

## MEDIA RELEASE

### **Logistics sector gets added boost to support digital transformation efforts in the changing business environment**

About 5,300 Logistics SMEs and 86,300 workers expected to benefit from the refreshed Logistics Industry Digital Plan

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1. COVID-19 has accelerated businesses' shift towards digitalisation. Digital tools can provide greater transparency across global supply chains, improve the efficiency of business processes and deepen trust in the integrity of supply chains. Building on this momentum and the broader need to strengthen our supply chains, Enterprise Singapore (ESG) and the Infocomm Media Development Authority (IMDA) have refreshed the Logistics Industry Digital Plan<sup>1</sup> (IDP). The refreshed Logistics IDP will provide a clearer digital roadmap for businesses in the sector. In addition, with more SMEs in the sector diversifying to provide multimodal transport services, from point of pick up to final destination, the Logistics IDP has been expanded to include SMEs that provide air transport support services.
2. Two digital roadmaps have been developed – the **IDP Digital Roadmap** lays out digital solutions for SMEs at different stages of growth, and the **IDP Digital Training Roadmap** offers a corresponding training roadmap for workers.
3. Enhancements in the refreshed Logistics IDP were developed in consultation with enterprises as well as industry partners including Trade Associations and Chambers (TACs) such as the Singapore Logistics Association, and the Centre of Innovation for Supply Chain Management at Republic Polytechnic (COI-SCM).

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<sup>1</sup> The refreshed Logistics IDP builds on the [earlier one launched in 2017](#) and is also part of the SMEs Go Digital Programme

4. Minister of State for Trade and Industry, Low Yen Ling, announced the launch of the Logistics IDP at a visit to IM Holdings Pte Ltd (IM Holdings)<sup>2</sup>, a logistics SME that provides warehouse and inventory management services.

### **New sources of support for Logistics SMEs to digitalise**

5. Under the IDP Digital Roadmap, SMEs can make use of a new online self-assessment checklist to better understand their digital maturity and readiness, as well as identify gaps in their digital capabilities that may translate to new opportunities for improvement and growth. The checklist considers factors such as the company's current business operations, level of digitalisation, and business expansion plans.
6. Five new solutions have also been added to the IDP Digital Roadmap to enable SMEs to carry out real-time data-driven decision making and support digital collaboration among supply chain stakeholders. These solutions are (i) Digital Trade Platform, (ii) Supply Chain Analytics, (iii) Efficient Energy Management, (iv) Distributed Ledger Technology in transportation, and (v) Augmented Reality (AR) / Virtual Reality (VR) for training and operation.
7. Continual workforce upskilling would be important in optimising the benefits digital transformation bring to businesses. Under the new IDP Digital Training Roadmap, SMEs will now be able to tailor training programmes to meet the needs of different workers in various job roles. The roadmap further classifies digital skills into two categories – tech basics and tech advanced – to offer more tailored support to prepare workers for a digital work environment. These digital skills are becoming increasingly relevant as SMEs progressively transform, and existing jobs are redesigned or new job functions emerge as a result. The training roadmap can also serve as a guide for young or mid-career professionals who are keen to join the sector.
8. With additional support for those providing air transport support services, SMEs in this sector can reap efficiency gains through the adoption of digital systems and use of real time data. By having greater visibility of asset movements, freight forwarders will be able to enhance their on-time delivery performance, and improve customer service.

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<sup>2</sup> Refer to Annex 2 for more information on the company

9. Other partners and resources are also available to complement the Logistics IDP and support businesses in building digital capability. This includes Business Advisors at the SME Centres and SME Digital Tech Hub<sup>3</sup>. Together, they provide business advisory on digital solutions and specialised digital consultancies. In addition, the COI-SCM<sup>4</sup> is a new partner of the IDP to help SMEs to improve process efficiency and upskill their workforce through its capability development programmes.

### **Supporting the sector at large**

10. Mr Satvinder Singh, Assistant Chief Executive Officer of ESG said, “The pandemic has underscored the importance of digital tools in helping SMEs adapt to the changing business environment quickly. With better supply chain visibility brought on by digitalisation, logistics SMEs can make informed data-driven business decisions to support growth strategies, improve customer service and assure business continuity. The refreshed Logistics IDP is a timely guide for SMEs to acquire new digital capabilities that benefit both companies and its employees.”

