

Going Paperless

Preparing for the good times with efficient online trade transactions: The case of TAL Apparel. By ROSS MILBURN

Hong Kong's incomparable reputation as a great trading city may have taken a knock in the present recession, but as the saying goes: "When the going gets tough, the tough get going," and despite the belt tightening, our pioneering spirit is still at work.

Enterprising managers are now preparing for the next era of business expansion, and that means focusing on two key areas. Firstly, we must maintain R&D expenditure by continuing to satisfy and exceed customer expectations on quality and price. Secondly, we must make every effort to increase the efficiency of our operational systems.

At this particular time, the crucial area for profitable investment in new systems is in the B2B supply chain. For years, Hong Kong's trading companies have shouldered a huge cost burden associated with their global trading transactions, in the form of paper trade documents, L/C fees, huge amounts of data entry, data errors between trade partners, delayed payments, and a lack of visibility on the status of trade transactions associated with export consignments.

Reducing transaction costs

Efforts to reduce these costs have been going on since the 1970s, when EDI (electronic data interchange) was introduced to take some of the documents online. EDI has pointed the way forward, but it requires each trading company to install special software to translate its documents, which are transmitted on an expensive, dedicated network. A lot of management effort is required to negotiate and utilise special message formats.

During the dotcom era, efforts focused on online exchanges that could execute EDI on a cheaper basis, but most of the vendors were too small and inexperienced to attract big customers. Other systems were designed by banks, but these were limited in functionality, and were tied too closely to each bank's customers to form the basis of a standard trading system.

The learning curve, however, has paid off. It is now possible for any Hong Kong company, together with all its

supply chain partners – customers, suppliers, banks, insurance companies and logistics vendors – to join an online trading community that cuts the cost of trade transactions, at little upfront cost, and with complete security.

Most trading companies want an end-to-end solution starting from procurement and request-to-quote, through the purchase order, shipping documents, invoices, compliance, and settlement. And the whole online process has to be visible to the trading partners, from any Internet PC.

TAL Apparel goes online

One Hong Kong company that recently took its buying and selling transactions online is TAL Apparel Limited, a world-leader in global garment manufacturing and a long-standing member of the Hong Kong General Chamber of Commerce.

TAL Apparel has long leveraged technology to gain an advantage in business. Continual investment in R&D has resulted in innovations that include patents for non-iron, non-wrinkle shirts, and the De-Odorant technology, which protects textiles against bacteria and fungi.

In 2002, TAL Apparel adopted an online system from TradeCard to

automate buying and selling transactions with its supply chain partners. Any purchase order can be negotiated online, and once this document has been entered into the system, most of the data in it can be reused without re-keying in subsequent documents, such as invoices and statements, payment authorization, shipping documents, insurance, and inspection reports.

The new system incorporates an online compliance engine that can be substituted for paper-based bank L/Cs, and this paperless system is used for more than half the dollar volume of L/C purchases – all but the smallest suppliers use it. This cuts transaction costs, and the main reason is not the saving of bank charges, but the elimination of paper documents, explained Ruth Kan, Financial Controller at TAL.

"Typically, there are ten pages of documents for each L/C and often amendments add another four to five pages. We have



實現無紙化

聯業製衣個案研究 — 引進周全網上交易模式，為經濟復甦作好準備 Ross Milburn

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港作為國際主要商貿中心的地位，雖因當前經濟不景而受到打擊，但俗語說黑暗過後便是黎明，面對經濟轉變，具有遠見、勇於求變的企業管理人員已紛紛作出部署，準備迎接經濟好轉後接踵而至的商機。

為配合經濟復甦後的業務增長，企業管理人員必須留意以下兩點：一、繼續投資於研發，不斷提高產品素質和價格競爭力，以滿足客戶的要求；二、致力提升營運系統的效率。

為此，現時不少企業都投資於 B2B 供應鏈系統。一直以來，本港貿易商在進行國際貿易時肩負重擔，包括為準備各類書面文件及輸入大量資料而大費周章、開立信用狀的費用、貿易夥伴間資料出錯導致的延誤、未能準時收取貨款的損失，以及無法掌握貨件付運情況所引起的混亂等。

