



COSCO (H.K.) SHIPPING CO., LIMITED

中遠 (香港) 航運有限公司

COSCO (H.K.) SHIPPING CO., LIMITED (CHS) was established in 1996 in Hong Kong and is now one of the largest bulk transportation companies in Hong Kong. Currently it owns and operates nearly 100 bulk carriers including Handysize, Handymax and Panamax types aggregating to approximately 5 million tons deadweight. CHS employs more than 3,000 employees to support its customers in transporting coal, steel, grain, fertilizer, cement and agricultural products around the world.

1. Leadership

CHS's management has clearly identified the company's mission, goals, strategic direction and organization values. Various means are used to communicate the aforementioned to all staff to ensure understanding and proper alignment. The management team sets a clear direction by laying out its five-year plan and yearly plans with detailed Key Performance Indicators (KPIs). In addition to actively supporting less fortunate people in the community, CHS's management also involves the company in the events and activities of trade associations to support and promote the shipping industry in Hong Kong.

2. Strategic Planning

The company has clearly defined its strategic planning process with the use of SWOT analysis and market data analysis. Internal factors are also comprehensively reviewed during the planning process. Five-year goals and yearly targets are well defined and KPIs are measured regularly to track progress of action plans. During the development of strategy and action plans, departmental heads and staff are involved thus making deployment more effective.

3. Customer and Market Focus

CHS focuses on its target market segments by using the CRM approach to manage its key customers. Multiple channels are used to obtain market and customer information to ensure fast response to changing customer needs. In addition CHS uses extensive market research to identify new opportunities. To ensure high customer satisfaction levels, CHS also carries out a satisfaction survey and runs a complaint management system.

4. Information and Analysis

To support operational requirements, performance reviews and market analysis, CHS extensively applies information technology. It has developed an integrated approach with

11 core systems and 50 sub-systems to support all the company's requirements. The management team reviews performance against KPIs on a monthly, quarterly, biannual and annual basis relating to different performance criteria. A dedicated market research department is responsible for collecting, analysing and reporting regularly on market trends and competitor information.

5. Human Resource Focus

The company's HR system is built on the corporate values - quality and safety. Job functions and responsibilities are clearly defined. CHS's performance management system is methodical and linked directly to its quality and safety objectives. A "General Manager Reward Fund" has been set up to reward outstanding performance and innovation. The company also encourages continuous learning through a sponsorship scheme and uses various methods to encourage knowledge and skill sharing.

6. Process Management

CHS adopts a very systematic approach to new service design. The "9-step" approach includes important components such as market and customer analysis, feasibility studies and resource planning. The company also carries out test runs to ensure effectiveness and operational efficiency before any new service is launched. The control and monitoring of key processes are integrated and effective. Performance measures in each process are well defined and reviewed on a timely basis. CHS has also set up an effective system to monitor supplier performance and its work with its partners to improve efficiency.

7. Business Results

Over the past three years, CHS has shown strong growth in its sales revenue, net profit margins and return on company assets. Its market share has grown at a higher rate than the market average. This excellent result has been coupled with a high level of customer satisfaction and loyalty. The company's employee satisfaction and staff loyalty has also been maintained at an excellent level. Its impressive operational efficiency also makes CHS stand out from its competitors.