



COVID-19 Reshapes Global Supply Chains: Enterprises Should Master “3 High, 3 Low” to Stay Afloat 疫情逆轉全球化供應鏈 企業以「3高3低」原則自保



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COVID-19 pandemic and the associated lockdowns in many countries have created economic turmoil and impacted supply chains globally. Philip Ho, Chairman of the Hong Kong Suppliers Association and Managing Director of Getz Bros. & Co. (Hong Kong) Ltd, expects that as the daily lives and habits of local citizens have been impacted and forced to change and adapt, there will be continuous fluctuations in Hong Kong's domestic demand and supply chain in the second half of 2020. The pandemic, US-China trade war and the US's plan to strip Hong Kong of its special trading status are making it more difficult to accurately forecast the demand and supply conditions. Enterprises are recommended to explore different kinds of supply chain solutions to ensure uninterrupted supply and respond flexibly to the changing market demands.

Stable Supply to Hong Kong without Disruptions

When the pandemic was at its peak in the last few months, Hong Kong people were snapping up household goods and groceries out of fear of scarcity. Representing the Association, Philip recalled that he had urged citizens not to panic buy as every supplier has sufficient inventory based on the normal local demand. Take Getz Bros. for example, a distributor of a host of brands including C&S toilet rolls, Energizer batteries, Okamoto condoms, Sensa Cools herbal drinks, Taikoo sugar, Royal Taste luncheon meat, Ah Yat abalone, Samyang noodles, etc., have an average of 10 standard containers (about 50 to 80 tons) shipped to Hong Kong every day. There was minimal, if any, supply shortage encountered even during the pandemic. At that time, staff at Getz Bros. had spent extra hours and efforts to closely monitor the demand and inventory, and contact suppliers frequently in order to ensure stable and timely supply of goods.

因應新冠肺炎疫情，各國採取封城措施，導致全球經濟大受影響，而供應鏈亦受到牽連。香港供應商協會主席、美國吉時兄弟(香港)有限公司董事總經理何文錦預料，疫情令市民起居飲食、生活習慣產生了巨大變化，2020下半年本港的需求及供應鏈將持續波動，疫情、中美貿易戰、美國考慮取消香港特殊貿易地位等因素，都將令供求情況難以預測，建議企業可以探討不同供應鏈方案、確保貨源不絕、靈活面對市場需求。

港來貨穩定 供應未受阻

市民早前曾因疫情爆發而搶購家居用品和糧食，當時何文錦亦代表香港供應商協會表示，各供應商都按本地的慣常需求而備有充裕庫存，呼籲市民毋須搶購和囤積。以吉時兄弟為例，其代理的幾十個品牌，包括潔柔衛生紙、勁量電池、岡本安全套、清熱酷、太古糖、皇滋味午餐肉、阿一鮑魚、三養麵等，平日每天平均有10個標準貨櫃(約50至80噸)的貨量運港，在疫情期間鮮有出現短缺。當時公司員工花了很多額外時間去監察庫存、需求及緊密與廠商聯絡，以確保貨品供應。

“We usually stock up one to two months of inventory to maintain our supply to over 10,000 retail stores and catering outlets in Hong Kong, particularly before Chinese New Year. Besides, suppliers will normally pre-arrange replenishment orders for distribution after Chinese New Year, as some factories might be closed for long during the festive season.”

Philip said the goods distributed by Getz Bros. come from all over the world. Around half of them are from South East Asia, over 30% from Mainland China and the rest from Europe and the US.

“During the COVID-19 outbreak, household goods and food suppliers in Mainland China have actively imposed quarantine and preventive measures, and hence most of them were able to resume work quickly after a short period of closure and ramp up production. Goods supply was only disrupted temporarily. On the contrary, the pandemic continues to surge in the West and South East Asia, putting much pressure on logistics delivery and cost. With lockdown and stay-at-home orders implemented in most countries, people have avoided shopping in the street, and the international trade has faltered. Both sales and cargo shipments have dropped, leading to lesser sea freight sailing frequencies, longer logistics cycle and rise in supply chain costs.”

