



## How to Stimulate the Supply Chain Through E-commerce to Promote the Win-Win Development of US-China Commerce During and Post COVID-19

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**Abstract:** This article is an exclusive interview with Mr. Guohong Lu, an international logistics scientist, by Journal of American Science. Dongmei Li is the interviewer and editor.

Guohong Lu is the General Manager of JD International Logistics, North America. JD.com is China's largest online and its biggest overall retailer, as well as the country's biggest internet company by revenue.

Guohong Lu holds a master's degree in international logistics from University of Plymouth, U.K. As a team leader of JD, he used his ability in supply chain development, E-commerce, and omnichannel solution to make JD.com one of the fastest growing Chinese companies as well as an internationally recognized company in the field of supply chain development and rapid delivery services. His "one-hour delivery service" helped Wal-Mart, the largest retailer in the United States, successfully enter the Chinese market. He successfully created a new business model that combines the advantages of JD and Wal-Mart. Guohong Lu believes that with the development of the internet, a certain e-commerce monopoly market situation will definitely be broken, and the pure e-commerce that keeps a gap between producers and consumers is also harmful to the business itself. The new business model integrates supply chain, warehousing, e-commerce, fast delivery, and high-quality customer service, which is beneficial to both producers and consumers, and promotes the prosperity and development of local and global businesses.

Guohong Lu is copying the new corporate model that has achieved great success in China to the United States and other countries around the world. This new corporate model will lead the trend of global online commerce in the future. In the 21st century, the boundaries of online and offline commerce will overlap. New ways of shopping will be invented and the shopping scene will become more and more diverse. In addition, commodity circulation will tend to be more granular and more personalized, so that everyone's individual value can be respected and embodied to the utmost degree.

The non-contact shopping method created by Guohong Lu allowed people to shop without going to the retail store in person, which helped China quickly control the COVID-19 pandemic. He believes that this approach should be adopted by other countries, including the United States, to protect more people from the current COVID-19 pandemic and similar threats in the future.

Guohong Lu and other leaders in the supply chain and e-commerce industry in the North America believe that integrating the Chinese and American supply chains while stimulating the retail supply chain industry has great value and national significance and will certainly benefit people in both countries.

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**Keywords:** International Logistics, supply chain, e-commerce, omnichannel solution, RDC (Regional Distribution Center), FDC (Front Distribution center), TDC (lower level distribution centers), F2C (Factory-to-consumer), online retailer, C2M (Customer-to-Maker), Self-Operated Platform, POP (Platform Open Plan), SKU (Stock Keeping Unit), upstream supply chain

### Background:

1. How did you first get interested in technology and how did it lead you toward eCommerce?

I have a bachelor's degree in finance and accounting from China Agricultural University and the University of Plymouth (UK), and a master's degree in international logistics from the University of Plymouth.

When I studied international logistics in the UK in 2010, I could feel that there was still a big gap between China and European and American countries in terms of supply chain and logistics. With the continuous improvement of China's infrastructure and the development of domestic e-commerce, our rapid

improvement in this industry has even led the development of the e-commerce industry.

During this time, I joined JD.com, China's largest online and offline retailer. I was responsible for the supply chain and new business.

In addition to running JD's business in providing logistics solutions and services for more than 220,000

merchants and brands, I pushed internally the development of many innovative projects. "FDC (Front Distribution Center 4-hour delivery)", "judicial auction", and "industrial belt collaborative warehouse" are a few samples.



I spent a lot of time on JD's network planning, designing how to use JD's domestic warehouse network to distribute the most reasonable inventory in JD Logistics' warehouses at the lowest cost at all levels in China, so as to reduce the number of handling during the delivery process.

I created a plan that the industrial belt can rely on JD's advantages in supply chain nodes to straighten the supply chain from upstream industries to consumers and realize the business model of direct F2C conversion.

I also use the collection and accumulation of user portraits on the front end of JD to classify users' needs based on their expectations and realize the reverse customization of C2M.

In the process of constant communication with the industry belt, I found many good manufacturers who helped JD.com provide its own brand products.

I'm the 2020 Digital Transformation Winner at NextGen Supply Chain Conference.

Throughout history, technology has been changing our lives in a revolutionary way. Transaction, payment, and logistics are inseparable in everyday consumption behavior. The emergence of e-commerce redefines the relationship between these three inevitable activities. Commercial behavior has been improved as a result of cost reduction and efficiency improvement. It also brings consumers a whole new shopping experience.

