

LOGISTICS

DELIVERING QUALITY SOLUTIONS



The transformation of the SingPost logistics and eCommerce businesses continues to bear fruit. Despite being buffeted by numerous headwinds over the course of the year, we emerged from the storm in a stronger position compared to FY18/19.

The financial performance of the logistics segment has improved, and expansion plans are on track despite the challenging global economic situation. The implementation of automation into logistics operations has improved our capabilities to meet and exceed customer needs even during peak periods.

Revenue Growth

The past year saw a strong emphasis placed on revenue growth for Quantum Solutions following weaker top line performance in previous financial years. A lack of scale was identified as a key issue. To address this, we restructured the business and implemented a culture change programme with a customer-first ethos and greater focus on simplification and sales, offering clearly differentiated products.

From a cross-border perspective, the product portfolio was streamlined and processes were reengineered.

Our warehousing and fulfilment businesses benefited by strengthening our campaign management capabilities to offer eCommerce customers a more efficient, versatile and scalable solution to better meet consumer demands during peak periods. For instance, operational workflows were redesigned to handle volume surges during eCommerce sales campaigns with greater efficacy. This translated into a steady improvement in KPIs for campaign management year-on-year. In addition, our expanding footprint across Asia will add value to our customers as eCommerce demand ramps up.

These initiatives have proven successful in improving Quantum Solutions' performance in recent years, with revenue registering double digit growth this financial year, along with improved profitability. This is despite the numerous headwinds over the year, such as the depreciating Australian dollar, global trade slowdown and the impact of the international COVID-19 pandemic.

Freight forwarding subsidiary FPS Global Logistics (FPS) expanded its overseas agent network to offer customers a more comprehensive set of trade lane products. As a leader in consolidation and freight forwarding services, FPS provides total logistics services to over 50 countries. Over the years, FPS has continued to successfully increase its competitive edge by offering its clients more comprehensive global solutions.

In Australia, CouriersPlease (CP) recorded a modest growth in revenue even as it played a vital role in the delivery of over 19 million parcels nationwide and internationally. CP is in the midst of transforming from a traditional parcel delivery service into a technology-enabled eCommerce courier company by investing in several operational enhancements and service initiatives designed to strengthen its customer value proposition.

These include the implementation of automated sortation in Sydney to improve network efficiency, deployment of a new digital logistics platform to help manage franchisees' collections and deliveries leading to improvements in customer service and delivery performance, and the launch of Boomerang, a self-serve returns portal that addresses the challenge of reverse logistics faced by many local retailers.

Transforming For The Future

In the year ahead, Quantum Solutions will continue to reengineer processes to further improve customer experience, efficiency, and scalability. A new cross-border IT backbone/platform will also be implemented to improve operations, shorten customer and vendor onboarding cycles, enhance

data visibility to drive business decisions, and therefore enable Quantum Solutions to realise its full potential as a leader in the Asia-Pacific eCommerce logistics market.

The Group will continue to focus on the eCommerce space, to ride the emerging boom across Asia-Pacific. This follows the expansion of the warehouse fulfillment footprint in the past financial year, and plans to strengthen logistics capabilities in the region in the next 12 months to meet our customers' growing needs.

On a broader strategic level, the Group is looking to expand services into the B2B2C space. As Singapore's national postal service provider, we already have existing strengths and capabilities in the B2C space.

With the rising popularity of eCommerce in Asia-Pacific, and the increasing ease at which businesses and consumers can transact with each other domestically as well as

internationally, a growing trend of customers demanding both B2B and B2C capabilities from a single provider has increased.

This convergence between the two, dubbed B2B2C, is a relatively untapped space that presents much potential. The value proposition is further amplified by the Asia-Pacific eCommerce boom, with our strengths in the region giving us an advantage to hit the ground running. The Group is exploring opportunities to build a strong, integrated network that can fulfil both B2B and B2C requirements within Singapore and the wider Asia-Pacific region.

