

SML GROUP LEADS THE LABEL INDUSTRY WITH CREATIVE MIND AND TRULY UNDERSTANDS CUSTOMER NEEDS

SML集團領導標籤行業 聆聽客戶創新思維

Interviewed by Mr. Patrick Ng



“ If we were not creative enough and did not invest in developing RFID application, our company would not have existed until now,” said **Ronny Ho, Executive Chairman (left) and Ignatius Lau, Chief Executive Officer of SML Group.**

SML集團執行主席何景華（左）與首席行政總裁劉嘉慈表示，「若不創新，不投入發展RFID應用，我們便會被市場淘汰。」

In 1985, SML was founded in Hong Kong and focused on apparel branding services in the past 30 years. Their product range has expanded from woven labels, printing labels, digital printing products, to RFID one-stop technology solution in recent years. By setting technology as the company's new focus, SML has transformed their traditional businesses successfully.

Started from producing small labels for apparel, SML Group is now a multinational corporate with a presence in over thirty countries. They are the world's second largest supplier of apparel branding services.

In the past two years, besides acquiring a RFID chip manufacturer and a RFID retail software company, SML Group has also set up research and development centers in Europe and the United States, investing huge resources and efforts in RFID technology development. Ronny Ho, Executive Chairman of SML Group revealed their secrets of success and mentioned, “If we were not creative enough and did not invest in developing RFID application, our company would not have existed until now.”

He emphasized that although there is always risk involved in any business opportunities, embracing innovation is the foundation of their continuous business growth. They are striving to introduce new technologies to strengthen business performance and thus keep their growth momentum.

Looking for the edge in an ever-changing market

In 1997, SML Group officially established as the parent company of all of the Group's international companies, signifying the beginnings of a truly global brand. Looking back at the development in the past three decades, innovation has been the key to the rapid growth of business. As Mr. Ronny Ho said, in the first ten years they mainly focused on setting up teams for label manufacturing in Dongguan, the Group's first production site; in the second decade, they started introducing new technologies, such as implementations of ERP and online order platform, allowing customers to order at their online platform instead of using fax with many manual processes. As a result,

SML於1985年在香港成立，過去30年來一直從事品牌標籤服務，其產品範圍由織唛逐步擴展到印唛、數碼印刷產品，直至近年的RFID（無線射頻識別）一站式科技解決方案，通過確立以科技為要素的發展方向，成功實現傳統業務轉型。

從生產細小的衣物標籤做起，SML現已成為全球第二大品牌標籤服務供應商，業務遍佈三十多個國家。

過去兩年，SML集團先後收購RFID晶片生產和RFID零售軟件兩家企業，並在歐洲及美國建立了研究中心，投入龐大資源與心力於RFID技術研發。究竟SML主導高科技發展的契機在哪裡？SML集團執行主席何景華指出：「若我們不創新，不投入發展RFID應用，我們便會被市場淘汰。」他強調，雖然商機背後有隱憂，但追求創新正是公司不斷成長的基石，他們亦一直致力引入新科技，強化本業，與時並進。

公司策略緊隨市場發展

1997年，SML集團作為旗下全球所有公司的母公司正式成立，標誌著SML開始真正成為一個國際品牌。回顧公司過往三十年的發展歷程，創新一直是公司高速拓展業務的關鍵。何景華表示，最初十年，公司在東莞設廠，集中心力建立標籤生產團隊；第二個十年開始引進新科技，如建立企業資源規劃系統（ERP）、網上落單平台，讓客戶直接在平台下訂單，取代過去經傳真機收發單據及人手處理的麻煩，大大提升資料準確度及速度。同時，通過分析網上平台收集到的客戶採購數據，有助長遠規劃業務，提升營運效率。

架構配合發展

SML集團初期以織唛為主，經過十年的發展，市場趨向發生轉變，逐漸轉移到需管理數據的變碼標籤，集團適時

the data accuracy and process effectiveness has been improved significantly. Meanwhile, through analyzing data about customers' purchasing behavior collected from the online platform, the company is able to better their long-term planning in business and to improve operation efficiency.

Group structure supporting developmental needs

Being engaged in supplying best in class woven labels and trims at its early stage of development, SML strategically expanded product offering for data management and variable ticket through acquiring technologically advanced companies in specific fields ten years after its establishment, as a response to the changing market needs. The optimized integration of new and existing business, plus absorbing technical talents, enabled the company to make the transition successfully. In 2011, the Group set technology and RFID as the company's new focus and expanded into logistic operation systems and supply chain management, appointing Ignatius Lau, who is an experienced veteran in IT industry as their Chief Executive Officer, as well as implementing a series of actions on market repositioning. They are committed to transform SML from a regional manufacturer of woven labels into a global enterprise that provides one-stop technology solution for retailers worldwide.