2. What is the scope of your role right now at JD.com?

As the general manager of JD International Logistics, North America, I am responsible for overall business development in the United States.

**Company:**

1. JD.com is one of the largest eCommerce sites in the world. How do you go about managing and still growing the company?

As the world's third largest internet company, JD.com entered the world's top 200 in 2018 and has 200,000 employees. JD.com covers retail, e-commerce, trade, logistics, real estate, insurance, cloud technology, and healthcare. JD.com has reached 1 billion users. In terms of e-commerce, there are more than 220,000 e-commerce sellers operating on JD.com's non-operating platform. Now the JD brand has deeply rooted in the hearts of the consumers. Empowering JD.com's brand value to the entire platform is one of our goals.

In the company's management, we have been continuously optimizing our services and products to improve operational efficiency around "cost", "experience," and "efficiency". With the ever-expanding business scale today, it is not an easy task to enable so many employees with universal values and common goals. JD.com has implemented the "Big Boss" system, making operations accountable and consistent with responsibility and power, so that every JD.com employee has a sense of mission and goals to work hard toward their dreams.

Through continuous innovation, the exploration of new technologies, the experimentation of new business models, and the interpretation of new consumer habits and behaviors, JD's role in the presence of consumers continues to be upgraded, improving the overall degree of engagement and bringing better customer experience to make

consumers more willing to return to shop on the JD platform.

JD continues to empower upstream and downstream partners to build a win-win, symbiotic relationship, putting JD methodology in good use.

By devoting continuous effort into innovation, new technologies, new business models and understanding new customer behaviors, we are trying to elevate JD's general visibility and involvement among customers, as well as bringing better user experience in order to increase churn rate and user return for JD.com. In the meantime, with years of operating experience and methodology in the eCommerce industry, JD.com has empowered its upper and lower-stream partners to build a healthy ecosystem and grow together.

2. JD.com is obviously huge in China. How are you looking at expanding around the world and especially here in North America?

With over 10 years of online retail, eCommerce and supply chain experience in China, through JD Self-Operated Platform and POP (Platform Open Plan), JD.com has been a great channel for many products and brands to build up reputation among customers in the market.

In the context of globalization and dispersion of consumer traffic flow, we would like to switch our role from a retailer to an eCommerce platform provider, so we can offer the optimal retail solution, an increased supply chain efficiency and increased market share to our partner retailers as well as brand owners across the world (including North America).

3. How do you build a platform that caters to different customers and retailers at the same time?

In the current era of increasingly personalized and fragmented consumer behavior, the demand for supply chain and logistics from traditional offline retailers, eCommerce platforms, brand owners, independent sites, influencers and other retail activity participants share a similar trend in moving towards diversification and fragmentation.

We try to identify common patterns in the supply chain. By studying a large amount of data, we continuously optimize the frequency of upstream and downstream supply and demand activities in the supply chain, and achieve the maximum integration and application of B2B and B2C networks in construction and operation in order to meet consumers and retailer's needs.

4. What is the reason to partner both globally and locally?

Localization is to complement local partners in efficiency and resources in order to better develop in the market. Globalization is to reinforce each other in the business ecosystem, and to find the commonality in medium and long-term cooperation.

For example, in North America, JD does not need to rebuild its own distribution system to deliver products like we did in China. Instead, through strategic cooperation with UPS, we can combine our management and operation of warehouse nodes with UPS's local distribution network resources. In terms of commercial flow, cooperation with main e-commerce platforms and ERP companies in the United States can help JD.com quickly build a business ecosystem centered on supply chain and international logistics.

5. In what ways do you look at personalization or adapting the platform depending on who the customer is?

Platform personalization is the result of more and more common user requirements. Remember "everyone has their own view" is how JD.com provides personalized client-side user interface based on different scenarios and consumer purchasing habits. Adapting customer's needs can be reflected through product recommendation, backend correlation, buyback notification and review sections.

6. Other than providing a platform to buy and sell products online, how else does JD.com serve the community it has built?

JD.com provides a reliable and trustworthy image to our customers. In China, JD.com has become the synonym of 'in time shopping' and considered the industry benchmark.

