

# Tie-up gets airfreight system off the ground



Freightmen managing director Alec Koh says the collaboration with Sats to develop the new clearance process has helped him learn that companies need to be proactive and positive with any changes that need to be made to improve the industry. ST PHOTO: CHEW SENG KIM

The Singapore International Chamber of Commerce mounts various efforts to reward and raise the awareness of partnerships between large companies and SMEs. Integrated ground handling and in-flight catering service provider Sats worked with Freightmen to simplify the airfreight export clearance process for freight-forwarders. Freightmen managing director Alec Koh and Sats president and chief executive Alex Hungate tell **Wong Siew Ying** how the industry benefited from the initiative.

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**Q:** How did the collaboration come about?

**Mr Koh:** Freightmen was founded in 1981. We provide both air and sea freight-forwarding services and today, I would say about 80 per cent of our business is in the Asia-Pacific.

We were selected by Sats to work on the e-Acceptance system, to champion it and to communicate the concept to the more than 300 freight-forwarders operating here. Sats mooted the idea and wanted to see if the industry players would be receptive to it.

**Mr Hungate:** We knew that the only way to create a step-change improvement in airfreight export clearance was to work with all stakeholders across the industry. By working closely with Alec and his team at Freightmen, we designed a new process that included benefits for the freight forwarders.

Sats conducted briefings and trained close to 1,200 industry representatives over 65 sessions to prepare the industry for the launch (of the e-Acceptance system). We involved the stakeholders in our pilot runs and Freight-

BETTER PROCESS continued on C7

# It takes whole industry to make a process better

## FROM C6

men helped engage them in providing feedback, which allowed us to enhance the system.

**Q:** What is this new e-Acceptance system about?

**Mr Koh:** It is a one-stop online system to simplify the process for the lodging of export cargo at the airfreight terminals.

Everything is transmitted electronically now. Just scan the airway bill number at the terminals to retrieve cargo information. Previously, a lot more paperwork was involved and at peak hours, workers spent a fair amount of time waiting.

We knew this project would work because it is IT-based and in our market right now, I would say 95 per cent of freight-forwarders are computerised.

**Q:** What are the key benefits from the roll out of this e-Acceptance system?

**Mr Koh:** The new system helps to cut down on administrative processes and waiting time. Our workers can save anything from 20 minutes to two hours, depending on whether it is the peak period.

Instead of being stuck at the airfreight terminals for two hours, for example, they need only 15 to 30 minutes to lodge the cargo. The manpower can be more meaningfully deployed now.

When it is processed more speedily, Sats also has more time to collect the cargo – everybody will gain in this respect.

In addition, we can also better manage and monitor the status of the cargo from the system. Overall, it helps to elevate the competency of our staff as they embrace the new system and technology.

**Mr Hungate:** The collaboration with Freightmen and the rest of the forwarders and agents has reduced the number of steps taken for export lodge-in acceptance from 18 to eight. At the same time, Sats has been able to optimise our manpow-



Sats Coolport handles all types of perishables. Sats is also working with SMEs on other projects to improve food purchasing and to automate some processes. PHOTO: SATS

## TIME-SAVING

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**MR ALEC KOH**, Freightmen's managing director.



## EVERYONE BENEFITS

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**MR ALEX HUNGATE**, Sats president and chief executive.

er resources by combining the duties of both the counter office and truck dock staff to improve overall productivity by 30 per cent.

**Q:** What did the firms learn while working with each other on this initiative?

**Mr Koh:** We observed that Sats took a consultative approach towards the implementation of the new system. We have had many discussions and when we offered feedback to it, it was proactive and responsive.

Through this experience, we also learnt the importance of change management and the spirit of innovation and collaboration.

More importantly, we learnt that we need to be proactive and positive with any changes that need to be made.

**Mr Hungate:** It is important to listen to feedback to collaboratively develop a system that works for everyone. For example, we installed e-Acceptance kiosks in our airfreight terminals to facilitate companies that do not have the technical capability to access the system and enjoy the benefit.

**Q:** Is Sats partnering with other SMEs on any upcoming projects?

**Mr Hungate:** We have two other large collaboration projects with SMEs. The first aims to create efficiencies in food purchasing for our catering supply chain. The second is with SMEs in the technology space to apply innovative automation technology to manual tasks in catering and ground handling. These are in the development stage, and we are

unable to reveal more information until the projects are completed.

**Q:** What are some of Freightmen's plans in terms of business expansion or investment in new technology?

**Mr Koh:** We do not have any immediate plans to expand substantially, until there are signs that the global economy is recovering and demand for goods is picking up.

Then I would consider.

At this moment, I am taking a wait-and-see attitude on expansion and investment. That said, I have to ensure that my customers are still satisfied. I think the biggest challenge now is how to get more cargo and how to keep customers happy. It is important to stay competitive.

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