節省交易成本

為節省上述成本，企業都在不斷尋求良方。七十年代，「電子數據交換系統」(Electronic Data Interchange, EDI) 面世，讓企業在網上處理部分文件，但其缺點是需要安裝專用軟件才可解讀資料，而且傳送文件所需的專屬網絡費用高昂，直接增加營運成本。

在科網業的全盛期，不少企業都渴望以較低廉的價錢進行 EDI 網上數據交換。然而，大部分科網公司限於規模和經驗，所推出的服務難以吸引大客戶。另外一些由銀行設計的網上數據交換系統則功能有限，且僅供所屬客戶專用，故未能發展成適用於所有企業的標準商貿交易系統。

時至今日，任何一家本港企業都可與其供應鏈中所有夥伴（包括客戶、供應商、銀行、保險公司和物流服務供應商）通過一個完善的共用網上平台連繫和交易，從而減省交易費用。企業毋須安裝專用軟件，交易過程亦絕對保密。

大多數貿易商都渴望得到一站式的解決方案，冀能妥善處理從採購、報價、發出訂單、準備付運文件、開立發票、核實貨件，以至帳款結算的整個交易流程，並可讓交易各方隨時上網，檢視最新進展。

聯業引進網上交易模式

香港聯業製衣有限公司剛於不久前引進網上交易模式，以提升貿易效率。聯業是業務遍及全球的權威製衣企業，為香港總商會資深會員。

聯業一向借助科技增添業務優勢，並不斷開發生產技術，包括免燙、免皺恤衫縫製專利技術和防止紡織品發霉的 De-Odorant 技術。

2002 年，聯業採納 TradeCard 的全球網上交易平台，以自動化方式處理公司與供應鏈夥伴的商貿交易。現時，聯業不單可在網上與夥伴協商訂單條款，而且訂單一經輸入 TradeCard 系統，文件中大部分資料均可重覆使用，日

後在準備發票、月結單、付款授權書、貨運文件、保險和驗貨報告等文件時，亦毋須再次輸入資料，方便快捷。

新系統更具備網上審核功能，能取代耗費大量紙張的銀行信用狀。除規模較小的廠商仍使用信用狀外，聯業現時透過這個無紙系統處理逾一半信用狀交易總值的訂單。聯業財務總監簡文明解釋，此舉不但可節省銀行收費，更可減省處理書面文件所需的人手和時間，大幅降低交易成本。

她說：「每份信用狀一般有十頁紙，如有改動更會增加四至五頁。粗略估計，準備和處理每宗交易所需整套文件的費用約為 250 美元。」

國際貿易方面，聯業現可透過 TradeCard 系統，連繫形形色色的信貸保證和出口融資服務供應商，包括與聯業有多年合作關係的一家本地主要銀行。目前，該銀行能以電子方式向聯業發出信用狀，省卻大量紙張，而聯業亦能繼續享用該銀行提供的信貸限額。至於銀行，則能聯繫採用網上交易模式的無數企業，有利業務發展。事實上，網上交易模式日趨普及，參與的企業數目不斷增加，可見網上交易是全球大勢所趨。

網上交易優點眾多

簡女士續稱：「我們的供應商非常滿意 TradeCard 系統，因為不論他們身處何地，均可即時獲悉每宗交易的最新進展。自從採用這個交易系統後，貨款交收更為快捷。傳統的銀行信用狀通常要四星期才可繳付貨款，但網上付款只需兩星期。對於中小企業和小型供應商，能否迅速收取貨款和促進資金流動，就是成敗的關鍵。聯業大部分規模較大的供應商都已採用該網上系統，並從中得益。如買家亦採用該系統，聯業便能更快收取貨款。」

聯業董事總經理李乃熿博士表示：「建基於互聯網的交易系統，成本效益遠勝其他系統。以前，聯業通過昂貴的私人網絡，利用 EDI 與一些美國客戶如 JC Penney 合作。從 2002 年中起，JC Penney 一直使用 TradeCard 的網上系統，令成本大幅下降。」