Barcode Optimizes Inventory Management and Digitisation Accelerates Cash Flow

To cope with business growth, Getz Bros. relocated its warehouse to Hutchison Logistics Centre at Kwai Chung Container Port Terminal 4 last year. Occupying an area of over 110,000 sq. feet, the new warehouse is designed for both ambient and temperature-controlled storage, with the latter taking up half of the warehouse space. It has three-layer adjustable steel racking designed specifically for palletized goods, supported by electric forklifts that greatly enhance storage capability and cargo movement efficiency. It is also equipped with over 60 CCTVs and an alarm monitoring system operating 24 hours for security surveillance. There is also a repacking centre set up to cater for various clients' needs.

All container trucks and other vehicles can go straight to the warehouse, which can handle the loading and unloading of 10 vehicles/containers at the same time. This has greatly enhanced the operational efficiency and competitive edge, catering for different business models and requirements of customers.

「我們公司平時都會預備約1-2個月的貨量，供應全港10,000多間零售店及餐飲店。尤其在農曆新年前，業界都會增加庫存量，及預先安排在農曆年後補貨，以滿足消費者於節日前後，對各類產品的龐大需求。」

何文錦稱，吉時兄弟的貨源來自世界各地，約有一半來自東南亞、3成多來自中國，其餘為歐美等地。

「內地的家居用品及食品供應商在疫情爆發後，已積極採取隔離及防疫措施，迅速復工，而復工後更加大生產量，所以貨源只有片刻窒礙、並無斷裂。反而疫情在西方及東南亞持續肆虐，增加了業界的物流貨期和成本的壓力。因各國相繼封城、市民留家，減低了外出消費，以致銷售大減，貨運航班縮減，因而物流時間長了，運費也增加了。」

條碼減缺貨率 數碼化增現金流

隨著業務增長，吉時兄弟於上年將貨倉遷往葵涌4號貨櫃碼頭和黃物流中心，新貨倉集中於同一層，佔地達11萬平方呎，其中約一半為恆溫倉庫。全倉建有3層高不同類型的鋼結構貨架，配合電動鏟車，大大提高儲運力。倉內設有60多部CCTV及警報監察系統，進行24小時監測，以確安全；同時設有一個包裝工作車間，以應付不同客戶對貨物的需求。

另外，貨櫃車及其他車輛可直達貨場，全倉庫可同時處理10輛車/貨櫃的裝卸工作。對比以往的倉庫，大大提高了營運效率及加強競爭力，能滿足不同類型客戶的生意模式及需求。



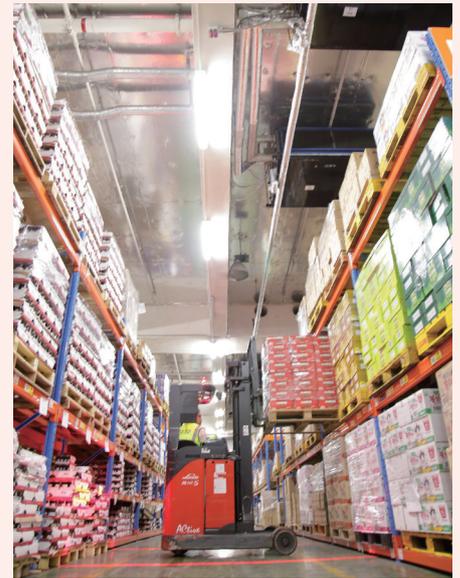
Getz Bros. uses GS1 barcodes in various storage and retail operation scenarios to increase efficiency. "With only 20 storekeepers in our warehouse, they make use of barcodes extensively to identify, store, pack and deliver tens of thousands of incoming and outgoing goods every day. The standard is also applied in every storage zone and location, playing a key role in our goods identification, stock-taking and tracking processes. As we work closely with both brick-and-mortar retail stores and online e-commerce platforms, we need barcodes to efficiently exchange accurate product information and sales data with our business partners, to ensure products availability and replenishment."

