Kick-off meeting

Mar. 2024

Agenda

1. High-Level Project Background
2. Project Target
3. Project Scope
4. Project Team Setup
5. Project Timeline
6. Project Risk and Mitagation
7. Q&A

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High-Level Project Background

- **Current Challenges**

  - Relying on traditional and some third-party sales companies
  - Tech-related exhibitions and events yields unsatisfactory results despite high cost.

  - Globally, small and medium-sized customers lack a specific platform for engagement, representing another crucial target.

  - Insufficient in resolving issues, addressing concerns, or providing assistance to customers.

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High-Level Project Background

1. **Vision**
   Our strategy focuses on leveraging digital methods to efficiently expand chip business in Europe, while prioritizing seamless digital customer channels for market saturation.

2. **Expected Benefits**
   Expand a new E-commerce market and lead the digital channel in chip industry in the future.
   - Renew traditional business model
   - Enhance customer coverage
   - Fast and seamless-swift the customer service

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Project Target

- Additional EU E-Commerce channel for market expansion.
  - Begin regionally, leveraging German corporate support.
  - Initially on the EU Customs Union, expand gradually.
  - Offer online inquiry, order, and logistics support.
  - Mandatory account signup for orders.
  - Prioritize specific product imports while ensuring the packaging efficiency for e-commerce setup.
  - Utilize Munich office for warehouse; plan staff accordingly.
  - Collect experience through quantifiable measures.
  - Streamlined market flow module for efficient manpower control and enhance the customer satisfaction.

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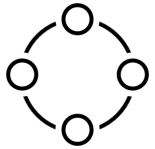
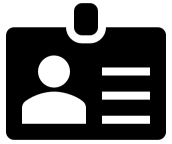
Project Scope

- New Business Model Trial

Direct-to-Consumer (D2C) Approach, Fostering Direct Customer Engagement While Streamlining Operational Costs and Manpower Requirements.



Operation Cost Reduction



Manpower Optimization

Customer Engagement Metrics

Logistic Efficiency

Legal & Compliance Documentation

Warehouse Utilizations

System Management

Quantifiable Experience Collection

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Project Scope

- Final Deliverables

- Exclusions
  - Various products
  - Robotic customer service and return service
  - Mobile App service
  - No non-EU market expansion

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Project Scope

- Constraints
  - Limited budget for project execution.
  - Limited Manpower, Manual Account Approval Required
  - Challenges in navigating legal requirements.
  - Limited conditions due to Manpower, Cost, and Regulatory Constraints
  - Packaging inefficiencies can lead to increased costs and environmental impact.
  - Insufficient Understanding of Potential Partners Resulting in Increased Research Time.

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Project Scope

- Assumptions

- The IT team has the necessary skills to build the D2C platform.
- Legal agreements (contracts, terms of service) are clear and protect both the organization and customers.
- Customers will utilize a digital tool to finalize product format and review order details before completing purchase.
- Users (customers and employees) are willing to adopt the new model with digital tools.
- Partnership with logistics providers (especially in the last mile) are established.
- The project adheres to the allocated budget.

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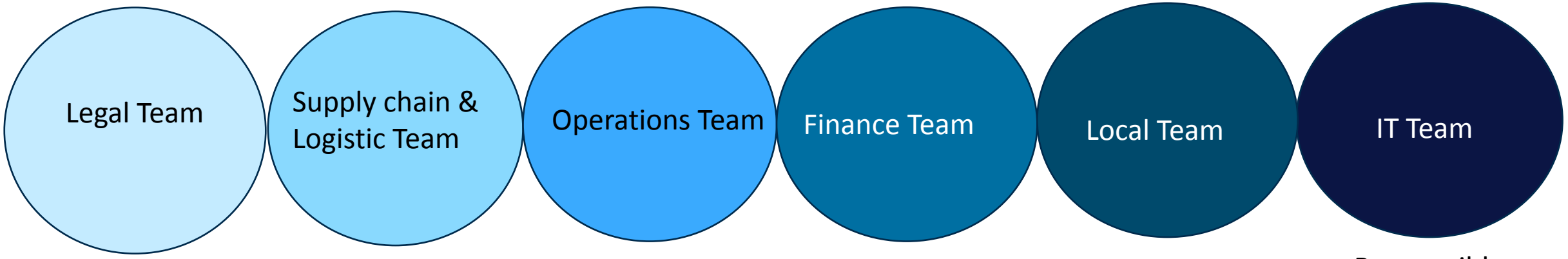
Project Team Setup



Responsible:
Drafting and Reviewing Contracts
• Ensures supplier, distributor, and customer compliance.
• Ensures import/export regulations in Hong Kong and Germany.

