Logistics Innovation Lab

Enabling greater success in Asia through innovative logistics practices

22 April 2016
Documentation
Executive Summary

Thank you for joining us on Friday, 22 April 2016 at the Logistics Innovation Lab at the Deloitte Greenhouse in Singapore. It was a pleasure to host you and hear from you the needs and challenges currently faced in your organizations or industry.

This session was specially designed for Japanese companies whom we recognize have continued to have strong interests in investing in Southeast Asia as they seek to offset low domestic growth and capture the emerging markets in the region. At the backbone of this, are the logistics challenges and opportunities that must be skillfully managed in order to maximize returns on investment and reap further growth opportunities in the ASEAN region.

During the Lab, we hope that we’ve inspired you with key concepts and examples which you can give further thought to. Through a series of sharing and discussions, we focused on:
• Improving logistics productivity
• Navigating customs and border challenges to maximise benefits from free trade agreements
• Leveraging LSPs to better ROI

The following pages contain a documentation of the content and ideas shared and discussed during your time with us in the Deloitte Greenhouse. We look forward to supporting you in the next stage of your logistics and supply chain journey.
Your Journey in the Deloitte Greenhouse

9 am

- Welcome & Introductions

- Logistics & Supply Chain in Numbers:
  Facts and figures of the logistics and supply chain industry in the ASEAN region

- Improving Logistics Productivity in Challenging Market Conditions:
  Explore the key productivity levers that can be pulled to deal effectively with the infrastructural and labour challenges of the ASEAN region to protect margin and capture the revenue growth

- Capitalising Customs and Trade Opportunities in the Region:
  Focus on management of customs / border challenges to maximise benefits arising from FTAs/TPP and the AEC

- Leveraging Services and Products Offered By Leading LSPs for better ROI:
  Learn about leading products and services that enable operational excellence, improve productive and efficiency and facilitate of trade compliance

1 pm

- Q&A | Session Close
Logistics & Supply Chain in Numbers

A macroeconomic view of the logistics and supply chain industry in Asia
Logistics & Supply Chain in Numbers

The Logistics Innovation Lab kicked-off with a friendly competition. Participants competed in a trivia challenge, putting their knowledge of the logistics and supply chain landscape in the region to the test. The ten questions participants had to rack their brains over were split between leading macro economic & logistics trends as well as customs & trade. An overview can be found in the next few pages.

Trivia Questions

1. Which Asian country has the strongest projected GDP growth rate?
2. Which ASEAN country is the most innovative in logistics?
3. What is the percentage of Japan’s FDI into ASEAN countries in 2016?
4. What is the largest logistics market in Asia Pacific?
5. What is the average unemployment rate in Asia?
6. By which year percentage of the trade in merchandise countries anticipated to increase when the TPP becomes live?
7. Has the ASEAN Economic Community been achieved?
8. How many countries in ASEAN has developed its National Single Window Strategy? - i.e. single platform for the customs to simplify, support, import, export, clearance and customs declaration information.
9. How many FTA has Singapore signed so far?
10. For companies adopting regional distribution hubs, can products reach their destination faster?
Q1: Which country in ASEAN has the *strongest projected* GDP growth?

A: Vietnam (GDP growth of 6.8% in 2016)

**Facts about ASEAN GDP**

- ASEAN countries show persistent and strong economic growth potential with **4.5% CAGR of GDP**
- Total GDP of ASEAN countries reached US$2,500 billion in 2015
- Indonesia has largest GDP contribution in ASEAN, followed by Thailand, Malaysia, Philippines, Singapore and Vietnam

Considering Japan as leading market of ASEAN countries, it is important to invest and grow together with ASEAN.
Q2. Which country in ASEAN is most innovative in logistics?

