



“Whatever opportunity knocks on your door, just take it and then think about what you can do with it. This is what business is all about. If you don’t take the business, your customers will take their business to your competitors.”

Harold Lee

XDel Singapore

Designation
Managing Director
Industry
Courier
Established
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Website
www.XDel.com

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X XDel Singapore

INTRODUCTION

Harold Lee is the Managing Director of XDel Singapore, a courier company with a unique service promise—a commitment to deliver all consignments island-wide within four hours from the time of activation; thus its name eXpress Delivery. XDel Singapore also has the distinction of being one of the most technologically advanced local courier companies in Singapore. When Harold started the company in 1993, he hired a programmer to write a customised IT application which can manage and keep track of all aspects of the courier service transactions. The application has since been upgraded over time to handle digital archiving of orders, online order processing, and monitor and capture deliveries in real-time. Harold spent more than a quarter of a million dollars on his company's IT infrastructure but he estimates that this investment has put his company about 10 years ahead of its domestic competition, technology and service wise.

Like any budding entrepreneur who started out without any business experience, Harold faced his share of challenges, with the first major one confronting him the day before the company was due to start operations. The partner, a friend whom he was starting the courier business with, and who was the designated driver as Harold didn't have a driving license (he still does not know how to drive or ride, till date), had second thoughts. The following day the friend decided to proceed with the business, but Harold called off the partnership and did the business on his own with a hired driver. He knew he needed undying commitment to ensure that the small business would work.

Fast forward 17 years and many desperate business moments including having his company's vehicles repossessed countless times, Harold is today, an award-winning entrepreneur who has built XDel into a leading domestic courier company that processes more than 1000 transactions a day. The company has also expanded its services to include international door-to-door courier, mail room management, redemption/ rewards services, warehousing and will be rolling out more services with their signature cutting-edge technology such as real-time tracking and monitoring of deliveries.

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Thinking Too Much Can Stop You From Getting Anywhere

I have always been a hardworking lad even when I was a kid. Back in the days when I was in Primary school, kids used to play with marbles, erasers and all those kinds of knick knacks. So I would buy nice marbles, erasers, stickers and brought them to school to sell at a profit so I could earn some extra pocket money. I did it both for the money and the satisfaction. Even though I was quite entrepreneurial when I was young, I had never thought of becoming a businessman. I only thought of getting a stable job, doing the best work I can do and excelling at it. However, I slowly started to have a change of heart around the age of 13 when I started working during my long school holidays. In the course of my work with different establishments and holding different positions, I noticed that quite often, people who put effort into their work were not rewarded accordingly. It was something that I had personally experienced as well.

At work, I would always finish all my tasks before the end of the work day and had a lot of spare time. I would then ask my superior if there were other things I could learn to do or help them with. But I realised that my actions became a cause of suspicion among my supervisors and colleagues instead. They may have thought that I was trying to “one-up” them when I was just simply doing my best at my job. It also did not help that I am an outspoken person. When I saw that something was done wrongly, I would point it out and suggest another way of doing it. But because I was working in a junior position, that didn’t go very well with my superiors. While I was doing my National Service (NS), I spent the two years thinking about what I wanted to do when I got out. I decided to work for myself but I didn’t have any idea which business I wanted to do.

During the time when I was clearing my leave just before completing my NS, I helped out with the deliveries at a floral shop where my mother was working part-time. I saw that there was a good market for transportation services and it appeared to be quite an easy business to get into, so I started a courier company. I had a good friend who believed in me enough to loan me \$15,000 to start the business. I am someone who doesn’t think too much once I decide to do something. I will just focus on getting the job and getting the job done, and if anything crops up along the way, then I will think about how to handle the issues. That was how I did my business then and that is still the way I run my business today. Let’s say we get an order that seems to be more than what we can handle, we will take it first and then think about how we can deliver. I always tell my people that if we take our time to think about things then we would never have gotten to where we are today. Whatever opportunity knocks on your door, just take it and then think about what you can do with it. This is what business is all about. If you don’t take the business, your customers will take their business to your competitors. And the income from that new business will be used to fight against you.