Getz Bros. has also leveraged GS1 HK's ezTRADE platform to exchange electronic orders and shipment notices with trading partners, enabling them to achieve greater efficiency. "ezTRADE has been used by most of the large retailers in Hong Kong. There's no exception for suppliers. The platform helps reduce manual errors, accelerate data accuracy and stock replenishment. As a result, we only need a few staff to process over 10,000 orders every month. This is one of the cornerstones in our digitisation journey."

Alternative Solutions in Response to Supply Chain Disruptions

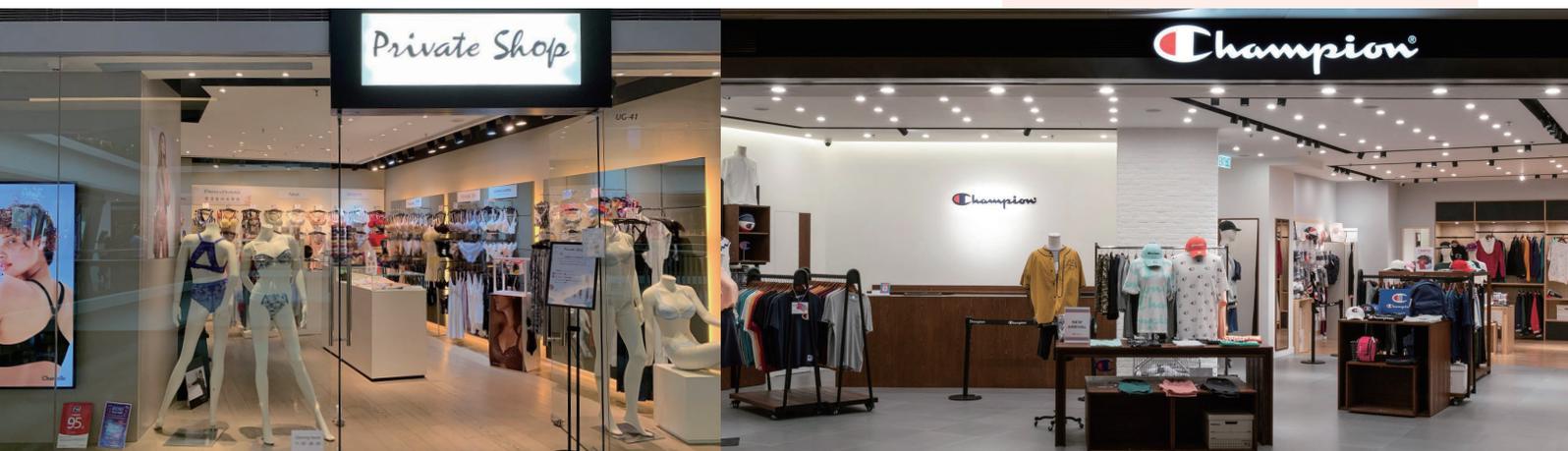
In the past, some merchants kept just-in-time stock inventory to optimise warehouse space. The current worldwide pandemic shows the vulnerability and risk of supply chain, because factories and production lines can be suspended in some places. Philip advises companies to identify weaknesses in their supply chains, such as over-reliance on one single supplier in certain areas. They may have to look for alternate suppliers in those areas and set up early alert systems as well as response and remedial mechanisms to tackle supply issues. An agile and flexible supply chain helps companies respond quickly and effectively to supply issues and the volatile market demands, which can turn into a key differentiator for companies.

