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Stephen Heng 012-711 5240   KJ 013-399 7897  

Wechat ID : myposman, myposman1



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Web Design

System Development

Tel: 013- 388 7897 (Lai) email: sales@kercloud.com

www.kercloud.com

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Malaysia Logistics Players Shine as Belt and Road

Boosts E-commerce





MY POSMAN helps SMEs achieve high efficiency shipment To realize multiple resources sharing in 10 years

The newly rising E-commerce is a fertile land full of entrepreneurial nutrients. It has nurtured countless small and medium-sized businesses to grow exponentially over the years. Even small, self-employed and micro businesses have also engaged in this medium. However, due to some limitations, small and medium-sized enterprises (SMEs) are facing increasingly fierce market competition, and thus, losing to large enterprises in terms of economic and production efficiency. What they need is a set of enterprise logistics management model that caters to SMEs requirements, in order to respond to the challenges of the new economic environment.

As a result, MY POSMAN, a new logistics provider with the slogan "serving you", is established with a vital aim of providing air and sea shipping services from China to Malaysia and Singapore for SMEs.

MY POSMAN partners, KJ Lai (left) and Stephen Heng (right), in an interview with Malaysia-China Business Magazine, are delighted to share with the reporter the company's future blueprint and vision. "Within 3 years, we aim to provide a comprehensive online and offline system for local, traditional transport operators, that is, providing an innovative logistics management system that helps SMEs or E-commerce players to provide more favorable, transparent and open services while promoting foreign trade cooperation. For our 5 years vision, we want to complete the online real-time system program, to complete data integration, analysis, and local warehouse automation service; in the next 10 years, we expect to achieve process transparency, logistics process unification, and sharing of resources, data, and information, and ultimately giving back to society. "



When enquired about his view on the "Belt and Road Initiative," KJ Lai said he is optimistic. As a bridging initiative between land and sea trade, it has successfully revitalized the business passion globally, which provides an opportunity for the development of logistics enterprises and brings cross-border E-commerce activities to a new peak. "Cross border E-commerce is leading the new development of global trade and investment with new methods, channels and rules which are at play. Cross-border E-commerce activities which are highly interconnected with smooth flow of trade is booming and has fully stimulated the potential of free trade, enabling local and foreign consumers to benefit from it."

According to Stephen Heng, prior to this, import and export activities are mostly handled by large logistics companies with complicated custom clearance, certification and testing procedures. Nowadays, logistics companies are no longer limited by size, but more focusing on how to make use of new logistics technologies to help SMEs achieve the right to trade, so they could really enjoy the rights and interests of free trade. "Thus, the "Belt and Road Initiative" and cross-border E-commerce have given birth to new logistics companies such as MY POSMAN, which specializes in the provision of online, systematic logistics management for SMEs. With the rise of E-commerce and Internet, market players like micro businesses and online sellers could easily buy goods from China, and then arrange direct shipment to their customer's doorstep through services offered by MY POSMAN. As a result, the demand for express parcel delivery also increases." Stephen Heng also revealed that about 60% of MY POSMAN's customers are SMEs.

Malaysia logistics procedures need standardization

Stephen Heng pointed out that the rapid development of the "Belt and Road Initiative" and cross-border E-commerce have brought great challenges for the current logistics players. The increasing volume of trade requires an equivalent logistic support capacity for a smooth trade. "But so far, Malaysia has yet to have a comprehensive logistics information platform, the suburban logistics facilities and equipment are incomplete, the domestic logistic operation procedures are not standardized, and most of the companies have outdated logistic management. These factors have contributed to a mismatch in supply and demand." Stephen Heng further explained that a logistics company is different from courier service company. The aim of courier service company is to deliver the parcel to the customer safely and quickly. But the ultimate goal of a logistics company is to help enterprises reduce transportation costs and achieve zero inventories by effectively managing and supervising their logistics. In MY POSMAN point of view, it is imperative for logistics players to continuously improve the new logistics technology, fully utilize the data and new technology for better resources integration by helping entrepreneurs to reduce inventories, avoid mismatch of supply and demand and ultimately improve the country's economic efficiency as a result.

