

TECHNOLOGY CASE STUDY

FLEXIBLE AND SCALABLE SUPPLY CHAIN PARTNER FOR SUPPLY CHAIN INTEGRATION AND COMPLEX NETWORK ROLL-OUTS (4G/5G)

DHL has established a strategic partnership with one of the world's leading telecommunications, information technology and consumer electronics companies to support supply chain integration after a major acquisition and complex 4G and 5G roll-outs.

DHL entered the strategic partnership ten years ago. In 2016 the company underwent a significant transformation after a successful major acquisition. DHL remained its partner of choice to deliver accelerated synergies, business continuity and transformation.

CUSTOMER CHALLENGE

Following the transaction, the company needed to ensure a seamless integration of supply chains with its newly acquired business and aimed to achieve cost savings while minimizing impact to their customers and ensuring high end-customer satisfaction.

In business projects to deliver major 4G and 5G roll-outs companies are facing significant volume fluctuations and complex customization requirements. This required its logistics partner to provide flexibility, agility and scalability in the provision of a high volume and wide range of telecoms products and warranty service parts.

It needed the flexibility to manage fluctuations in space, labor and quality and the ability to fulfil its customers' needs at almost any time and within any scenario.

CUSTOMER CHALLENGE:

- High volatility in shipment volumes
- Bespoke and complex end-customer requirements
- Distinct infrastructure, processes, systems after acquisition
- Technology change

DHL SUPPLY CHAIN SOLUTION:

- Flexible and scalable infrastructure
- End-to-end offering including warehousing, VAS; kitting/pre-kitting, cable-cutting, testing and screening and managed procurement for finished goods and service parts
- Management of complex supply chain integration
- Partnership for innovation and co-creation

CUSTOMER BENEFITS:

- High end-customer satisfaction
- Accelerated synergies
- Business continuity
- Supply chain transformation through innovation and co-creation



DHL SUPPLY CHAIN SOLUTION

The customer and the DHL team worked closely together to develop a suite of solutions that would ensure a smooth transition and support the acceleration of synergies between the two businesses.

At the warehouse, DHL provides receiving, picking, packing and shipping services, kitting, product inspection and testing as well as inventory management, providing inventory visibility and optimizing slotting locations.

Additionally, it manages procurement of standard materials on behalf of the company.

Since cabling is a necessary part of almost every order, DHL provides a cable cutting service, postponing the cable cutting activities and other value-added services until just before shipment, saving costs for the customer and enhancing flexibility.

A kitting service is also provided which includes the creation of customized kits of small tools, including installation-related materials like gadgets and bolts, and larger kits including equipment and cables.

In order to more closely integrate the supply chain and avoid unnecessary returns to repair vendors, DHL provides testing and screening of the equipment at the warehouse.

To strengthen the partnership and develop a digital supply chain, DHL and the company have jointly developed an innovation and co-creation agenda that is being executed. DHL and the company share a commitment to innovation and digitalization that has resulted in the two partners leveraging the company's technology to provide visibility on the movement of products and people in the warehouse, increasing productivity.

CUSTOMER BENEFITS

The DHL suite of solutions enabled a smooth transition and synchronization of the company with its newly acquired business.

The company now has the scalability and flexibility on space and labor that it required and is able to fulfil customer needs whatever the fluctuation in volume.

With the 5G roll-out such a crucial driver for the business, DHL has developed an end-to-end supply chain solution and an excellently performing operation that is able to cope with the high volumes required for upcoming, mission-critical 5G roll-outs.

At the warehouse there has been an improvement in productivity, with on-time shipping and receiving in excess of 99%, and a reduction in the cost per sales order line.

Continuous improvement projects and innovation projects have been successfully implemented. Both companies continue their partnership to drive transformation in the digital supply chain.

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