Moreover, JD delivery courier has a warm impression to our customers. There have been many trendy news stories about JD delivery courier, including some heroic actions that have been widely reported by local TV channels and social media.

At the same time, in our local community business planning, JD's supermarkets, convenience stores, and liquor stores are all important links in the interaction between the community and consumers.

7. How important are partnerships to JD.com and in what ways are you building and nurturing relationships with partners?

JD.com always keeps an open mind with our partners in the retail ecosystem, especially with smaller startup companies and enterprises that hope to expand business onto the JD platform. This also includes some Chinese brands and suppliers that are going international with JD.com. We are more than willing to provide all possible support to help these partners with our capabilities and years of operation experiences.

8. What is the reason to partner both globally and locally?

The world is made up of countless places. The size of a place is relative. It can be a country, a state or province, or a city, town or village. There will be no globalization without the sufficient need for local participation. The better the cooperation among

localities, the more comprehensive the economy becomes, and there is a stronger ability to cooperate to achieve globalization.

JD.com has set up seven logistics and warehousing centers in China. Each logistics center integrates functions such as warehousing, distribution, and customer service. Each logistics center covers almost all provinces, municipalities and autonomous regions in China, even including remote areas such as Gansu, Qinghai, Xinjiang, and Tibet.

JD.com appreciates Wal-Mart and chose it as a primary partner, because Wal-Mart integrates well within U.S. localities. Wal-Mart has physical stores operating in all 50 U.S. states and Puerto Rico, with a complete range of goods and popularization. Wal-Mart entered China and competed with large companies. And with the help of JD.com, it provided faster market delivery and established its position in the Chinese market.

JD's successful experience in China can also be fully copied to the United States. Because the United States is sparsely populated and the Internet is developed; families have a clear need for large-scale shopping. Now that the pandemic is developing, people are isolated at home. Delivery services are especially in line with the needs of the public.

9. How do you build out a platform that can sustain larger amounts of traffic? And how will you ensure your users feel that they are being served as individuals?

I am a supply chain and multi-channel expert. When we can provide customers with all the products necessary and sufficient for their daily lives, and can provide quality assurance and high-quality customer service, there will be an increase in traffic on our platform.

JD.com was originally an online retailer focusing on electrical appliances. With my intervention, especially the cooperation with Wal-Mart and Dollar Tree from the United States, JD.com provides more and more products including all aspects of people's daily life, such as food and clothing. JD.com meets the needs of people of different classes, ranging from high-end to economic products, and domestic and imported goods.

At the beginning of 2018, I led the team to analyze past orders between JD and Yihaodian, Wal-Mart and Sam's Club. Among high-frequency consumer goods, orders made by families with an average of more than four items are most distributed in the evening and afternoon, especially during weekends.

Based on our previous 211 service timeliness (that is, orders placed before 11AM, orders received before 11PM on the same day; orders placed after 11AM, and orders received before 11AM the next day) we are already in the leading position in the industry.

I think the frequency of repeated consumption by supermarket users is greatly affected by factors such as region, age group, and consumption capacity. How to improve repurchase also needs to tap customer needs again. Later, based on Wal-Mart's membership management system, we used the form of questionnaires and seminars to learn that these users, especially member users, would be satisfied if we could deliver the products to their homes before meals without a lot of additional cost. The satisfaction level will increase a lot, and the frequency of repurchase will also be nearly doubled. So, at the quarterly review meeting with Wal-Mart, I proposed the idea of doubling the delivery frequency.

Every year, JD.com invites thousands of local e-commerce practitioners to exchange and learn. When I was in charge of the platform management department, I organized many vendor conferences. During this period, I came to know some businesses that produce and retail at the same time. They have obvious competitive advantages with other retailers in the same category, but they also have a bottleneck in how to expand their retail market share. On the retail side, through our study of user behavior, we found that more consumers are less fond of convergent products, and their consumption behaviors are becoming more diversified and personalized. Based on this trend, I organized more than 700 employees in 11 regions across the country to start investigating the production capacity and customization capabilities of each region.

Every individual is different. JD's personalized recommendation system has been continuously upgraded along with business development and changes in social lifestyles. It has experienced the transformation from the PC era to the mobile internet era, from associated recommendations to personalized recommendations, from pure product recommendations to multi-type recommendations. The personalized recommendation system has achieved true personalization. Every JD user can feel that they are respected and served as individuals in a personalized way.