Responsible :
•Product Transportation from Hong Kong to Germany Warehouse
• Coordinate transportation, logistics, and customs clearance.

Responsible:
•Project Coordinating Overview
• Ensures smooth communication and collaboration.
• Manages teams.
• Monitors and optimizes daily activities and processes.

Responsible:
•Handling Import, Customs, Taxes, Supplier Payments
• Allocating resources for profitability and sustainability.
• Managing supplier payments.

Responsible:
Market Research Overview
• Understanding local market conditions and regulations.
• Conducting market research to identify challenges and opportunities.

Responsible:
•IT System Implementation and Maintenance
• Handling e-commerce platforms.
• Ensuring data security and privacy compliance.

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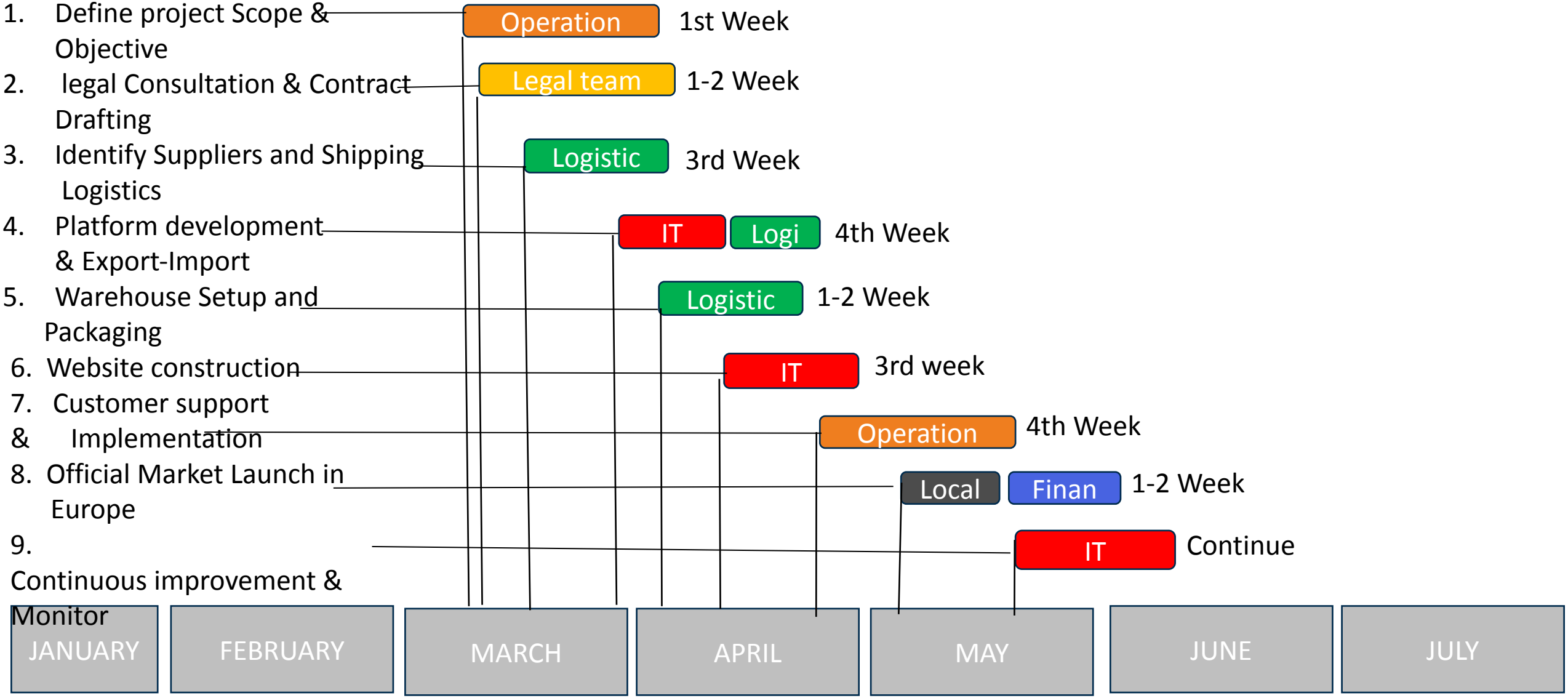
Project Timeline

