



Case Study: Supply Chain

Major Singapore eCommerce Logistics Provider

A joint ops strategy for an innovative cross border processing hub.

PROJECT SUMMARY

LOCATION

Asia

INDUSTRY

Logistics,
Freight &
Parcel

A 'first of its kind' joint ops strategy was formulated and designed for an innovative cross-border eCommerce processing hub for major logistics provider in Singapore.

Client Challenges

A major challenge for the logistics provider was increasing Singapore's competitive advantage as a major transit hub and addressing capacity breaches which were impeding on operational efficiency.

Additionally, the scarcity of airside footprint at Changi Airport presented a significant challenge to physically accommodate the forecast growth in eCommerce parcels.

The client therefore needed the expertise to envision how a partnership between a parcel carrier and an airfreight ground handler would deliver commercial and qualitative benefits.



Approach

The client's end-to-end process was redesigned to maximize process efficiency. This included a state-of-the-art automated sortation facility to handle import, export and transit articles with AI-based item-level screening for dangerous and prohibited goods detection.

The facility also encompassed an automatic bag buffer, sortation to flight, air container build-up, auto container buffer storage and retrieval to seamlessly connect with dynamic flight departure times.

An implementation road map was developed and provided to the client with multiple concurrent workstreams to expedite benefit realization, including an investment case with multiple tranches of CapEx deployment and key financial evaluation metrics.

Solution

Overall, the project delivered a number of significant results, including:

- **37% reduction** in processing cost per unit.
- A flexible, scalable and agile solution.
- **>15% internal rate of return** solid business case investment.

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