10. How do you make sure products don't get lost in the shuffle?

Through automated intelligence and standardized management, JD Logistics ensures the timeliness and accuracy of the circulation of massive orders in the entire supply chain network. From the moment a customer places an order, all steps will maintain a very high level of transparency to the customer, so that the customer can clearly see the status change and the overall process of the order through the consumer interface.

Powerful order management, inventory management, distribution, main line and lateral line delivery, and terminal distribution systems run through

the process to ensure stable, timely, accurate and efficient operations.

11. How does JD.com function as a technology-driven company? In what ways are you using new and emerging technologies to improve the platform?

JD.com has always positioned ourselves as a tech company. We use supply chain technologies, cloud computing and big data analysis to continuously analyze a vast volume of daily orders.

For instance, our analysis starts from the smallest fragment in the supply chain in order to learn the trend of the entire chain and improve our efficiency. In the meantime, by leveraging intelligent hardware and software, we improve the overall operation efficiency through automations.

12. How much is data analytics driving JD.com's business strategies? And how are you looking at data in new ways?

Data is a very important reference when making decisions. It plays a significant role in the transformation and upgrade of the JD platform, including supply chain design and reconstruction, unbounded retail (supply chain integration), and the redefinition of the relationship among people, products and the market. To be more specific, we need mass amounts of data to forecast and run analysis on scheduling and allocation of transportation capacity resources before every big sales event.

In the era of big data, all industries pay great attention to "data". But big data and data that is big are two different things. Analyzing customer buying behavior, buying preferences, customer enthusiasm for products, and data about no transactions are very helpful to refine user portraits.

As for logistics and supply chain, the time and space resources occupied by each order are evaluated by the frequency and efficiency of the collection and distribution of each commodity in the circulation process to quantify the unit logistics cost.

For logistics and supply chain, quantifying the unit logistics cost by evaluating the time and space resources occupied by each order through the frequency and efficiency of the collection and distribution of each commodity in the circulation process helps to analyze the efficiency of different scenarios and categories in different supply chains from a data perspective.

13. Fulfillment and the ability to offer high-quality products are both areas that matter most to customers. How do you view those areas of business and ensure that you are meeting or exceeding customer expectations?

JD's platform offers over 5 million JD self-operated SKUs and several hundreds of thousands of SKUs from POP (platform open plan) retailers. Such volume can fulfill demand for quality consumer goods

such as apparels, furniture, electronic products, and many other categories. In the meantime, JD's market reach ranges from first-tier cities to fifth-tier cities in China, so that we can provide fast delivery service to our end users in China. Over 90% of these orders can be delivered by the next day. Furthermore, JD pays much attention to the development of rural markets in order to bring this extraordinary shopping experience to people in different areas in China.

14. What metrics are most important to JD.com? How do you measure success?

Integrity, cooperation, and gratefulness are very important to us. But most importantly, the customer always comes first.

#### **General eCommerce Questions:**

1. What digital commerce trends or patterns are you most excited about and why?

The fragmentation of traffic. With the emergence of eCommerce, more and more business contracts have been completed on eCommerce platforms. Nowadays, in order to maintain daily active users, improve loyalty, and increase the revenue for customers, eCommerce platforms try to adapt to the market by transforming in different aspects including functionality, marketing and repositioning. To be more specific, we try to make the user interaction more situational and more focused to build a strong brand label for our eCommerce platform and the JD brand, and thus to expand our interaction with users. We believe that we have the competitive advantage among all eCommerce enterprises under the current situation of traffic fragmentation, our reach-out to customers to the maximum extent is our greatest advantage.

2. What's one thing you wish online sellers would start/stop doing?

I think online sellers should strive to achieve all the functions that offline sellers can do. Many people say that JD is an online Wal-Mart, because JD is not only an e-commerce platform, but that it also has its own JD logistics warehousing system like offline physical stores. In 2016, JD.com also reached a strategic partnership with Walmart. The partnership covers a wide range of areas including online and offline retail markets.

Through cooperation with Wal-Mart's supply chain, JD.com has expanded its advantages from the electrical appliances area to groceries and household products. JD.com provides consumers with much more abundant product choices, including imported products. With its physical stores in China connected to China's largest crowd sourcing logistics platform "Dada" which was invested by JD Group and 020 e-commerce platform "Jingdong Daojia", Wal-Mart becomes an important partner.

