

LEAD LOGISTICS PARTNER



visit www.dhl.com/supplychain

Delivering supply chain transformation that drives a competitive advantage.

UNDERSTANDING SUPPLY CHAIN DYNAMICS

All businesses are interested in unlocking the strategic value in their supply chain. However, those that acknowledge the supply chain as a strategic asset achieve 70% higher performance on average, according to a global supply chain survey from PricewaterhouseCoopers (PwC).

The same survey also found that companies that focus on improving their supply chain consistently outperform their peers financially. These businesses are more efficient, achieve higher customer satisfaction and are better prepared for the many supply chain challenges organizations face today.

As businesses are facing a challenging environment they increasingly focus on creating competitive advantage through an optimized supply chain.

KEY SUPPLY CHAIN CHALLENGES

Controlling and reducing total supply chain cost

Higher fuel prices and escalating costs of raw materials mean companies are under even more pressure to do more with less and get the goods to market even faster. Against a background of rising costs and volatile

markets, supply chain executives are under pressure to reduce total supply chain costs, and provide highly resilient and improved service levels for customers – but ‘hidden’ costs associated with excess or redundant capacity in a supply chain are not always easy to identify or measure. Getting visibility and control of your supply chain costs is vital to help release more value and move it to the next level.

Offering a customized service

Not only do businesses today have to do more with less, consumers expect more. That means your customers want a service tailored to their needs, so you are constantly juggling complexity, whilst aiming for simplicity. It is vital to share what can be shared and tailor where it is needed, striking the right balance between economies of scale and segmentation.

80% OF SUPPLY CHAIN EXECS CONSIDER
REDUCING COSTS
THEIR **TOP PRIORITY**



BUSINESSES THAT RECOGNIZE
SUPPLY CHAINS
AS STRATEGIC ASSETS ARE

70%
MORE EFFICIENT





Need for resilience and a dynamic supply chain

The only thing most people can predict with certainty in business today is constant change. The global economy no longer operates in cycles or geographical silos. Top companies need to have agile supply chains that drive industry leadership. You need to demonstrate the commercial flexibility to meet these changing market conditions, satisfy challenging consumer requirements and meet them on-demand.

Keeping up with technology

Harnessed properly, new technology can be a great asset to a supply chain. However, choosing the wrong supply chain management system or implementing it incorrectly can be a very expensive mistake. Companies need common technology platforms that are tailored to their requirements, cover their entire supply chain and bring control and visibility to each stage of their logistics.

More visibility on the environmental impact

Increasing consumer and industry concerns about global warming have put the environment firmly on the agenda of all forward-thinking companies. Growing demand for sustainable products and increasing regulations on businesses mean it's vital to plan ahead to gain transparency on carbon emissions and the overall environmental impact of your supply chain.

Right-shoring, near-shoring or outsourcing?

For many years it has been accepted best practice to put manufacturing plants in the lowest cost countries. However, low cost does not always equal 'best cost', as having production facilities closer to the end consumers can reduce lead times to market and cut inventory levels. Leading companies are moving away from centralized models, towards a 'multilocal' design of their sourcing and production network. This helps to manage the balance between global economies of scale and the demand for local responsiveness. Careful thought and planning is required to decide which processes to outsource, which to keep local and how to keep strategies flexible and open to change.

BY 2015

20%

**OF ALL FORTUNE 2000
COMPANIES WILL OUTSOURCE
WITH LEAD LOGISTICS
PROVIDER PARTNERS**

DELIVERING CHANGE THROUGH A LEAD LOGISTICS PARTNER

Given the increased strategic importance of the supply chain, applying traditional solutions to new or growing demands is not the answer. The answer is, in fact, a fundamental change in approach to the supply chain that creates a step-change in performance.

We strongly believe that a strategic engagement with a Lead Logistics Partner is the most cost effective way to create this step change. An LLP will act as a catalyst, instigating and managing change across your supply chain, meeting your business challenges and creating a core competitive advantage. Partnering with an external expert provider like DHL to optimize your supply chain will not only enhance performance but it also means you can spend more time focusing on your core business and strategy.

Transforming your supply chain is complex and needs to be configured to your exact requirements in order to extract maximum efficiencies. That's where our many years of experience in delivering savings and service improvements can benefit companies across all sectors.

Case study: a lead logistics partnership

"Jaguar Land Rover (JLR) has pulled together its entire inbound network and integrated it under the control of DHL Supply Chain. We manage transport, stock handling and line feeding at three separate plants across the UK. We are also responsible for 85% of global inbound freight with a common service for the three plants through shipments that hinge across three principal European crossdocks.

It is a total, accountable supply chain from start to finish, where JLR can understand cost while driving and sharing best practices across all JLR plants."

