

DRIVEN BY A VISION

In using its digital platform to add a touch of modernity and digitalisation to the logistics sector, Haulio is hauling the industry into a new era

BY VIVIEN SHIAO

FROM an external perspective, it seems almost inconceivable that a second-generation business leader would leave a cushy role in the family business to plunge headfirst into the rabbit hole of entrepreneurship. But that is exactly what 31-year-old Alvin Ea, co-founder and CEO of container haulage startup Haulio, did to pursue a dream.

He had seen the issues plaguing the container haulage industry – not only was it highly fragmented and dominated by manual processes, it was also in urgent need of fresh ideas and new blood to breathe life into a rapidly ageing workforce.

To him and his fellow co-founder and chief product officer Sebastian Shen, 29, this was not just a business opportunity, but the chance of a lifetime to make a change.

Mr Ea shares that in the past, he put all his efforts into solving problems for Hub Logistics, the container haulage arm of his family business Hub Distributors, which he started.

“But whatever I do, I can only help that one company,” he notes. “With Haulio, I can actually move up the ladder to solve problems for the entire container haulage industry.”

ON THE MOVE

The workings of the container haulage industry is not often known to the ordinary layperson, but it essentially involves the movement of shipping containers on land. When ships dock at the port, trucks are needed to move the shipping containers filled with goods to customers’ warehouses. There, they are unloaded and then the trucks return to the depot.

Mr Ea describes the startup as being like the “Grab for container haulage”. What Haulio essentially does is to create a digital platform to match container trucking companies to jobs, thus enabling the industry to pool together and utilise its resources in a more efficient manner. This, he says, is the future of haulage.

In Singapore, there are currently 230 trucking companies altogether, with some 80 per cent of the companies owning less than 10 trucks each.

“The haulage capacity is heavily under-utilised,” explains Mr Ea. “For a typical prime mover company, out of the 100 km that a driver is on the road, 52 km is spent making money, or

doing a job. The other 48 km is spent just travelling.”

He likens it to the taxi industry previously, when drivers would drive around looking for passengers.

Haulio was started in 2017, and what it intends to do is to bring together a highly-fragmented industry to boost efficiency, says Mr Ea.

“In the past, companies just managed on their own, minding their own business,” he adds. But with shipping vessels getting bigger, the volume of containers that they can hold has also increased dramatically.

“Trucking companies realised that they only have a certain amount of resources. Do they increase their resources to cope with a sudden spike in volume? Or do I call another competitor to help me out during this period?”

Sharing of resources is nothing new, he adds. The community has been doing so for the past 30 years, and how jobs are being passed around – through phone calls and personal contacts – has not changed either.

Haulio helps to facilitate sharing of jobs through a digital network, instead of the manual way that it is being done right now, says Mr Ea.

The benefits of the platform for trucking companies is clear, he says. “For those who are overloaded, they get their problems solved because their jobs are fulfilled by those who have spare capacity,” he explains. “Those who have spare capacity love our platform because we are an additional source of revenue for them, if not they might lose their company.”

To date, more than 70 per cent of the trucking community – about 160 out of 230 companies – are on their platform, with numbers growing steadily.

But it took time to build trust. “At the start, the trucking companies were fearful about what we wanted to do – they thought they were going to lose their jobs,” he recalls. “People tend to be fearful about things they don’t understand.

“But we have since gone past this stage. Over the course of last year, we have helped these truckers solve the peak and trough problems in the industry, rather than compete for their customers.”



In 2018, the startup moved over 100,000 twenty-foot equivalent unit (TEU) containers – a phenomenal feat in the industry.

THE STARTUP LIFE

But while Mr Ea had to do a lot of convincing to get trucking companies to come onboard, he admits that he was one of the sceptics when his co-founder Mr Shen first broached the idea of Haulio.

“I’m guilty as charged. I was one of those people who told him: cannot one lah,” he says lightheartedly. “It’s very inherent for people in the industry to do things a certain way because that is what had been taught.”

He likens it to being told to write with your left hand when you have always written with the right. “It’s very hard for people to accept. It’s what most people in the industry are facing today,” he observes.

He credits Mr Shen, who was formerly a tech consultant, for “opening a whole world of possibility” for him. At that point in time, Mr Ea was still running Hub Logistics, trying to solve the container trucking challenges for the family business. He single-handedly scaled the division from one truck to 15 trucks.

“It was supposed to help my dad’s business at the start, then it became a business unit on its own to service other external customers,” he says.

While it was a business unit that was rapidly growing and securing “big contracts” from multinationals, Mr Ea felt that there was more to be done to solve bigger issues within the industry.

There are a lot of inefficiencies in the industry as people do things for “the sake of doing so”, he notes. But while he wanted to do something about it, he could not find a suitable partner.

That is, until he met Mr Shen through a mutual friend. The duo hit it off and made the decision to co-found the startup together. Not only did they share the same grand vision, they are also able to complement each other. In Mr Ea’s own words, he is the person with the industry experience who takes care of the

business side of things while Mr Shen is the one savvy with tech.