Women are the main buying force in the mall. They like to buy in person because they can try on and

try them in person. The pictures shown by online sellers often have a psychological gap with the products they receive.

For this reason, JD.com has developed an AR/VR makeup function to help customers test multiple cosmetics with real makeup effects (such as matte and pearl lip gloss cosmetics) before purchasing. Using the JD mobile app (which is the most popular way for JD's more than 266 million customers to shop), consumers can virtually "try out" products, including lipstick, blush, color contact lenses and eyebrow pencils.

It can be said that online sellers will have all the functions purchased offline, and online sellers can also achieve the functions that offline sellers do not have. The "one-hour arrival" service used by Wal-Mart in all JD stores in 22 densely populated cities in China was carried out under my personal leadership and supervision, which aroused great customer enthusiasm for shopping.

The most important thing that online sellers should stop doing is just to be an e-commerce company that provides an electronic platform. This is a very different place between JD.com and the other two major e-commerce companies in the US and China, Amazon and Alibaba. With the popularization of the Internet, the monopoly of an e-commerce market will definitely be broken. Pure e-commerce as an intermediary further creates barriers between producers and consumers. In order to seek intermediate profits, selling counterfeit products and inferior products harms the interests of consumers and producers, and is destructive to business.

JD.com has always had a strict "zero-tolerance" policy regarding counterfeit products. Customers trust JD.com because they know the brand is a guarantee of authenticity.

3. What's your favorite thing that a customer has said about you/your business, why?

My favorite thing that a customer has said about JD is that we are providing excellent user experience. Consumption is all about the sense of satisfaction. Satisfaction is diverse and multi-dimensional. Not only is it a physical experience, but also it includes mental satisfaction. This experience will be the driving force of all consumer behaviors with boundless potentials.

4. How are you driving growth in new or emerging digital channels?

We have our unique ways of acquiring new customers through different channels, including our community digital commerce, WeChat channel and in rural markets. For instance, the Jingxi app targets consumers in China's cities in rural areas by providing affordable products and group-buying experience. It is one of our distinctive channels. To reach customers in

fourth-tier to sixth-tier cities in China we launched different products to different customer groups through our Jingxi app. By doing so, we are driving growth and potentials from new channels.

5. What's the first step to digital transformation with a commerce business?

Ensuring transparency in the supply chain. We try our best to maximize the transparency of entire information flow, physical distribution, transaction flow and cash flow through our platform.

6. What disruption is coming to commerce? Why is it good? How will it force us to change?

Commerce simply means buying and selling goods, especially bulk goods. In ancient times, when producers took agricultural products and handicrafts, they planted them on the market to sell, they formed the initial business. The essence of commerce is the process of a product going from the producer to the consumer. Therefore, we believe that successful business is a process that satisfies both the producers and the consumers. If one party's interest is harmed, it will damage the entire business.

Globalized trade is considered by many Americans to bring damage to business because it further widens the distance between producers and consumers. Traveling in the U.S., many local small-town shops have stuck in its front "support local" sign.

And global trade not only expands the local economy of the United States to between states in the country, but also expands it to countries and continents.

The World Trade Organization WTO was established in 1995. In December 1999, the fifth year after the establishment of the WTO, representatives of 135 countries convened a meeting in Seattle, USA, which met with protests from more than 30,000 people. This is the famous Seattle WTO Protests of 1999.

The protesters were mainly small and middle-sized American business owners and workers. They protested that because of the economic gap between different countries, multinational corporations and global trade have reduced their incomes, the interests of American producers have been harmed.

This intercontinental material imbalance between countries in the region is the biggest obstacle to global trade. Therefore, in the 1990s, China joined the WTO on the one hand, on the other hand, implemented large-scale poverty alleviation work in China, and clearly deployed that by 2020, under the current Chinese standards, the rural poor population will be lifted out of poverty, and all poor counties will be decapitated.

Therefore, the material gap between China and the United States was narrowing in the 1990s. China is not only a huge exporter, but also a huge country that can bring the United States an export surplus. In other words, Sino-US trade can not only serve American

consumers to the greatest extent, but also serve American producers to the greatest extent, and promote the prosperity and strength of American commerce.