Innovation-driven, market-based

"Besides technology innovation, we also need to understand market acceptance of such technology and further explore that whether it can be applied in customer services or not? This is how we can maintain the sustainable development of business in long run". Mr. Ho said so. RFID is not a new technology. SML started RFID solution development more than a decade ago. Until recent years, quite a number global retailer brands has announced to implement RFID empowered logistics and warehouse management, which has significantly driven the demand of RFID solutions and encouraged the Group to accelerate their RFID business development. "Garment purchasing requirement is very unique, which can be summarized as low cost, high quantity, and nice quality. IT vendors do not have the network of garment manufacturing and retail industries. That's why we are able to capture the business opportunities of retail RFID applications." Ho added.

Since 4 years ago, SML have started to enhance investment on RFID business and set up research and development centers in the United States and Europe. Ronny Ho believes that fulfilling customers' needs is the key to success. "When we deal with the ways to insert RFID tags into different types of clothes, the requirements vary depending on different brands in different countries," Ronny Ho said. "Without communications with customers to understand their needs, we will not be able to provide products meeting their expectations."

Innovation initiated by frontline staff

As "the cradle of innovation" in the organization, their RFID research and development centers in the United States and United Kingdom are both equipped with research and production departments, as well as simulated store to test the newly

作出調整，進行策略性收購，將擁有特定領域領先技術的企業納入麾下，與集團的原有業務優化整合，並吸納技術人才，順利完成了業務轉型。2011年，集團確立以科技與RFID技術為要素的發展方向，開拓物流操作系統和供應鏈資源管理等業務領域。公司亦委任有資深IT背景的劉嘉慈為首席行政總裁，同時採取系列舉措，重塑市場定位，致力於將SML由主營傳統商標生產的地區性公司發展為提供一站式科技解決方案的環球性企業。

追求創新，認清市況

「在創新科技之餘，我們亦要注重新技術的市場接受度，以及是否能應用在客戶服務中，這樣才可以維持公司的長遠發展。」何先生如是說。RFID並非新技術，SML集團早在十年前已著手研發RFID解決方案。直到近年，眾多全球零售品牌實行RFID物流倉管理，促使市場對RFID解決方案需求不斷提升，SML集團也順勢加快發展RFID業務。他強調：「成衣採購商的需求很特別，總是要求量大、成本低及品質高的標籤。IT廠商沒有製衣及零售業的網絡，因此零售業應用RFID的商機會落在我們手裡。」

SML集團4年前開始加大RFID投資，在美國及歐洲建立科技研發中心。何景華認為迎合客戶要求是成功關鍵，他說：「如何將RFID標籤嵌入不同款式衣物？不同國家、不同品牌都有不同要求，若不跟客戶溝通，瞭解需求，便無法為客戶提供符合其期望的產品。」

創新由前線開始

美國及英國的RFID科研中心成為業務創新的搖籃，那裡有研發、生產，以及模擬零售店舖，測試全新的應用元素。劉嘉慈表示：「RFID應用創新是靠前線同事跟客戶接觸，將市場最新要求傳遞給研發團隊，經過不斷的討論和測試，為客戶度身訂造系統，並從中發掘更多商機。」他解釋，SML只是數據攜帶者，RFID應用創新要配合客戶的不同情況/需求，應其所需，才能鞏固合作關係。舉例來說，客戶需要防盜功能，SML團隊設計解決方案，令內嵌RFID標籤的貨品與防盜器接軌，一旦有盜竊行為，不但會發出警報，系統也會顯示哪件貨品失竊，較過去更快獲悉失竊貨品的信息。

此外，公司亦利用這些科研中心，為員工提供培訓平台，加強其對RFID業務的認知，幫助員工從傳統向新型業務思維方式的轉型。

以人為本

由製造標籤發展至推銷嶄新的零售概念，SML建立了良好的團隊文化，打造了一支勤懇，願接受改變的團隊，推動業務創新。SML集團首席行政總裁劉嘉慈表示，公司每月至少舉行一次主管級會議，分享客戶需求及成功個案。他強調：「創新需要緊貼市場脈搏，客戶採購習慣

developed applications. “We rely on our frontline staff to drive RFID-enabled application innovation, who keeps sharing the latest market needs with the R&D team.” Ignatius Lau said. “After continuous discussion and testing, the customized solutions can be provided to our customers. And more business opportunities could be explored through this process.”

He further explained that SML’s solution is only the container of data. In order to strengthen relationship with customers, they need to cater to different circumstance /needs of clients. For instance, they designed a RFID solution with anti-theft function to meet the specific need of their customer, which integrates embedded RFID tags on products into the security system. Once theft case occurs, the system can identify the stolen item(s) other than trigger the security alarm, providing stolen goods information faster than before.

Besides, the company leverages on both research and development centers to provide a platform for training staff, increasing their knowledge about RFID business, and helping them make the shift from traditional ways of thinking about business to the new one.

People-centric management

From label manufacturing to promoting brand new retail concepts, SML has built up a teamwork culture with a diligent and adaptive team, who actually drives business innovation. Ignatius Lau, CEO of SML Group, stated that the management team meets at least once a month, during which customer needs and successful cases are shared. “We endeavor to keep innovations abreast of market needs. Customer purchasing patterns change every year, indicating what opportunities? And how can we seize these opportunities?” He added that “we have to observe the feelings of others before making any changes. People-centric management is crucial. Counting on talent is the principle, yet coordination harmony is another key.” Lau further explained that as each project involves different sectors, the management should co-ordinate the efforts of various departments to unleash colleagues’ potential and creativity, encouraging them to be fully committed and to make it happen.