11. “COVID-19 has accentuated the need for digitalisation in many sectors including Logistics. Logistics SMEs also provide critical support to digitalisation in other industries, such as last mile delivery for e-commerce in retail. The new solutions in the Logistics Digital Roadmap enable our SMEs to rise up to this challenge by improving efficiency, accuracy and trust in their operations and transactions with business partners. The new Digital Training Roadmap complements this by helping Logistics SMEs to identify the training required for their workforce to use the new solutions effectively. Training and solution adoption go hand in hand in ensuring business continuity with a resilient and skilled workforce,” said Ms Jane Lim, Assistant Chief Executive, IMDA.

12. For more information on the refreshed Logistics IDP, SMEs can visit [www.imda.gov.sg/SMEsGoDigital](http://www.imda.gov.sg/SMEsGoDigital).

### **Annex 1: Factsheet on the Logistics IDP**

### **Annex 2: Factsheet on IM Holdings**

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<sup>3</sup> The SME Digital Tech Hub works with SME Centres and Trade Association & Chambers (TACs) to connect SMEs with ICT vendors and consultants, as well as conduct workshops and seminars to help SMEs build digital capabilities

<sup>4</sup> COI-SCM has deep industry knowledge, having collaborated with partners in the sectors on over 500 projects to date, related to supply chain and logistics capabilities focusing on process innovation, technology enablement and capability development

For media enquiries, please contact:

Ms Fazilah Latif  
Corporate Communications, Enterprise Singapore  
E : [fazilah\\_latif@enterprisesg.gov.sg](mailto:fazilah_latif@enterprisesg.gov.sg)

Ms Jacqueline Cai  
Communications and Marketing, IMDA  
E: [jacqueline\\_cai@imda.gov.sg](mailto:jacqueline_cai@imda.gov.sg)

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### **About Enterprise Singapore**

Enterprise Singapore (ESG) is the government agency championing enterprise development. We work with committed companies to build capabilities, innovate and internationalise.

We also support the growth of Singapore as a hub for global trading and startups, and build trust in Singapore's products and services through quality and standards.

Visit [www.enterprisesg.gov.sg](http://www.enterprisesg.gov.sg) for more information.

### **About the Infocomm Media Development Authority (IMDA)**

The Infocomm Media Development Authority (IMDA) leads Singapore's digital transformation with infocomm media. To do this, IMDA will develop a dynamic digital economy and a cohesive digital society, driven by an exceptional infocomm media (ICM) ecosystem – by developing talent, strengthening business capabilities, and enhancing Singapore's ICM infrastructure. IMDA also regulates the telecommunications and media sectors to safeguard consumer interests while fostering a pro-business environment, and enhances Singapore's data protection regime through the Personal Data Protection Commission.

For more news and information, visit [www.imda.gov.sg](http://www.imda.gov.sg) or follow IMDA on Facebook [IMDAsg](#) and Twitter [@IMDAsg](#).

**Factsheet on the Logistics IDP****LAUNCH OF THE REFRESHED LOGISTICS INDUSTRY DIGITAL PLAN****Background**

Singapore's Logistics sector is a critical enabler of our economy and our everyday life. It connects suppliers to manufacturers and merchants to consumers, both domestically and overseas. In 2018, the Logistics sector contributed to 1.4% of Singapore's GDP and employed 2.3% of Singapore's workforce<sup>5</sup>.

**Logistics Industry Digital Plan**

Aligned to the Logistics Industry Transformation Map (ITM), the Logistics Industry Digital Plan (IDP) is part of the SMEs Go Digital programme that aims to make going digital simple for SMEs. It guides SMEs on their digital transformation efforts, providing an easy-to-use, step-by-step guide on the digital solutions to adopt at each stage of their growth.

This refreshed Logistics IDP builds on the one launched in 2017, taking into account the current and anticipated future needs of companies in the Logistics industry. This is a joint effort by the Infocomm Media Development Authority ('IMDA'), in partnership with Enterprise Singapore ('ESG') and the industry (including enterprises and partners).