As the marketing director of JD.com, I helped Wal-Mart and Dollar Tree in the United States effectively enter the Chinese market through JD's electronic platform and distribution system.

Now my expectation of establishing JD Logistics in North America is to better serve the producers and consumers in China and the United States under this general situation, so that the distance between the producers and consumers, which has been drawn further and further, can pass through Our JD Logistics North America promotes the commercial prosperity of the United States and China.

7. What does the future of online commerce look like? What about in 2025?

As a logistics and multi-channel expert, I helped JD.com, an online seller of electrical appliances, emerge to one of the fastest growing Chinese companies and one of the internationally recognized companies in the field of supply chain development and fast delivery services. My "one-hour delivery service" helped Walmart, the largest retailer in the United States, successfully enter the Chinese market. I created a new business model that combines the common advantages of JD.com and Wal-Mart. This new business model integrates supply chain, warehousing, e-commerce, fast delivery, and high-quality customer service. This new model not only satisfies consumers to the greatest extent, but also stimulates the supply chain and promotes the country's commercial prosperity. This new model has achieved great success in China through the JD platform. I am introducing this successful new business model to the United States and other countries around the world. The new model will lead the trend of global online commerce in the future.

In the 21st century, with the rise of the internet and 5G technologies, the boundaries of online and offline commerce will overlap.

Compared with offline retail, online retail will occupy a higher market share. New ways of shopping will be invented. The shopping scene will become more and more diverse. In addition, commodity circulation will tend to be more fine-grained, such as the C2M model that directly connects customers and manufacturers.

On August 22, 2019, JD's own brand Jing Zao (translated as "Made by JD") launched a new C2M service to make customized shirts based on customers' exact measures and specifications.

China is facing an upward trend of customer-to-manufacturer (C2M), a model that connects manufacturers and consumers to produce tailor-made

products at lower prices. E-commerce platforms are applying user preference data analysis from consumers to provide information for manufacturing. Many industrial participants are riding the technology wave and doubling their investment in the model to support approximately 1,000 Chinese original equipment manufacturers. The application and promotion of C2M requires the operation of multi-channel experts and e-commerce platform experts like me.

The C2M model always puts the customer's goal first and is more personalized, so that each individual's value can be maximized. The United States is a country that respects individual's independence, which can be reflected in the U.S. Constitution and Declaration of Independence. I believe that C2M will have the greatest success in the United States. C2M will be popularized in the United States and the world in 2025.

#### **COVID:**

1. What new consumer shopping behaviors do you think will continue post-COVID?

The pandemic forced a lot of off-line shopping activities to online shopping. As a result, retailers and eCommerce platforms are forced to develop their third-party logistics, last-mile delivery capability, O2O and fresh food delivery capabilities. More and more varieties of products have become available online.

In the meanwhile, increased traffic flow has been generated on eCommerce platforms, and the cost of acquiring new customers has dropped significantly. Many types of products have entered the peak season even before Black Friday with sales 3 – 8 times higher compared to what it used to be.

This clearly indicates that online shopping and such type of more convenient shopping experience have been accepted and loved by most people. Thus, customers will begin to rely more on this form of consumption, which is creating a solid consumer inertia. The shopping experience that consists of more convenient shopping and payment methods will no doubt become the new trend in the future retail market.

2. What challenges have you and your team faced as a result of working remote? How have you solved them or created a work around?

Higher communication cost. Some problems or issues that can be resolved in time before working remotely cannot be fixed at the moment. In order to improve efficiency, we created a more standardized workflow to ensure that each step of work can be done without any delay. Also, with more standardized and visualized operation, our entire team has more visibility over our work. Moreover, people who are in charge of downstream work are making sure to be fully prepared for upper-stream work. Without doubt, we give much credit to our excellent management team and project management tools.

3. How do you lead in times of change? Who /what companies do you turn to for advice and why?

American writer Alvin Toffler published a book "The Third Wave" in 1980. Toffler divided human society into three stages based on the development experience of the United States and Western societies: the first wave was the agricultural society, which began about 10,000 years ago; the second stage was the industrial age society, which began at the end of the 17th century; The third stage was the information age (or service age), starting in the late 1950s. This book was translated into Chinese in 1983. It has had a very important impact on China's reform and opening-up in the 1980s and the transformation of modern society. It has also cultivated a generation of young people who face the world, embrace changes, impact the future, and lead trends, including me.