Automotive Logistics, July 2012

CONSUMER



AEROSPACE



AUTOMOTIVE



ENGINEERING & MANUFACTURING



ENERGY & CHEMICALS



LIFE SCIENCES & HEALTHCARE



TECHNOLOGY



RETAIL



WHAT WE OFFER AS YOUR LEAD LOGISTICS PARTNER

As your Lead Logistics Partner we design, manage, operate, continuously improve and deliver supply chain transformation.

As a leader in LLP we have developed a comprehensive service offering that covers your entire supply chain needs. We will work closely with your team to tailor an integrated service offering that creates a real change and adds new value to your business. Below is an outline of the key LLP service areas.

Technology supports each element of the LLP offering. It enables the transformation and will be integrated in your Enterprise Resource Planning (ERP) in order to provide end-to-end visibility and control.



YOUR BENEFITS

A Lead Logistics Partnership with DHL Supply Chain brings actionable insights, tailored business solutions and cross-industry expertise that will set you apart from the competition. By creating and optimizing a supply chain customized to your needs, we can deliver the improved speed, efficiency, flexibility and service that will make a real difference for your business. And, with that behind you, it won't be long before you're in front of everyone else.

STRATEGIC VALUE

- We act as an agent for change within your organization
- Enhanced visibility and control of your supply chain will enable performance improvements across your business
- Your supply chain is transformed and will be better prepared to meet your ever-changing business needs
- Global requirements are balanced with local demands for a more responsive supply chain
- You will have flexible access to our skilled and experienced supply chain professionals
- Service levels are improved (On Time In Full (OTIF), on-shelf availability)

FINANCIAL VALUE

- Your logistics costs are controlled as your operating costs in warehousing, transport, procurement and labor are reduced
- Order cycles are shortened, inventory is reduced and your working capital is lowered
- Your fixed capital costs are cut as your assets are used more effectively and your network becomes more flexible and productive

COMMERCIAL VALUE

- Our relationship will be based upon a long term partnership
- As an LLP partner, we will share both the risk and the rewards through clear incentives and target agreements
- Complete cost visibility leads to more accurate financial logistics planning and accountability across the entire supply chain

A customer's perspective

"An efficient supply chain plays a pivotal role in ensuring we win with our consumers. To win, we need to be reliable and responsive to their needs and deliver on our promises. Our partnership with DHL LLP ensures that we have the capability to launch new products with speed and scale into Western European markets. The next chapter in our LLP partnership is to leverage this capability end-to-end across the supply chain and optimize our logistics network through integration."

Simon Elliott
Head of Logistics, Western Europe Supply Chain Service
Centre, British American Tobacco (Supply Chain WE) Limited

WHY WE ARE THE RIGHT PARTNER FOR YOU

LLP has been part of our offering for more than 15 years. Our teams have developed performance-driven partnerships across sectors and delivered new value throughout our customers' supply chains. We apply the knowledge from our past experience to avoid the pitfalls and put businesses on a safe path to a successful LLP. We continually benchmark our operations to ensure consistent and cost-effective delivery and replicate best practice through leveraging our LLP scale.

MEETING YOUR CHALLENGES

There are many complex supply chain challenges facing businesses today. As a Lead Logistics Partner, we give our customers solutions to these challenges. To meet big challenges, most companies need to do something smarter with their supply chain to bring about change that takes them to the next level, gets them to new markets and delivers better customer service.

Global reach, local knowledge

DHL is the number one in global contract logistics. We have 2,400 terminals, warehouses and offices across the world. Our global network employs 275,000 people and covers 120,000 destinations. We are a large and stable company and that delivers simple solutions to complex issues. Our LLP team leverages this experience to help you decide when to go global and when to stay local with your supply chain.

Understanding and meeting your needs

As your LLP partner, we focus on what is most beneficial to you. We work with our customers to choose the best suppliers and distributors for you. We offer a balanced, win-win partnership based on sharing the risks and the rewards of our work, as well as a wide range of value-added services that can be tailored to fit your needs.

Experienced partner

From our LLP beginnings in the automotive sector in the 1990's, our offering has now proved it can add value to industries as diverse as healthcare, aerospace, consumer goods, energy and technology. We understand where the value is in a supply chain and how to unlock it without destroying service levels. We can bring you the benefit of our experienced team of experts in all sectors and regions, whether you are facing a supply chain challenge in China, South Africa or the Middle East.

Agent for change in your organization

Doing more of the same only gets you the same, diminishing returns. There is an element of risk with doing anything differently, but starting an LLP relationship doesn't need to be daunting. We will work closely with you to guide you through the process, which is typically a systematic evolution, rather than an immediate big impact. The result is a step-change in how you view your supply chain and your organization will see the benefits for many years to come.

Working together in an LLP relationship, we will transform your supply chain to create new value and competitive advantage.

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