When I started the courier company in 1993, it was originally supposed to be a partnership with a friend. We called it H&D because my friend’s name starts with the letter “D” and the “H” stood for my name. The day before we were supposed to start our business, I received a

call from my friend. He asked me, “Harold, we have no business plan and no customers, how are we going to do this business?” He asked me to give him one day to think about whether he really wanted to do the business. At that time, I had already bought a van and we had registered the company under both our names. So on the same day my friend expressed his reservations, I contacted another friend who was jobless and had a driving license, and got him to work for me instead. I didn’t have a driving license (and I still don’t today) so I needed someone to handle the driving! I called off the partnership when “D” changed his mind the next day. My reason for doing that was very simple. If my partner could have reservations even before we started the business, then how can I trust him to stick with me for the long term because I know that we will definitely be facing even more difficult challenges when the business is up and running?

So I started my business with one staff, my driver friend, one van and no customers. I didn’t know how to drive, I didn’t know how to operate a PC, I didn’t know what a quotation was, how to set up a bank account and I didn’t even know how to issue a cheque! But all that didn’t stop me from going door-to-door to ask for business. On the first day of my business, we parked our van at the then Boulevard Hotel at Cascaden Road and I knocked on the doors of all the floral shops, from Ming Arcade Hotel all the way to Centrepoint. I just introduced myself and told them that I was in the delivery business and offered my services. I told them that I was willing to match the charges of their current provider if my charges were higher.

I remembered it was Saturday when I received my first order. A florist asked me to do a flower delivery for the next day, which was a Sunday. They only used us that one time because their usual service provider could not fulfil the assignment on a Sunday. But I continued knocking on doors and managed to get quite a few customers for the business and they stayed with us for a good number of years as well. Also, whenever I was out delivering and passed by a floral shop, I would knock on their door and introduce myself and promote our services. Or when I passed by offices which I thought might have use for our services, I would pass my name card to them. That was how we grew slowly until where we are today, which is a company with a staff strength of around 50, handling more than 1000 transactions a day. I was a 24-year-old young man then.

Moving Ahead Of Time

I still remember the revenue for my first year in business was \$30,000. Even though I was not doing well, I always made sure I paid my driver friend so that he would stay with me. Of course I was behind on all the other bills such as the instalment for my vehicles, office rental and so on. The bills were piling up. At one point we had a partner who invested in us, but that

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didn't work out. There was a period of five to six years when we were just barely breaking even. During that time, my vehicles were repossessed so many times that I had lost count! It became quite normal for me to receive a call from my delivery guys in the morning informing me that their vehicles were missing. But I refused to give up. I refused to believe that I would not be able to make it in business. And in the seventh year, things got a little better in the sense that we were breaking even. That was when I decided to invest in building up the IT capabilities in my company.

The courier business is labour intensive, both on the operations and the customer servicing aspects. It is reliant on paperwork and people. The first year when I was running the business, I would start work in the morning, collecting orders and making the deliveries until about 7pm or 8pm and then went back home to process and compile all the orders, using a typewriter. It was slow and tedious work and I was doing that every single day. I told myself that one fine day, my business would grow so I could not be doing this forever! I hired a childhood friend, Andrew, who is skilled in computer programming, to write an application for my business. I explained the different processes and transactions we did and what I wanted and he wrote a customised application to help us automate our work. The application helped me schedule my deliveries, keep a record of all my orders, generate the invoices and record all these information in a database. It was only a simple application but it streamlined our work processes and it lasted for five years. For the record, he charged me only \$1000, on the condition of getting a lot of free beer!