The rapid advancement of internet technology and the popularization of e-commerce are indeed in the information age as Toffler predicted.

Before joining JD.com, I worked in Kerry Logistics. Kerry Logistics was established in 1981 and is a well-known supply chain solution provider with more than 45,000 employees worldwide. I have held various positions in Kerry Logistics, including sales manager, regional sales director and regional general manager. During my work in the company, I received an annual profit target of 25 million yuan, a year-on-year increase of 15%.

I joined JD Logistics in 2017. JD Logistics is one of the most successful companies in the field of supply chain development and planning, with thousands of employees in China and around the world. I was the director of the Beijing Open Logistics Department of JD Logistics. During this time, I served as the team leader to complete multiple national and international projects. I personally contributed to Wal-Mart's "one-hour arrival" service in China, enabling Wal-Mart to benefit from these services in all stores in China's 22 densely populated cities.

With the new coronavirus pandemic in China, companies equipped with fast delivery systems increased exponentially. With this system I implemented, contactless shopping became more feasible, and many people can complete shopping without having to go to the retail store in person. Therefore, the implementation of such systems in other countries of the world is of great significance and should be given priority. This will provide countries including the United States with effective measures to protect them from the current Covid-19 pandemic and similar threats in the future.

I also suggested to the Chinese judicial authorities to develop an online judicial auction platform, which greatly improved the efficiency of the



original judicial auction, greatly increased the number of audiences, and doubled the success rate.

In the United States, the United States Marshals Service (USMS) is the authorized agency to control and manage the disposal of seized assets. USMS provides online auctions through third-party contractors, but due to the lack of a unified e-commerce online platform, auctions will encounter various problems and are not attractive to buyers. I hope my experience in helping the judicial department in China can help the US judicial system implement more effective auctions; and increase the annual sales profit margin by quickly and reasonably selling confiscated items at reasonable market prices.

We are in an era of information technology, but the food industry and daily necessities industry on which mankind depended for a long time will always be the most important. That is why in the 1960s, when the United States began to enter the information age, Mr. Sam Walton, the founder of Wal-Mart, began to build supermarkets for fair-priced food, clothing, etc. in rural areas of the United States and achieved great success. It defeated Sears and K-Mart and became the "king of retail" in the United States.

Because of my working relationship in e-commerce and supply chain, I interacted with world-renowned supply chain experts and managers such as Mr. Jim Gehr, Chief Supply Chain Officer of United Natural Foods (UNFI). UNFI is the largest food wholesaler in North America, with more than 10,000 employees and 58 distribution centers across the country. Mr. Gehr is one of the leaders in the US supply chain industry. We have had a constructive dialogue on the challenges of increasing purchase frequency, same-day delivery, one-hour delivery and data analysis applied to procurement chain management and omni-channel solutions. Our consensus is to stimulate the retail supply chain industry economically, which has great value and national significance. The integration of the supply chain between China and the United States will benefit the common prosperity of both countries and benefit both countries.

There have always been all sorts of changes from inside or outside JD, no matter they are from the market, within the organization, because of business decisions or strategies. As for a JDer, our best form is to actively embrace the change, find the root cause and pattern of the change, and be more prepared when new changes come to us. Furthermore, we try our best to develop in a strategic way and move towards our company's goal and vision in this changing environment as a whole team.

In the current situation in the United States, the supply chain and manufacturing industry are moving back to the United States. The purchase direction of

retailers has shifted from China to Southeast Asia and South America. Several major platforms co-existing in the e-commerce market is for sure an inevitable situation.

Under such a circumstance, as JD's first step going global, we will start with entering the upstream of supply chain and e-commerce services in North America.

We will change the business model away from being a retail e-commerce platform. We will take advantage of our self-operated 5 million plus SKUs and the strong upstream supply chain in Southeast Asian to provide products for local traders and retailers in the United States. We will take advantage of volume procurement and integrate the supply chain to solve the problem of remote procurement.

JD will provide end-to-end complete solutions for independent local sites and China's e-commerce sellers that are going global. This will allow them to provide consumers with high-quality and stable services without having to set up operations and teams overseas.

At the same time, JD will provide localization consulting services for China brands and merchants that are going global so they can better adapt to the local market industry regulations in the United States.

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