A: Singapore (7th in Global Innovation Index and 5th from a Logistics Performance perspective; Both are highest amongst ASEAN countries)

### Enabling Trade Index (ETI) Ranking

<table>
<thead>
<tr>
<th>Country</th>
<th>ETI rank</th>
<th>Efficiency and Transparency of border administration</th>
<th>Availability &amp; Quality of Transport Infrastructure</th>
<th>Availability &amp; Quality of Transport Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Malaysia</td>
<td>25</td>
<td>38</td>
<td>14</td>
<td>26</td>
</tr>
<tr>
<td>Thailand</td>
<td>57</td>
<td>56</td>
<td>28</td>
<td>39</td>
</tr>
<tr>
<td>Indonesia</td>
<td>58</td>
<td>69</td>
<td>60</td>
<td>58</td>
</tr>
<tr>
<td>Japan</td>
<td>13</td>
<td>5</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>China</td>
<td>54</td>
<td>48</td>
<td>16</td>
<td>31</td>
</tr>
</tbody>
</table>

### Lead-time from Japan

- **Air Parcels (days)**
  - Indonesia: 8
  - Thailand: 7
  - Philippines: 10
  - Malaysia: 7
  - Vietnam: 10

- **SAL/surface (weeks)**
  - Indonesia: 12
  - Thailand: 6
  - Philippines: 10
  - Malaysia: 8
  - Vietnam: 8

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**Innovation in Logistics**

- Frame picking solution & automation sorting
- E-commerce
- Internet of Things & Sensors
- GPS & RFID (location & address management)
- Smart vehicles

**Case Study: Singapore**

- **information Management Platform**
  - TradeNet: One-stop platform simplifying all documentation.
  - Saves time, reduces cost and improves efficiency

- **Supply Chain Competence Centre:**
  - EDB Logistics & SCM focused on innovation
  - PSA and MPA invested US$16m in Automated Guided Vehicle (AGV) for 24x7 port operation;
  - NUS-MIT rolled out Autonomous vehicles, a potential multi-trillion dollar industry.

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Source: ASEAN Secretariat, VNNIC, APJII, company data, UBS estimates, Japan Post
Q3. What is the percentage of Japan’s FDI into ASEAN countries in 2014?

A: 12.5% (Japan is ASEAN's largest source country of FDI, while ASEAN is Japan's most important FDI destination in Asia)

Facts on ASEAN-Japan Relations

- ASEAN is a key production base and an attractive market for Japanese MNCs
- Japan is one of ASEAN’s oldest and most important partners and supporters
- Japan is ASEAN’s 2nd largest trade partner after China with total bilateral trade amounting to about $220 billion in 2014
- 55% of Japan’s total FDI into ASEAN is in manufacturing and 45% in non-manufacturing
  - Within manufacturing, the 3 largest areas are: Transportation, Electronic machinery and Chemicals and Pharma

Source: Japan Ministry of Finance
Q4. What is the 3PL penetration rate in Asia Pacific?

A: 16% (Compared to 22% in Europe and 21% in US)

AP Contract Logistics Market Share by Country 2016

Future of Outsourcing

- More companies outsourcing supply chain and logistics activities → huge potential in ASEAN
- Increasing demand for logistics companies with specialized knowledge and experience
- Outsourcing can include basic transportation and other services aligned to industry value chains and key business strategies.

Motivation for Outsourcing

- **Financial**: Take assets off balance sheet while retaining control of logistic management
- **Management**: Better focus on key competencies such as product development, marketing and selling of products

Source: Ti Report Global Contract Logistics
Q5. What is the average unemployment rate in ASEAN?

A: 4.2% (ASEAN countries have low unemployment rate so it is crucial to deal with labour scarcity)

ASEAN Countries Unemployment Rate

ASEAN Countries Youth Unemployment Rate

Case Study: Singapore

Singapore’s unemployment rates have remained consistent at ~2-3%

Foreign worker quota based on Dependency Ratio guidelines
e.g. 40% of manufacturing workers must be local FTEs

Progressive increase in levies for both S-Pass and Work Permit holders

Increase in minimum qualifying salaries for Employment Pass

Employers are required to advertise job vacancies on government’s portal (Jobs Bank), exclusive to locals, for 14 calendar days before they can submit an EP application

Source: The Economist Intelligence Unit, International labour organization
Q6. By 2030, what percentage is the trade for the member countries anticipated to increase, when the TPP becomes live?

A: 11 %
Q7. Has the ASEAN Economic Community been adopted?