Over the years, we upgraded our IT application as our business grew. For example, about seven years ago we created an online ordering service and digital archiving service. Digital archiving makes our services so much more efficient and it also empowers our customers as they would be able to obtain proof of delivery just by logging into our system on our website. When an item is delivered, the recipient will sign a consignment note to acknowledge receipt of the item. These consignment notes are brought back to the office by our delivery guys and the details are scanned into our database and auto archived. So if needed, we can easily and quickly retrieve electronic consignment notes by keying in the consignment number on our computers or the customers can go to our website and key in the consignment number to retrieve the consignment note. As far as I know, we are one of the pioneers in the domestic market who has this technological capability while our competitors are still processing consignment notes manually.

We have since updated our customised, in-house IT application to the latest version. There are so many things that we can do with this version that I think it has put us at least 10 years ahead of our competition in terms of IT capability! We implemented this version in stages, starting from about seven years ago. One of the things which we can do is send electronic memos in the office. Previously, when someone in the office needed to send a memo to everyone, they would need to print a physical copy of the memo and pass it around, and everyone would have

to sign on it to acknowledge that they have read it. Our electronic memo makes it so much easier and faster to communicate information among our internal staff members and it also notifies us whenever someone has read it. Other than improving our efficiency and the work processes in my company, my IT application has also enabled us to work towards becoming a paperless office. In fact, many people who have visited my office are often surprised to see how little paperwork we have. It is very unusual for a courier company to generate so little paper in our work. This is because we can do almost everything on our computers, thus cutting out the paper transactions. We are currently processing more than 1000 courier transactions a day but we are still able to close our accounts at the end of the month within half a day. That is the power of our IT infrastructure.

We are now in the last phase of incorporating mobile technology into our IT application. Once we have accomplished that, we will be able to offer our customers real-time monitoring and tracking of their deliveries. Again, this is something that we had planned years back and we have invested more than a quarter of a million dollars on our IT infrastructure thus far. It was a good thing to have done all these way back when I first started because our technology has given us the competitive edge over our competitors. I think we need to have the foresight to do things that are ahead of the times. You have to realise that the world will only move ahead and advance; it won't stay stagnant and it won't move backwards. So you just have to move ahead even faster or you will get left behind.

Know What You Cannot Do To Succeed In Business

I have always believed that it is not possible for a person to know everything. No matter how experienced you are, no matter how learned you are, you will not know everything. So I think the most important thing an entrepreneur must know in order to succeed in life and in business is this: to accept that you don't know everything and to recognise what you can't do. Once you understand these facts, then you must surround yourself with people who have the skills and knowledge to assist you in areas where you are lacking. For example, as I mentioned, I didn't even know how to operate a PC when I started the business. But the entire design and infrastructure of XDel's IT application was conceptualised by me. Since I knew exactly the kind of processes and functions that I wanted in my IT application, I needed to find someone who could write the programme for me. Of course you need to know a little bit about everything so you know what is going on in your business. More importantly, you need to know more than one person who knows how to do the job so that someone can help you do the cross checking to ensure it is done properly.

There is also no need for you to "try to be smart" just because you are an entrepreneur. When you do that, you screw it up for everybody. I learnt everything about the business by going through the School of Hard Knocks. I only have an 'O' Level certificate so I had to ask people when I didn't understand anything. I would observe people at work and ask a lot of questions.

Whenever I saw something that I didn't understand or which didn't make sense to me, I would ask my friends, clients or even people on the street to explain things to me. Initially, people who know me would look at me strangely because they would be wondering whether I was serious or just playing around with them. But now they know that I have a really inquisitive mind and that it is just my character to ask questions. You know this phrase that goes something like "The only stupid question is the one you don't ask"? Well, I believe that you are stupid when you don't ask questions about things you don't know.