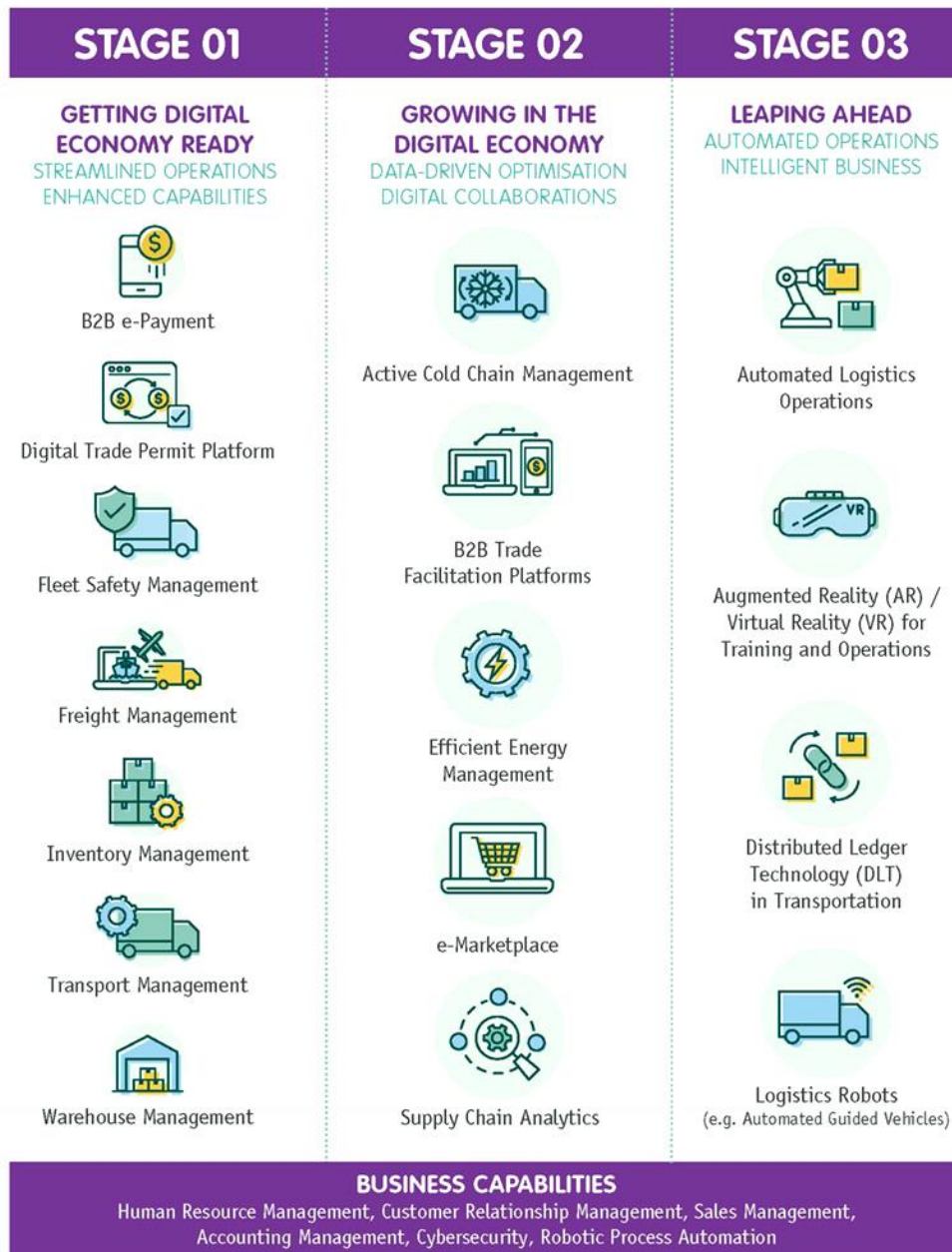
The IDP will continue to be updated over time as the industry progresses, and newer, more relevant technologies are introduced.

**Components of the Logistics IDP****1. Digital Roadmap**

The three-stage digital roadmap of the IDP charts out the digital solutions that enterprises in the logistics industry can adopt at each stage of their growth to support their digital journey.

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<sup>5</sup> Source: DOS, MOM