A: Yes (in December 2015)

**AEC 2015 – Key Achievements**

- Eliminate/reduce tariffs on ASEAN-originating goods when traded between member states.
- Standardise data on import/export declarations – to facilitate faster customs clearance.
- Recognition of global testing/certification standards – ultimately eliminating the need and costs of re-testing goods when distributing across ASEAN.

**AEC 2025 – Moving Forward**

- In AEC 2025, ASEAN will continue to reduce or eliminate border and behind-the-border regulatory barriers that impede trade, so as to achieve competitive, efficient, and seamless movement of goods within the region.
Q8. How many countries in ASEAN has developed its National Single Window (NSW)?

A: 7 (Singapore, Brunei, Indonesia, Malaysia, Thailand, Vietnam, Myanmar)
Q9. How many FTAs has Singapore signed on to?

A: 20

What are the challenges?

- Utilization of FTAs based on the ASEAN-4 countries was a mere 26%. (Singapore, Malaysia, Indonesia, Vietnam)
- 48% of ASEAN exporters say they do not use some FTAs because of the complexity of agreement terms (e.g. ROO and OCPs)
- 29% say the benefits do not compensate for the difficulties in using them.
Q10. For companies adopting regional distribution hubs, can products retain its originating status?

A: Yes (Appropriate processes and procedures monitoring the movement of goods are necessary.)
Improving Supply Chain Productivity

Overcome infrastructural and labour challenges while protecting margins and driving growth
Improving Logistics Productivity

With the Trivia completed and prizes presented, the stage was set for Walter Kuijpers, Supply Chain Consulting Leader for Southeast Asia to share about logistics innovation levers participants can leverage to mitigate the typical challenges around infrastructure and manpower – which affects productivity and efficiency – in this region.

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Proposed Solution</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Long lead times  &lt;br&gt; • Impacts fulfilment  &lt;br&gt; (ii) High shipment costs  &lt;br&gt; (iii) High level of inventory and obsolescence</td>
<td>(i) Postponement strategy, pulling of safety stock  &lt;br&gt; (ii) Implementation of integrated business planning</td>
</tr>
<tr>
<td>(i) Document Management  &lt;br&gt; (ii) Different classification of goods in different countries.</td>
<td>(i) Cloud-based enterprise content management  &lt;br&gt; (ii) Master Data Governance  &lt;br&gt; (iii) Central policies &amp; procedures</td>
</tr>
<tr>
<td>(i) Talent scarcity  &lt;br&gt; • Labour restrictions (in SG, MoM policies)  &lt;br&gt; (ii) High annual employee turnover</td>
<td>(i) Enhance retention schemes  &lt;br&gt; (ii) Leverage mobility and digital disruptions  &lt;br&gt; (iii) Route-to-market with eCommerce and omni-channel</td>
</tr>
<tr>
<td>(i) Reactive supply chains</td>
<td>(i) Lean execution, shop floor performance visualization  &lt;br&gt; (ii) Big data analytics  &lt;br&gt; (iii) Enterprise workflow management &amp; control tower</td>
</tr>
</tbody>
</table>

Challenge: Talent scarcity
Proposed Solution:
-Labour restrictions (in SG, MoM policies)

Challenge: High annual employee turnover
Proposed Solution:
-Enhance retention schemes
-Leverage mobility and digital disruptions
-Route-to-market with eCommerce and omni-channel

Challenge: Reactive supply chains
Proposed Solution:
-Lean execution, shop floor performance visualization
-Big data analytics
-Enterprise workflow management & control tower
Improving Logistics Productivity

A major impact for logistics productivity is the traditional supply network shipping from factories or other supplier sources (origins) to individual sales companies (destinations) across the ASEAN region. Walter touched upon the differences between a typical model and having a regional distribution centre and to address the question of how companies manage an effective network.