I can clearly remember one instance when I asked for help even though it made me look incompetent. When I was canvassing for business during my first year, a potential customer asked me to provide her with a quotation. I didn't know what a quotation was then so I asked the customer, "What quotation do you want?" She told me to give her a quotation on paper to show her the breakdown of the costs and services. Then I asked her, "I have told you our charges over the phone so may I find out what kind of breakdown you want to see in the quotation?" She said she needed me to list down all the individual things that I was charging her, on a piece of paper because she needed to show it to her boss for approval. So I told her I would do that. After I hung up the phone, I ran downstairs to look for one of my clients, who operated a floral shop, and asked if she could show me a template of a quotation, I had no idea what it looked like. In the end, she helped me do up the quotation.

The potential customer who requested for a quotation was from Mount Elizabeth Hospital. At that time, I was trying to get more business by offering a new service to the hospitals and hotels—collecting and disposing of the previous year's Yellow Pages. I came up with the idea because no one was offering this service then and I realised that hotels and hospitals would have a lot of copies which they would need to get rid of when the new editions come out. So I targeted a few hotels and all of the hospitals and asked to speak to the person in charge for this matter. Mount Elizabeth was interested in my service and that was when the person in charge asked me for a quotation. I submitted the quotation which my customer had helped me with and I got the job! I was also awarded to do the same job for two hotels.

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More Ways Than One To Skin A Cat

An entrepreneur must have a thinking mind and ask questions. Like I mentioned, I am always observing what people do so that I can learn from them or get inspired to think about how I can do things better. When I observed how big courier companies like DHL were doing their business, I told myself that we will need to do business the way they did. I wanted

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my technology to be on par with theirs. It was going to be my minimum requirement for my company. I think it is important to always learn from the bigger and better players. This way, you will be able to stay ahead of the competition. For example, the conventional courier service is to do the collection of the item in the morning and deliver it in the afternoon. But we offered customised services for each individual customer. Instead of working strictly on the morning/afternoon delivery service, we offered competitive pricing for a 2-hour or 4-hour turnaround service. We also offer many other services such as cash collection and storage. These were some of the services which were not typically offered in courier services when we did them, but now they have become more commonplace.

I have never been afraid of competition because I know that it would take others a very long time to catch up or even replicate our proprietary software we have in place. This is because we were willing to invest heavily in technology though we were only breaking even, so that we are assured of our future. It is important that we stay relevant to the marketplace and relevant to our customers. You can't be complacent because there will always be another guy who will challenge your forte. It is like the saying, "There is more than one way to skin a cat." So we have to always reinvent ourselves and make sure that we are the first to come up with an idea. I think that is the smart way to do business. I prefer to fight on my ground not on theirs! One example of how I did this was the time when I changed my entire business model back in 1997, during the economic downturn.

The year was one of the worst times in my business. My operating funds were so low that I was a good six months behind in my rent, three months behind the instalment payment for all of my seven vehicles, and more than one month behind my staff's salaries. I allowed the banks to repossess and auction off all my vehicles. After the vehicles were sold, I still owed money to the banks and to my staff. And I negotiated with all of them. I asked the banks for instalment payments to repay my debts and promised my staff that I would pay their salaries as soon as I was able to do that. Thankfully, the banks and my staff agreed to support me because they saw that I was sincere about paying them. I also took immediate action to lessen my overheads while ensuring that I could still continue with the business.

Previously, XDel bought and owned all of its vehicles and employed full-time staff. Instead of continuing with this arrangement, I decided to use sub-contracting. I hired drivers who had their own vehicles to work for me on a full-time basis. These were drivers who usually rented their "time" by the hour. Instead of engaging them on a per-hour basis, I hired them to work for me for the entire month. This was a win-win situation for both parties. The drivers would be able to get a stable income because by renting their vans and their time on a full-time basis, we were giving them committed business. At the same time, I could save on the costs of owning vehicles and paying for full-time drivers. Today, some of the vehicles and motorcycles are still under sub-contract terms. We prefer our drivers to own their vehicles because they will look after their own assets better. In return, we save on maintenance costs, and these savings

are then passed on to our clients.

