



PARADIGM CORPORATION LTD.

E-Commerce: Silver Bullet for Logistics Woes!

Mobile apps and other Internet-based channels may well provide the reprieve the logistics industry needs from the wretched 3Ls, says MANDY MAK.

In recent years, the logistics industry has faced numerous challenges – what Paradigm Corporation dubbed the 3PL or Three Problematic ‘Ls’ (Labour, Land, Long-Term Planning) according to Mandy Mak.

“Hong Kong’s unemployment rate stood around 3.3 to 3.5 percent for a long time,” says Mak. “Meanwhile, logistics service providers could not find documentation clerks to handle daily shipping documents, land costs constantly rose and most of the logistics warehouses began operating in old factory buildings with short-term leases.”

“As a result, long-term planning became impossible. Even worse, for the first quarter of 2015, seaborne cargo fell to 45.8 million tons, or by 5% compared to a year earlier. Air cargo performance grew at an average rate of 1.5 percent from 2011 to 2014. Poor cargo performance led to conservative, short-term business planning.”

“We are, however, seeing the rise of e-commerce and how it gives opportunity to logistics players. A new report by Forrester finds that online spending in China will reach a trillion dollars by 2019. Growth will be fueled by mobile apps and improving logistics networks, which have helped e-commerce companies reach new customers in smaller cities. A logistics hub, Hong Kong can serve as a proxy to China and other countries. As long as we can solve these problems, we will see logistics growth in the future.”

Trading Without Boundaries

Paradigm provides sophisticated logistics IT solutions to help customers capture e-commerce opportunities. Its iWMS (Warehouse Management System) automates online order handling and truck planning for deliveries, manages



**Paradigm Corporation Director
Mandy Mak.**

inventory and tracks last mile status. The system’s auto-fulfillment process allows local logistics players to use cheaper warehouse space in China for business expansion while its Hong Kong warehouse serves as a fulfillment and distribution center.

“As e-commerce encourages trading without boundaries, we can see many cross-country shipment processing where FM3000 (Freight Management System) automates all export and import shipment transactions with no extra labour cost in data entry process when companies want to expand or work with all overseas offices.”

Fresh Change

Paradigm is committed to developing solutions that minimize costs through automation and streamlined processing. Situated at the Hong Kong Technology and Science Park, it invests tremendous resources in conducting research and development.

Starting with a character-based freight application FM2000 in 1998, Paradigm has expanded to four different web-based products.

The FM3000 (Freight Management System) streamlines cross-country and cross-border freight operation by air, sea, road, or accounting. The iWMS provides inventory control, pick and pack process for logistics and CFS warehouses. The iPOM (Purchase Order Management

System) links buyers and sellers with logistics players on a single platform. The iCRM (Customer Relationship Management) allows logistics managers to look at datasets and find more business.

Paradigm also develops numerous mobile apps to allow their customers to utilize a mobile workforce and reach the mobile marketplace.

New Plans

“The strategic policy of One Belt One Road from China encourages Hong Kong logistics players to consolidate all management and shipment processes in South China offices. Port transshipment cargo movements took up 56.8% of port cargo throughput in 2013. Those between Hong Kong and the Mainland accounted for the largest share (39.0%) of Hong Kong’s port transshipment cargo. About 67.5% of Mainland-Hong Kong port transshipment cargo movements were between Hong Kong and the Pearl River Delta region,” says Mak.

“It will mean significant savings if we can streamline the operation between Hong Kong and China offices. Our cloud-based logistics IT solutions allow the management of all offices in a single platform. Not only is shipment data electronically processed, office people workers now have standard operating procedures. This cuts operation costs and lifts the logistics process to another paradigm.”

Actively involved in local logistics technology development, Paradigm is the first independent software company certified as Qualified SME-Plug Service Provider (QSSP), a program funded by LOGCOUNCIL to create a logistics eco-system by fostering logistics development with technologies in Hong Kong. ■

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