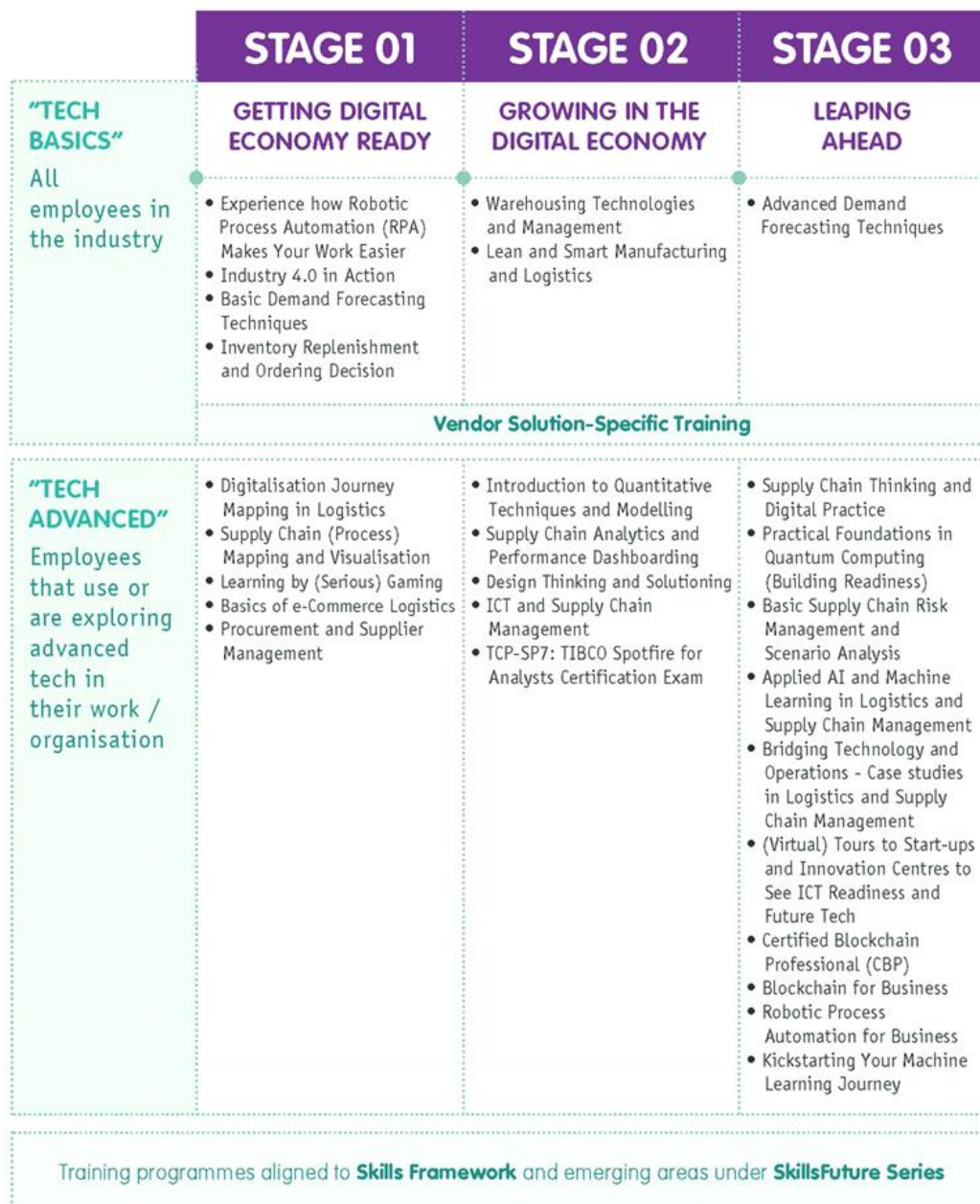


- a. **Stage 1: Getting Digital Economy Ready.** The initial stage aims to help SMEs get ready for the digital economy and lists the basic solutions to kick start their digital journey, optimise operations and channel digitalised resources into providing higher-value work. The objective is to achieve streamlined operations and enhanced capabilities.
- b. **Stage 2: Growing in the Digital Economy.** The second stage highlights digital solutions that enable SMEs to participate in digital ecosystems to maximise resources and open access to new markets. The objective is to increase data-driven optimisations and digital collaborations.

- c. **Stage 3: Leaping Ahead.** The third stage identifies advanced digital technologies that SMEs can make use of to extend their services and products offerings. The objective is to achieve automated operations and intelligent business.

## 2. Digital Training Roadmap

The IDP also includes a Digital Training Roadmap to guide the industry in preparing their workforce with the necessary skills to adopt digital solutions, so that they are ready for changes that come with digital transformation.



### 3. Online self-assessment checklist

SMEs can use the online self-assessment checklist to assess their digital readiness and identify opportunities to go digital based on their current business operations, level of digitalisation and business expansion plans. For more information, visit [www.imda.gov.sg/SMEsGoDigital](http://www.imda.gov.sg/SMEsGoDigital).

### 4. Tapping expertise of partners

- a. SMEs can reach out to the **Centre of Innovation for Supply Chain Management (COI-SCM) at Republic Polytechnic** to develop and strengthen supply chain and logistics capabilities through process innovation, technology enablement and capability development.
- b. For a review of their business, SMEs can approach **Business Advisors at their nearest SME Centre**<sup>6</sup> for business diagnosis and advisory on digital solutions relevant to their operations. SMEs that require specialist consultancy on sophisticated technologies, such as data analytics and cybersecurity, can engage **Principal Consultants at the SME Digital Tech Hub**<sup>7</sup>. These digital consultancy services are provided at no cost to SMEs.
- c. SMEs can also engage **Project Management Services**<sup>8</sup> from a ready pool of skilled digital project managers, at subsidised fees, to help with implementing their digital solutions. This can include the review of business processes and job redesign so that SMEs can realise the full benefits of going digital.