I think one of the reasons I managed to pull through that difficult time was my honesty. I must have been very convincing and sincere to have compelled the banks and my staff to agree to give me time to get out of that tough situation. I think they also saw that I was just having “one of those days” and were willing to take a chance with me. I didn’t want to let them down as well. Since I had convinced them that I would succeed, I had to make sure that I didn’t screw up. When I told them I would pay them every month, I made sure I kept to the promise. If there were any circumstances that could cause a delay in the repayments, I would call them immediately and explained the reason for the delay. Trust me, it is a difficult thing to do when you are in that situation. Some people may just disappear or avoid answering their phones instead of facing up to the responsibility of telling someone that you can’t pay what you owe them. But I believe that we must always find ways to solve the problem instead of avoiding it.

Of course there were many times when I felt like giving up because of the stress and difficulties. What kept me moving forward is my stubborn nature. I believe we have to try until we get things right. During the last 17 years in business, I have asked for help many times, from family members or friends and I have heard some of the nastiest things. These are experiences which have made my character stronger. I would always tell myself I will make it through the tough times and prove that I can do it. There were also people who have encouraged me during the bad times, like the friend who loaned me \$15,000 to start the business. She further helped in stages by providing an additional sum of \$70,000. This sort of help, one can never truly repay. Up till today, I don’t know why she lent me the money. I think she was inspired by my passion to want to make good of life. Because of her and the others who have supported and helped me, I now do whatever I can to help other people in need.

No One-Size-Fits-All Model

We offer customised courier solutions for our customers because we believe that different customers have different requirements. It is impossible to have one model for all, so we need to be flexible to cater to different requests and requirements. And that is where the IT infrastructure comes in to support our services. If we didn’t have our customised IT application, we would not be able to provide customised services because there are just too many variables that we would need to take note of manually. Take for example, our prepaid services. This is one of the many different services which we came up with that were not readily available in the market when we launched them. We came up with the prepaid services around the time when prepaid phone cards were introduced.

A lot of customers don’t like paying cash and prefer to be on credit. But their transactions are not big enough for us to put them on credit so we would offer these clients our prepaid service. Basically they would pay a lump sum upfront that would be “credited” with us and we would deduct from their prepaid accounts according to their usage. As you can imagine, there are a lot

of logistics involved for this prepaid service, like keeping track of the transactions, offsetting the credit amount whenever we perform a service, updating our clients on their transactions upon request, and so on. Without a strong IT infrastructure, we won’t be able to offer this service.

Although it is very easy for us to come up with different products and services to attract different customers from different sectors, it is not easy to get them to use our services. The reason being that in our industry, once a customer has used a particular service from their regular service provider, they will tend to always stick to that. For instance, if you are a company that has 30 to 40 deliveries every day, you would most probably have an existing service provider doing that for you. And unless you are unhappy with your current service provider or are looking for something cheaper, you won’t bother to look for someone else. Of course there are times when my customers would come to me looking for solutions. One example would be our storage services.

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We used to only offer courier services but one of my customers asked if they could store their products at my place so that we could help them pack and send the item out when they receive an order. We thought about it and saw that we could make it a seamless transaction for our customer and decided to offer storage services. This is what we are currently doing for one of the telecommunications companies in Singapore, where we help to store and deliver their SIM cards to their customers. Let’s say you lose your hand phone or SIM card and inform the company about the loss. The company will send an order for a SIM card to my server, which will then print out the delivery information with the teleco’s logo. We will pack the delivery order together with the SIM card and deliver it to you. Imagine your frustration of not being able to connect to the world because you lost your SIM card. Thus our service helps our client to be more efficient in providing solutions to their customers’ frustrations.