He points out that many logistics companies have started to use technologies such as electronic signature or shipment tracking to increase supply chain transparency. Getz Bros. uses transportation management system to carry out route planning and fleet management. Integrated with artificial intelligence and data analytics technologies, the system provides



公司在倉儲和零售管理的不同層面都有應用GS1條碼來提升效率。「我們倉庫只有約20名員工，每天需要處理數以萬計貨物的進出，均以條碼認證進行收貨、儲存、執貨和出貨等工作。同時間，每一個儲存區域、儲存位置亦是應用到條碼技術，以茲識別。如果沒有條碼來確認、點算和追蹤，實難以想像如何管理。同時，我們要與實體零售商及電子商貿平台接軌，都必須有條碼來快捷地與商業夥伴交換準確的貨品資料，並獲取銷售數據，讓缺貨率減到最低。」

公司同時亦採用了GS1 HK的「通商易」(ezTRADE)平台，以電子方式傳送訂單、發票及付運通知書，提升溝通效率。「現在香港各大零售商都有用『通商易』平台，作為供應商自然必須使用。電子系統不但減少人為錯誤、提升數據準確性，而且有助及時補貨、改善收款流程、加快現金流，我們只需數個員工便能處理每月過萬張訂單，是我們數碼化進程的其中一項關鍵。」





comprehensive transportation and distribution features to optimise delivery schedule. The system can track goods delivery in real time and forecast inventory accurately, reducing manual errors in invoice processing. It can also provide sales and inventory data report to help staff evaluate delivery performance and enhance operational efficiency.

供應鏈突變 需替補方案

過往，有些商家會以最低成本和剛足夠的庫存，來達致最佳供應鏈管理。一場疫情卻顯示某地方的工廠停工停產，可引發供應斷裂的危機。何文錦認為，商家應先審視供應鏈的薄弱環節、例如倚賴單一供應的地方，然後確保該環節有替代供應商，並建立早期預警系統，及供貨出問題的應對機制與修復機制。靈活、有彈性的供應鏈可幫助公司在供應受壓時迅速進行調整。同時，這亦可滿足不斷變化的市場需求，變成公司的競爭優勢。

他透露，許多物流企業開始應用電子簽名或貨運位置追蹤等科技，令供應鏈更透明，吉時兄弟便透過運輸管理系統去規劃路線和管理車隊。系統內置人工智能和數據分析等科技，具備全面的運輸和配送功能，助優化送貨排程。系統能實時追蹤貨物運送情況及準確預測庫存，減低因人手操作而導致發票出錯，提供統計報告以評估送貨表現及提高效率等。

Mastering “3 High, 3 Low” for Survival

Philip believes enterprises should hold on to the “3 High 3 Low” principle in order to weather the economic downturn and the global supply chains volatility:



- Increasing market demand forecast accuracy
提高市場需求預測準確性
- Increasing sales and marketing efforts
提高市場營銷及推廣的力度
- Increasing delivery and supply capabilities
提高交貨和供應能力



企業自保需掌握「3高3低」

何文錦認為，企業要在經濟低迷、全球供應鏈重新洗牌的環境下求存，必須盡力做到「3高3低」：

- Lowering supply chain costs
降低供應鏈成本
- Lowering inventory backlog
減少庫存積壓
- Lowering overall procurement costs
降低總體採購成本

Consumers are increasingly seeking for more product information, for example its manufacturing, production and delivery data. This is especially true for food and personal care products, because they directly affect consumers' health and safety. Philip has reiterated that the primary responsibility of a supplier is to provide quality products to consumers, so that they can enjoy them with peace of mind. He thinks the industry should work together to build a robust tracking system so as to create a more transparent supply chain, which helps fortify quality, crisis management and other systems. It also helps in the compliance to regulatory requirements and boosts consumer trust for the industry.

近年消費者日益重視產品的生產、製造、運輸相關資訊，尤其是食品及個人護理用品，因這些會直接影響他們自身健康及安全。何文錦強調作為供應商，業界的責任正是要提供優質產品給予消費者，讓他們安心享用。他亦寄語業界應共同努力建立可靠的追蹤追溯系統，讓供應鏈更透明，才能在品質、危機管理等系統上打穩基礎，滿足監管規定之餘亦提升消費者對業界信心。