Referring to last year's Double Eleven (11-11) as an example, KJ Lai added that the courier service companies couldn't cope with the large number of parcels that entered Malaysia, and this had led to logistics congestion. He thinks that courier service companies should accelerate transformation to smart logistics management, and adopt a fully automated warehouse system for storing, picking, and distribution of parcels. "Behind the automated warehouse system, the integration of data is vital. MY POSMAN believes that logistics companies should integrate data to provide data prediction on daily parcel estimation for courier service companies so that they could manage their resources and vehicles effectively to reduce the risk of logistic congestion."

China's experience is a worthy emulation

Stephen Heng shared that he loves to explore new things. "When everyone was obsessed with local online shopping, I started to buy directly from China through cross-border E-commerce. I faced a lot of obstacles in the beginning but in the process of 'trial and error', I have found that Malaysian logistics companies have great room for improvement, and realized that both the end consumers and the SMEs have limited right for free trade. They have limited choices and have to buy at higher prices from the importers or big merchants. This has led me to the idea of establishing an innovative logistics company that could solve this problem. When negotiating cooperation with our China counterpart, we found that China welcome foreign traders especially Malaysian traders as we share common

language and cultural background. We also advise entrepreneurs to pay a visit to China to explore and learn from their creative and innovative business models and speedy development."

Therefore, the management of MY POSMAN also hopes to create an enterprise culture of "lifelong learning and continuous innovation to create a win-win situation."

After countless visits to China and meeting with Chinese entrepreneurs, what has impressed Mr Lai the most is their mindset. Chinese businessmen, even taxi drivers, have an open-minded mindset and are ready to accept any possible mutual venture to improve their business.

"E-wallet such as Alipay and WeChat wallet's success are some of the best examples of the open-minded attitude embraced by the Chinese. The swift adaptation and trust of new technologies has enabled a smooth and speedy implementation of E-wallet in almost every part of China within a few years. They are very open-minded, and their level of acceptance and trust towards new things is high as well. We should learn from their attitude and capability to accept new things."

Besides that, Mr. Lai also believes that Chinese businessmen have no hesitation in sharing their business experiences, business models, methods and data to achieve reap mutual benefit with the businessmen in the same line regardless of the size of the businesses. "This also allows information data being pushed to a higher level of usage and effectiveness. They are willing to share experiences, methods, data, and hold on to their principles strictly."

Malaysia, potential hub of international entrepot trade

Mr. Lai pointed out that during logistic peak season, current logistic system and process in Malaysia are still unable to cope with the high volume of parcels. This has discouraged foreign entrepreneurs entering Malaysian market, and also caused the local E-commerce entrepreneurs failing to deliver their products to the customer on time.

"As you could imagine when Digital Free Trade Zone (DFTZ) is fully implemented in Malaysia, the speed of custom clearance would be improved tremendously and the logistic of in/out flow will be pushed to the next level."

Lai on the other hand sees some areas for improvement in the system and operational process in Malaysian logistics industry. "Some of the weaknesses are, lack of online system or outdated system, low logistics transparency, non-standardized delivery services, poor sense of responsibility, and failing to fully utilize the logistic data." He thinks that the most critical drawback is the conservative business mindset, which has caused the IT system and data sharing not being able to be fully utilized in Malaysian logistics industry.

Stephen Heng opines that in order to close the gap the logistics industry is facing today, the logistic players have to invest to upgrade their online logistics system to a real-time system. "This will improve greatly on the logistic transparency. Furthermore, real-time logistic system will optimize the delivery process, improve pre-sales and after sales services, and effectively improve inventory management. A good logistic system plays a major role in the logistics industry, but often due to conservative business mindset, a lot of companies are unable to fully utilize the system, therefore causing the company unable to break through."

Both founders of MY POSMAN agreed that, once the "Belt and Road Initiative" commences on a full scale, Malaysia's logistics industry players need to run their business with open-mindedness and set a high vision to remain competitive in the game and even forge more opportunities with foreign entrepreneurs. Let's grow together and benefit from the "Belt and Road Initiative!"

"Along with the development DFTZ, Malaysia is continuously strengthening its basic facilities such as ports, railways and other systems, in order to create a new logistics hub." KJ Lai and Stephen Heng concurred that once the DFTZ is fully developed, it would present a never-seen-before international trade market model. "Malaysia will become an important international entrepot trade hub, and in turn directly boost the local logistics industry. Not only the rules of the game of the local logistics industry would be changed, the models of many industries would also experience changes as a result. Express logistics is poised to become the best partner that could never be separated from our daily lives."