

SnT Takes You from A to Z

Sell anywhere, fulfil every where. SnT Global Logistics Sdn Bhd takes you from B2B to B2C and back on one seamless ride. Founder and CEO David Wong tells **RACHAEL PHILIP** this is the way forward in meeting consumer demand in the New Retail revolution.

New Retail is a phrase that is cropping up not only in the retail industry but in every aspect of our lives. But what exactly is New Retail?

The phrase, coined by Jack Ma, is explained by the visionary leader himself: ***E-commerce is rapidly evolving into New Retail. The boundary between offline and online commerce disappears as we focus on fulfilling the personalised needs of each customer.***

Being a visual person, the newness of New Retail was a little difficult to appreciate. That is until I stepped into a warehouse in Subang Jaya. You would expect at a warehouse to see extra-large storage boxes, ceiling-high racks and fork lifters to move heavy loads around.

A quick walkabout through the warehouse showed that something “New” was going on. Between the loading bays and receiving area at the front and the storage of large boxes at the back, there were staff moving around children’s clothes on racks, others tagging individual running shoes and some others putting together a Marks and Spencer hamper.

“In logistics, there are basically three core services – freight and forwarding, warehousing and transportation services including express last mile delivery service. SnT offers fully integrated logistics services covering all these, thus providing its customers an end-to-end service.” said David

Wong, Founder and CEO of SnT Global Logistics. In doing so SnT Global Logistics bridges a crucial gap in the logistics services through a single point of contact for both B2B and B2C customers.

INTEGRATION

The logistics company, which currently manages half a million sq ft of warehouse space in Malaysia and Singapore, also specialises in Omnichannel fulfillment. Omnichannel fulfillment is the order fulfillment process completed across multiple channels. SnT facilitates e-commerce, stores replenishment and wholesale, keeping orders and inventory up-to-date, and saving precious time on managing products.

All this is powered by SnT Group’s Hosted E-logistics Platform (HeLP), its customised and award-winning proprietary system designed for seamless integration.

“HeLP links logistics service providers at each point of the supply chain on an integrated platform. Data is synced for all areas such as shipment delivery, movement visibility and inventory management,” he said.

David offered an example. If I were



to buy a shirt online and decide I do not like it, I may choose to return it to an offline outlet convenient to me. Or I may like to purchase a shirt online and pickup from a offline outlet such as Collectco which has more than a thousand Pickup and Dropoff (PUDO) outlets nationwide. SnT HeLP will allow track and trace of movement of such inventory seamlessly. In New Retail everything is connected. Seamless. In this platform the permutations are endless. The opportunities are far reaching.



“In today’s retail scene there is online and offline logistics, and data analytics. If you succeed in bringing all this together, retailers will be able to make timely and accurate decisions,” he said.

VISION

David, whose background is in information technology, saw the need for a comprehensive logistics system way back in 2000 when the company started as a software business.

“During the dotcom boom I developed a platform to connect e-commerce retailers to logistics but the dotcom bust happened and I changed my business model,” he explained. David is the ex-chairman of PIKOM and the current chairman of ASOCIO.

“I had already raised significant amounts of money for the e-commerce platform but in 2006 I decided to take the funds and shift my focus to the downstream sector of logistics. But we didn’t want to be yet another logistics company.

“We wanted to set up an e-fulfilment capability that could handle both online and offline. This has proved to be a good decision. In the last three to four years the e-business has been booming. Our business has grown.”

Today, SnT Global Logistics, which was awarded pioneer status by MIDA, consists of 70% B2B and 30% B2C. In the B2B category their customers are made up of retailers of apparels, FMCG and pharmacies. He said despite the smaller percentage, B2C is fast growing.

“If B2B is growing at a pace of 15%, the B2C sphere is growing twice this amount.”

GROWTH

By early next year SnT Global Logistics would have opened its seventh warehouse in the country. Two of its current warehouses are in Johor, one just 10 minutes away from the border to Singapore.

While its operations are focused in Malaysia and Singapore, it has a network of fulfilment centres with affiliates in Southeast Asia and Hong Kong. It also has partnerships with global carriers to the US and Europe.

“We are in the process of setting up a fulfilment hub in Hong Kong, China, for North Asia and other parts of the world. Our Hong Kong facility, which



will be ready before the end of this year, will be the hub for our global business,” he stated.

Meanwhile, in Southeast Asia, SnT intends to leverage on the Digital Free Trade Zone (DFTZ) in KLIA and its new warehouse facility in Johor as it’s regional hub. Here SnT Global Logistics invested in 10 acres of land costing RM50 million five years ago.

“About one third of this land has been developed into a 100,000 sq ft five-star modern suite state-of-the-art warehouse with 14 bays for delivery. We will invite Singapore companies to set up their back-end operations here, enabling savings of 30% to 40%,” said David.

He said Malaysia makes an excellent hub for the region because of its location. With its regulatory framework and facilities that promote cross border logistics, DFTZ, which was set up to cater mainly to B2C, is heading in the right direction. However, he said, processes and rules must be kept simple.

“Speed is key. We are talking about same day or next day delivery locally or even regionally. When we look at

cross border logistics, we look at speed and costs. The force behind New Retail, meanwhile, is the technology. It must be a digital platform that is powerful and robust.”

GOALS

Despite the goals SnT has reached in the last 10 year, David is not resting on his laurels. To be able to continue as a significant player in Omnichannel Fulfillment requires a lot of investment. Because the nature of the sector is borderless, SnT Global Logistics aims to set up stronger foothold in Southeast Asia via mergers, acquisitions and partnerships.

Where the industry is concerned he encourages retailers to embark on different channels and to be on par or ahead of the game. SnT Global Logistics operates an academy that offers a one-week training program on supply chain and eCommerce logistics.

“Training is particularly need to develop talent and to build knowledge. In area of omnichannel fulfillment, we have constant recruitment drive to hire fresh graduates and train them in-house,” he said.

Another stumbling block is the fragmented nature of the industry.

“There is too much of a price war going on in the industry. This is not healthy as margins are thin. It is a tough industry that is price-based, especially in the last mile. Integrated logistics with high value added services is a solution to this.”