其實，網上作業方式不僅提高成本效益，還令管理工作變得更簡單輕鬆。

李博士說：「改用網上交易方式只是第一步。下一個問題是如何運用來自 TradeCard 系統的報告和資料，分析業務情況和掌握行業發展趨勢，並獲得詳盡的成本資料。當聯業的所有交易文件均轉用電子方式時，效益將更為顯著。此外，透過網上系統，我們亦可更快捷有效地與買家溝通聯繫，當問題出現或有所延誤時，這點尤其重要。」

聯業最近採用了 Intenia 公司的「企業資源規劃」(Enterprise Resources Planning, ERP) 系統，並會將其連接 TradeCard 網絡，讓公司可與財務供應鏈內的貿易夥伴緊密聯繫，同時令交易完全自動化。這個策略性的 ERP 系統可將買方訂單拆細，以便分多次向供應商訂購原材料。聯業期望在一年內，將所有文件如訂單、裝箱單、提單等轉換成網上模式，並併入 Intenia 系統。

簡女士指出，網上交易的履約保證費用遠低於銀行發出的書面信用狀，後者收費動輒要 150 美元。她說：「聯業一旦能將上述文件全面連結至公司的 ERP 系統，在其他方面節省的費用將更為可觀。」

聯業的貿易夥伴轉用 TradeCard 網上交易方式，毋須付出額外費用，亦能大大受惠。李博士總結說：「TradeCard 是未來的商貿交易管理平台，甚至可望成為本港推行『電子政府』的關鍵要素之一。」 B

estimated that a full set of documents for a transaction may cost US\$250 to prepare and process," she said.

For international trade, TAL now has access to multiple providers of credit coverage, including a major Hong Kong bank with which it has a long-standing relationship, and which can now issue electronic L/Cs. Paper has been eliminated from the L/C process, but TAL still benefits from the L/C credit line provided by its main bank. The bank also benefits, because it now has access to a substantial online trading community, just as the number of global online trade transactions is skyrocketing.

Online benefits

"Our suppliers are happy that, whatever country they are in, they have instant visibility into the progress of each transaction," Ms Kan said, adding that the online system makes payments faster. "Using bank L/Cs, payment takes four weeks, but online payments take two weeks. For SMEs (Small and Medium-Sized Enterprises) and small suppliers, it is very important to get paid quickly and to turn the money around faster. Most of our largest suppliers have adopted the online system and are benefiting. If our buyers adopt the system, we get paid faster, too."

Dr Harry Lee, Managing Director, TAL Apparel Limited, said an Internet based system is more cost-effective than the alternatives. "Previously with some of our U.S. customers such as JC Penney, we used EDI over an expensive private network. Since mid-2002, JC Penney has been using TradeCard, which runs on the web, and this could lower costs significantly," he said.

As well as providing greater efficiency, working online makes management easier.

"Putting the transactions online is only the first step. The next question is how we use the reports and data generated by the system to analyze the business and discover underlying trends and obtain detailed costs," Dr Lee said. "As all our documents go electronic, this benefit will be even greater. The online system also enables us to communicate with our buyers more effectively, especially in case of problems or delays."

TAL's recently acquired ERP system from Intenia – a major strategic investment – will be linked with TradeCard to provide seamless communication between TAL and its trade partners on the financial supply chain, and more complete automation of transactions. The ERP system will be able to break down orders received from buyers and convert them into multiple raw material orders to suppliers. It is hoped to convert all documents, including invoices, packing lists and bills of lading, into online documents and to integrate them with the Intenia ERP system within a year.

Online transaction compliance is much cheaper than the paper L/C bank charge of about US\$150 of issuing fees, Ms Kan said. "When we can fully link this to our ERP system, the savings will be even more significant in other areas," she says.

When trading partners go online, they benefit from using standard systems, Dr Lee said. "TradeCard is the trade transaction management platform of the future that could even form part of the e-government initiative in Hong Kong." **B**

Courtesy of HKGCC.