKPC) to provide financial incentives for 100 logistics companies in the installation of the SMe-plug. A Steering Committee (comprising HAFFA as well) was formed to map out the detailed implementation plan of the Jumpstart Program and oversee the progress.

SMe-Plug Model with Upgradable Plug-ins



The SMe-plug is a new software being developed by the LSCM to serve as an “Interoperable data connector”, which will allow logistics companies to be connected to multiple e-services platforms at a lower cost and with lesser effort. Technology development of the SMe-plug has been completed in end 2014. To encourage logistics companies to adopt e-freight through the SMe-plug, the Jumpstart Program has been launched in late March 2015 to provide 100 logistics companies with matching fund to support their initial set up of the SMe-plug.

The Jumpstart Program aims to –

- (a) help the participating logistics companies realize and demonstrate the benefits of system integration in accessing e-service platforms and improve their overall efficiency; and
- (b) encourage wider adoption of e-logistics in data processing work for the logistics community with a view to increasing competitiveness of the logistics industry.

To engage the industry and encourage their participation in the Jumpstart Program, the HKPC organized:

- focus group discussion / interviews with logistics stakeholders to understand their expectations of the Jumpstart Program;
- SMe-plug introduction forum to promote the use of the SMe-plug to the logistics industry;
- SMe-plug technical briefing session for the System Integrators; and
- recruitment seminars for logistics companies.

(2) Smart Warehouse Management System for E-commerce Logistics Operation



E-commerce has shown phenomenal growth around the world in recent years and is transforming the traditional retailing industry. The trend for e-commerce is anticipated to drive a surge in demand for electronic data exchange and changes in the practices of logistics operations for the industry. In order to adapt to the trend, local SME logistics operators need to strengthen their agility and capability in logistics handling process. Apart from the SME-Plug Jumpstart Programme, LSCM takes on another project i.e. developing the enabling technology for a smart and agile warehousing system for SME logistics operators. This system is intended to facilitate SME operators who need flexible warehousing arrangements for handling high frequency shipments and small orders of ecommerce goods, a service which is becoming more in demand these days.

E-commerce goods are usually small in quantities, such as a few items of different SKUs (*Stock Keeping Unit*) at one time, and require timely delivery according to the customers' preference. Under this model, warehousing will need to be operated in a network of small-sized warehouses distributed in different locations and close to the customers. In order for warehousing operators to respond to the fast and changing markets of e-commerce trading, warehouses should ideally be versatile, operated at low cost and require minimum investment for easy relocation. In addition, inventory has to be distributed over the warehouse network to enable timely delivery of goods at customers' doorstep. These requirements call for flexible and accurate inventory management across the warehouse network.

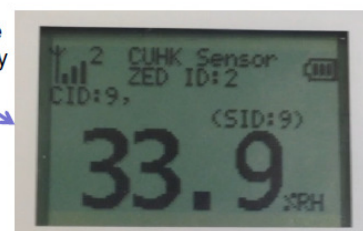
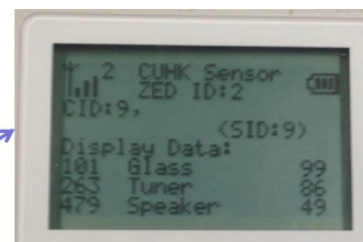
The technology to be developed by LSCM is known as the Smart Warehouse IoT1 Management System (SWIMS). Subject to approval of funding by the Innovation and Technology Commission in 1Q of 2015, the LSCM will commence the project for completion by end 2016. The LSCM will be working in collaboration with the logistics community in developing the SWIMS. E-commerce SME logistics operators will be invited to participate in requirement gathering and design review. Some selected companies will also be invited to join the pilot trial of the SWIMS system and services.

Smart warehouse using IoT technology



Stock count

Relative Humidity



Date: 21 April 2015

(END OF REPORT)