1. Define project Scope & Objective
2. legal Consultation & Contract Drafting
3. Identify Suppliers and Shipping Logistics
4. Platform development & Export-Import
5. Warehouse Setup and Packaging
6. Website construction
7. Customer support & Implementation
8. Official Market Launch in Europe
9. Continuous improvement & Monitor



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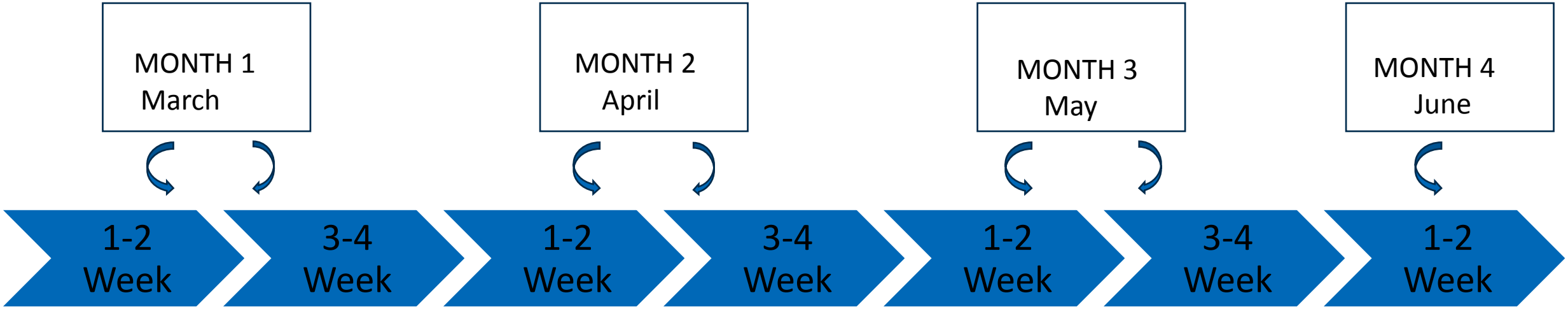
Project Timeline



Planning & Legal Process

Logistics and Import Process

Distribution and Market Launch

Operation & Improvement

1.Define project Scope & Objective

2. legal Consultation & Contract Drafting

3.Identify Suppliers and Shipping Logistics

4.Import Procedures

5. Warehouse Setup and Packaging

6.Distribution Planning & Official Market Launch in Europe

7.Continuous improvement & Monitor

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Project Risk and Mitigation

Logistics and Transportation	• Partner with reliable logistics and freight companies experienced in handling products. • Insure shipments against potential damage or loss during transit.
Warehousing Risks	• Choose a secure and climate-controlled warehouse in Germany. • Inventory management systems to track and monitor stock levels, reducing the risk of theft or damage
Currency Exchange Fluctuations	• Regularly monitor exchange rates to adapt strategies accordingly.

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Project Risk and Mitigation

Cultural and Communication Challenges	• Hire local staff or collaborate with professionals familiar with the European market. • Foster clear and open communication channels to overcome language and cultural barriers.
Quality Control and Product Liability	• Purchase product liability insurance to mitigate risks associated with potential defects.
Cybersecurity Risks	• Cybersecurity measures to protect sensitive data related to the supply chain, transactions, and customer information.

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Project Risk and Mitigation

Refund Risk

Return Risks

Cancellation Risk

Website Refund Policies
- communicate refund policies.
- Establish a transparent, customer-friendly refund process.
- Implement quality control to minimize product defects.
- Educate employee about the refund Fraud risk & Set realistic delivery timelines.
- Regularly update customers on order status.

Return Policy Development
- Create a clear, accessible return policy.
- Ensure accurate product descriptions and images.
- Ensure a simple return process with clear instructions and pre-paid shipping labels.
- Regularly update inventory to avoid out-of-stock issues.
- Implement a restocking charge for certain products and potential extra delivery return fees.

Ordering Process Cancellation Policies
- Outline clear cancellation policies.
- Provide grace period for cancellations.
- Automate cancellation process for accurate adjustments.
- Implement robust inventory management system.
- Effectively communicate with customers about potential cancellation issues.

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Q&A

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