Our ability to customise solutions comes back to our robust IT infrastructure which has enabled us to perform our jobs more efficiently and lowered our manpower costs so that we can charge our customers more competitively. It is also about using innovation to improve our work processes. For example, we can apply for leave electronically, which is not a usual practice, even in big companies. And if someone calls my office while I am out, the system will register the call and send me an SMS notification via the electronic memo. Implementing these innovations reflect how we think, how innovative we are and how seriously we take this business. We invested a huge sum of money and took a big risk at that time because we were committed to move forward and make it work. And the only way to progress and grow bigger is to continuously invest in your business. And that’s what we did.

Due to our continuous commitment to provide customised solutions for our clients, we have been fortunate to enjoy a lot of referral business. So evolve and stay relevant.



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Training, Bonding And Grooming

I guess my management style is all about having the personal touch. I am very friendly with my staff and spend time with them regularly. I think it is very important to be sincere and show that I care about them. There was a time when one of my staff's family members needed to go for surgery and he asked for a loan from the company to pay for the hospital bill. He wanted to take three months worth of advanced pay. Considering his situation, I agreed to help him out and got other staff in the company involved as well. I gave him one month's pay and alerted my manager to send out the message to everyone in the company about their colleague's plight. We also asked them to contribute whatever they could to help. I asked someone to take note of the names of the people who helped out and the amount they contributed. I then gave the guy the list so that he would know who had helped him in his time of need. I did that to build a stronger bond among my staff.

There were those who chipped in and those who could not. I later told the ones who helped that if the colleague who borrowed the money could not repay them, then the company will reimburse them. I didn't inform them about my intention earlier because I wanted to see who would do it based on their own character and their personal conviction to help others. And I made a mental note to reward them in due time for helping out a fellow colleague.

Things have changed in the working world today. Gone are the days when the boss tells you not to worry because they will still look after you even after they leave the business. Nobody thinks like that anymore. The reality is that people come and go all the time. There is little loyalty in the work place these days. You have to be realistic when it comes to dealing with your staff. You can come up with all sorts of benefits but people will jump if someone offers them a little more. So for me, I just make sure while my staff is with me, I will do my best to train them, share my knowledge with them and reward them and hopefully they will do their best in their work. I have had many employees who left the company to start their own courier business. But this doesn't stop me from training my staff and sharing my knowledge with them. Why should I be afraid? Bosses who are worried over such things are the ones who are not confident about themselves. I believe we can't stop copycats so we might as well teach them the right thing so when they make it, you would have contributed to someone's success.

Recently I visited one of my competitor's website, a guy who used to work for me. When I saw the website, I laughed, but at the same time, I was not happy. Let me tell you why I was not happy. The person literally did a "copy and paste" of whatever content I had on my website for his website. But that was not the reason I was upset. I was upset because even after working for me for the past seven or eight years, he didn't do something different or new for his own business. I had taught him so many things and I was disappointed he didn't put his knowledge to use. I thought he was really lazy to simply copy and paste everything we did.

But what I dislike is staff who poaches customers when they leave. I think it is very rude and unethical to take customers from your previous company. Their actions could have bad implications for the company and could cause them to shut down, and/or cause their ex-colleagues to lose their livelihood. The market is big enough for people to find their own customers. I did have some cases where my customers were poached. Some left but came back; some left and never came back; and some stayed but kept me informed they were approached by my former staff. However, I do not blame anyone but myself whenever anyone manages to take away our customers. We must ask why our customers were willing to leave in the first place. If we are good enough, then people won't leave us just to save a few dollars. So there must be a reason why they left and it is our responsibility to find out why and ensure that it does not happen again.

I think competitors should work with one another and not against each other. That would provide so much value to the customers. For example, can you imagine the possibilities if Apple started working with Microsoft? As a matter of fact, I believe in sharing knowledge so much so that I invite competitors to visit my office to show them my operations and infrastructure. I am more than willing to work with competitors through partnerships to grow the industry and share resources. In a market like Singapore, businesses must learn to work with each other and leverage on each other strengths; maximising resources. No man is an island.