### 5. Pre-Approved Solutions

To make it easy for SMEs to adopt digital solutions recommended in the Logistics IDP, IMDA provides a list of pre-approved solutions assessed to be market-proven, cost-effective and supported by reliable vendors. SMEs can visit GoBusiness Gov Assist (<https://govassist.gobusiness.gov.sg/productivity-solutions-grant/>) for the contact information of the pre-approved solution providers. If funding support is required, SMEs can apply for the

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<sup>6</sup> List of SME Centres can be found at [www.smeportal.sg/smecentres](http://www.smeportal.sg/smecentres).

<sup>7</sup> For more information, please refer to [www.digitaltechhub.sg](http://www.digitaltechhub.sg).

<sup>8</sup> For more information, please refer to the SMF webpage [here](#).



Productivity Solutions Grant (PSG) on the Business Grants portal, before purchasing and implementing digital solutions.

SMEs can also participate in digital sector projects that are initiated jointly by IMDA and industry leaders. Such projects pilot new digital solutions or platforms that have the potential to uplift the whole sector.

## **6. Start Digital**

SMEs that just started their business or are new to digital technology can tap on the Start Digital Pack for a head start in going digital. The initiative aims to help new SMEs start their business right with foundational and competitively-priced digital solutions. These solutions cover: Accounting, Human Resources Management & Payroll, Digital Marketing, Digital Transactions and Cybersecurity. SMEs can take up any two solutions and receive cost waivers for at least six months when they sign up for a minimum 18-month contract. The solutions are pre-approved by IMDA and offered by Start Digital Partners like DBS, M1, Maybank, OCBC, Singtel and UOB. More information available here: [www.imda.gov.sg/startdigital](http://www.imda.gov.sg/startdigital)

**Factsheet on IM Holdings**

1. Established in 1999, IM Holdings started as a freight forwarding company. Today, the company has grown to a strength of over 100 employees, providing warehouse and inventory management services. The company has offices in Malaysia, Indonesia, Vietnam, Myanmar, Cambodia, and Brunei, and strong business networks in China, Japan, Hong Kong, Australia and USA.

**Digitalisation efforts**

2. IM Holdings, is one of many local logistics players that have benefitted from digitalisation, having embarked on its digitalisation journey in 2016. The company adopted order management, warehouse management, and transport management systems to support and optimise key logistics operations such as pick-pack and last-mile fulfilment. For example, with a warehouse management system in place, the company was able to improve inventory accuracy by 40% and reduce overstock or stock-out situation for its customers.
3. During the Circuit Breaker period when e-commerce orders surged, IM Holdings was able to pick and pack approximately 450 more orders daily while tapping existing manpower. The company was also able to diversify its services to support the healthcare industry during this period. IM Holdings partnered private and public healthcare groups to provide medicine collection and delivery to patients. This service was facilitated with its transport management system, which provides visibility through real-time tracking.
4. IM Holdings collaborated with the COI-SCM to facilitate its Distribution Centre Reference Model (DCRM) study in 2018. The DCRM studies warehouse operations by tracking every work task and assesses how efficiently the warehouse is being operated. Performance and quality indicators are collected, analysed and benchmarked against the pool of data points from local companies. Through the study, IM Holdings identified five potential areas for improvement. One recommendation was to review its picking strategy with three action plans recommended by the COI-SCM. At the end of the study, IM Holdings was able to reduce the pick time by 30%.
5. These systems not only helped with process efficiency, but also supported efforts to diversify and grow amid challenging period.

### **Upskilling of workers**

6. Job roles also evolved as the company embarked on digitalisation efforts. For example, employee Mr See Kai Lun, started out as a supervisor at IM Holdings. He monitored the performance of the warehouse team and supervised general warehouse operations such as shipping and receiving deliveries, monitoring stock checks, documenting warehouse transactions and records, and quality control. Today, his job role has been redesigned to include providing data-driven feedback to enhance operations. He uses a digital system to monitor inventory levels, warehouse performance and cargo inspection.
  
7. Middle managers, like Mr See Kai Lun, who have benefitted from training, also provide periodic system and on-the-job training to the rest of the operations team. This ensures all employees are proficient with the IT systems adopted by the company.
  
8. As IM Holdings' expand and grow, its logistics operations are becoming more complex. The company understands the importance of automation to enhance productivity and is presently exploring a Goods-to-Man automation solution to enhance warehouse productivity to support e-commerce fulfilment.