Attentive listening, result-driven planning

Ignatius Lau emphasized that it is essential to share the future plan with colleagues to seize each business opportunities collaboratively. “Enterprise growth is result oriented. We need to be innovation – driven and also market-based. Hence, we have to be a good listener in the very first place.” Lau said. “What are the market challenges? What are the customer needs? Answers for such questions can be found through listening to and sharing with clients as well as colleagues.” Besides, it is always a must do to take ROI into account, no matter for improvement of the existing solutions or chasing quick business wins.

Also, he highlighted 3 key elements of management: firstly, respecting talents and establishment of collaborative team spirit; secondly, senior management as key role model; thirdly, objective-oriented, from ROI and cost saving to justification about that whether the change will make a big difference.

每年都在改變，從中帶來甚麼機遇？我們又該如何抓住這些機遇？」他續指：「任何改變都要考慮他人感受。我們重視人性化管理，任用人才當然是能力至上，但也要做好人與人之間的協調工作。」他認為每項工作涉及不同部門，管理層要懂協調各部門工作，釋放員工的潛力和創造力，使之全力以赴，達成目標。

細心聆聽、結果導向

劉嘉慈強調，與同事分享公司發展前路，同心協力把握每一個業務機會，至關重要。他說：「企業成長是結果導向，追求創新也要認清市場現況，我們首要做好聆聽者的角色。」究竟市場有甚麼困難？客戶有什麼需求？細聽客戶及同事分享，往往找到答案。無論是改進現有解決方案，抑或追求短期成效，都要考慮投資回報才會成功。此外，他強調三方面的管理重點，第一，是尊重人才，建立良好的團隊合作精神；第二，讓管理層以身作則，樹立榜樣；第三是目標導向，從投資回報、節省成本方面衡量，改變是否會令結果大不同。

攜手邁進零售 4.0

過去30多年，SML管理層一直以發掘創新應用，滿足客戶需求為導向，推動公司發展。提供的產品由織唛、條碼、發展至RFID一站式解決方案，實現每件標籤均有唯一編碼，令商戶清楚知道每件貨品的物流及銷售情況。何景華總結：「數據庫技術配合RFID應用，使得我們掌握行業內大量數據，繼而從中找到幫助零售商改善業務、提升購物體驗及銷貨速度的方法，實現全面邁進零售4.0 (Retail 4.0)。我們所銷售的產品亦不再僅是成衣標籤，而是一套完整的解決方案，並逐步將RFID應用延伸至零售以外的各行各業。」



SML Group has vigorously expanded RFID business in recent years and developed more than 40 types of RFID antennas of different sizes.

SML集團近年大力拓展RFID(無線射頻識別技術)業務，自行研發40多種不同大小RFID天線。

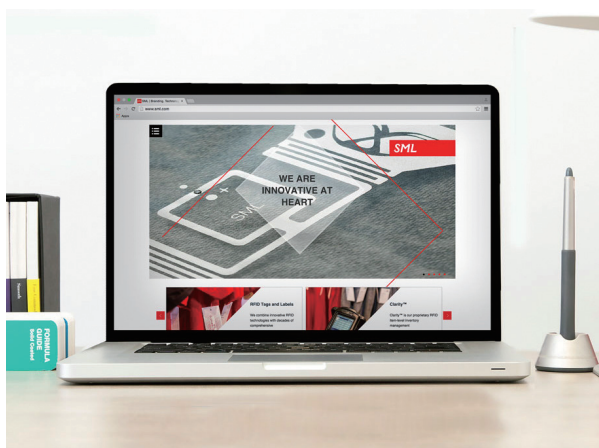
Forge ahead together to Retail 4.0

In the past three decades, SML management has driven business growth through innovation to meet customer needs. The product range has been widened to include woven trims, barcode labels and RFID one-stop solution, which enables each tag to contain a unique code, allowing retailers to track inventory and sales at item-level. "Integrating the RFID and database technologies allows us to extract insights from the vast quantity of data about the industry and thus to help retailers boost operational excellence, enhance shopping experience, accelerate sales, and ultimately forge ahead to Retail 4.0 era." Ronny Ho concluded. "We are now a one-stop RFID solution provider rather than apparel trim supplier, and will explore the business value of RFID in various industries besides retail."



Dong Hing Label & Embroidery Co. Ltd, the Group's first production site, which was set up in Dongguan, has been recognized as the best label manufacturing site in all of China. Until this day, "Dong Hing" is still synonymous with innovation and quality.

東興商標織繡有限公司的生產車間。東興公司是SML集團的第一個生產點，設在東莞，被視作全中國最好的標織生產商。直至今日，「東興」仍是品質與創新的代名詞。



Innovation is SML's core value.
創新是SML集團的核心價值。



SML has set up RFID research and development centers in the United States and United Kingdom, hiring more than 400 research talents.

SML在美國及英國設立RFID研發中心，全球共聘用逾400位科研人才。