**Typical Challenges**
- High supply chain risk
- Surplus inventories across the different countries
- Low response time to market driven by longer lead times coupled with higher transportation cost due to mode of transport (air) from origin to destination countries.
- Poor demand and supply visibility of the local markets.
- Product classification issues due to mismatches in master data (multiple ERP systems) and product pricing as a result of decentralized control of sales incentives and promotional discounts

**Proposed Solution**
- Explore the opportunity to establish an ASEAN regional logistics hub to help untangle the network and improve route to market
- Reduce incorrect inventory levels in local markets and pull safety stock levels into a single location closer to the destination market
- New options to reduce freight cost with a more balanced mode-of-transport from air to a more favourable mix of ocean, road and air.
- Postponement strategy for semi-finished products brought into a regional distribution hub
- Utilizing certificate of origin provides further opportunities for business’ to reduce/exempt tax and get benefit from lower duty fees and tariffs.
- Implementation of an effective Integrated Business Planning process (S&OP) to provide a centralized long term view of demand and supply.
<table>
<thead>
<tr>
<th>Category</th>
<th>Stage 1: Basic</th>
<th>Stage 2: Advanced</th>
<th>Stage 3: Leading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fulfillment and Logistics Strategy</td>
<td>• Network strategy determined by analysis of all traditionally relevant goods flows based on point-to-point origin (mfg)-destination (salesco) • Spreadsheet based tools using transport cost per trade-lane pair</td>
<td>• Network design concepts applied serving selected markets through single countries for consolidation of freight • Product and market based analysis for optimizing movements of freight to reduce freight cost and improve sales revenues</td>
<td>• Optimal Supply Chain Network, hierarchy and postponement strategy • TMS optimization for optimal trade-lane mgt. and mode of transport • Annual network &amp; inventory strategy evaluation using advanced analytics • Integrated Returns Management Strategy</td>
</tr>
<tr>
<td>Vendor (LSP) Management</td>
<td>• No standard vendor management procedures • No formal administration and management of vendor at group level; limited visibility of vendors’ performance • Decisions made at site or at the functional level</td>
<td>• Information sharing &amp; collaboration with vendor (e.g. EDI) • Tracking and traceability • Clear set KPIs and visibility through regular interlocks with the vendor on performance of those KPIs</td>
<td>• Formal periodic vendor performance review • Formal vendor transition/ teardown process • Vendor is partners in the Supply Chain, providing value-added services • Vendor is incentivized through continuous improvement benefit sharing</td>
</tr>
<tr>
<td>Order Management</td>
<td>• Orders handled on ad-hoc basis with manual intervention • First come first serve without consideration of location / priority • Credit approval at the discretion of individual</td>
<td>• Automated order management (over the phone and through EDI-flat file daily interface) • Automated order release and consolidation • Synchronized origin-destination customer / product pricing data</td>
<td>• Automated order management (electronic/web-based channels) with real-time updates • Prioritization is automatic if desired (rule based) • Automated credit management and 0-day invoicing</td>
</tr>
<tr>
<td>Warehouse Management</td>
<td>• Warehouse activities are highly manual, generating inefficiencies • Non-standardized product codes between factories and sales loc’s • Limited visibility and monitoring in warehouse process</td>
<td>• Batch picking &amp; RF for Inbound/ outbound • Electronic SKU-level ASN • WH space optimization and tools and ABC activity-based slotting • Use of pick face for fast-moving products</td>
<td>• Automation of picking (voice / light picking), packing &amp; labeling • AS/RS systems, advanced RFID solutions (i.e. QR code, i-Beacon) • Event Management capability and global organizational visibility through web-based WMS and Control Tower based solutions (e.g. GT Nexus)</td>