The rest, as they say, is history. But even with their combined strengths, running a startup is no walk in the park.

This is despite Mr Ea’s family business background and experience starting Hub Logistics from scratch. “In the past, I just need to make a decision with my father. Now, as a CEO of a startup, I am accountable to my investors,” he says.

Haulio was formerly incubated by PSA International’s corporate venture capital arm PSA unboXed, with participation from 500 Startups, NUS Enterprise, and several angel investors from the logistics industry.

But even as he credits his investors such as PSA for supporting the startup since its inception, he quips in the same breath: “Fundraising is no fun – it comes with pressure.”

“In the past, when I don’t hit my targets, my dad can say: never mind, try again next year,” he jokes. “Now, investors entrust their money with you. You still have to deliver results, but it’s a matter of how you manage investors.”

Other challenges in the industry include convincing many of the *towkays* in the container trucking business – often hardened “uncles” past the age of 50 – to change their mindsets about technology.

“They are very familiar with the industry, but they don’t know tech. They are just passing their days and waiting for their business to be closed down as their kids are not interested in taking over the business,” says Mr Ea. “They have a lot of feelings for the business after so many decades – they don’t want to sell but they say they have no choice.”

But Mr Ea says that Haulio wants to show them that there is another way; it wants to uplift the industry by helping these older SMEs sustain their heritage businesses through technology.

This mental shift cannot be immediate, he notes. “I always tell my investors that in such a traditional industry, you can give me all the money you have, but it doesn’t solve the issue. You need the time.”

Haulio’s approach is to focus on the people behind the

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– Alvin Ea, co-founder and CEO, Haulio, on leaving his family business to launch the container haulage startup



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container trucking industry – the drivers themselves. It recently rolled out a mobile app for truck drivers, which will allow drivers to get access to jobs directly as it is also integrated with PSA’s port messaging system.

For example, when the drivers enter the port, the app will let them know where to go to pick up the containers. “One key difference between our app and those in the market is that we are focusing a lot on the driver,” Mr Ea explains.

This app not only enables better communication between the company and driver, but helps to digitalise many of the processes currently being done with pen and paper. For example, many drivers still write down the jobs that they have completed each day on a piece of paper to be submitted to their accounts department. With the app, they can see the jobs that they have completed with a click of the button and even the amount of money that they make each month.

“When people imagine a truck driver, they imagine an uncle in his late 50s, with an unbuttoned shirt, and smoking a cigarette,” he notes. This archaic image is what Haulio is trying to change through the app, which adds a touch of modernity and digitalisation to attract more fresh blood to consider the profession.

“For us, we have noticed that the biggest bottlenecks for these trucking companies is that they have trucks, but no drivers,” says Mr Ea. With the government clear about not increasing the quota for foreign labour, he notes that trucking companies need to figure a way to attract younger drivers to join.

With technology and more attention paid to the conditions of the industry, he hopes that younger people will think that it is a space worth looking into. But truck drivers aside, Mr Ea shares that Haulio itself consists of a very young team. The startup has grown rapidly to about 30 workers from 1.5 years ago, with the average worker age of 26.

He quips that at the age of 31, he is already considered “one of the older ones”. About a quarter of the team is made up of people from the industry, and the rest are new, which he says is also helpful for bringing a fresh perspective. “With youth, we have vibrancy and dynamism . . . I think why we can attract so many younger people is because of our mission statement and the value of what we are bringing to the industry,” he says. “It means a lot to them, as younger people need to work with a purpose.”

MOVING FORWARD

While the startup has made tremendous progress in its less than two years of operations, it has big plans to grow further. Mr Ea says that it is currently facilitating only 3 per cent of Singapore’s volume of container movements. They hope to grow it to a good 5-10 per cent soon.

But in line with many other local startups, Singapore is not Haulio’s end game. “For

us, moving forward, it is a South-east Asian play,” he says.

“Singapore is a small market, but it’s a good market to start and test our theories. We intend to use this place to kick-start our plans overseas.”

Already, the startup is gaining interest from others in the region to take its business model overseas. But to do so, he says, Haulio will need to zoom in on localising the product as other countries have different sets of problems and issues to overcome.

Meanwhile, in the nearer term, he hopes to further deepen the relationship with truckers as well as to conduct more algorithm studies to enhance the experiences of platform users even further.

He is also pressing on to fulfil his vision to uplift the container haulage industry. “We hope we can attract more talent into this space because it is a critical part of our economy,” he says. “This is the backbone infrastructure that is hidden which is supporting the growth of our port.”

He says that it is still not too late for change if Singapore intends to maintain its pole position as Asia’s logistics hub. “The port can only be so good, but if you don’t have the surrounding ecosystem to support it in terms of the movement of containers in and out, it renders all the efforts of the port useless,” he adds. “We want to add a spotlight to this overlooked space that has been around since Singapore started.” ■

▼ IN PARTNERSHIP

Mr Ea (right) takes care of the business side of things with his industry experience while Mr Shen (left) is the one savvy with tech