</tr>
<tr>
<td>Transportation Management</td>
<td>• Some level of strategy around building loads in pick-up address sequence • 3rd party primarily responsible for decisions with limited visibility • Fixed modes and schedule, no options considered</td>
<td>• Centralized transportation planning and routing • Optimization of available capacity related to blocked-space-agreements • Order tracking and tracing (web based interface) with mobile App-based visibility</td>
<td>• Integrated inbound/outbound using advanced TMS solutions • Automated BOL generation and transmittal of ASN to customer. Transportation agility and visibility through web-based solutions • Optional consolidation of freight through freight gateways (e.g. Shanghai, Hong Kong, Singapore) • Collaborative transportation processes allows scheduling changes based on customer requests and carrier capacity</td>
</tr>
<tr>
<td>Inventory Management</td>
<td>• No tracking or only manual tracking • Inventory is planned by manual inspection of historic data • Execute history inventory management policies without questioning • Limited consideration of product lifecycle management</td>
<td>• Real-time inventory control and visibility to SKU level inventory • Automated EOQ driven Policy and Safety Stock Setting • Wall-to-wall stock count and periodic cycle counting • SKUs labelled with barcodes (either supplier driven or in-house)</td>
<td>• Advanced planning &amp; optimization (APO) tools • Driven by Integrated Business Planning / Corporate S&amp;OP process • Formal physical inventory count with accuracy &gt; 99.5% • Redistribution of finished goods inventory for consumption in other markets</td>
</tr>
<tr>
<td>Return Management</td>
<td>• Return policies are unclear and outdated • No standard lot and batch tracking process or systems • No formal demarcated area for returned product • No RMA policy and mechanism for validation</td>
<td>• RMA process automation adoption rates vary across organization • Standardized inspection criteria &amp; procedures • Lot and batch tracking. Status provided by Logistics Service Provider • Clear demarcated area for returns</td>
<td>• Automated RMA process and integration with order management system • SCEM and risk management systems in place • Real-time tracking of returns (in-stock / in-transit). Web based interface for pick-up requests and status lookups • System directed put-away and alerts for RMA process handling</td>
</tr>
<tr>
<td>Customs &amp; Trade</td>
<td>• No import/export compliance strategy framework with vendor • Basic internal knowledge/ information on trade compliance / trade facilitation • Operationalization of Warehouse SOP on ad-hoc basis</td>
<td>• Import/ export compliance strategy in place • Robust Track and trace capability to track of stock movement, Inbound COOs and applications of MCOs • Valid and Operationalized Warehouse SOP</td>
<td>• Frequent evaluation and optimization of import/ export compliance strategy. • End to end and real-time Interoperability to customs portal (e.g. TradeNet) • Automated generation of the import/ export documents • Cloud-based ECM solution to support customs documentation submission</td>
</tr>
<tr>
<td>Technology</td>
<td>• Decentralized applications and multiple ERP instances • Low data integrity with manual work arounds for reporting &amp; visibility • Lack of integrations between systems • Limited MHE automation beyond basic forklift and system data entry</td>
<td>• ERP System integration across business units &amp; geographies • Accurate, real-time, &amp; filtered information used to drive decisions • Inbound, outbound and storage processes supported by RF technology with interfaces to WMS system • BI-systems available for operational performance reporting</td>
<td>• Flawless fulfillment (e.g. adaptive modular computing solution, augmented reality, wearable technology) • Autonomous Logistics (e.g. TMS mobility solutions, automation guided vehicles, and unmanned aerial vehicles) • Robotics and Automation (e.g. sensor-guided robots, A-frame picking)</td>
</tr>
</tbody>
</table>
Improving Logistics Productivity

Before we moved on to the next speaker, we gave participants time to digest what Walter had shared and invited them to share the current top 3 challenges they faced in their supply chain operations. We also introduced the supply chain maturity model to provide a common anchoring point to help guide them through the discussions and placing their key challenges at their perceived level of supply chain maturity (basic – advanced – leading) for each category in the supply chain maturity model.

- **Technology is the biggest challenge for us!** We’re in the very basic stage – there are systems in place, but so fragmented and disparate it’s impossible to get a proper overview of what’s happening. Consolidation is... a far off dream!

- **Fundamental things like having skilled manpower affects multiple categories.** For example, fulfillment and logistics strategy, customs and trade facilitation.

- **Warehouse management adds to our operating cost pressure.** We currently do this ourselves and do it pretty well – I’ll put us in the advanced level. But it comes at a huge price!

- **We’re in the advanced stage for all categories listed here.** Very proud of that! The biggest concern now is cost. Multiple factors come into play. Can we be advanced and be cost efficient at the same time?

- **ASEAN.** Is still emerging and growing. We’re not that big as a revenue generator so we’re placed low in queue. That affects fulfilment time.

- **Not sure where to start.** We’re spread across the region and unique by country. The Regional Distribution Centre model doesn’t really apply now.
Capitalising Customs & Trade Opportunities

Navigate customs and border challenges with grace to maximise benefits from Free Trade Agreements
Capitalising Customs and Trade Opportunities in the Region

Bob Fletcher, Customs and Global Trade Leader for Southeast Asia was up next, imparting his wealth of experience to participants. He highlighted 8 different opportunities and how each could be capitalised upon.

**Opportunity**

- **Free Trade Agreements (FTAs)**
  - **Capitalisation**: Extensive network = Wider market access

- **Trans Pacific Partnership (TPP)**
  - **Capitalisation**: Market access to the US and South America = Trade Growth

- **Trade Facilitation Schemes**
  - **Capitalisation**: Improved cash-flow and efficient landed duty costs

**Opportunity**

- **ASEAN Economic Community (AEC)**
  - **Capitalisation**: Increased intra and inter ASEAN cross-border movement of goods
Capitalising Customs and Trade Opportunities in the Region

Participants had questions on the feasibility of reaping the benefits of free trade agreements (FTAs) citing examples of new policies put in place which may defeat the purpose of FTAs for certain sectors.

- **Supply Chain Security**
  - Opportunity: Focus on end-to-end supply chain security
  - Capitalisation: Higher demand to partner with self-reliant companies

- **Document Management**
  - Opportunity: Standard process & Data management policies and procedures

- **National / ASEAN Single Window**
  - Opportunity: Streamlined processes, faster clearance times & More transparency between authorities

- **Systems / IT Capabilities**
  - Opportunity: Need for robust ERP and WMS systems to satisfy documentary requirements for FTAs, ICP and trade schemes
Capitalising Customs and Trade Opportunities in the Region

As an extension to Bob’s sharing, we wanted to provide participants with an avenue to share their challenges in utilising FTAs and leverage off the experiences of one another. We had participants pick from a selection of pictures, a single picture that resonated most with them – whether it represents a current challenge, opportunity or a quick win.

Our team actively looks into the FTAs and works with the regional teams to maximise some of the benefits we can reap. We then pass these savings on. I picked this picture because we’d like to be seen as one cohesive ASEAN team, bringing value to the business instead of just being a cost centre.

The choice for me is simple. And you would all agree. I need a more simplified and intuitive approach to my current operations! I can’t think of leveraging any FTAs without a proper handle or view of things.

For me it’s information security. We never know what we have to lose until we actually lose it. That’s a scary thought. We talk a lot about cyber security these days.

I think we can afford to bake in the aspect of how FTAs come into play more when we review our operations. Like what they’ve done with their team. We would like to bring not just reliability to customers but also value to the business.

Definitely technology. It moves so fast we can’t ever keep up!

Same goes for policies and compliance. I chose this picture on compliance. You need to keep a tight lid on things which can be a challenge with so much going on.

We refresh our distribution network every couple of years. I think we can afford to bake in the aspect of how FTAs come into play more when we review our operations. Like what they’ve done with their team. We would like to bring not just reliability to customers but also value to the business.
Leveraging LSPs’ Services and Products for Better ROI

Navigate customs and border challenges with grace to maximise benefits from Free Trade Agreements
Leveraging LSPs’ Services and Products for Better ROI

In the final segment, Chris Pearce, CEO of Toll Global Logistics (part of Japan Post) addressed some concerns brought up by participants regarding managing logistics cost and trade compliance. Chris shared how third-party logistics service providers (3PLs) can be leveraged to enable operational excellence, improve productivity and efficiency and facilitate trade compliance. Leading 3PLs can provide a logistics innovation infrastructure and operating platform for clients to tap into eliminating high CAPEX investment and longer time to market.

Logistics and supply chain needs to be seen as a *Value Creation Partner*

- Partner your LSP and grow together

What Leading Logistics Service Providers offer – *Operations Excellence*:

- Drive productivity and efficiency

Concentrate on your *CORE business*

- Customer centricity
  - We start by walking in your shoes

What Leading Logistics Service Providers offer – *Technology & Systems*:

- Automation, Robotics, Visibility – Control Tower

What Leading Logistics Service Providers offer – *Shared Asset Utilisation*:

- Multi-user warehouses, Vehicle consolidation, Innovation – e.g. Super B

What Leading Logistics Service Providers offer – *Trade Facilitation*:

- Integrated E2E solutions, Regulatory compliance
Leveraging LSPs’ Services and Products for Better ROI

As an extension of Chris’ sharing, the group was presented with the outcome of an initial voice-of-customer survey conducted by Toll Global Logistics¹, outlining the requested value added services and key considerations for LSP evaluation & selection for different industry sectors. Each participant was asked to review these initial findings and comment on whether they felt this also covered their needs or if anything else should be added or removed from the list. This triggered deeper conversations leading into a networking lunch where further ideas and solutions were brainstormed answering to individual participants needs.

Based on your company’s current needs,

1. Do you think the findings through the Voice of Customer survey are aligned to yours?
2. Is there anything else you would like to add to the list?

¹Note: The Voice-of-Customer Survey was conducted in 2015 cover 17 participating clients across 4 industry sectors
Voice of Customer Survey Findings

Telecommunications, Utilities, Construction

- Value-Added Services Requested
  - Packaging/ Re-packaging
  - Reverse Logistics
  - Kitting
  - Line Feeding
  - Bench Testing
  - Postponement
  - Track and Trace
  - Project Logistics & Cost-center Billing

Key Considerations for LSP Evaluation:
- Primary
  - Service Level & Quality
  - Operational Excellence
  - Reliability of Delivery
  - CostCompetitiveness
  - Process Automation
- Secondary
  - Trade Facilitation Expertise
  - IT Integration & WMS/TMS
  - End-to-End Supply Chain Visibility

Consumer Electronics, Automotive, Industrial

- Value-Added Services Requested
  - Product Launches & Specialty Packaging
  - Packaging/ Re-packaging
  - Reverse Logistics
  - Kitting
  - Line Feeding
  - Postponement
  - QA/QC Checks
  - Track and Trace

Key Considerations for LSP Evaluation:
- Primary
  - Service Level (Meet KPIs) & Flexibility
  - CostCompetitiveness
  - STP+/TradeFIRST
  - Operational Excellence
  - Pro-activeness to Improve Productivity
- Secondary
  - IT Integration – Supply Chain Visibility
  - Technology Adoption
  - Business Controls & Security
Voice of Customer Survey Findings

**eCommerce / Consumer Business / FMCG**

- **Value-Added Services Requested**
  - Reverse Logistics
  - Packaging/ Re-packaging
  - Track & Trace (Batch & Serial No.)
  - Cold Chain Facility & Transportation
  - QA/QC Checks
  - Installation
  - High-level Safety and Security
  - Supply Chain Control Tower (VMI)

**Key Considerations for LSP Evaluation:**

- **Primary**
  - Existing Customer Base in Pharma
  - Access to End Customers
  - VAS Offerings and Facilities
  - Certifications (STP+, security, GMP & GDP)

- **Secondary**
  - Cost Competitiveness
  - Geographic Coverage

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**Pharmaceutical and Medical Devices**

- **Value-Added Services Requested**
  - Reverse Logistics
  - Packaging/ Re-packaging
  - Track & Trace (Batch & Serial No.)
  - Cold Chain Facility & Transportation
  - QA/QC Checks
  - Installation
  - High-level Safety and Security
  - Supply Chain Control Tower (VMI)

**Key Considerations for LSP Evaluation:**

- **Primary**
  - Existing Customer Base in Pharma
  - Access to End Customers
  - VAS Offerings and Facilities
  - Certifications (STP+, security, GMP & GDP)

- **Secondary**
  - Cost Competitiveness
  - Geographic Coverage
Gallery
Contacts

For any further questions or dialogue we would be more than happy to connect with you.

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¹Note: Any enquiries regarding Supply Chain requirements for Toll Global Logistics in the Asia Pac region should be directed to Sasha Vasiljkovic
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